

Meeting Date: May 24, 2017
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***Request for Approval to Post a Draft of the 2017/2018 Proposition 1 Grant Guidelines
for a 30-day Public Comment Period***

Staff Report

RECOMMENDATION

Staff recommends that the Board approve staff's request to post a draft of the 2017/2018 Proposition 1 Grant Guidelines for a 30-day Public Comment Period.

REQUEST BACKGROUND

Staff has revised the Grant Guidelines to incorporate the items discussed at the March 2017 Board meeting. The revisions to the document are laid out in the table below. Prior to making revisions to the Grant Guidelines, staff conducted an internal review of the grant program – including the outreach, solicitation, and agreement processes – to identify areas that can be modified to promote enhanced programmatic efficiency and effectiveness. Staff collected feedback from applicants, grantees, and reviewers; a synthesis of this feedback and staff's recommended changes to the program were discussed with the Board at the March 2017 meeting. Since March, staff has solicited feedback from this year's applicants and conducted an internal debrief. The draft 2017-2018 Grant Guidelines reflect the highest priority changes identified by staff, and include feedback heard from the Board at the March 2017 meeting.

If the Board approves posting of the Grant Guidelines for public review, staff will:

1. Incorporate Board feedback into the current version of the draft Grant Guidelines.
2. Post the updated version of the draft Grant Guidelines for public comment on June 1, 2017.
3. Host one public meeting to solicit comment on the draft Grant Guidelines.
4. Close the public comment period on June 30, 2017.
5. Review and, where appropriate, incorporate public comments into the Grant Guidelines.
6. Request that the Board approve the final Grant Guidelines at the July 2017 Board meeting.
7. Open the concept proposal solicitation period on August 1, 2017.

A timeline for the entire 2017-2018 grant cycle is provided at the end of this report.

The draft Grant Guidelines are included as an attachment to this report. Discussing a version of the document with tracked changes is not feasible due to the illegibility of a marked-up draft. Instead, substantive changes are explained in red italics in the body of the document. Sections that have been changed based on the general concurrence expressed at the March 2017 Board meeting are noted in gray highlight. New changes that bear discussion are noted in yellow highlight. The table below catalogs all substantive changes, the reason for making the change, and the relevant page number(s) in the draft Grant Guidelines.

Substantive Changes Made to the Grant Guidelines

| Change # | Change Made | Reason for Change | Page # |
|----------|--|---|--------|
| 1 | Added Quick Facts section at the start of the document. | Summarizes critical information in the body of the document for ease of reference by potential applicants. | 5-6 |
| 2 | Streamlined language in Background subsection to focus on Proposition 1. | Provides context and removes redundancies . | 7 |
| 3 | Added Grant Program Overview section. | Groups information to improve the flow of the document. | 8-12 |
| 4 | Added Program Description subsection. | Explains the Conservancy's programmatic focal areas and refines examples of fundable projects to remove redundancies and clarify fundable projects. | 8-10 |
| 5 | Proposed alternative language regarding the water-related agricultural sustainability discussion in the Program Description subsection; language attached to this report. | Explains another approach to clarifying water-related agricultural sustainability projects. | 9-10 |
| 6 | Edited Grant Categories subsection. | Better defines the types of activities the Conservancy funds for both planning and implementation grants. | 10-11 |
| 7 | Shortened Geographic Focal Area subsection. | Includes only the information relevant to applicants. | 11 |
| 8 | Revised the Funding Available subsection to remove all funding caps; additional alternatives provided: <i>Alternative 1 (increased per-project caps and more money available for planning):</i> During the 2017-2108 solicitation, up to \$3 million will be available for Category 1 proposals. At least \$6.3 million will be available for Category 2 projects. Category 1 proposals may request up to \$500,000 in funding from the Conservancy. Category 2 proposals may request up to \$4 million from the Conservancy. <i>Alternative 2 (same as last year):</i> Up to \$1,000,000 is available during each funding cycle for Category 1 proposals. Category 1 proposals may range from \$20,000 to \$200,000. A minimum of \$9,000,000 is available during each funding cycle for Category 2 proposals. Category 2 proposals may range from \$25,000 to \$3,000,000. | Recognizes the expense of capital outlay projects and the need to provide additional return on investment given the high up-front cost of applying for a grant. | 12 |

| Change # | Change Made | Reason for Change | Page # |
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| 9 | Added Grant Term subsection. | Clarifies duration of the Conservancy's grant agreements. | 12 |
| 10 | Added Grant Cycle Overview section. | Groups information to improve the flow of the document. | 16-18 |
| 11 | Revised Concept Proposal Solicitation Process subsection to reflect revised process. | Streamlines concept proposal solicitation and evaluation process to decrease applicant burden and to promote dialogue with applicants. | 16 |
| 12 | Reordered Proposal Instructions section. | Groups all concept proposal information together and all full proposal information together for clarity. | 19-28 |
| 13 | Modified Concept Proposal Review subsection. | Aligns criteria with proposed changes to full proposal criteria (see changes #17-22, below) and removes points. | 21-22 |
| 14 | Added information to the Full Proposal Instructions subsection. | Explains components of full proposal, including enumerating all attachments. | 22-25 |
| 15 | Recommended change to the County resolution requirement: <i>Recommendation: Award one point for a letter of support from the applicable County Supervisor instead of for a Board resolution of support.</i> | Addresses applicant feedback to streamline requirements where we can without removing expectation that applicants will seek local support. | 25 |
| 16 | Recommended change to the DPC consultation requirement: <i>Recommendation: Remove requirement given that DPC will serve as a reviewer during the full proposal evaluation process.</i> <i>Alternative: Better explain how to contact DPC (what information to provide, in what format, and to whom) and what proof of consultation will look like.</i> | Addresses applicant feedback to streamline requirements where we can and acknowledges DPC's opportunity to provide feedback at other points in the process: during proposal review, as part of local notification process, and during Board review and approval. | 25 |
| 17 | Revised Evaluation Criteria for Full Proposal subsection. | Combines or splits apart criteria, and rewords for clarity and ease of evaluation. Points have been reassigned to reflect value of each proposal component. Specific changes noted in #17-22, below. | 25-28 |

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| Change # | Change Made | Reason for Change | Page # |
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| 18 | Revised Project Description, Budget, and Organizational Capacity evaluation section to include 2 new criteria that specifically focus on the project's budget and the team's organizational capacity (previously in one criterion). The overall point value for this category has been increased from 10 points to 20. | Allows reviewers to independently evaluate a project's budget and a project team's organizational capacity. Additional points give this section more weight to reflect the amount and importance of information being evaluated. | 26 |
| 19 | Revised Funding: Cost Share and Leveraging evaluation section to award points at a lower percentage of cost share. | Aligns our scoring with CDFW and allows projects with cost share between 1-9% to receive a point. | 26 |
| 20 | Moved climate change and adaptive management considerations from State Priorities evaluation section to Scientific Merit section. The overall point value for this category has been decreased from 25 points to 20 points. | Better situates climate change and adaptive management in the Scientific Merit section. Decreases points as a result of moving these components. | 26-27 |
| 21 | Decreased points allocated for Readiness evaluation section from 15 to 12 points. | Accommodates increases in points elsewhere. | 27 |
| 22 | Combined Local Support evaluation section criteria into one criterion (from three): local support and working with stakeholders has been combined into one criterion, and partnerships are now addressed in the Organizational Capacity criterion (#3). The overall point value for this category has been increased from 17 points to 20 points. | Combines criteria that frequently overlap. Point increase ensures that local support and science are weighted equally. | 27 |

| Change # | Change Made | Reason for Change | Page # |
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| 23 | Combined Scientific Merit evaluation section into one criterion (from three): scientific merit, performance measures and innovative technology are combined. Added climate change and adaptive management. Recommend removing the component of this criterion related to innovative technology/practices. The overall point value for this category has been decreased from 25 points to 20 points. | Reflects the inextricably interconnected nature of all of these scientific components and addresses applicant- and reviewer-expressed frustrations about considering them independently. Recommended deletion reflects the fact that innovative technology does not always improve a project. Point decrease ensures that science and local support are weighted equally. | 27-28 |
| 24 | Revised the Environmental Compliance subsection to include requirements for contacting the Conservancy if we are to serve as lead agency. | Ensures that the Conservancy is aware of its lead agency responsibilities prior to the full proposal stage. | 30-31 |
| 25 | Added Best Available Science subsection. | Describes best available science requirements for all proposals and encourages use of SFEI's Delta Renewed. This section will be discussed with the Delta Science Program before it is finalized. | 32 |
| 26 | Revised Adaptive Management subsection. | Explains adaptive management requirements for all proposals, acknowledging the varying expectations of different project types and the ability to modify adaptive management approach after award. This section will be discussed with the Delta Science Program before it is finalized. | 32-34 |
| 27 | Combined Performance Measures and Monitoring and Assessment subsections into Performance Monitoring and Assessment subsection. Added standard performance measures. Condensed data collection and management information. | Acknowledges link between performance measures and monitoring and assessment. Provides standard performance measures to encourage consistency with the Delta Plan. Removes redundant language about data collection. This section will be discussed with the Delta Science Program before it is finalized | 34-38 |

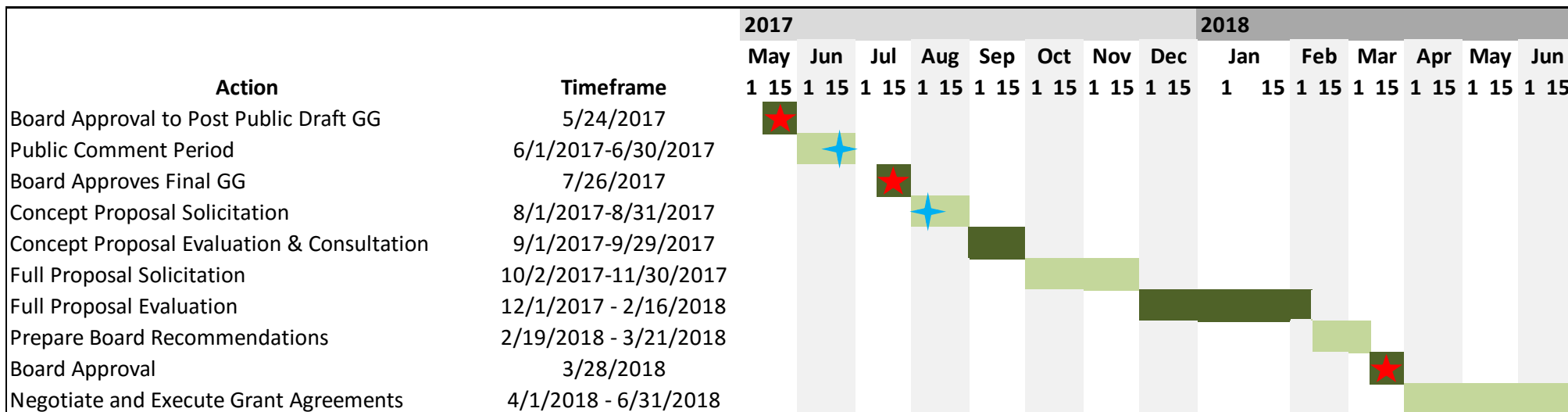
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| Change # | Change Made | Reason for Change | Page # |
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| 28 | Revised Long-Term Management subsection. | Clarifies topic and differentiates from adaptive management. | 38 |
| 29 | Added language to Land Tenure subsection. | Clarifies expectations of projects on land owned by landowner. | 38 |
| 30 | Added language to Land Acquisitions subsection. | Stresses that all Category 2 requirements apply to acquisition projects and explains consequences of mineral rights assessment. | 39-40 |
| 31 | Added language to Cost Share and State Leveraged Funds subsection. | Defines term for spending cost share and defines in-kind cost share. | 40-41 |
| 32 | Added language to Consultation and Cooperation with State and Local Agencies and Demonstration of Local Support subsection. | Clarifies how we work with CDFW on jointly-funded projects. | 41 |
| 33 | Added Disadvantaged Communities subsection. | Explains basis of information requested in full proposal application form. | 42 |
| 34 | Added Requirements if Funded section. | Groups information to improve the flow of the document. | 43-44 |
| 35 | Added Appendix C: Ecosystem Types. | Reflects cross-agency conversations to standardize information collected/reported. | 52-55 |

Contact

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2017-2018 Prop 1 Grant Solicitation Timeframe



★ Board meeting (decision point)

★ public workshop