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Proposition 1 Grant Program Approved Project Updates

Staff Report

PROGRAM UPDATE

At the May 25, 2016 and June 27, 2016 Board meetings, the Delta Conservancy's Board approved, conditionally approved, or reserved funding for nine projects that advance ecosystem restoration, water quality, and agricultural sustainability in the Delta. These projects have requested approximately \$6.3 million in grant funding.

Each of the nine projects has been assigned a Conservancy staff member who is acting as the grant manager for that grant. Grant managers are responsible for working with grantees to gather all of the required information needed prior to drafting a grant agreement. Once the required information has been gathered, the grant manager drafts the scope of work and budget for the grant agreement, then hands off the grant agreement to the administrative team to review and assemble the complete grant agreement, and to route it for execution. Complete grant agreements will first be sent to the grantee for their signature, then to the Conservancy's legal counsel for review, and finally executed by the Conservancy's Executive Officer. The expected time to draft, review, route, and execute a grant agreement is approximately six to eight weeks, although this time may vary depending upon the length of time the grantee requires to review and execute the agreement.

The attached tracking sheet lists all of the 2015-2016 projects for which the Board approved, conditionally approved, or reserved funding. Project information, Board action, and comments/notes are included for all projects. For conditionally approved projects, the tracking sheet also lists the items required for full approval, the date by which those items are required, and the date that they were received (if applicable). For all projects for which funding has been reserved, the Conservancy must make Responsible Agency findings under CEQA. As grant agreements are executed, this information will be filled out, as well.

At this time, Conservancy staff is working with all conditionally approved and reserved funding projects to ensure that they move forward within the timeframes initially approved by the Board. Grant managers have notified grantees, where relevant, about the land tenure and water rights decisions made at the July Board meeting. Three draft grant agreements (noted in the July program update to the Board) are currently being developed and will be routed for execution by the end of August. One project, Paradise Cut Conservation and Flood Management Plan (Prop 1-Y1-2015-012) has submitted the documents required to remove its conditional approval. The grant manager is currently drafting the Scope of Work for the Grant Agreement, which will be routed for execution in September. One

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project, Three Creeks Parkway Restoration Project (Prop 1-Y1-2015-009), is currently on track to meet the September 2016 deadline, but may require a time extension depending on how quickly their CEQA review process moves forward. The remaining four projects are on track to meet their deadlines for removing conditional approvals.

BACKGROUND

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program is focused on restoring Delta ecosystems, improving water quality, and enhancing agricultural sustainability. The Grant Program identifies projects to protect and restore California rivers, lakes, streams, and watersheds that may be funded with Prop. 1 funding (Sec. 79732 *et seq*). Both Prop. 1 and the Conservancy's enabling legislation emphasize focusing on projects that use public lands and that maximize "voluntary landowner participation in projects that provide measurable and long-lasting habitat or species improvements in the Delta."

During the 2015-2016 fiscal year, the Conservancy ran its first grant cycle for the Prop 1 Grant Program. The Conservancy anticipates administering at least one grant cycle each fiscal year for five years. The Grant Program is a two-part competitive program, with a concept proposal solicitation open to the public, and a full proposal solicitation open to qualifying concept proposal applicants. Full proposals are subject to a rigorous scoring and evaluation process by both staff and an external review panel, and are recommended based upon score and funding availability.

BUDGET

Proposition 1 identified \$50 million for the Delta Conservancy "for competitive grants for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities (Sec. 79730 and 79731)." For the 2015-2016 fiscal year, \$9.3 million was allocated to the Conservancy for the Ecosystem Restoration and Water Quality grant program. For the 2016-2017 fiscal year, \$10 million will be available for the grant program.

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