

Meeting Date: June 27, 2016

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Request for Approval to Post Public Draft of the Revised Proposition 1 Grant Program Grant Guidelines

Staff Report

RECOMMENDATION

Staff recommends that the Board approve the current draft Grant Guidelines for fiscal year 2016-2017 so that staff may post a public draft.

REQUEST BACKGROUND

For the FY16-17 grant cycle, staff has combined the final revised Grant Guidelines and Grant Application documents into one document, and made revisions to the document as laid out in the table below. After the close of the first grant cycle, staff went through a debrief process during in which lessons learned were identified and evaluated, and potential changes to the program were prioritized. Revisions to the Grant Guidelines reflect the highest priority changes identified by staff, and include feedback heard from the Board at the May 2016 meeting, and feedback from external reviewers and applicants who participated in the FY15-16 grant cycle. The Program and Policy Subcommittee reviewed and discussed an earlier draft of the Grant Guidelines at the June 15th meeting; the current version of the document incorporates the feedback heard at that meeting. Subcommittee members voiced their support for the changes that have been made.

If the Grant Guidelines are approved for public review by the Board, 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 July 1, 2016.
3. Host one public meeting to discuss changes to the Grant Guidelines with the public.
4. Close the public comment period on August 1, 2016.
5. Review, evaluate, and, where appropriate, incorporate public comments into the Grant Guidelines.
6. Request that the Board approve the final Grant Guidelines at a special meeting of the Board on August 24, 2016.
7. Open the concept proposal solicitation period on September 1, 2016.

Included with the Board packet are two versions of the draft Grant Guidelines. In the first version, changes have been tracked and extensive comments are located in the margin to explain how the document has been modified. This version can be used to compare recommended text to the text in the documents that were approved for the FY15-16 grant cycle. In the second version of the draft

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Grant Guidelines, all tracked changes have been accepted and notes in the margin have been deleted. Substantive comments are explained in red italics. The table below notes substantive changes that have been made in the document, the reason for making the change, and the page numbers in the clean version of the document where the changes can be found.

Substantive Changes Made to the Grant Guidelines

(All page numbers refer to the clean version of the document)

Change Made	Reason for Change	Page
Combined the Grant Guidelines and Grant Application Packet into a single document	Eliminates redundancies and the possibility for contradictory text	N/A
The amount available for award has been increased up to \$10 million	Roll-over funds available from FY15-16 grant cycle	5
The cap for Category 1 planning projects has been increased to \$200,000, and the cap for Category 2 implementation projects has been increased \$3 million	Provides a more significant portion of total project costs	6
Language has been added regarding our budgetary discretion	Allows the Conservancy to partially fund projects	6, 17
Language has been added that references the 15-year minimum project “useful life” requirement that is found in the State General Obligation Bond Law	Alerts applicants to critical program requirement	7
Administrative costs now labeled “indirect” costs and indirect costs are defined	Recommendation of Department Of Finance audit staff	9
Indirect rate has been increased to 20%	Aligns with other Chapter 6 grantors (CDFW – 20%; SNC – 15%; WCB – 20%)	9
Clarified expectations of Category 1 applicants and Category 2 applicants with respect to Performance Monitoring and Assessment	Removed requirement that Category 1 applicants submit a Monitoring and Assessment plan	12-15
Added section on land acquisitions	Provides guidance for acquisition projects	15-16
Decreased scoring threshold to 75 points	Due to the high number of evaluation criteria and the scoring tendencies of independent reviewers, the previous threshold caused significant challenges	17-20, 22
Added eligibility criteria for concept proposal evaluation	Removes ineligible projects prior to evaluation	20
Modified concept proposal criteria so that there is one criterion per evaluation category	Streamlines evaluation process at the conceptual stage	20-21

Change Made	Reason for Change	Page
Changed concept proposal criteria to differentiate between requirements for category 1 and category 2 proposals	Acknowledges different stages of projects; specifies that monitoring plan is not required for planning project	20-21
Reassigned point values for concept proposal criteria to balance point distribution	Balances Local Support and Scientific Merit	20-21
Added eligibility criteria for full proposal evaluation	Removes ineligible projects prior to evaluation	22
Modified criteria to eliminate redundant evaluations: assigned budget and implementation schedule to project description criterion, assigned adaptive management to project long term management criterion	Removes redundancies and the double evaluation of these factors	22-24
Changed full proposal criteria to differentiate between requirements for category 1 and category 2 proposals	Acknowledges different stages of projects; specifies that monitoring plan is not required for planning project	22-24
Added references to acquisition projects	Acknowledges special requirements for acquisition projects	22-23
Provided more information about how cost share is calculated	Makes calculation more transparent for applicants	24-25
Removed full proposal application instructions; referred to Application Form	Reflects changes made during FY15-16 grant cycle	28
Changed full proposal instructions to only require a resolution from the county instead of "all applicable local government agencies"	Makes expectation of applicant clearer and less onerous	29
Added language regarding consultation with Delta Protection Commission to full proposal requirements	Formalizes expectation of applicant	29
Added information required of acquisition project at full proposal stage	Acknowledges special requirements for acquisition projects	29-30
Appendix D: Revised Performance Measures table. STILL IN DRAFT FORM	Captures discussions of program staff and input from executive team	39
Appendix F: Added Land Acquisition Checklist	Acknowledges special requirements for acquisition projects	43-45

BACKGROUND

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program (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*).

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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 the 2015-2016 fiscal year, \$5.9 million has been approved, conditionally approved, or reserved for funding project.

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