



SACRAMENTO - SAN JOAQUIN

DELTA CONSERVANCY

A California State Agency

Rice Incentive Program

**Funded by the Proposition 4 Climate Bond
and Nature Based Solutions General Fund**

Solicitation Notice

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I. Background

The Sacramento-San Joaquin Delta Conservancy (Conservancy) is a primary state agency in the implementation of ecosystem restoration in the Sacramento-San Joaquin Delta (Delta) and Suisun Marsh and supports efforts that advance environmental protection and the economic well-being of Delta residents. The Conservancy works collaboratively and in coordination with local communities, leading efforts to protect, enhance, and restore the Delta's economy, agriculture and working landscapes, and environment, for the benefit of the Delta region, its local communities, and the citizens of California.

Roughly 150,000 acres in the Delta has subsided to as much as 9 meters below sea level. Subsidence is due to ongoing loss of organic soil over the last 175 years due to draining of wetlands for agriculture. This threatens the Statewide water supply and results in significant local issues including habitat and revenue loss and high flood risk. Stopping the ongoing subsidence, improving habitat conditions, and maintaining agricultural viability can all be achieved by converting existing row crops to rice. Rice is grown under wet conditions and thus prevents the oxidation of organic soils.

Funding Sources

Chaptered on July 5, 2024, Senate Bill (SB) 867, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (SB 867 93020(a)(4)) (Proposition 4 Climate Bond) provided the Conservancy with \$29 million for projects that reduce the risks of climate change impacts upon communities, fish and wildlife, and natural resources, and increase public access. This Solicitation Notice is to fund the Rice Incentive Program using \$3.5 million of the total Proposition 4 Climate Bond funds provided to the Conservancy.

Chaptered on September 6, 2022, the Amended Budget Act of 2022 (Assembly Bill 179, Item 3875-101-0001 of Section 111) provided the Conservancy with \$36 million for projects that support Nature Based Solutions: Wetland Restoration (NBS: WR). This Solicitation Notice is to fund the Rice Incentive Program using \$8,642 of the total NBS: WR funds provided to the Conservancy.

Goals of the Program

The goal of the Rice Incentive Program is to fund rice conversion projects on areas with highly organic soils in the Delta to 1) stop or reverse ongoing subsidence, 2) reduce greenhouse gas emissions, 3) maintain agricultural viability of land below sea level, and 4) provide overwintering habitat for resident and migratory birds. Rice projects should occur only on soils with a high percentage of carbon within the deeply subsided portion of the Delta (values above 7.5 in Figure 1). The Program is intended to support farmers, including historically underserved farmers, who otherwise cannot convert their fields to rice due to inability to pay or finance high upfront conversion costs. The Program will provide funding to two or three eligible entities that will work with farmers to convert their existing row crops to rice. Eligible entities include Federal, State and local public agencies including special districts and joint powers authorities and nonprofit organizations with 501(c)(3) status. The selected eligible

entities must also provide technical assistance on rice farming, field conversion, and other related practices to enrolled farmers during the program.

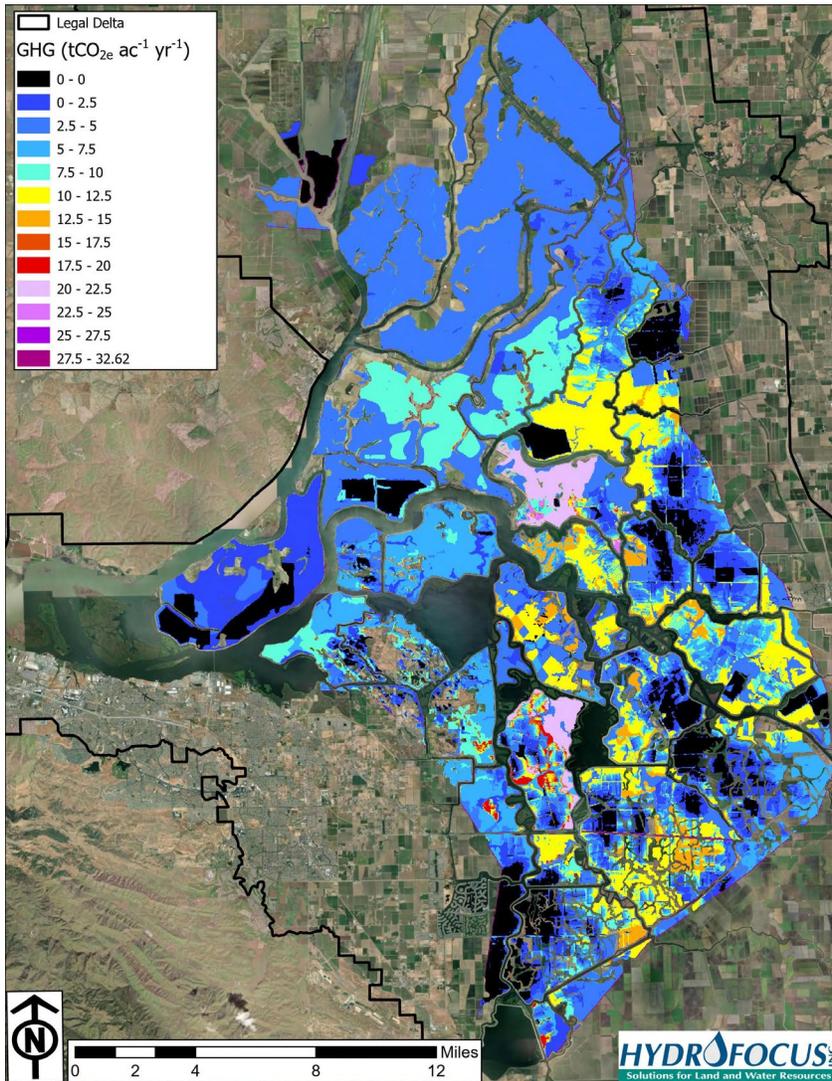


Figure 1. Delta greenhouse gas emissions estimates map showing tons of carbon dioxide equivalents emitted per acre per year throughout the Delta. The Rice Incentive Program should focus on areas currently emitting 7.5 tCO_2e per acre per year or more.

II. Proposal Submission

The Conservancy will use its [General Grant Guidelines](#) to administer the grant selection process. Applicants should review the General Grant Guidelines prior to applying for funds.

Application and Review Process

The following section provides a summary of the application and review process.

Concept Proposal

Concept proposals must be received no later than June 15, 2026 using the [Concept Proposal Application and Instructions](#) (available on the Conservancy website) and submitting by email to grants@deltaconservancy.ca.gov. While reviewing the concept proposals, the Conservancy may confer with the applicant to discuss the project or request additional information. An in-person meeting or a site visit may also be deemed necessary.

Viability Assessment

Based on information gathered during the concept proposal stage, Conservancy staff will evaluate the viability of the proposed project by assessing:

- Technical and financial feasibility
- Geographic area and number of acres to be converted to rice
- Benefits to the Delta
- Number of historically underserved farmers being served

Full Proposal

If Conservancy staff determines that a project concept is deemed to be viable and competitive, staff will notify the applicant that they have been chosen to develop the concept into a full proposal.

Full Proposal Assessment and Board Approval

Conservancy staff will assess each full proposal based on the evaluation criteria (see Section IV below) and compare the merits of all full proposals submitted by the due date. Conservancy staff will consult external experts as needed and reach out to applicants if additional information is needed. Staff will recommend the most competitive proposals to the Board at a Board Meeting for consideration of funding. The Conservancy may recommend partial funding or adjust deliverables to maximize the impact of the available funding.

Timeline

Concept proposal due date: June 15, 2026

Full proposal due date: October 30, 2026

Anticipated awards: March 2027

Project start: June 2027

Please contact the Conservancy if the timeline presents a challenge to your project or organization. The Conservancy may be able to adjust timelines particularly for small or under-resourced entities and California's Native American Tribes.

Proposals must be submitted by the deadline to: grants@deltaconservancy.ca.gov.

III. Available Funding

The Conservancy has approximately \$3.5 million dollars available to support grants for the Rice Incentive Program from the Proposition 4 Climate Bond. The Conservancy anticipates awarding two to three grants to organizations serving various populations of farmers. The Conservancy reserves the right to adjust the proposed amount of funding and scope of work to maximize the use of funding.

Consistent with Climate Bond language, the Conservancy may reimburse grantees for indirect costs based on one of the following criteria:

- The grantee's active federally negotiated indirect cost rate (NICRA). Applicants must provide documentation of NICRA.
- The federal de minimis indirect cost rate (15 percent as of October 1, 2024). Note: grantee must document actual costs up to 15 percent.
- A rate negotiated by the grantee with another state agency within the last five years. Applicants must provide documentation to support indirect cost rate calculations.
- If an applicant does not have an existing indirect cost rate, applicants may propose an indirect cost rate. Applicants must provide documentation to support indirect cost rate calculations.

Applicants may request reimbursement for indirect costs for the first \$50,000 of equipment purchases or subcontractor payments. The Conservancy will not reimburse grantees for indirect costs on acquisition fees or for costs associated with subcontractor markup. Please contact Conservancy staff for questions regarding eligible indirect costs.

IV. Funding Considerations

Proposals should clearly describe the project's purpose, expected deliverables, and meaningful benefits while demonstrating feasible project designs, capable teams, and an approach that addresses the needs of historically underserved communities. Projects should also demonstrate readiness to begin and a well-justified budget that matches the scope of work and identifies any cost-share, external funding, or matching funds.

Proposals should present a farmer outreach and enrollment plan inclusive of Historically Underserved Farmers, justify conversion costs using a reasonable method, and describe which communities and populations will benefit and how the project supports their needs.

V. Contact

For more information: <http://deltaconservancy.ca.gov/grant-program/>.

If you have questions, please contact the Conservancy at grants@deltaconservancy.ca.gov or (916) 375-2084.