

CALIFORNIA OCEAN PROTECTION COUNCIL

Staff Recommendation
September 22, 2015

OPC Proposition 1 Grant Guidelines

Sea Grant Fellow: Nick Sadrpour

RECOMMENDED ACTION: Adoption of Ocean Protection Council’s Proposition 1 Grant Program Guidelines.

LOCATION: Statewide

STRATEGIC PLAN OBJECTIVE: Science-based decision-making; Climate change; Sustainable fisheries and marine ecosystems; Coastal and ocean impacts from land-based sources; Existing and emerging ocean uses

EXHIBITS

Exhibit 1: Proposed final OPC Proposition 1 Grant Guidelines

Exhibit 2: Proposed final OPC Proposition 1 Grant Guidelines (tracked changes from May 2015 draft)

Exhibit 3: Public comment spreadsheet

Exhibit 4: Submitted public comment

RESOLUTION AND FINDINGS:

Staff recommends that the Ocean Protection Council (OPC) adopt the following resolution pursuant to Sections 35500 *et seq.* of the Public Resources Code:

“The California Ocean Protection Council hereby adopts the Proposition 1 Grant Program Guidelines attached to the accompanying staff recommendation as Exhibit 1, pursuant to Water Code Section 79706(a).”

Staff further recommends that the Council adopt the following findings:

“Based on the staff report and attached exhibits, the OPC hereby finds that:

1. The Proposition 1 Grant Guidelines are consistent with the purposes of Division 26.5 of the Public Resources Code, the Ocean Protection Act.
2. The Proposition 1 Grant Guidelines are consistent with Division 26.7 of the California Water Code.”

Staff Recommendation:

Background

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) was approved by voters in November 2014 (California Water Code (CWC) Division 26.7). Funding from Proposition 1 is intended to fund projects that meet the goals of the Water Action Plan to provide more reliable water supplies, restore important species and habitat, and develop a more resilient and sustainably managed water system (water supply, water quality, flood protection, and environment) that can better withstand inevitable and unforeseen pressures in the coming decades.

Proposition 1 Chapter 6: “Protecting Rivers, Lakes, Streams, Coastal Waters, and Watersheds”, allocates \$30 million to the OPC for a competitive grant program for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities, CWC §79730 and §79731(d).

As per Section 79706(a) of the California Water Code, Proposition 1 requires all agencies receiving funding to develop and adopt guidelines for a competitive grant program which will detail the project solicitation and evaluation criteria. The adoption of the guidelines is exempt from the state law governing adoption of regulations (CWC §79705).

The Proposition 1 Grant Program Guidelines (“Prop 1 Guidelines”) establish the general process, procedures, and criteria that the OPC will use to solicit applications, evaluate proposals, and award grants, pursuant to Proposition 1. The Prop 1 Guidelines identify the additional project requirements and evaluation processes applicable to Proposition 1 funded projects. The OPC developed Prop 1 Guidelines (Exhibit 1) consistent with the general provision of Chapter 4 of Prop 1 (CWC §79703 et seq.) and Chapter 6 of Prop 1 (CWC §79730 et seq.).

The OPC received an appropriation of \$9.3 million from Proposition 1 in FY 15-16 budget and anticipates the legislature appropriating \$9.3 million in FY 17-18 and \$9.3 million in FY 19-20.

Through the Prop 1 Guidelines, the OPC will solicit applications for Proposition 1 funding up to 3 times a year. Some of the solicitations are anticipated to be an open call to all projects and some solicitation periods may be focused for specific project types. The letter of intent (LOI) template may be modified to target specific projects of a solicitation period. The current LOI is in Appendix E of the Prop 1 Guidelines (Exhibit 1).

Once the Prop 1 Guidelines are adopted, staff anticipate opening the first solicitation period in late October through November 2015. Applicants will submit a LOI, based on the template in the guidelines (Exhibit 1 Appendix E). These LOIs were envisioned to be a more efficient process for both applicants and OPC. Once LOIs are screened against criteria to eliminate ineligible projects, they are scored against criteria in the Prop 1 Guidelines. LOIs that receive a score greater than 75 points will be contacted around January 2016 and asked to submit full proposals due sometime in March 2016. These full proposals will then be evaluated against criteria in the Prop 1 Guidelines and the highest scored projects

will be recommended to the Council for approval. Once approved, projects should begin developing grant agreements with OPC around June 2016.

Public Outreach and Comment

On May 21, 2015, the draft Prop 1 Guidelines were posted on the OPC's website and the public comment period was open until August 21, 2015. OPC staff met the requirements of Prop 1 and held three public workshops on the grant guidelines throughout the state: June 24th in Sacramento, July 14th in Costa Mesa, and August 11th in Eureka. OPC also facilitated other outreach opportunities to gain input on the draft Prop 1 Guidelines as well as to have a dialogue regarding the program in general. OPC staff participated and presented at the June 9-10th Tribal Meeting on Proposition 1 in Sacramento coordinated by Department of Water Resources. To follow up on this meeting, OPC held a Prop 1 webinar for Tribal participation only on July 7th.

The OPC received written comments (letters or emails) and verbal comments (phone conversations or meetings). All of these comments are documented in a tracking file (Exhibit 3).

Generally the comments have supported the Draft Guidelines with particular emphasis on the letter of intent process, OPC's Key Issue Areas, and support for marine managed areas. Several commenters wanted to highlight the opportunity for inter-agency coordination which could be used as a tool to leverage funding from multiple state agencies with Prop 1 funding. The OPC intends to fully participate in inter-agency coordination on Proposition 1 projects and staff anticipate projects being more successful because of this coordination. Another comment that was repeated was the emphasis of multibenefit projects. As noted explicitly in Proposition 1 Chapter 6 funds are intended for "multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities" (CWC §79730). OPC fully supports these goals for Proposition 1 projects and has amended the scoring criteria for full proposals to include additional points for multibenefits.

Revisions to Draft

After reviewing the comments on the Draft Guidelines, OPC staff made some revision on the draft based upon the feedback received. These include:

- Clarification of eligible applicants to explicitly include public universities
- Addition of multibenefit points in evaluation criteria for full proposal
- Revision of language corresponding to Tribal governments and general requirements for funding and permitting
- Inclusion of final letter of intent template
- Addition of opportunities for interagency coordination on letter of intent
- Clarification of financial timeframe
- Establishment of a minimum grant amount of \$250,000
- Addition of bonus points for full proposal for disadvantaged communities, as defined by DWR¹; community with less than 80% of State's median income(CWC § 79505.5a and §79735c)

¹ <http://gis.water.ca.gov/app/dacs/>

The proposed final Proposition 1 Grant Guidelines were submitted to the California Natural Resources Agency on September 1, 2015.

COMPLIANCE WITH CEQA:

The proposed adoption of the Proposition 1 Guidelines does not trigger CEQA as it is an administrative activity and is not a legal project as that term is defined pursuant to Public Resources code 21068 and Title 14 of the California Code of Regulations, section 15378.