



Staff Recommendation

September 10, 2024

Item 10

Consent Item: Consideration and Approval to Adopt the Revised 2024 Proposition 68 Grant Guidelines

Maria Rodriguez, Climate and Environmental Justice Program Manager

Recommended Action: Adoption of Ocean Protection Council (OPC)'s Revised 2024 Proposition 68 Grant Guidelines.

Location: Statewide

Strategic Plan Goals and Objectives: This program implements strategic targets in Goal 1, 2, and 3, within Objective 1.1: Build Resiliency to Sea-Level Rise, Coastal Storms, Erosion, and Flooding; Objective 2.2: Enhance Engagement with Underserved Communities; Objective 2.3: Improve Coastal Access; Objective 3.1: Protect and Restore Coastal and Marine Ecosystems

Equity and Environmental Justice Benefits: Community-informed benefits, meaningful engagement, direct benefits for priority populations and communities (including environmental justice and tribal communities), equitable access to state funds, enhanced coastal habitat and biodiversity, ocean and coastal resiliency, and coastal access and recreation opportunities.

Exhibits:

Exhibit A: Proposed Final 2024 Proposition 68 Grant Program Guidelines

Exhibit B: Public Comments on the Draft Revised Proposition 68 Grant Guidelines

Findings and Resolution:

Staff further recommends that OPC adopt the following resolution pursuant to Sections 35500 *et seq.* of the Public Resources Code:

“OPC hereby adopts the revised 2024 Proposition 68 Grant Guidelines, attached to the accompanying staff recommendation as Exhibit A, pursuant to Section 80010(a)(1) of the Public Resources Code.”

Staff further recommends that OPC adopt the following findings:

“Based on the accompanying staff report and attached exhibit(s), OPC hereby finds that:

1. The revised 2024 Proposition 68 Grant Guidelines are consistent with the purposes of Division 26.5 of the Public Resources Code, the California Ocean Protection Act;
2. The revised 2024 Proposition 68 Grant Guidelines are consistent with Division 45 of the Public Resources Code, the [California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018](#).”

Executive Summary:

The revised Proposition 68 Grant Guidelines (Grant Guidelines) establish the general process, procedures, and criteria that OPC will use to solicit applications, evaluate proposals, and award grants pursuant to Proposition 68 (Prop 68). The revised Grant Guidelines identify the overall priorities for OPC funds and the additional project requirements and evaluation processes applicable to Prop 68-funded projects. The revised Grant Guidelines will replace the current Prop 68 Grant Guidelines adopted in 2019, which were adopted pursuant Public Resources Code section 80010 and may be updated periodically.

The revised Grant Guidelines are intended to reflect OPC’s commitment to increase equitable access to OPC funds by emphasizing Priority Populations and Communities for funding, updating scoring criteria, and improving clarity and accessibility within the Guidelines themselves. OPC’s priorities for Prop 68 funding are projects that contribute to healthy coast and ocean ecosystems, while also improving community resilience to climate change and adaptation. Many of the significant changes to the Guidelines reflect a concerted effort to better embed equity within OPC grantmaking programs, to improve access to funds, while also ensuring that funded projects provide significant community and environmental benefits.

Project Summary:

Background:

Prop 68 was approved by voters in June 2018, pursuant to Public Resources Code Division 45. Funding from Prop 68 is intended to support projects that provide Californians with access to safe natural spaces and to continue investments in the state’s diverse ecosystems to ensure high quality of life for all Californians. Funding is also intended to support greening urban areas to mitigate the effects of climate change and pollution, and to protect and restore the state’s natural resources for the benefit and enjoyment of future generations. Prop 68 allocates a total of \$56.2 million dollars from the following chapters: \$35 million from “Chapter 9: Ocean, Bay, and Coastal

Protection” and \$21.2 million from “Chapter 10: Climate Preparedness, Habitat Resiliency, Resource Enhancement, and Innovation.” Additionally, Prop 68 requires a percentage of the funds from each chapter be allocated to projects that benefit severely disadvantaged communities (SDAC), disadvantaged communities (DAC), and specific types of community access projects.

In 2019, OPC developed and adopted initial Grant Guidelines in accordance with Section 80010 of the Public Resources Code. Over the following years, OPC expended Prop 68 Chapter 10 funds through competitive solicitations focused on coastal resilience in 2021 and 2023, and a targeted solicitation in 2022 addressing ocean acidification and hypoxia. The first round of Prop 68 Chapter 9 funding was awarded in 2023 for projects focusing on the role of marine protected areas (MPAs) in promoting climate resilience.

Building on lessons learned from these past solicitations and guided by the 2022 adoption of OPC’s Equity Plan, which recommends enhancing equitable grantmaking and fostering community engagement, OPC staff updated the Prop 68 Grant Guidelines (Exhibit A). The revised Grant Guidelines aims to strengthen community engagement for Prop 68-funded projects and refine project criteria to prioritize initiatives that are informed by local community needs and priorities.

Grant Guidelines Revisions Overview:

The revisions to the Grant Guidelines, consistent with Prop 68 requirements, reflect a strategic effort to intentionally embed equity into grantmaking processes, improve access to funding, and ensure that projects deliver substantial community and environmental benefits. These changes aim to eliminate barriers and inefficiencies, making the Guidelines more comprehensive and accessible. The overarching goal is to equitably allocate state funds across California communities, prioritizing those with the greatest needs, thus enhancing the overall effectiveness and impact of OPC’s grant programs. Below is an overview of key revisions to the Guidelines.

Alignment with Strategic Plan and Funding Priorities: The 2024 revisions incorporate a strong alignment with OPC’s Strategic Plan, particularly in relation to Prop 68 Chapter 9 and Chapter 10 funding priorities. The Guidelines have been reorganized to consolidate these priorities into clear categories, emphasizing the importance of funding projects that benefit Priority Populations and Communities and align with OPC’s key equity initiatives, including the [Equity Plan](#) and [Tribal Engagement Strategy](#).

Focus on Priority Populations and Communities: Prop 68 is designed to promote diversity and inclusion, with a focus on projects that benefit DAC and SDAC, as well as minority, low-income, and disabled populations, and California Native American tribes. A minimum of 15% of funds from Chapters 9 and 10 are required to benefit SDAC, as identified using the [California State Parks Community FactFinder map](#). The 2024 revision to the Grant Guidelines further encourages project

applicants to prioritize communities burdened by environmental, socioeconomic, and health inequities, including those historically excluded from decision-making processes, in addition to considering whether the project benefits an SDAC. Applicants are encouraged to clearly demonstrate how their projects will address community-informed needs and provide direct benefits to California communities.

Updated Guidance: Revisions include updated references to key guidance documents, such as:

- [OPC’s Signage and Communications Materials Guide](#): This guide provides comprehensive instructions on OPC acknowledgment and signage, emphasizing language accessibility and cultural inclusivity.
- [OPC’s Budget and Invoicing Guide](#): Updated recently, this guide assists grantees in budget development and invoicing, providing insights into state reporting requirements.
- [State of California Sea Level Rise Guidance](#): The revised guidelines incorporate this updated guidance, essential for projects impacted by coastal sea level rise.
- A community engagement plan framework has also been added as a resource for applicants (new Appendix E: Community Engagement Plan) to provide a template for applicants to prepare a community engagement plan. Individual grant solicitations will specify the requirements to be included in a Community Engagement Plan.

Eligibility Updates: Applicant eligibility has been expanded to include both federally and non-federally recognized California Native American tribes,¹ aligning with current practices such as the California Natural Resources Agency’s [Tribal Nature-Based Solutions Grant program](#). Advanced payment eligibility includes projects benefiting other Priority Populations and Communities, including tribes, beyond DAC and SDAC. Lastly, environmental permitting costs, including CEQA compliance, are now considered eligible project expenses, removing a previous barrier and allowing for more comprehensive project funding.

Scoring Criteria: The revised scoring criteria have been updated to focus on OPC’s key policy priorities and reflect benefits to Priority Populations and Communities, including partnerships. This approach offers flexibility to address specific needs in each solicitation, simplify project review, and prioritize projects effectively by replacing the more complex scoring rubric from 2019.

Additional revisions: The Guidelines have been reformatted for greater accessibility and clarity, with general reorganization to improve ease of use. Anticipated grant round schedules and the

¹ Non-federally recognized tribes must apply through a qualified 501(c)(3) organization and provide an IRS 501(c)(3) determination letter or printout from the IRS tax-exempt organization search tool on the official IRS website, see <https://apps.irs.gov/app/eos/>.

discretionary funds section have been removed, with relevant details to be provided in individual solicitations. Applications are now submitted via email, with alternative electronic file transfer methods available if needed. The data repository has been updated to the [DataOne](#) platform, and key references will be provided in individual solicitations rather than as a separate appendix.

The revised Grant Guidelines represent a comprehensive advancement of OPC's grantmaking process, intended to ensure that state funds are allocated equitably and effectively. These changes aim to broaden access to funding, simplify processes, and support projects that deliver meaningful benefits to California communities.

Public Outreach and Comments:

The draft Prop 68 Grant Guidelines were made available for public review and comment from July 3, 2024, until August 9, 2024. During this period, OPC staff facilitated public engagement by hosting an [informational webinar](#) on July 17, where staff provided an overview of the Guideline revisions, and by holding an office hour on July 24 to answer questions and collect additional public comments. Comments were submitted via email and during the July 17 webinar, with a total of two individuals providing input.

The majority of comments centered on inquiries regarding future Prop 68 grant solicitations, particularly in relation to the timing of grant rounds, funding availability, solicitation priorities, and the application process. While all feedback was carefully reviewed, no changes were made to the revised Grant Guidelines, as the comments received were more relevant to future solicitations than to the Guidelines themselves.

OPC staff took the opportunity to clarify the distinction between the Grant Guidelines and individual solicitations. The Grant Guidelines establish a comprehensive framework for OPC's funding decisions, outlining eligibility criteria, qualifying project types, overarching funding priorities, and the competitive grant application process, including scoring criteria. They also cover state grant funding requirements, such as grant agreement conditions and related procedures.

In contrast, individual solicitations will provide more detailed and specific information when OPC invites proposals for focused projects. These will include precise needs and funding priorities within OPC program areas, funding amounts, grant round schedules, timelines, project completion requirements, technical assistance details, and specific instructions for the competitive proposal process. OPC is in the process of defining solicitation priorities for upcoming Prop 68 grant rounds and will announce grant opportunities to the public as they become available.

Consistency with California Ocean Protection Act:

The proposed program is consistent with the Ocean Protection Act, Division 26.5 of the Public Resources Code, because the funding will be provided for projects and activities that are consistent with trust-fund allowable projects, defined in Public Resources Code Section 35650(b)(2) as projects which:

- Eliminate or reduce threats to coastal and ocean ecosystems, habitats, and species.
- Improve the management of fisheries and/or foster sustainable fisheries.
- Improve coastal water quality.
- Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection and conservation of those resources.
- Improve management, conservation, and protection of coastal waters and ocean ecosystems.
- Provide monitoring and scientific data to improve state efforts to protect and conserve ocean resources.
- Protect, conserve, and restore coastal waters and ocean ecosystems.
- Address coastal water contamination from biological pathogens.
- Provide funding for adaptive management, planning coordination, monitoring, research, and other necessary activities to minimize the adverse impacts of climate change on California's ocean ecosystem.

Compliance with the California Environmental Quality Act (CEQA):

Adoption of the Grant Guidelines is not a “legal project” that triggers the California Environmental Quality Act (“CEQA”) pursuant to Public Resources Code Section 21068 and Title 14 California Code of Regulations Section 15378. Future projects that may be funded by this program will be required to comply with CEQA and other necessary environmental permitting requirements, or otherwise explain why permits are not applicable to the project.