

Background

At its meeting on June 5, 2008, the SNC Board approved the **2008-09 Proposition 84 Grants Guidelines**, including application deadlines for two rounds of Strategic Opportunity Grants (SOGs) – September 2, 2008, and February 27, 2009 – and a single deadline of September 15, 2008, for Competitive grants. In addition, the Board approved minor modifications to the allocation formula for this fiscal year's Proposition 84 funds (total of \$17 million) to allow more flexibility in addressing areas of greatest need based on application submittals. This year's approved formula includes:

- Competitive Grants – \$7 million
- Subregional SOGs – \$6 million total (\$1 million per Subregion)
- Regionwide SOGs – \$1 million
- Unallocated – \$3 million (to be allocated at a later date by the Board)

To help familiarize interested applicants with the revised application process and materials, the SNC held two Grants Application Process webinars on July 30th and 31st to review information about: a) applying for a grant, b) CEQA/NEPA requirements, and c) performance reporting, as well as to answer applicant or grantee questions on any part of the process. Approximately 80 people joined SNC staff in-person at one of five meeting locations throughout the Region, and another 30 participated from their own offices or homes by logging in remotely to one of the webinar sessions.

SNC program staff also worked with individual applicants prior to the deadlines to help them craft the best applications possible.

Current Status

Review of 2007-08 Grant Awards

A final summary of the Proposition 84 grants awarded in the last fiscal year is provided in the attached charts (a1-a3). As mentioned at the June Board meeting, a disproportionate number of competitive grant applications were received from certain subregions, resulting in the differences in total awards among the subregions. It is also interesting to note that "on the ground" projects (site improvement and acquisition) resulted in approximately 60% of the total dollar awards. The SNC awarded over \$3 million in grants related to reducing the risk of fire.

Finally, while the SNC Board authorized a total of \$16,964,568 in Proposition 84 grant funds last fiscal year, two grant projects authorized by the Board were ultimately not funded:

- Heart K Ranch, a \$1,000,000 Competitive acquisition project, due to an opinion by the Attorney General suggesting that it is inappropriate to use

- Proposition 84 funds to reimburse an applicant for acquisition costs already paid or financed from other sources; and
- Esoteric Fraternity Property Due Diligence Studies, a \$38,000 project in the Central Subregion, due to the landowner's decision not to pursue the project.

Status of 2008-09 Grant Applications

The SNC received 120 SOG applications by the September 2 deadline (eligibility and completeness review was continuing at the time of preparation of this report). First round SOG applications are displayed in the attachment b, broken down by subregion and category.

Of interest, the first round SOG applications were overwhelmingly SOG 2s (by a ratio of 5 to 1). This ratio is similar to the 2007-08 SOG applications; however the SOG 1 grant limit was raised from \$100,000 to \$250,000, with the anticipation that we would see more SOG 1 applications, consistent with the stated preference for "on the ground" projects. It is possible that the requirement for having completed CEQA documentation as part of the application may have had some effect. Staff will continue to monitor this situation, including an analysis of the second round of SOG grants, to determine whether changes to future year guidelines might be warranted.

We will update the Board with final numbers for Competitive applications received by the September 15 deadline at the Board meeting.

Next Steps

Following final completeness and eligibility determinations, all valid applications will be evaluated consistent with the Proposition 84 Grants Guidelines. In FY 2007-08, all applications were evaluated by SNC staff, with technical assistance and input provided by experts through interagency agreements with other State agencies. Because SNC program staff members now have a body of already-funded grant projects to manage, their time is more constrained. To ensure timely evaluation of new applications and to take advantage of a more multi-disciplinary review, the SNC will be working with an outside evaluation panel composed of professionals with expertise in:

- Working landscapes and land transactions;
- Stream restoration, water quality and watershed health;
- Forestry and fire;
- Wildlife habitat;
- Recreation, cultural/historic and other land uses.

We will be using the panel to evaluate and score both Competitive and SOG 1 applications. SNC staff will continue to evaluate SOG 2 applications, with technical assistance from panel members and other technical experts, as needed. As described in the guidelines, all SOGs will be placed in either a high, medium or low rank. Recommendations on the first round of SOGs will be presented to the Board for consideration and authorization at the December 2008 Board meeting. Competitive

recommendations will come before the Board at the March 2009 Board meeting. Second round SOGs will be evaluated in March, with recommendations to the Board for consideration at the June 2009 Board meeting.

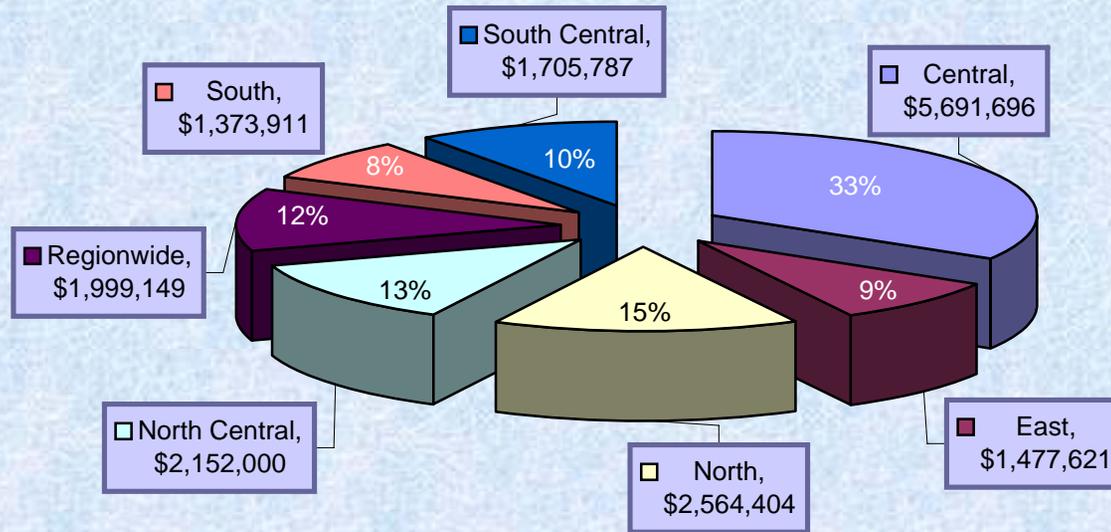
Recommendation

No action is needed from the Board at this time; however staff welcomes any thoughts, suggestions or recommendations from the Board related to our ongoing Grants Program.

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Geographic Grant Distribution

Fiscal Year 2007/08

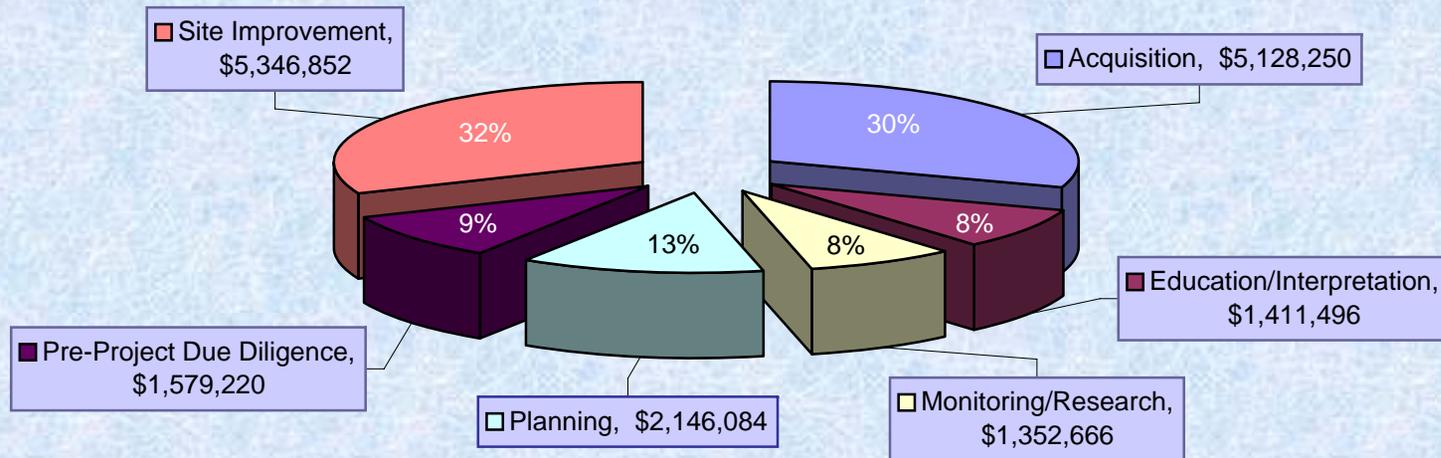


Sierra Nevada Conservancy Proposition 84 Grants Program
 Funded by
 Safe Drinking Water, Water Quality and Supply, Flood Control,
 River and Coastal Protection Act of 2006

Note: SNC Competitive Grants are awarded without regard to geographic location.
FY 2007/08 Competitive Grants Total:
\$ 8,344,335

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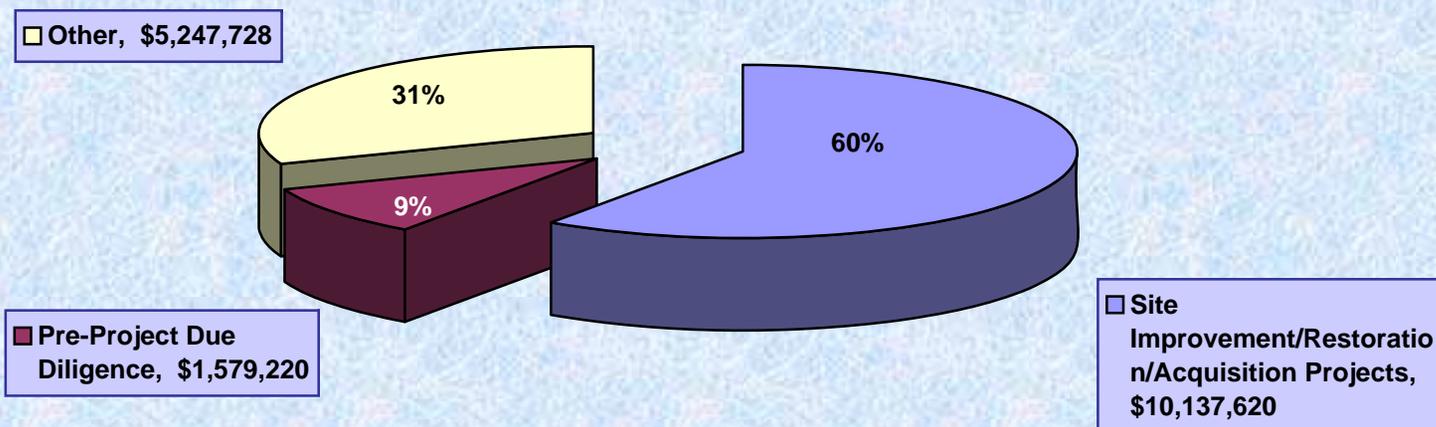
Grants Authorized by Project Category
Fiscal Year 2007/08



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Site Improvement/Acquisition, Pre-project Due Diligence and Other Projects Fiscal Year 2007/08

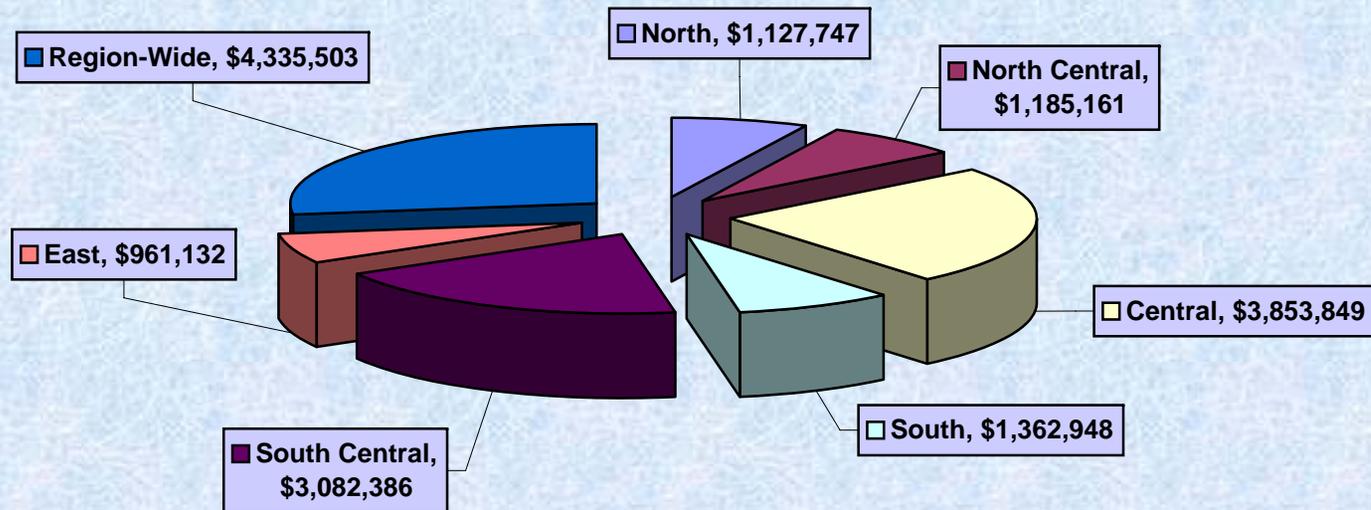


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Strategic Opportunity Grant Applications Received by Subregion

Fiscal Year 2008/09



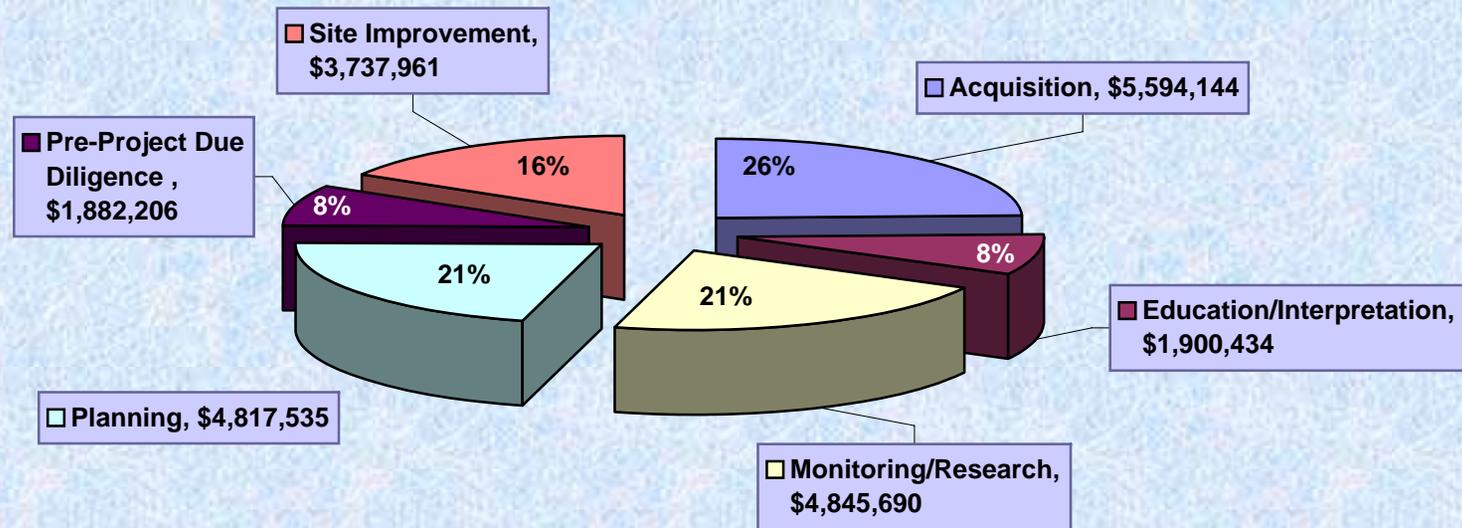
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FY 08-09 Strategic Opportunity
Grant applications are currently
being evaluated by SNC staff.
Some of the applications may be
deemed ineligible.

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Strategic Opportunity Grant Applications Received by Project Category

Fiscal Year 08-09



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