

Background

Since 2007, the Sierra Nevada Conservancy (SNC) has administered a competitive grant program governed by Board-approved Grant Guidelines to award planning and implementation grants to eligible partners for projects that further SNC's mission in the Region. From 2007 to 2014 the program was funded through Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. In 2014, Proposition 1 passed and became the primary source of funding for the Grant Program.

Proposition 1

California voters passed Proposition 1, The Water Quality, Supply, and Infrastructure Improvement Bond Act of 2014, on November 4, 2014. The bond measure included an allocation of \$25 million for the Sierra Nevada Conservancy. The SNC developed Grant Guidelines for the Sierra Nevada Watershed Improvement Program (WIP) with an emphasis on forest health projects that result in multiple watershed benefits.

At the June 2015 Board Meeting, the Board approved the WIP Proposition 1 Fiscal Year (FY) 2015-16/2016-17 Grant Guidelines to award up to \$10 million. Under these Guidelines SNC administered three proposal rounds and the Board authorized 32 grants for a total of \$9,881,830.

At the June 2017 Board Meeting, the Board approved the FY 2017-18/2018-19 Grant Guidelines to award up to \$8 million in grants. During the first round 23 projects totaling \$6,953,810 scored above the minimum threshold for recommendation for award.

Proposition 68

Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, is on the June 5, 2018 ballot for California voters. Proposition 68 contains two allocations of funding for SNC. Chapter 8 allocates \$30 million for purposes consistent with SNC's governing statute. Chapter 10 allocates \$25 million for competitive grants towards implementation of the Sierra Nevada Watershed Improvement Program, for projects related to climate resiliency.

The Governor's proposed budget for FY 2018-19 includes an allocation of \$23,328,000 to SNC from Chapter 10 of Proposition 68, if California voters pass the proposition.

Current Status

SNC staff has planned for upcoming grant rounds considering two options, which will be determined by the outcome of the June 5 election.

If Proposition 68 does not pass, the initial grant application round would be administered under the existing Grant Guidelines previously approved, with the following updates:

- The addition of \$4.7 million, SNC's remaining allocation from Proposition 1, for a total of up to \$6 million available for award.
- Schedule and award limits will be provided in the Request for Proposal.
- Minor clarifications in response to applicant experience in 2017-18.

If Proposition 68 passes, and the Governor's Budget as revised is passed, the SNC will receive an appropriation of \$20,625,000 in Proposition 68 funds available for the competitive grant program. These funds would be allocated out of Chapter 10, indicated for implementation of the WIP program. As such, these funds are consistent with the forest health focus of the current grant round, and may be administered under existing WIP Grant Guidelines, with the updates proposed under this agenda item.

SNC staff drafted the following updates into the existing Grant Guidelines to incorporate the addition of Proposition 68 funds:

- Specific reference to the availability of funds from Proposition 68
- The inclusion of federal agencies as an eligible entity for Proposition 68 funds
- Minor clarifications in response to applicant experience in 2017-18
- Inclusion of the calculation of greenhouse gas emissions reduced, when feasible, by the SNC/CNRA

In addition, the following changes were made and the information removed will be provided in the Request for Proposal for each round:

- Removed reference to specific fiscal years, to allow use of the guidelines for future fiscal years
- Removed reference to funds available for award, to allow use of the guidelines for multiple application rounds
- Removed reference to maximum grant awards, to allow flexibility necessary to match grant awards to funds available in future application rounds

Attachments

Both versions of draft updated Guidelines are attached for Board review.

If Proposition 68 DOES NOT pass (Attachment A)

- [Draft updated FY 2018-2019 Grant Guidelines for Proposition 1 funding](#)

If Proposition 68 DOES pass (Attachment B)

- [Draft updated Grant Guidelines for combined Proposition 1 and Proposition 68 funding.](#)

Next Steps

With approval from the Board, SNC staff would prepare a request for pre-applications for release in mid-June under the approved guidelines. For the initial application round, pre-applications would be due in late July and full applications due in early October, for expected awards at the Board meetings in March and June of 2019. Release of final guidelines and request for pre-applications will include explicit language indicating that availability of all funds is contingent upon passage of the state's FY 2018-19 Budget. If Proposition 68 passes, the grant award limit for Category One implementation projects is anticipated to be \$1 million, and \$100,000 for Category Two pre-project activities.

The overall amount of funds available for the first application round is not specified at this point.

Recommendation

If Proposition 68 did not pass:

Staff recommends approval of the updated Sierra Nevada Conservancy Watershed Improvement Program Proposition 1 Grant Guidelines for FY 2018-19, and authorizes staff to implement the FY 2018-19 Grant Program.

If Proposition 68 passed:

Staff recommends approval of the updated Sierra Nevada Conservancy Watershed Improvement Program Combined Proposition 1 and Proposition 68 Grant Guidelines, and authorizes staff to implement the Grant Program.