

Background

Since 2007, Sierra Nevada Conservancy (SNC) has conducted a number of grant rounds. For the first 3 rounds, the process provided that any project that met the requirements of Proposition 84 and the SNC statutory authority, submitted by an eligible entity, was eligible. These rounds also allocated a minimum amount to be awarded for each Subregion. The last two rounds have focused on Healthy Forests and Preserving Ranches and Agricultural Lands, and further did not allow fee title acquisition projects. SNC staff has worked with potential applicants up to the time of submittal and has used a formal evaluation and scoring process to rank projects.

It is anticipated after today's Board meeting, that approximately \$2.3 million will be available for awards to support new projects. This amount will likely grow by a small amount due to the probability of additional returns of unused grant funds in the future. All of the funds currently available to the SNC for award would need to be encumbered by June 30, 2015 and invoiced by June 30, 2017 to be compliant with current fiscal appropriations.

Current Status

At its December 2012 meeting, the Governing Board directed staff to prepare a recommendation for the expenditure of the remaining Proposition 84 funds allocated to the SNC. The direction supported staff's recommendation to award the remaining funds to projects focused on a SNC initiative such as Forest Health. In addition, the Board also requested that consideration be given to support the efforts of remediating the effects of abandoned mine lands in the SNC Region. The Board concurred with the staff recommendation that the formal competitive evaluation process, which is time consuming for both applicants and the SNC, was not appropriate given the amount of funding available.

Next Steps

Staff recommends that the following criteria and processes be applied to this final grant cycle:

Proposed Grant Funding Criteria

Beginning in July 2013, the SNC Proposition 84 grant program will be available for projects that meet the following criteria:

- Projects that meet the requirements of Proposition 84, (projects that protect and restore rivers, lakes and streams, their watersheds and associated land, water, and other natural resources);
- Projects that result in 1) on-the-ground outcomes, or 2) necessary activities that will lead to on-the-ground implementation that have identified implementation funding (for example, completing environmental documentation for projects);
- Projects that improve the health of the forest, including reducing the risk of large damaging fires and improving forest stand and habitat conditions, **and/or** result in the utilization of forest biomass removed as a part of restoration activities.

- Projects that contribute to improved water quality and reliability through the removal or prevention of toxins in waters and waterways that are a result of historic mining operations

Other factors that will be considered in selecting projects to be funded under this program include the following:

- Projects that leverage resources of other agencies and funding sources, to maximize benefits and outcomes;
- Projects that build on existing partnerships where SNC has a history of involvement, including grant awards and other activities; and,
- The geographic distribution of projects (taking into account distribution from previous SNC grants).

Based on the limited funding that is available, the following project types will not be eligible for funding under this program:

- Fee title acquisitions or activities leading to fee title acquisition.
- Conservation easements or activities leading to conservation easement.

Grants of up to \$350,000 for Category 1 (on-the-ground projects) and up to \$75,000 for Category 2 (necessary activities that will lead to on-the-ground projects) will be made by the SNC to eligible federal, state, and local governments, 501(c)3 nonprofit organizations, and federally recognized Tribes, for projects meeting the criteria described above. Projects that result in direct on-the-ground outcomes will be given preference.

Guidelines Development

Based on Board input and direction at this meeting, SNC staff will develop a set of Draft Grant Guidelines and make them available for public review and comment. Staff will consult with the Board committee comprised of Supervisor Tom Wheeler and Bob Kirkwood on any comments received from the public, with a goal of presenting final recommended Guidelines to the SNC Board at the June, 2013 meeting. This schedule allows the 2013-14 program to begin in July. The final adopted set of Grant Guidelines will be posted on the SNC Web site and will remain active as long as there are funds available for making grants.

Grant Development and Selection Process

Project development and evaluation will be conducted somewhat differently than in past grant rounds. Staff anticipates working directly and more closely with potential grantees, once a determination is made that a project is eligible and will result in significant benefits. Steps to be followed in this grant cycle include:

- Notification of available funding and Grant Guidelines will be made available via the SNC Web site. Staff will directly notify potential grantees with whom the

SNC has been actively involved and who are engaged in activities aligned with the criteria established for this grant cycle.

- Potential grantees may submit a completed pre-application checklist to their respective SNC Area Representative to initiate discussion and analysis of a potential future grant.
- The pre-application checklist will be reviewed by the SNC Management team and technical experts to confirm project eligibility and to evaluate benefits, project design and readiness. If the proposed project demonstrates a high probability of success and strongly supports the focus areas described in the guidelines, the applicant may be invited to work with SNC staff to develop a full application.
- When an application is complete, it will be reviewed again by SNC Management, in consultation with appropriate technical experts, as needed.
- The recommendation(s) will be placed on the Board meeting agenda as an action item at the direction of the Executive Officer after all application requirements are completed (land tenure, permits, California Environmental Quality Act (CEQA), public agency consultation and cooperation requirements, etc.).
- The Board will act on the staff recommendation for awarding funding.

Schedule

The expenditure of SNC Proposition 84 funds under these guidelines will continue on a rolling basis until all remaining funds have been exhausted. Grant recommendations will be presented to the Board on an on-going basis subject to project readiness and completion of pre-project requirements at the regular meetings quarterly meetings of the Board.

Executive Officer Authorization

In July 2007, the Board delegated authority to the Executive Officer of the SNC to award grants and enter into grant agreements for purposes other than the acquisition or improvement of land, consistent with the Conservancy's enabling legislation and the grant and program guidelines adopted by the Conservancy Board; provided that, the total amount granted under any such grant or grants to any grantee, for a specific purpose or project, shall not exceed \$50,000; and provided further, that the Conservancy Board shall be notified of each such grant by the next Conservancy Board meeting. Staff is recommending that this authority be available for projects that have a legitimate time sensitive nature (where waiting for Board approval would render the project infeasible). Staff also recommends that this authority be exercised for no more than three projects between Board meetings.

Recommendation

Staff recommends that the Board approve the proposed criteria and processes for awarding the final Proposition 84 funds and direct staff to prepare appropriate Grant Guidelines, providing for public comment and bring the Grant Guidelines forward for Board action at the June 2013 Board meeting.