



Staff Recommendation
May 23, 2019

Proposition 68 Grant Guidelines
Holly Wyer, Program Manager

RECOMMENDED ACTION: Adoption of Ocean Protection Council’s Proposition 68 Grant Program Guidelines

LOCATION: Statewide

STRATEGIC PLAN OBJECTIVE(S): 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 A: Proposed Final Proposition 68 Grant Program Guidelines
Exhibit B: Public Comments on the Draft Proposition 68 Grant Program Guidelines
Exhibit C: Public Workshop Outreach Flyer

FINDINGS AND RESOLUTION:

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

“OPC hereby adopts the Proposition 68 Grant Program 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 staff report and attached exhibits, OPC hereby finds that:

1. The Proposition 68 Grant Program Guidelines are consistent with the purposes of Division 26.5 of the Public Resources Code, the Ocean Protection Act.

2. The Proposition 68 Grant Program 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.”

PROJECT SUMMARY:

The Proposition 68 Grant Program 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 Grant Guidelines identify the overall priorities for OPC funds and the additional project requirements and evaluation processes applicable to Prop 68-funded projects. OPC staff developed the Grant Guidelines (Exhibit A) consistent with the process and requirements of Public Resources Code (PRC) Section 80010.

Background:

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Prop 68) was approved by voters in June 2018 (PRC Division 45). Funding from Prop 68 is intended to support projects that provide Californians with access to safe natural spaces and to continue investment 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, Chapter 9: “Ocean, Bay, and Coastal Protection,” allocates \$35 million to OPC for grants consistent with the California Ocean Protection Act (PRC Section 35650). Prop 68, Chapter 10: “Climate Preparedness, Habitat Resiliency, Resource Enhancement, and Innovation,” allocates \$21.2 million to OPC for a competitive grant program for projects that assist coastal communities, including those reliant on commercial fisheries, with adaptation to climate change. Climate adaptation projects may address ocean acidification, sea level rise, or habitat and restoration and protection.

OPC received a \$10 million appropriation from Chapter 9 and a \$10 million appropriation from Chapter 10 in the fiscal year 2018/19 budget. OPC staff anticipate requesting appropriations of Prop 68 funds every other fiscal year, with the next round of Prop 68 funds for OPC appropriated in fiscal year 2020/21.

Prop 68 requires that at least 15 percent of the funds provided to OPC be allocated to projects that serve severely disadvantaged communities, and allows for up to 10 percent of funds to be used for technical assistance to disadvantaged communities. Prop 68 also allows for up to 5 percent of funds to be used for community access projects, to the extent permissible under General Obligation Bond Law¹. Applicants may propose stand-alone technical assistance projects or stand-alone community access projects under OPC’s Prop 68 Grant Program.

¹ PRC §80008(c)

OPC Funding Priorities for Prop 68:

Prop 68 is the primary source of funding for all of OPC's programs over the next several years. The Grant Guidelines are intended to provide a broad framework for future funding and allow for the flexibility needed to address priorities in all program areas. OPC staff intends to provide more details and specific priority topics for funding in all proposal solicitations.

OPC will solicit applications through its competitive grant process up to four times a year. The solicitations are anticipated to focus on specific topic areas identified by OPC in its key documents. For example, beginning in 2019, OPC staff intend to release solicitations for projects addressing plastic pollution, ocean acidification and sea level rise adaptation, kelp forest ecosystem resilience, and marine renewable energy development.

Overall, OPC priorities for Prop 68 funding are articulated in section 35650(b)(2) of the California Ocean Protection Act² and support projects that have a nexus to ocean and coastal health and achieve the following:

- Prepare for and minimize the harmful impacts of climate change by providing funding for adaptive management, planning, coordination, monitoring, research, and other necessary activities on a local, regional, and statewide scale to minimize the adverse impacts of climate change on California's ocean ecosystem.
- Promote the long-term health of coastal and marine ecosystems and sustainability of marine fisheries in order to protect California's living marine resources and the communities that rely upon them.
- Reduce the negative impacts of land-based activity, including pollution, on coastal and marine ecosystems and the state's coastal and ocean economy by improving management, conservation, and protection of coastal waters and ocean ecosystems.
- Develop innovative technology and tools and provide monitoring and scientific data to improve state efforts to protect and conserve ocean resources.
- Inform adaptive management of California's Marine Protected Area Network
- Serve disadvantaged and severely disadvantaged communities through involving them in management of all aspects of their coastal and ocean resources. OPC will consult with local community and environmental justice representatives, Tribes, and other frontline community members to ensure that OPC's Prop 68 funds for disadvantaged communities are going toward their most urgent or critical needs relating to ocean and coastal management. Projects that serve disadvantaged and severely disadvantage communities may include, but are not limited to; providing equitable access to the ocean and coast; supporting local efforts to plan for and adapt to climate change impacts such as sea level rise and ocean acidification; building awareness and opportunities for community members to connect to California's world-renowned marine protected areas; increasing community

² <http://www.opc.ca.gov/california-ocean-protection-act/>

capacity to receive Prop 68 funding and manage local ocean and coastal resources; reducing plastic litter and other sources of contamination at their source; and building awareness and opportunities for community members to participate in community-led marine science efforts.

- Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection and conservation of those resources.

Public Outreach Process:

Section 80010 of the Public Resources Code requires that all agencies receiving Prop 68 funding for competitive grant programs develop and adopt guidelines which detail the project solicitation and evaluation process. Additionally, agencies must:

- Publish the draft guidelines for public comment for at least thirty days;
- After the 30-day period has passed, conduct at least three public meetings in Northern, Central, and Southern California; and
- Consider public comments before finalizing the guidelines.

OPC’s public outreach process exceeded these requirements. OPC staff engaged in a thorough public outreach process to solicit comments on the draft Grant Guidelines. OPC released the draft Grant Guidelines for public comment on January 7, 2019 and closed the public comment period on February 28, 2019. The draft Grant Guidelines were available for 35 days before the first stakeholder workshop. OPC staff held workshops at five coastal locations across the state, including Eureka, Oakland, Salinas, Santa Monica, and San Diego. The workshops had two identical sessions; one in the afternoon, and one in the evening. This structure was intended to engage stakeholders who may have been unable to attend a workshop during regular business hours. In between the two sessions, OPC staff was available for “office hours” where stakeholders could discuss their comments or questions about the Grant Guidelines one-on-one with OPC staff. Please see Exhibit C for details on where and when the workshops were held. Additionally, OPC staff hosted a webinar during the public comment period to provide information to stakeholders who could not attend an in-person workshop. Collectively, OPC’s workshops and webinar reached over 70 individuals.

Public Comments Received and Revisions Made:

OPC received written comments via email and letter, as well as verbal comments at the public workshops. In total, OPC received eight comments representing 14 organizations (see Exhibit B), and carefully considered all comments. A summary of the revisions made to the Guidelines to address comments is as follows:

Revisions to add clarity and reduce repetition

Numerous comments requested additional minor clarifications of language in the Grant Guidelines. The Grant Guidelines were revised to provide additional clarity on issues including: how technical assistance funds may be used for planning projects, the eligibility of climate mitigation or greenhouse gas reduction projects, and specifying that OPC

priorities include funding for innovative technology and tools that address state management needs.

Revisions were also made to reduce repetition within the Grant Guidelines. Some materials that were provided as appendices to the draft guidelines were moved to the OPC Prop 68 webpage as “web resources.” These materials may be revised over the course of implementing the Prop 68 Grant Program, and making them available as web resources provides OPC staff with the flexibility to update them as needed and appropriate.

Revisions to broaden criteria for eligible projects

OPC staff broadened and added detail to the climate change criteria to: a) include the kinds of planning and analyses needed to develop local, regional and statewide climate adaptation solutions; and b) include projects that address hypoxia or oxygen minimum zones, in addition to ocean acidification.

To better enable stakeholder communities to participate

OPC staff removed the requirement that applicants should have “a history of success completing similar projects,” because this requirement could discourage disadvantaged and severely disadvantaged communities, which may not have applied for or received grants previously, from applying for funding.

OPC staff also clarified that OPC may provide advanced payments of up to 25% of the grant award at a time to disadvantaged or severely disadvantaged communities to initiate their projects in a timely manner.

OPC staff also added Appendix D: Technical Assistance Resources, which lays out the advice and assistance that OPC staff can provide to all applicants during the solicitation period. This appendix is intended to provide applicants with information on how OPC staff can advise and assist them during the solicitation period as they develop their applications.

OPC staff made revisions to emphasize the need for applicants to describe and justify whether and how disadvantaged or severely disadvantaged communities are served by the project. Additional revisions were made to require that applicants submit a community engagement plan, which describes how they involved residents of the community in the project development process.

Revisions to provide community access funds in an effective way and clarify the use of community access funds

In response to comments, OPC staff made revisions to enable Prop 68 community access funding to be available for stand-alone projects, including criteria specific to community access funding projects. OPC staff intends to issue solicitations specifically for community access projects. Examples of community access projects include, but are not limited to:

- Construction of a trail or boardwalk to provide access to the coast;
- Implementation of climate adaptation plans to ensure that sites for coastal recreation remain accessible to the public in the future as sea levels rise;
- Purchase of equipment needed to provide on-the-water citizen science experiences; and
- Development of curriculum for environmental education that will be used for at least 10 years.

To ensure compliance with legal requirements

In response to comments, OPC staff added explicit requirements to ensure applicant compliance with SB 985 for any stormwater or dry weather runoff capture projects.

OPC also received comments that were not addressed in the revisions to the Grant Guidelines. The comments, and the rationale for retaining the approach laid out in the draft guidelines include:

- **Comments:** OPC should increase the point value awarded for projects that serve disadvantaged or severely disadvantaged communities.

OPC should either decrease the point value awarded for projects that serve disadvantaged or severely disadvantaged communities or make disadvantaged communities a “bonus points” category.

Response: OPC staff received conflicting comments regarding points awarded to projects serve disadvantaged communities. Currently 8% of the total points allowable for projects are for the disadvantaged communities criteria, and staff believes that this is sufficient to incentivize the development of projects that serve disadvantaged and severely disadvantaged communities. This is comparable to the points provided for other criteria like the project’s alignment with Prop 68, how well the project informs the state’s ability to manage ocean resources, and community support for the project. We did not pursue the “bonus points” approach because, in practice, it does not differ from providing points in the “standard” scoring criteria.

- **Comment:** OPC should provide a FAQ or guidance document for organizations working in disadvantaged communities.

Response: OPC agrees that providing an FAQ or guidance document for organizations working in disadvantaged or severely disadvantaged communities is a good idea. Due to limited staff capacity, we are unable to provide this resource with the Grant Guidelines, but we are working to develop this resource and include it on the Prop 68 webpage.

- **Comment:** OPC should require Letters of Intent for all competitive processes.

Response: OPC has found that using a Letter of Intent or concept proposal is only a useful step in a competitive grant process when the solicitation covers a broad topic area and OPC receives a range of proposals that may not compete well to meet the goals of the solicitation. When a solicitation covers a narrow range of topics or types of projects, a letter of intent is not as effective at screening out less competitive projects. OPC is retaining the letter of intent as an option to be used based on the type of solicitation released in order to retain the flexibility to only ask for full proposals if we release a targeted solicitation.

- **Comment:** OPC should allow no less than 10 weeks between releasing a solicitation and the submission deadline, this enables academic institutions to fully participate and submit proposals.

Response: OPC intends to work with our stakeholders to address this issue, and is developing an approach that will enable the stakeholder community to have sufficient notice in advance of the solicitation period. However, we have decided to retain flexibility in the guidelines to allow for varying solicitation timelines. As mentioned above, for a very targeted solicitation, a minimum 10-week solicitation period for a letter of intent or full proposal may not be appropriate.

Project Timeline

These Grant Guidelines are intended to remain through the duration of OPC's Prop 68 Grant Program through at least 2029 unless otherwise amended. Pending OPC adoption of these guidelines, the anticipated general schedule for the first round of competitive solicitations is as follows:

Prop 68 Grant Program Project Solicitation Schedule for 2019-2020	
Grant Guidelines presented to the Ocean Protection Council for approval	May 23, 2019
Solicitations released (pending approval of award guidelines)	June 2019
Letters of Intent due	August 2019
Letters of Intent evaluated	August – September 2019
Full proposals due	November 2019
Full proposals evaluated	November 2019 – January 2020
Proposals recommended for OPC approval	May 2020

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
- Foster sustainable fisheries
- Improve coastal water quality
- Allow for increased public access to, and enjoyment of, ocean and coastal resources, 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

CONSISTENCY WITH THE OPC'S STRATEGIC PLAN:

This program implements Focal Area A: Science-based decision making; Focal Area B: Climate Change; Focal Area C: Sustainable Fisheries and Marine Ecosystems; Focal Area D: Coastal and Ocean Impacts from Land; and Focal Area E: Existing and Emerging Ocean Uses. Specifically, projects funded by this program will support projects that:

- Improve decision-making through the use of best available science by state entities and agencies charged with ocean and coastal stewardship. Capitalize on and leverage the scientific community to support management and policy directions.
- Prepare for and reduce harmful impacts of climate change on coastal development and infrastructure, public health and safety, the economy, and ecosystems by encouraging adaptation to climate change and engaging decision makers at all levels of government.
- Promote the long-term health of marine ecosystems and sustainability of marine fisheries in order to protect California’s living marine resources and the communities that rely upon them.
- Reduce the negative impacts of land-based activities on marine ecosystems and the state’s coastal and ocean economy.
- Ensure that existing and emerging uses of California’s coast and ocean are planned and managed in a manner that balances their social and economic benefits with the long-term protection and sustainability of the state’s marine and coastal resources.

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 of the 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.