



**TO:** Legislative Committee

**DATE:** November 9, 2015

**FROM:** Jennifer Capitolo, Senior Policy Advisor  
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**RE:** Strategic Grant Services Program: Grants Update

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**Background:**

On September 1, 2014, Nossaman began working with County's Intergovernmental & Legislative Affairs Division (IGLA) on a new grant services program strategically aimed at securing funding for the County's top priority projects. In June 2015, the Board of Supervisors approved the continuation of the contract with Nossaman and increased the amount of priority projects to be worked on from 10-12 to 12-15 in the 2015-16 fiscal year. For all other projects, Nossaman will continually research potential grants and alert the County of those grant opportunities.

The designation of "priority projects" which Nossaman has/or will work on is based on the following criteria:

- Alignment with the Board's Strategic Initiatives & Milestones
- Alignment with the Board's Legislative Program / Legislative Priorities
- Timing of grant opportunities
- Ability to meet grant requirements
- Grant matching fund requirements
- Probability of receiving funding

**Priority Projects Currently Working on:**

We would like to update the Legislative Committee on the priority projects Nossaman has been working with the County on:

- ***Water Resources Agency Projects:*** Nossaman has been working closely with the Agency to outline detailed project descriptions, timelines, and cost estimates for each of their projects. Specifically we have been working on the Interlake Tunnel Project, as that is the number one priority water related project in the County.

Nossaman assisted in coordinating and participating in targeted meetings regarding funding the Interlake Tunnel Project. These meetings took place in

Sacramento on October 12<sup>th</sup> with the Water Resources Agency, the Water Ad Hoc Committee Members, and County staff.

- Nossaman coordinated a meeting with the Department of Water Resources' Program Managers for the Integrated Regional Water Management Program (IRWMP).
- Nossaman coordinated a meeting with Assemblymember Alejo and Martha Guzman, the Governor's Legislative Secretary who oversees all water issues.
- Nossaman attended a follow up meeting with the Department of Fish and Wildlife to discuss next steps regarding the White Bass issue.

In October, Nossaman coordinated a conference call meeting with the Infrastructure Bank to discuss the details of the Interlake Tunnel Project and the application needed to secure financing. The County needed to discuss next steps internally regarding the financial ability to enter into a low interest loan with the Infrastructure Bank.

We will continue assist in any way we can with resolving the White Bass issue. We are working toward applying in the first round of IRWMP funding, and will keep in communication with the Infrastructure Bank in the event the County has the capacity to enter into a loan agreement for the Interlake Tunnel Project.

- ***San Lucas Water District Grant Funding:*** Last week, Nossaman held a conference call with the County to discuss the need for funding for the San Lucas Water Pipeline project. The project will entail purchasing water from Cal Water Services Company and building a pipeline to pump that water from Kings City to San Lucas. Nossaman learned there is an approximate \$200,000 gap in planning funding needed and a \$5 million gap in construction funding needed to complete the project. Nossaman will be working with the County to identify potential grant funding sources to complete the project.
- ***Pay For Success Program:*** The Pay For Success (PFS) grant will be the first ever of its kind in California. The program's focus is to reduce unmet and high priority needs on a large scale to reduce recidivism rates. The Board of Supervisors would be the applicant, while County Department(s) can be the implementing agency. The maximum award is \$2 Million, and the minimum is \$500,000. There is a 100% matching requirement. The match can be in-kind, cash, or a combination. The BSCC plans to award 3 counties in this first round of funding. Applications are due February 1, 2015.

The program is unique in that the County would need to find investors to pay for provider services upfront. The County outlines outcomes anticipated from the new or expanded services. The County hires an independent third party evaluator to measure outcomes. If outcomes are met, the County pays back the

investor using grant funds received. The payback will include interest to incentive the investor. If outcomes are not met, or not all funds are expended, left over money is returned to BSCC. The County can hold up to 10% of the grant for administrative costs.

County staff and Nossaman identified the following initial next steps that the County needs to take:

- Internally, the County needs to evaluate current recidivism rates. What are the rates for adults versus youth? Are these rates higher than neighboring counties or the State as a whole?
  - Based on rates, target either youth or adults and find a program the County can either expand or create to directly address recidivism.
  - Hire an intermediary to work with investors and find a good fit for the project.
  - Find program service providers who can enter into a letter of agreement for the grant.
  - Let Nossaman know by December 1, 2015 if the County will be pursuing the grant application so we have ample time to complete the application.
- ***Proposition 1 Ocean Protection Council Program:*** Nossaman coordinated a conference call meeting for the Resource Management Agency and the Ocean Protection Council's Proposition 1 Program Manager to discuss the CRFREE and Carmel Lagoon projects. The conversation went very well, in that the Program Manager was well informed about the region's need for these projects and was hoping the County was applying for funding. The County has a lot of advantages that will make the County's projects competitive in the OPC grant program, including how much design has been done and the partnership with Big Sur Land Trust. The OPC is requiring applicants to have CEQA complete when applications enter into the "technical review" process, which is scheduled for March or April 2016. Given that the Lagoon project's CEQA will not be complete until June, and the CRFREE project's CEQA will not be complete until September or October, the County cannot apply this round. The good news is OPC anticipates opening the second round of funding in April 2016.

As follow up, Nossaman suggests that we schedule a day of meetings in Sacramento early next year to meet with Department of Fish and Wildlife, Ocean Protection Council, and Coastal Conservancy to discuss Proposition 1 funding for both projects.

#### **Pending Grant Applications:**

- U.S. Environmental Protection Agency (EPA) Congressional Earmark for the Lower Carmel River and Lagoon Floodplain Restoration and Enhancement Project.

- National Oceanic and Atmospheric Administration's (NOAA) Coastal Ecosystem Resiliency Grant Program for the Carmel River Floodplain Restoration and Environmental Enhancement Project.
- National Oceanic and Atmospheric Administration's (NOAA) Regional Coastal Resilience Grants Program for the Salinas River Lagoon (SRL) planning.

**Near-Term Future Funding Opportunities:**

Looking ahead the next few months, Nossaman views the following funding programs as potential opportunities that need to be vetted with the County:

- Housing Related Parks Program
- Integrated Regional Water Management Program
- Pay for Success Program
- Sustainable Groundwater Planning Grant Program