



TO: Board of Supervisors, County of Monterey

FROM: Jennifer Capitolo, Senior Policy Advisor
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DATE: January 26, 2016

RE: Strategic Grant Services Program: Annual Report

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. 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

For all other projects, Nossaman continually researches potential grants and alerts the County of those grant opportunities.

In May 2015, Nossaman presented a mid-year report to the Board of Supervisors covering the work that had been done thus far. 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. During the last seven months, there has been a lot of work done with the County on the Strategic Grant Services Program, and we are excited to share our progress with the Board.

Nossaman commends County staff, as it has taken a significant amount of resources working together to get the Strategic Grant Services Program up and running. Nossaman has worked closely with the IGLA Division and have identified Countywide funding needs, become educated on top priority projects, and developed relationships internally, with local County partners, and with state and federal funding agencies in support of the County's funding priorities. This has set the stage for a multi-year, ongoing effort to access grant funding in the County.

Grant funding is highly competitive and grant applications require extensive effort to complete. At times it has been difficult for County departments to commit resources (subject matter experts) to the application development process. For various reasons, there have been occasions where Nossaman and the County have spent significant time and effort on applications which have not been submitted or have been unsuccessful – or on issues which set the stage for a future application, for example with Proposition 1 funding. Whenever possible, we attempt to debrief with funding agencies in order to understand why the County's project was not chosen for funding, to understand how to improve the County's application in future funding rounds, and to strengthen the County's relationship with the funding agency. Nossaman will continue to work with the IGLA Division to fine tune this process over the next year.

Priority Projects Worked Since May 2015:

- ***Active Transportation Program (ATP):*** This program funds all recreational trail, bike and pedestrian pathways, safe routes to school, and supporting amenities. The Health Department submitted an application in the amount of \$1,369,559 for program implementation funding for Via Salinas Valley Pathways to Health through Active Transportation. The Public Works Department took the lead on two applications. One submittal requested \$5.9 million for Moss Landing Scenic Trail funding to construct a portion of the trail. The second submittal requested \$1.3 million for Las Lomas Drive gutter, drainage, sidewalk, and bike path improvements. Applications were due on June 1, 2015. The County was alerted that none of the applications were recommended for funding.

Nossaman held a follow up conference call with Resource Management Agency staff to discuss the funding needs specifically for the Moss Landing Trail project. Nossaman believes the best fit is the Active Transportation Program. Nossaman also coordinated a debrief call with CTC staff to discuss how to improve our ATP application in 2016. Nossaman will assist the County in submitting strategic public comments during the draft guideline process if necessary. Nossaman will assist the County in taking a larger role when answering narrative questions in the next round of funding. Nossaman will continue to research other grant funding opportunities for this project.

- ***COPS Anti-Gang Initiative Program:*** This Program funds hiring of new Sheriff positions and support staff with a focus on advancing public safety by address gang activity. Nossaman worked with the Sheriff's Department to prepare an application for funding for \$750,000 to fund critical positions that will be focused on anti-gang initiatives and enforcement. The Sheriff's Department could not reach an agreement with various members of PRVNT as to who would be the lead agency. As a result, the Sheriff's Department reluctantly decided not to go forward with the grant application because they were unable to fulfill the requirement of being the lead agency. This is a yearly program and Nossaman will alert the Department when the next round of funding is available.

- ***U.S. Environmental Protection Agency (EPA) Congressional Earmark:*** Nossaman worked with the Resources Management Agency to submit an application for funding for the Lower Carmel River and Lagoon Floodplain Restoration and Enhancement Project. The Project was successfully awarded a Congressional Earmark in the amount of \$485,000 and Nossaman assisted the County with submitting all necessary documentation that will ensure we successfully receive those funds. In addition, Nossaman coordinated a tour of the project site with EPA on June 17, 2015. The Resource's Management Agency is working with EPA on some final questions in order to finalize the application process.
- ***National Oceanic and Atmospheric Administration's (NOAA) Coastal Ecosystem Resiliency Grant Program:*** This Program promotes comprehensive planning efforts that address ecosystem resiliency, seek to minimize risks associated with extreme weather events, and provide for adaptation to known or potential climate change impacts, such as sea level rise. Nossaman assisted the Resources Management Agency, in partnership with the Big Sur Land Trust, on an application for the Carmel River Floodplain Restoration and Environmental Enhancement Project. The County requested \$2 million for the project. Applications were due July 2, 2015. The County was notified that this project not selected for funding. We knew this was going to be a tough one given that there was only \$4 million available nationwide. However, we did our homework before hand, and had good conversations with NOAA about our project. They did believe it was a good fit and that is why we decided to apply. The application was high quality, so we know this came down to the limited funding available. Nossaman has learned that the next round of funding will be released at the end of January and is working with our contact at NOAA to set up a debrief call to get feedback on our application once the new solicitation is released.
- ***National Oceanic and Atmospheric Administration's (NOAA) Regional Coastal Resilience Grants Program:*** This program is aimed at funding activities that build resilience of coastal regions, communities, and economic sectors to the negative impacts from extreme weather events, climate hazard, and changing ocean conditions. The Water Resources Agency took the lead on preparing an application for Salinas River Lagoon (SRL) planning. The plan would identify solutions to the known issues of flooding of productive agricultural lands, impediments to steelhead migration in the SRL corridor, management operations that impact snowy plover habitat and water quality in the SRL, all which are being exacerbated by climate change. Nossaman discussed the application and project with the Agency, reviewed the application, provided suggested modifications, and set up a meeting with NOAA staff to discuss the project. Applications were due July 24, 2015. The County was notified that this project not selected for funding, however are on hold for potential funding in FY

2016. NOAA retained the option to fund proposals received in FY2015 with available FY2016 appropriations without repeating the competitive process. NOAA will not be running another separate Regional Coastal Resilience Grant competition in FY2016. Thus, following an appropriation by Congress for this program for FY2016, NOAA will consider proposals received in FY2015 for funding with FY2016 funds. The NOAA Office for Coastal Management plans to begin negotiation with applicants on projects selected for FY2016 funding as soon as possible following any FY2016 appropriation for this program, likely within one month.

- ***SB 863 Financing Program:*** These lease-revenue bonds were authorized last year in Senate Bill 863, the Adult Local Criminal Justice Facility Financing legislation. This funding is to help counties upgrade housing and provide programming and treatment space for offenders. The Sheriff's Department submitted an application for two new facilities. One would be dedicated to programming and vocational space, and the second would be a 24 bed facility for mental health. The County hired a consultant with expertise in accessing lease revenue bonds to assist in completing the application. Nossaman participated in an initial call with the County regarding the application and coordinated a conference call with BSCC staff overseeing the Monterey County region, however did not work on the application itself. Applications were due August 28, 2015. The County was notified that the application was not chosen for financing.
- ***Proposition 1 California Stream Flow Enhancement Program:*** This Program is designed to provide funding to support implementation of multi-benefit ecosystem and watershed protection and restoration projects. The Resource Management Agency, with support from Big Sur Land Trust, was interested in applying for funding through this Program for the Carmel River Floodplain Restoration and Environmental Enhancement Project. Nossaman held several conference calls with RMA and the BSLT regarding a potential application. It was determined the project would not have CEQA ready in time for the application due date in September 2015. Therefore Nossaman will be assisting with drafting and developing the application in 2016.
- ***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, 2015 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:*** 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 required applicant, while County Department(s) could 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 attended the Bidder's Conference in Sacramento and identified the initial next steps that the County needed 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.

The County and Nossaman held a conference call in November to discuss the status of the next steps and ultimately decided it was not the right time to apply for this grant. The County did research and learned that intermediaries require more analysis upfront than could be given before the application was due. The County also learned that the population to be served is small given which could pose problems when evaluating the cost benefit analysis. The County estimated a \$40K per month fee for consultants to create a necessary feasibility study as part of the proposal. The County is still very interested in this Program and would like to evaluate what other opportunities there are to accomplish these goals.

- ***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 February or March to meet with Department of Fish and Wildlife, Ocean Protection Council, and Coastal Conservancy to discuss Proposition 1 funding for both projects.

- **Proposition 1 Sustainable Groundwater Planning Grant Program:** Nossaman worked with the County to submit an application for the Salinas Valley Groundwater Basin Assessment and Modeling project in the amount of \$250,000. The County requested the maximum award. The project will result in a comprehensive water resources assessment of Zone 2C of the Salinas River Groundwater Basin. The primary objective of this project is to evaluate if immediate steps are required to address current groundwater supply conditions due to the continuing drought conditions in the Central Coast. The Department of Water Resources will be making funding recommendations in late January.

“Priority Projects” to Work on in the First Half of 2016:

Looking ahead the next six months, Nossaman views the following funding programs as potential opportunities that need to be vetted with the County. Some of these opportunities include potential projects that been identified.

- Integrated Regional Water Management Program
 - Interlake Tunnel Project
- Active Transportation Program
 - Moss Landing Scenic Trail Project
- Proposition 1 Ocean Protection Council Program
 - Carmel Lagoon and Scenic Road Protective Structure
- Proposition 1 Coastal Conservancy Program
 - Carmel River Floodplain Restoration and Environmental Enhancement Project.
- Proposition 1 Department of Fish and Wildlife Program
 - Carmel River Floodplain Restoration and Environmental Enhancement Project.
- Water-Energy Grant Program
 - No projects identified yet.

Grant Research and Notification:

In addition to our work on priority projects, Nossaman offers grant research and notification for all other County projects. Since we began our work together, we have alerted the County of the following funding programs:

- Active Transportation Program
- Affordable Housing and Sustainable Communities Program
- Community Connect Grant Program
- Emergency Housing and Assistance Program Capital Development Component (EHAP-CD) Conversion
- Flood Emergency Response Grant Program
- Housing Related Parks Program
- Integrated Regional Water Management Grant Program
- Land and Water Conservation Fund

- Local Levee Assistance Program
- Off-Highway Motor Vehicle Recreation Grants
- Proposition 1 Coastal Conservancy Grant Program
- Proposition 1 Ocean Protection Council Program
- Proposition 1 Sustainable Groundwater Planning Grant Program
- Proposition 1 Water Recycling Funding Program
- Proposition 1 Wildlife Conservation Board Grant Program
- Second Chance Act Strengthening Relationships Between Young Fathers, Young Mothers, and Their Children
- Sustainable Agricultural Lands Conservation
- U.S. Department of Agriculture Beginning Farmer and Rancher Development Program
- U.S. Department of Agriculture Farmers Market Promotion Program
- U.S. Department of Health & Human Services Programs: Services in Supportive Housing, Grants for the Benefit of Homeless Individuals, and runaway and Homeless Youth Programs
- U.S. Department of Housing and Urban Development, Continuum of Care Program
- U.S. Department of Interior Coastal Program Grant
- U.S. Department of Interior Partners for Fish and Wildlife Program
- U.S. Department of Justice Byrne Criminal Justice Innovation (BCJI) program
- U.S. Soccer Foundation's Safe Places to Play Grant
- Veterans Housing and Homelessness Prevention Program