

REGIONAL FOREST AND FIRE CAPACITY PROGRAM

GRANT GUIDELINES

PART OF
CALIFORNIA CLIMATE INVESTMENTS

STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY

DRAFT

January 24, 2019



California
**Department of
Conservation**

For additional information, please contact:

California Natural Resources Agency

(916) 653-5656

<http://resources.ca.gov/>

Table of Contents

<i>Regional Forest and Fire Capacity Program</i>	<i>1</i>
<i>At-A-Glance</i>	<i>1</i>
<i>Section 1: Introduction and Program Summary</i>	<i>2</i>
Background	<i>2</i>
Program Authorization and Funding	<i>4</i>
<i>Section 2: Scope of Work</i>	<i>5</i>
Program goals and objectives	<i>5</i>
Block Grant Recipient Responsibilities	<i>5</i>
Deliverables	<i>5</i>
Award of Subgrants	<i>8</i>
Administrative Activities	<i>8</i>
California Climate Investment Requirements	<i>8</i>
Reporting	<i>10</i>
Environmental Compliance	<i>10</i>
<i>Section 3: Grant Awards</i>	<i>11</i>
Focus Regions and Available Funding	<i>11</i>
Block Grant Recipient Selection	<i>11</i>
Proposal Development	<i>12</i>
<i>Section 4: Grant Agreement and Administration</i>	<i>13</i>
Overview of grant execution	<i>13</i>
Performance Period and Grant Term	<i>13</i>
Funding and accounting	<i>13</i>
Eligible costs	<i>13</i>
Ineligible costs	<i>15</i>
Auditing of fund expenditures	<i>15</i>
Purchasing	<i>15</i>
Loss of Funding	<i>15</i>
Confidentiality and Publicity	<i>16</i>
<i>Section 5: Definitions and Reference Material</i>	<i>17</i>
Definitions	<i>17</i>
Reference material	<i>17</i>
<i>Appendix A: Regions Map</i>	<i>1</i>

Regional Forest and Fire Capacity Program At-A-Glance

Program

The Regional Forest and Fire Capacity Program is designed to support the development and implementation of regional priority plans to improve forest health and fire resiliency consistent with the recommendations of the Forest Carbon Plan. This program is administered by the Department of Conservation on behalf of the California Natural Resources Agency.

Funding Source

This program is funded by California Climate Investments.

Critical Dates

Draft Guidelines released for comment—January 24, 2019
Close public comment period—February 8, 2019
Guidelines released—February 15, 2019
Funding Recommendations Posted—February 15, 2019
Awards made—February 25, 2019 (proposed, subject to change)

Contact for Questions

California Natural Resources Agency
Regional Forest and Fire Capacity Program Manager
Emma.Johnston@resources.ca.gov
(916) 653-5656

Section 1: Introduction and Program Summary

The Regional Forest and Fire Capacity Program seeks to increase regional capacity to prioritize, develop, and implement projects that improve forest health and fire resiliency, facilitate greenhouse gas emissions reductions, and increase carbon sequestration in forests throughout California. Block grants will be utilized by recipients to support regional implementation of landscape-level forest health projects consistent with the California Forest Carbon Plan and Executive Order B-52-18.

For the purposes of this program, a “region” is the area served by an individual block grant recipient. “Landscape-level” means “a heterogeneous area within a region that contains multiple and interacting land-uses, watersheds, and ecosystems.” Under this definition of “landscape-level,” a landscape is not defined by its size; rather, it is defined by its structures and functions.

The Regional Forest and Fire Capacity Program is a California Natural Resources Agency program administered by the Department of Conservation.

Background

Model

The Regional Forest and Fire Capacity Program is modeled on the Sierra Nevada Conservancy’s Watershed Improvement Program. The Watershed Improvement Program serves as an example of a coordinated, integrated, collaborative initiative to restore the health of large watersheds. Launched in 2015, the program works to increase the pace and scale of investments in the Sierra Nevada to address critical watershed needs and has developed a regional strategy to:

- Assess restoration and climate resiliency needs
- Increase investments in the region
- Address key policy issues affecting the region
- Identify and implement projects

The Watershed Improvement Program is endorsed by over twenty-five local, regional, state, and federal organizations and is currently working to implement this regional strategy.

Forest Carbon Plan

In May 2018, the Forest Climate Action Team, comprised of state, local and federal agencies released the Forest Carbon Plan, which calls for significant increases in the pace and scale of forest and watershed improvements to restore the health and resilience of California’s forests by reducing conditions that lead to catastrophic wildfire and ensuring that California’s forests remain net carbon sinks that provide a range of ecosystem and social benefits to the state. The Forest Carbon Plan encourages the protection of California’s forested lands, reduction of conversion to non-forest uses, and the pursuit of innovations in wood products and biomass utilization to reduce or offset GHG emissions; promotes land stewardship; and strengthens rural economies and communities. The Forest Carbon Plan provides best available science and recommendations to achieve its goals across all forested regions of the state.

The Forest Carbon Plan emphasizes that leadership at the regional scale, built upon collaboration between diverse entities, is critical to efficiently meet the plan’s goals and address variations in forest conditions throughout California. Among other things, the plan calls for:

- Expansion and improvement of forest management to enhance forest health and resilience
- Creation of capacity for collaborative planning and implementation at the landscape or watershed level

- Coordinated and integrated management of forest health protection, management, and restoration efforts at the regional scale
- Inclusion of local actors in decisions for how to prioritize implementation of forest health protection, management, and restoration practices at the ecoregional level
- Inclusion of local actors as leaders in the collaborative process to develop regional priorities, pursue funding, and implement forest health protection, management, and restoration practices

To meet these goals, the Forest Carbon Plan recommends that, among other things, state and federal agencies:

- Provide training on methods for successful collaboration
- Provide staff or fund contractors to provide facilitation services, collect and analyze data, perform environmental review, and provide other support to collaborative efforts
- Seek support from nongovernmental organizations or other appropriate private sector entities
- Provide cost-share grants or other financial support to allow local governments and nongovernmental organizations to meaningfully participate in collaborative efforts
- Work to strengthen the social and financial connections between downstream water users and forested source watersheds through available mechanisms
- Work to conduct permitting and environmental review processes efficiently, while ensuring that the related environmental protection standards are achieved

Executive Order B-52-18

In response to the Forest Carbon Plan and in the face of the worst wildfires in California's history, Governor Edmund G. Brown, Jr., issued Executive Order B-52-18 directing state agencies to implement these and other recommendations outlined in the Forest Carbon Plan.

Key elements of the Executive Order include:

- Doubling the land actively managed through vegetation thinning, controlled fires, and reforestation from 250,000 acres to 500,000 acres
- Launching new training and certification programs to help promote forest health through prescribed burning
- Boosting education and outreach to landowners on the most effective ways to reduce vegetation and other forest-fire fuel sources on private lands
- Streamlining permitting for landowner-initiated projects that improve forest health and reduce forest-fire fuels on their properties
- Supporting the innovative use of forest products by the building industry
- Expanding programs, training, and other incentives to improve watersheds

The Executive Order directs the California Natural Resources Agency to "take all necessary steps" to double statewide forest treatments within five years.

Forest Management Task Force and Regional Prioritization Groups

Following issuance of Executive Order B-52-18, the Governor formed the Forest Management Task Force comprised of state, federal, and local agencies to implement the Executive Order and the recommendations of the Forest Carbon Plan.

The Task Force created Regional Prioritization Groups to help achieve the directives set forth in the Executive Order and Forest Carbon Plan. The regional focus of these groups will allow them to focus on the specific needs, opportunities, and barriers unique to each region.

Program Authorization and Funding

SB 856

SB 856 (Committee on Budget and Fiscal Review. Budget Act of 2018), signed on June 27th, 2018, includes significantly augmented funding across multiple programs to implement the goals of the Forest Carbon Plan and Executive Order. This funding package appropriated \$20 million in California Climate Investments funding to the California Natural Resources Agency for grants to support regional implementation of landscape-level forest health projects to expand Sierra Nevada Conservancy's Watershed Improvement Program model to the Northern, Coastal, and Southern California regions consistent with the recommendations of the Forest Carbon Plan. This funding is available for encumbrance or expenditure until June 30, 2020, with full liquidation until June 30, 2022. Up to five percent (5%) of the appropriation may be used by California Natural Resources Agency for administrative costs. The Regional Forest and Fire Capacity Program will implement this appropriation.

California Climate Investments

AB 32 and related amendments identify climate change as a serious threat to the economic well-being, public health, natural resources, and environment of California. SB 1018, AB 1532, and other statutes require that Greenhouse Gas Reduction Fund monies be used to reduce GHG emissions and further the purposes of AB 32 (Chapter 488, Statutes of 2006, and related amendments). Greenhouse Gas Reduction Fund moneys are disbursed through programs collectively known as California Climate Investments.

The California Air Resources Board (CARB) adopts Funding Guidelines for Agencies that Administer California Climate Investments (CARB's Funding Guidelines) to ensure that all programs that receive California Climate Investments dollars distribute those dollars in accordance with applicable law. All California Climate Investments programs must:

- Facilitate greenhouse gas emissions reductions and further the purposes of AB 32
- Target investments in and benefitting priority populations, with a focus on maximizing disadvantaged community benefits
- Maximize economic, environmental, and public health co-benefits
- Foster job creation and job training, wherever possible
- Avoid potential substantial burdens to disadvantaged communities and low-income communities
- Ensure transparency and accountability and provide public access to program information

California Climate Investments dollars may be distributed on a competitive or non-competitive basis.

AB 2551

AB 2551 (Wood, Statutes of 2018) authorized the California Natural Resources Agency and the California Environmental Protection Agency to utilize funding from the Regional Forest and Fire Capacity Program to jointly develop a plan for forest and watershed restoration investments for the drainages that supply Oroville, Shasta, and Trinity Reservoirs.

The plan was intended to establish a comprehensive understanding of restoration needs and prioritizes investment opportunities that will improve watershed function and resilience, water quality and supply reliability, forest carbon stores, wildlife habitat, and climate adaptation.

Section 2: Scope of Work

Program goals and objectives

The principal goal of the Regional Forest and Fire Capacity Program is to restore health and resilience to forests at the regional scale for multiple benefits, including climate adaptation. This program aims to increase regional capacity to prioritize, develop, and implement landscape-level forest health and wildfire resiliency projects that have broad support by stakeholders in and affected by the region. To that end, block grant recipients will work toward the following objectives:

- Promote and support collaborative planning and implementation of wildfire resiliency and forest health protection, management, and restoration efforts at the landscape or watershed level
- Coordinate and integrate management of wildfire resiliency and forest health protection, management, and restoration efforts at the regional scale
- Identify, prioritize, and implement forestry and wildfire protection projects that meet regional and statewide public safety, ecosystem, and public resource goals, and that are consistent with the Forest Carbon Plan

Block Grant Recipient Responsibilities

Block grant recipients shall:

- Distribute necessary funds to subgrantees to create regional plans, develop and permit projects, and implement demonstration projects consistent with these guidelines and the Forest Carbon Plan
- Ensure execution of all project deliverables and requirements outlined in this section within the grant term
- Coordinate and integrate management of wildfire resiliency and forest health protection, management, and restoration efforts within their region
- Coordinate activities with the relevant Regional Prioritization Group of the Governor's Forest Management Task Force to ensure activities are consistent with the goals of the Forest Carbon Plan and Executive Order B-52-18

Deliverables

Block grant recipients must include each the following activities in their scope of work:

1. Develop **Regional Priority Plans** for forestry, fire protection, and forested watershed improvements needed to achieve regional and statewide public safety, climate resiliency, and ecosystem goals included in Executive Order B-52-18, and the California Forest Carbon Plan;
2. Complete **project development and permitting** to generate implementation-ready projects that address regional forest and fire protection priorities for funding consideration by the various programs represented in the California Forest Management Task Force;
3. Implement forest management **demonstration projects** that showcase scalable models for management, funding, and achieving and quantifying multiple benefits; and
4. Develop **outreach, education, and training** as needed to facilitate and build capacity for implementing the above activities.

Regional Priority Plans

Each block grant recipient must use a portion of this funding to develop a Regional Priority Plan that identifies and prioritizes projects at the landscape or watershed-level to address forest health and wildfire risks within their region. Projects should be prioritized by type, resource, watershed, implementation strategy, or other logical division. Prioritization should consider and integrate the following, as appropriate:

- Areas that contribute to high wildfire risk faced by adjacent or nearby communities
- Forests projected to be at risk due to climatically driven stressors
- Forests at greatest risk to high-severity events (e.g., fire, insect outbreak)
- Forests at high risk of type-conversion (e.g., forest to shrub or grass vegetation)
- Areas with high habitat values at risk, such as spotted owl activity centers
- Headwater areas that provide significant water supply
- Areas that need to be reforested after high mortality events
- Forests at risk of conversion to other uses, including development and agriculture
- Opportunities for follow-up “maintenance” treatments via prescribed fire or other fuels reduction techniques
- Availability of adequate workforce and infrastructure to complete projects

Each Regional Priority Plan must be developed in coordination with the relevant Regional Prioritization Group of the Governor’s Forest Management Task Force. Coordination with the Regional Prioritization Groups will ensure that priorities within each Regional Priority Plan are aligned with member agencies of the Task Force priorities and their respective project-funding programs or identify additional needs not presently funded. The Forest Management Taskforce Science Advisory Panel will provide scientific expertise and input as needed to develop each Regional Priority Plan.

Regional Priority Plans must be developed with broad participation of regional residents, tribes, federal/state/local governments, landowners, and other organizations. Block grant recipients will lead the development of the Regional Priority Plan for their region, partnering directly with organizations in their region throughout the process. Each block grant recipient should engage priority populations and other stakeholders within their jurisdiction in the development of their Regional Priority Plan. The plan should incorporate actionable components that reduce risk to priority populations from wildfire and other climate-related disasters. Each plan should also increase the ability of priority populations to access statewide public and other grant moneys for climate change mitigation and adaptation projects.

To ensure appropriate consistency across regions in the development of each Regional Priority Plan, block grant recipients and partnering entities will work in coordination with the Statewide Support Entity block grant recipient, who will support the implementation of the Regional Forest and Fire Capacity Program statewide.

Desired outcomes from the development of each Regional Priority Plan include:

- Increased capacity of block grant recipients and their partners to identify, prioritize, and plan for wildfire and forest health needs within their region
- Coordinated fire planning and management efforts
- Development and management of broad, effective networks of partners and stakeholders
- Attainment of strong regional support for the Regional Priority Plan and identified projects through broad inclusion of stakeholders and partners

Desired outcomes from the priority projects identified in each Regional Priority Plan include:

- Reduced wildfire severity
- Improved forested ecosystem health
- Increased fire recovery efforts
- Improved ecosystem services provided by forested watersheds
- Increased ecosystem service resilience
- Protected cultural resources
- Improved water quality

- Increased water retention in the ecosystem
- Identified material management and labor needs to accomplish prioritized opportunities
- Identified land use agreements and planning needs to accomplish prioritized opportunities
- Attainment of broad regional support and funding for projects
- Increased permitting efficiency to meet scale of need
- Increased regional workforce development opportunities

Where available, block grant recipients will use a measurement tool to assess desired outcomes. If not available, the block grant recipient shall work with Agency to develop methods to assess desired outcomes.

Project Development and Permitting

Block grant recipients must use a portion of this funding to support preliminary project development and permitting activities for the priority projects identified in their Regional Priority Plan or “no-regrets” projects with regional support and identified prior to development of the Regional Priority Plan to ensure that projects are ready to receive implementation funding from state and non-state programs. Block grant recipients must work in collaboration with their Regional Priority Plan partners to develop and permit projects. Project development and permitting of projects may occur in parallel with the development of the Regional Priority Plan pursuant to consultation with the Agency and Department.

Desired outcomes for project development and permitting include:

- Completed project design and permitting
- Established non-state partnerships, support, and funding, as well as broad partnerships with regional stakeholders
- Developed pipeline with multiple years of implementation-ready projects that meet the goals of the Regional Priority Plan available for funding consideration

Demonstration Projects

Block grant recipients must use a portion of their grant to fund at least one demonstration project. The demonstration project(s) should maximize(s) desired outcomes of the Regional Forest and Fire Capacity Program and should serve as a model for meeting regional and statewide goals.

Desired outcomes for demonstration projects include:

- Quantified achievement of multiple desired benefits of the program
- Incorporated participation from multiple partners and funding sources
- Replicability and scalability
- Support for regional workforce development opportunities
- Integrated benefits to priority populations
- Increased community outreach, involvement, and education

Outreach, Education, and Training

Critical to all the above activities, the Regional Forest and Fire Capacity Program intends to achieve outreach to a broad and diverse range of communities within each region to develop a comprehensive understanding of and support for the program. This includes performing outreach to and engaging priority populations in the development of Regional Priority Plans. Further, the Regional Forest and Fire Capacity Program intends to strengthen practitioners’ forest health and resilience skills by developing region-wide peer-to-peer training opportunities. Block grant recipients must use funds from this program to further the above goals.

Desired outcomes of outreach, education, and training efforts associated with Regional Forest and Fire Capacity Program block grants include:

- Community-level engagement and education on regional priority planning for forest health and resilience projects.
- Targeted outreach to and engagement of priority populations
- Practitioner-level education and regional coordination
- Regional understanding of the benefits of forest health and resilience projects identified in the Regional Priority Plan
- Broad regional support for Regional Priority Plan

Award of Subgrants

As the fiscal administrators of the Regional Forest and Fire Capacity Program, block grant recipients will award subgrants of Regional Forest and Fire Capacity Program funding to fulfill the scope of work of this program.

Eligible subgrantees are local and tribal governments, state conservancies, joint powers authorities, public agencies, resource conservation districts, special districts, and California 501c3 non-profit organizations.

Administrative Activities

Additionally, block grant recipients must participate in all of the following activities:

- An orientation
- Meetings with the relevant Forest Management Task Force Regional Prioritization Group
- Quarterly update meetings with Department and Agency

Note that the orientation will likely occur in Sacramento. Block grant recipients who do not participate in the above activities will risk forfeiting their award.

California Climate Investment Requirements

Greenhouse Gas Emissions Reductions

Recent changes in the California Air Resources Board's 2018 California Climate Investments Funding Guidelines measure GHG emissions reduced or avoided at a programmatic rather than project level. The Regional Forest and Fire Capacity Program will facilitate greenhouse gas emissions reductions and carbon sequestration through:

- Collaborative planning of forest health protection, management, and restoration efforts
- Implementation of forest management demonstration projects

Emissions reductions will be quantified and reported for funded demonstration projects in accordance with the CARB-approved Quantification Methodology for the Forest Health Program, dated April 18, 2018.

Priority Populations Benefits

Assembly Bill 1550 (Chapter 369, Statutes of 2016) directs State and local agencies to make significant investments that improve California's most vulnerable communities. The statute requires that the Greenhouse Gas Reduction Fund

investment plan governing all California Climate Investments programs allocate funding to benefit residents of disadvantaged communities, low-income communities, and low-income households¹ (priority populations).

This program will maximize benefits to disadvantaged communities and invest in projects that provide direct, meaningful, and assured benefits to priority populations by:

- engaging priority populations in developing actionable plans that address their needs, reduce environmental burdens in their community, and/or improve public health in their community
- incorporating actionable components into each Regional Priority Plan that, when executed, will reduce risk to priority populations from fire or associated disasters

Consistent with CARB guidance, at least ten percent (10%) of total program funds expended under these Guidelines must fund plans, partnerships, or projects that provide direct, meaningful, and assured benefits to low-income communities or low-income households located anywhere in the state.

To count toward these investment targets, block grant deliverables must meet all of the following requirements:

- Fifty percent (50%) or more of the plan, partnership, or project boundary must be located within:
 - A low-income community census tract², as defined in HSC 39713; or,
 - the boundaries of a low-income household
- The plan, partnership, or project must address an important community or household need as outlined in the Technical Assistance & Capacity Building Evaluation Criteria for Providing Benefits to Priority Populations, the Land Restoration and Forest Health Evaluation Criteria for Providing Benefits to Priority Populations, or other CARB-approved checklist applicable at the time of project award (Priority Population Benefits Criteria checklist);
- The plan, partnership, or project must provide direct, meaningful, and assured benefits to a priority population as outlined in the Priority Population Benefits Criteria checklist.

Each block grant recipient must identify investments in and benefits to priority populations and report results as deliverables are completed. To that end, block grant recipients must complete the Priority Population Benefits Criteria checklist and provide supporting documentation for each program deliverable to be completed as part of the grant. Block grant recipients may complete a priority population benefits checklist for each subgrant awarded as part of their block grant in order to track expenditures. Agency in consultation with CARB will make the final determination as to whether distributed funds will be counted toward the investment minimums.

Co-Benefits

Pursuant to AB 1532, Greenhouse Gas Reduction Fund monies shall be used to facilitate reductions of greenhouse gas emissions and, where applicable and to the extent feasible, to maximize environmental, economic, and public health benefits for California.

Jobs

Each block grant recipient will be required to project the potential employment benefits associated with their proposal as estimated using the jobs co-benefit assessment methodology developed by CARB. Upon completion of all deliverables,

¹ These Guidelines rely on Health and Safety Code Section 39711 for the definition of “disadvantaged communities” and Health and Safety Code Section 39713 for the definitions of “low-income communities” and “low-income households.”

² A mapping tool to determine whether a project location is within a low-income community census tract is available here: <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>

block grant recipients will be required to report on the employment outcomes of the work completed under the Regional Forest and Fire Capacity Program as outlined in CARB's Funding Guidelines.

Reporting

Each block grant recipient will be required to participate in quarterly reporting meetings with the Department and Agency.

In addition, each block grant recipient must participate in the appropriate Regional Prioritization Group of the Forest Management Task Force.

Block grant recipients receiving advanced funds must provide a fiscal report detailing how those funds have been expended on a quarterly basis and along with each subsequent request for an advance. Block grant recipients that receive funding on a reimbursement basis must provide a fiscal report detailing how funds have been expended along with each invoice.

Environmental Compliance

Activities funded under this program must comply with applicable State and federal laws and regulations, including the California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA), and other environmental permitting requirements. Block grant recipients are responsible for project compliance and grant agreement budgets may include the funding necessary for compliance-related tasks.

Section 3: Grant Awards

Focus Regions and Available Funding

Seven (7) block grants will be awarded on a noncompetitive basis to support implementation of landscape or watershed-level forest health projects in Northern, Coastal, Eastern, and Southern California, as shown in Appendix A. Regional block grant recipients will distribute funds to subgrantees and work to ensure coordinated and integrated management of forest health and resilience activities throughout their region. Block grants will be disbursed regionally as follows:

<u>Region</u>	<u>Number of grants</u>	<u>Grant amount</u>
Northern California	1	\$4.25 Million
Eastern California	1	\$2 Million
Coastal California	1	\$4.25 Million
Southern California	3	\$1.5 Million each

In addition to the six regional grants, one (1) block grant will be awarded in the amount of \$3 million to fund statewide coordination of and technical assistance to regional block grant recipients, as well as to support forest health and resilience efforts in communities and priority areas not covered by the regional block grant recipients.

At Agency's discretion, the remaining \$2 million from the appropriation may be made available for implementation of AB 2551, for administrative purposes, or to increase awards to block grant recipients.

Should additional funding consistent with the purposes of this program become available in future years, Agency may, at its discretion, allocate funding to increase grants funded under these Guidelines.

Block Grant Recipient Selection

Agency has identified seven entities to serve as the fiscal administrators of Regional Forest and Fire Capacity Program block grants.

Statewide and regional entities eligible to receive block grants are: local and tribal governments, state conservancies, joint powers authorities, public agencies, resource conservation districts, special districts, and California 501c3 non-profit organizations.

Factors considered when selecting regional block grant recipients include:

- Demonstrated ability to coordinate the many entities across their region necessary to meet program goals
- Existing strong regional partnerships and support and capacity to expand these partnerships
- Demonstrated ability to conduct regional planning efforts
- Fiscal and administrative control systems to adequately oversee the expenditure of block grant awards
- Policy and program expertise relevant to meeting program goals

Factors considered when selecting the statewide block grant recipient include:

- Experience and expertise in developing forest health and wildfire protection planning statewide
- Experience and expertise in conducting effective and inclusive outreach across diverse communities

- Experience and expertise in developing peer-to-peer and inter-regional sharing of project implementation strategies and skills
- Strong relationships with primary actors in forest health and wildfire protection planning statewide
- Fiscal and administrative control systems to adequately oversee the expenditure of block grant awards
- Policy and program expertise relevant to meeting program goals

Proposal Development

Selected entities collaborated with Agency to develop grant proposals consistent with the goals and objectives of this program.

Section 4: Grant Agreement and Administration

Overview of grant execution

1. Agency will announce awards.
2. Each block grant recipient must enter into a grant agreement with Agency. The block grant recipient must sign and return two copies of the grant agreement to the Department, within three months of the award date or risk forfeiting their award.
3. The grant agreement is considered fully executed once the Agency's authorized signatory has signed the grant agreement.
4. Once Agency notifies the block grant recipient that the agreement has been fully executed, the grant recipient should promptly commence work.

Performance Period and Grant Term

Block grant recipients need to complete all tasks and deliverables by March 30, 2022 to ensure payment by the termination of the grant agreement term. The grant term will continue until June 30, 2022. The grant may be extended for an additional time at Agency's discretion and with appropriate budget authorization.

Funding and accounting

Payment of grant funds

- Payment will be made on a reimbursement basis.
- Agency may distribute up to 25% of the original grant amount to a block grant recipient in advance at a time per Agency protocols.
- Except for permitted advance payments, payments will be made in arrears.
- Grantees may invoice not more than monthly, and in accordance with the terms and conditions of the Grant Agreement.
- Funds cannot be disbursed until there is a fully executed Grant Agreement between Agency and the Grantee.
- Only those eligible costs incurred as outlined in these Guidelines and in accordance with the Grant Agreement will be eligible for reimbursement.

Accounting of grant funds

It is essential that complete and accurate records be maintained. Grant recipients must maintain an accounting and record keeping system that reflects sound fiscal controls and safeguards. The accounting information must be sufficient so that the total cost of each aspect of the project can be readily determined and records are readily available upon demand. Grant recipients must retain all grant transaction records for a period of four years after final payment.

Any advanced funds must be kept separate in accounting records from block grant recipient's other funds. Interest earnings shall be allocated to the block grant's advanced funds for use on the project or returned to the Agency. Advanced funds that are unused shall be returned to the Agency promptly upon completion of the project or termination of the grant agreement, whichever occurs first.

Eligible costs

Eligible costs must be incurred during the Grant Term. All costs must be reasonable, as defined in Section 5 of these Guidelines. Eligible costs are:

Staff costs

Block grant recipient, subgrantee, and their contractors' staff costs, including salary at an hourly rate, benefits, taxes, and leave. Administrative costs should not be included in the staff rate or salary. Administrative costs should be budgeted separately and must comply with the requirements outlined below.

Travel costs

In-state travel for block grant recipient, subgrantee and their contractors' staff as necessary to fulfill the deliverables of the program. Costs must meet the requirements outlined below and in the Grant Agreement:

- Accommodation-related travel costs: maximum reimbursement rates based on county as shown here: <http://www.calhr.ca.gov/employees/Pages/travel-lodging-reimbursement.aspx>, with no option for approval of an "excess lodging rate."
- Rental car or mileage for travel directly related to execution of scope of work will be reimbursed at the rental car or Reimbursement Rate Per Mile for Personal Vehicle as shown here: <http://www.calhr.ca.gov/employees/Pages/travel-personal-vehicle.aspx>.
- Rental car, train, or airfare will only be reimbursed to attend those meetings outlined in the Administrative Activities section, and then only if it is the typical method used to get from one location to the other
- No other travel-related costs will be reimbursed through this grant program

Administrative costs

Administrative costs may account for no more than twenty percent (20%) of the total block grant award and may include those costs incurred by the block grant recipient to administer the grant, or costs by subgrantees to perform those tasks necessary to fulfill the deliverables outlined in these guidelines. Administrative costs include:

- Office space
- Supplies and equipment
- Legal or management oversight
- Prorated general liability, Workers' Compensation (may be included in payroll), and automotive insurance

Project development costs and permitting fees

Block grant funding may be used for project development costs:

- Preparing project plans, specifications and cost estimates that will result in a specific project
- Acquiring permits for specific, future on-the-ground projects
- Analysis required to support complete CEQA and or NEPA documentation
- Performing necessary cultural resources, biological, botanical, aquatic, soil, hydrologic, wildlife, timber, or other studies/surveys and/or developing necessary project designs related to a specific site or physical project

Demonstration project implementation costs

Block grant funding may be used for demonstration project implementation costs including:

- Preparation of bid packages and contractor documents
- Performance costs within the scope of the demonstration project including materials and supplies
- Labor and other costs necessary for the physical implementation of the project

- Pre- and post-project monitoring and adaptive management, including preparation of long-term management plan

Outreach, Education, and Training

Block grant funding may be used for Outreach, Education, and Training activities including

- Meeting space
- Materials
- Facilitation

Ineligible costs

Ineligible costs are:

- Costs that are not related to the Regional Forest and Fire Capacity Program
- Costs that occur outside of the Grant Agreement term
- Meals, incidentals, tips, per diems, or refreshments for meetings or travel
- Incentive/participation gifts or payments
- Out-of-state travel and activities

Auditing of fund expenditures

All expenditures of public funds under this program are subject to audit by the State of California. All grant recipients shall maintain books, records, documents and other evidence sufficient to properly reflect the amount, receipt, and disposition of all project funds (including state funds, interest earned, and matching funds by the grant recipient) and the total cost of the project.

Purchasing

Grant recipients are expected to adhere to their competitive bid, internal contracting, and purchasing guidelines. Documentation of the grantee's contracting or purchasing guidelines, processes, and project-specific approvals may be requested in the event of an audit by the State of California.

Loss of Funding

Work performed under the grant agreement is subject to availability of funds through the State's budget process. If funding for the grant agreement is reduced, eliminated, or delayed by the Budget Act or through other budget control actions, Agency will have the option to cancel the grant agreement, offer to the grantee a grant agreement amendment reflecting the reduced amount, or suspend work. In the event of cancellation of the grant agreement or suspension of work, Agency will provide written notice to the grantee and be liable only for payment for any work completed pursuant to the grant agreement up to the date of the written notice. Agency will have no liability for payment for work carried out or undertaken after the date of written notice of cancellation or suspension. In the event of a suspension of work, Agency may remove the suspension of work by written notice to the grantee. Agency will be liable for payment for work completed from the date of written notice of the removal of the suspension of work, consistent with other terms of the grant agreement. In no event will Agency be liable to the grantee for any costs or damages associated with any period of suspension, nor will Agency be liable for any costs if, after a suspension, no funds are available and the grant agreement is then cancelled based on budget actions.

Actions of the grantee that may lead to suspension or cancellation of the grant agreement include, but are not limited to:

- Failure to execute an agreement within three months of receiving an official funding notification
- Failure to submit required documentation within the time periods specified in the grant agreement
- Change in project scope, schedule, or budget without prior approval

- Failure to complete the project
- Failure to demonstrate sufficient progress
- Failure to submit evidence of environmental or permit compliance as specified by the grant agreement
- Failure to comply with applicable laws or grant requirements

Confidentiality and Publicity

Details, documents, and any other materials related to this program, such as applications, grant agreements, reports, expenditures, photos, etc., are public records that may be publicly released in accordance with the California Public Records Act (Cal. Gov. Code §§ 6250 et seq.).

All project publicity, including that produced by subgrantees, should acknowledge “California Climate Investments” as a source of funding. All written media-related or public outreach products, including those produced by subgrantees, should also include the California Climate Investments logo in a manner consistent with the most current version of the California Climate Investments Logo Usage Guidelines. Websites, announcements, press releases, and publications must also include specific California Climate Investments acknowledgement language as delineated in CARB’s most recent *Cap-and-Trade Auction Proceeds, Funding Guidelines for Agencies that Administer California Climate Investments* and available through the Department of Conservation.

Grantees should include the email address: CCIPress@arb.ca.gov on any distribution lists and post the @CAClimateInvest Twitter link on their website.

The most recent Logo Usage Guidelines are available through the Department and are posted on the California Climate Investments website at <http://www.caclimateinvestments.ca.gov/logo-graphics-request/>.

Section 5: Definitions and Reference Material

Definitions

Agency: California Natural Resources Agency.

Collaboration: Partnership or cooperation involving multiple and diverse stakeholders (including agencies, as appropriate) to improve natural resource conditions within the same watershed in ways that do not duplicate efforts.

Department: California Department of Conservation.

Reasonable costs: A cost that, in its nature and amount, does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of the project.
- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of this project.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to its employees, the public at large, and the state.
- Whether the cost significantly deviates from the acquiring entity's established practices and policies regarding the incurrence of costs.

Watershed: All land enclosed by a continuous hydrologic drainage divide and lying upslope from a specified point on a stream, river, lake, or other waterbody. Total land areas draining to any point in a stream.

Reference material

- *California Forest Carbon Plan: Managing our Forest Landscapes in a Changing Landscape*, May 2018, California Natural Resources Agency, California Environmental Protection Agency, California Department of Forestry and Fire Protection
- Executive Order B-52-18

