

**SAN DIEGO RIVER CONSERVANCY'S
GUIDELINES FOR PROPOSITION 4 - NATURE
BASED SOLUTIONS GRANT PROGRAM**



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I. Introduction

A. Background

The San Diego River Conservancy (“Conservancy”) is a state agency, established in 2002, to work within the San Diego River watershed to implement multi-benefit projects that protect and enhance the San Diego River and its connected resources (Public Resources Code, Division 22.9). The San Diego River Conservancy Act authorizes the Conservancy to undertake projects and award grants to achieve the goals set forth in Division 22.9. The Conservancy works along the entire length of the San Diego River, from its mouth in the City of San Diego at Ocean Beach to its headwaters in the mountains near Julian. The Conservancy’s jurisdiction also includes all of the contributing area to the San Diego River watershed including streams and tributaries, an estuary, wetlands, reservoirs, uplands, meadows and forests.

The Conservancy’s Grant Program seeks to support multi-benefit projects that advance a number of **goals**, including but not limited to:

- Conserving land
- Protecting resources
- Reducing flood and fire risk
- Improving water quality
- Protecting and enhancing wildlife habitats and corridors
- Completing the San Diego River Trail
- Providing public access for the enjoyment of the San Diego River Park and open space, trails, campgrounds and park facilities
- Removing invasive plant species from the watershed
- Increasing native habitat and promoting the re-establishment of native species
- Promoting cultural and tribal preservation, and historical interpretation of the San Diego River and its people

The Conservancy’s adopted Strategic Plan Update 2024-2028 identifies the Conservancy’s goals and objectives by program area. [Strategic Plan 2024-2028](#)

B. Budgetary Language

Funding for the projects will be provided through the Nature-Based Solutions allocation under Proposition 4, contingent upon the availability of funds in the State’s regular budget process. This grant program will make funding available to eligible entities for the implementation of local assistance projects.

C. Proposition 4 Overview

1. Summary

The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 was approved by voters on November 5, 2024. Proposition 4 (Prop 4) is codified as Division 50 of the Public Resources Code, Chapters 1-10, Sections 90000-95015. The purposes of Prop 4 include watershed improvement, wildfire resilience, chaparral and forest restoration, and workforce development that addresses needs related to this subdivision and to reduce the risks of climate change impacts upon communities, fish and wildlife, and natural resources, and increase public access.

Further, Public Resources Code, section 90050 states, "In expending funds pursuant to this division, an administering state agency shall give priority to projects that leverage private, federal, and local funding or produce the greatest public benefit."

At least 40 percent of the total funds available pursuant to Proposition 4 shall be allocated for projects that provide meaningful and direct benefits to vulnerable populations or disadvantaged communities. At least 10 percent of the total funds available pursuant to this division shall be allocated for projects that provide meaningful and direct benefits to severely disadvantaged communities.

The Conservancy's Proposition 4 funded grants must advance state priorities, align with the goals of the bond, be consistent with the San Diego River Conservancy Act, and comply with the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024. The Conservancy anticipates rolling out funding at approximately \$7 million every other year until funds are expended.

2. Conservancy Allocations

Under Chapter 3, for Wildfire and Forest Resilience, the Conservancy's \$25.5 million bond allocation will fund projects focused on wildfire prevention and forest resilience. The goal is to reduce wildfire risks to communities and to restore the health and resilience of forests and landscapes.

Under Chapter 6, to protect biodiversity and accelerating nature-based solutions the Conservancy's \$48 million bond allocation aims to enhance biodiversity, promote nature-based climate solutions, and support initiatives that address challenges such as drought, floods, and rising temperatures. These efforts will benefit communities, native habitats for fish and wildlife, and natural resources, while also improving public access to these areas. Overall, these activities will help protect nature and restore the health of ecosystems. Up to 5 percent of the funds made available pursuant to this section may be allocated for community access projects that benefit disadvantaged communities, severely disadvantaged communities, and vulnerable populations and that include, but are not limited to, the following: (1) Transportation, (2) Physical activity programming, (3) Resource interpretation, (4) Multilingual translation, (5) Natural science, (6) Workforce development and career pathways, (7) Education, (8) Communication related to water, parks, climate, coastal protection, and other outdoor pursuits.

3. Definitions

“Disadvantaged community” means a community with a median household income of less than 80 percent of the area average or less than 80 percent of statewide median household income.

“Nonprofit organization” means a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code.

“Protection” includes those actions necessary to prevent harm or damage to persons, property, or natural, cultural, and historic resources, actions to improve access to public open-space areas, or actions to allow the continued use and enjoyment of property or natural, cultural, and historic resources. Protection includes site monitoring, acquisition, development, restoration, preservation, and interpretation.

“Restoration” includes the improvement of physical structures or facilities and, in the case of natural systems and landscape features, includes, but is not limited to, any of the following:

- (A) The control of erosion.
- (B) Stormwater capture, treatment, reuse, and storage, or to otherwise reduce stormwater pollution.
- (C) The control and elimination of invasive species and harmful algal blooms.
- (D) The planting of native species.
- (E) The removal of waste and debris.
- (F) Prescribed burning and other fuel hazard reduction measures.
- (G) Fencing out threats to existing or restored natural resources.
- (H) Improving instream, riparian, floodplain, or wetland habitat conditions.
- (I) Other plant and wildlife habitat improvement to increase the natural system value of the property or coastal or ocean resources.

“Restoration” also includes activities, including the planning, permitting, monitoring, and reporting that are necessary to ensure successful implementation of the restoration objectives.

“Severely disadvantaged community” means a community with a median household income of less than 60 percent of the area average or less than 60 percent of statewide median household income.

“State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as it may be amended from time to time.

“Vulnerable population” means a subgroup of population within a region or community that faces a disproportionately heightened risk or increased sensitivity to impacts of climate change and that lacks adequate resources to cope with, adapt to, or recover from such impacts.

II. Program Purposes, Required Criteria and Eligibility

A. Purpose of Grant Program Guidelines

These guidelines support goals listed above projects that create or improve ecological health of the watershed and result in a combination of multiple benefits, including but not limited to native habitats, ecosystems services, and community benefits.

Listed below are a proposed schedule for the grant solicitation process:

Dates	Schedule
Notice of Funding Availability - Prop 4, Round 1	October 10, 2025
Prop 4, Round 1 Concept Proposals Due	December 30, 2025
Notice of Funding Availability - Prop 4, Round 2	February 5, 2027
Prop 4, Round 2 Concept Proposals Due	April 30, 2027

B. Eligible Entity

Project applicant must be (1) a public agency, including any city, county, city and county, special district, joint powers authority, state agency, public college, public university; (2) a non-profit organization that qualifies under Section 501(c)(3) of the United States Internal Revenue Code; or (3) a Native American Tribe that is either federally recognized or is a California Native American Tribe on the Native American Heritage Commission contact list and located within traditional Kumeyaay territory and culturally affiliated with the County of San Diego.

C. Project Selection Criteria

To be eligible for an award from the Conservancy under this grant program, projects must meet all of the following:

- Applicant is an eligible entity
- Located within the Conservancy's service areas (Watersheds of the San Diego River, Sweetwater River, Otay River and Tijuana River)
- Support/Consistent with the Conservancy's strategic plan
- Achieves the Conservancy's mission, statutory programs and goals
- Consistent with requirements of funding source and budget provisions
- Promote or implement approved state plans and priorities
- Result in clear, demonstrable benefits to the public or environment
- Meet all California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) requirements, as applicable
- Include a long-term management plan and/or possible agreement with Conservancy to maintain project site for 10-20 years, as applicable

D. Grant Program Priorities

1. Project located in the San Diego River watershed.
2. Land acquisition or conservation.
3. Benefits disadvantage or vulnerable communities.
4. Advances the San Diego River Trail and facilities (Planning, design or

construction).

II. Grant Application Process

A. Contact the Conservancy

The first step in the application process is to email the Conservancy and summarize the potential project, discuss design and permitting, describe its benefits to the environment and local community, provide budget estimate and matching or in-kind funds, and request a concept proposal. The Conservancy will conduct a brief consultation with the applicant.

B. Submit Concept Proposal

The next step in the process is to submit a Concept Proposal. This form is posted on the Conservancy's website and may be updated periodically. The Conservancy may elect to solicit targeted proposals for a specific project type. The Conservancy may provide technical assistance to assist applicants in developing their projects. For any questions concerning the grant program, please contact Dustin Harrison, Environmental Scientist, at dustin.harrison@sdrc.ca.gov or 619-390-0571. The Conservancy reserves the right to reject any applicant who has a history of performance issues with past grants or other agreements with any public entity.

C. Invitation for a Full Application

Once Concept Proposals are submitted, the Conservancy will conduct meetings with potential applicants, visit project sites, and assess the applicants' organizational capacity while discussing their planned projects. Following this process, the Conservancy staff may invite certain applicants to submit full applications. The Conservancy will then review these applications and consult with experts as needed.

D. Application Review and Evaluation

Full applications will be reviewed and evaluated based on how effectively the proposed project advances the evaluation criteria and fulfills the goals and priorities outlined in these Program Guidelines. To qualify for funding from this Grant Program, projects must align with the Conservancy's statute and comply with the conditions specified in these guidelines.

E. Conservancy Project Review and Evaluation

The Conservancy's Program Guidelines provide required criteria that must be satisfied by all projects as well as additional program criteria that are not mandatory, but which will be considered for purposes of evaluation.

F. Grant Awards

Grants will be awarded after approval by the Conservancy Board. The Conservancy Board holds public board meetings approximately 6 times a year. Staff recommendations will be provided to the Conservancy Board to document how each project meets criteria objectives and priorities for this grant program. Staff recommendations will be posted on the Conservancy's website prior to the public

meeting.

Criteria	Points
Supports the Conservancy mission, statute and strategic plan	20
Alignment with funding source and program goals	15
Supports state plans and priorities	15
Organizational capacity and project readiness	15
Project design, budget and timeline	15
Collaboration and community engagement (Tribal, Non-Profit and/or Government)	10
Leveraged Funding	10
California Conservation Corps	10
Priority – San Diego River watershed	10
Priority – Land acquisition or conservation	10
Priority – Benefits disadvantage or vulnerable communities	10
Priority – Advances the San Diego River Trail	10
Total Points Possible	150

III. Evaluation Criteria

A. Supports Conservancy mission and statute and strategic plan (20 points)

Division 22.9 of the Public Resources Code “[The San Diego River Conservancy Act](#),” at Public Resources Code Sections 32630 – 32659.9 [[pdf](#)]

[Strategic Plan 2024-2028](#) Program areas:

- Land acquisition and conservation
- Recreation, education and interpretation
- Habitat protection and restoration
- Cultural, tribal and historical resource protection
- Water quality and flood conveyance
- Outreach and capacity

B. Alignment with funding source and program goals (15 points)

The degree to which the project aligns with funding source, program priorities (page 5), enhance public access, improve watershed health, and results in multiple, tangible public benefits. Here is a link to [Proposition 4 bond language](#):

C. The extent to which the project promotes and implements state priorities (15 points)

Promotion and implementation of State plans and priorities require that projects be consistent with adopted statewide plans and priorities. Related state plans include, but are not limited to: 2023 Outdoors for All, 30x30 Strategic Pathways Document, California’s 2021 Climate Adaptation Strategy, 2022 Scoping Plan to Achieve Carbon Neutrality, 2022 California Natural and Working Lands Climate Smart Strategy,

California Natural Resources Agency's Safeguarding California Plan: 2018 Update, 2018 California Forest Carbon Plan, California's Wildfire and Forest Resilience Action Plan 2021, California's Wildfire and Forest Resilience Action Plan 2021, California's Fourth Climate Change Assessment, California State 2015 Wildlife Action Plan.

D. Organizational capacity and project readiness (15 points)

The degree to which the project is ready to proceed promptly and can meet funding expenditure requirements, if funded. Are property owners supportive of the project? In addition, for Implementation Projects: Is project planning and coordination complete? Is access secured, environmental compliance, permitting, or other necessary preparations complete, as appropriate? Is all funding identified or secured?

E. Project design, budget and timeline (15 points)

Clarity on the project purpose, goals, deliverables, treatment approach, schedule, and budget. Is the project design supported by science and proven methodologies or the use of new or innovative technology or practices? If it is a planning project, does it prepare all the necessary elements for the future implementation of the project, or address needs on a larger landscape scale? Are the proposed deliverables appropriate for the project? Is the budget adequate and reasonable to complete the project, with costs clearly defined and supported?

F. Collaboration and Community, Tribal, Non-Profit and/or Government support (10 points)

Support letters from local, state, tribal and federal organizations and community members. Extent to which the public, non-profit groups, landowners, and others will support or contribute to the project.

G. Leveraged funding (10 points)

Include other sources of funds, including matching funds and in-kind funds or donations.

H. California Conservation Corps (10 points)

Pursuant to §90150 – To the extent feasible, a project whose application includes the use of services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5, shall be given preference for receipt of a grant under this division.

IV. Additional Information

A. Ineligible Projects

Funds must be spent consistent with the funding source. Examples of ineligible projects include, but are not limited to:

1. Projects cannot be used to fund acquisitions of land by eminent domain.
2. Projects that include acquisition of property for more than fair market value.
3. Projects that include both acquisition and development.
4. Projects that are intended to correct problems caused by inadequate routine maintenance.

5. Projects that would be used to fulfill mitigation requirements imposed by law.
6. Projects cannot establish or increase any endowment.

B. Signage Requirements and Funding Acknowledgement

If awarded a grant, prior to beginning the project, the grantee shall submit a plan to the Executive Officer to acknowledge the Conservancy's support. This plan must include press releases, social media postings during the agreement term, acknowledging Conservancy funding when speaking with the media, volunteers and the public about this Project and include a description of the Project on the Grantee's website acknowledging funding from the Conservancy.

In addition, the grantee shall submit a signage plan describing the number, design, placement and wording of the signs, or the specifications of a proposed, alternative method. The cost of the signs is an eligible cost. Temporary and permanent signage are required conditions under this agreement.

C. Proof of Insurance

If awarded a grant, prior to beginning the project, the grantee shall provide certificate of insurance during the grant period for Workers Compensation, General Liability (\$1,000,000 per occurrence for bodily injury / \$2,000,000 general aggregate limit) and Automobile Liability (\$1,000,000 per accident for bodily injury and property damage) including required endorsements.

D. Grant Provisions

Following Conservancy Board approval of a grant, staff will prepare a grant agreement with detailed conditions specific to the project. The grant agreement will be the binding legal agreement between the Conservancy and its grantee. The grant agreement must be signed by the grantee before funds are disbursed. Several typical grant agreement provisions are:

1. Actual awards are conditional upon funds being available from the State.
2. Grantees must submit a detailed scope of work and budget for Conservancy approval.
3. Grant funds will be paid in arrears on a reimbursement basis.
4. Site control from applicant or the landowner is needed prior to commencing work.
5. Grantees may be required to reimburse the Conservancy for some or all of the disbursed grant funds if the project is not successfully completed.
6. Grantees must maintain liability insurance during grant term and include the San Diego River Conservancy as an "additional insured."
7. Expenses incurred before the Conservancy grant agreement is executed are not reimbursable.
8. The project complies with all applicable current laws and regulations affecting development projects, including but not limited to, legal requirements for construction and implementation, building codes, health and safety codes, state contractor's and other licenses, and disabled access laws.
9. Grantee must certify that all applicable permits have been obtained.
10. Grantees must comply with signage requirements acknowledging funding source.
11. Grantees must sign the grant agreement and exhibits, as needed, and comply with general terms and conditions in order to receive funds.

E. Advanced payments may be considered by the Conservancy and determined on a case-by-case basis, under these conditions:

- 1) Any organization requesting advance payments must provide written justification and statement of need
- 2) Advance payments are limited to 25% of grant award

F. Grant expenses

1. Labor Costs

- A. Project Implementation – The grantee’s employee labor implementing a project will be reimbursed at rates equal to compensation actually provided to the employee (salary plus benefits, including fringe benefits). The cost of a grantee’s labor/staff time to implement specific project tasks (for example, prepare a management plan, determine trail alignments) should be included in and billed to specific tasks in the budget.
- B. Project Management – the scope of work may include a task called “Project Management”. This task should cover labor costs, not otherwise billed, that are associated with administering a specific Conservancy grant (for example, managing contracts, paying consultants, billing, maintaining accounting records, and other time spent on managing the project).

2. Other Direct Costs

No markups on direct expenditures, these should be billed at cost.

G. Indirect Costs or Overhead

Overhead or indirect costs refer to the non-project-specific expenses involved in running a business. Examples of these costs include rent, computers, telephones, office supplies, internet access, copy machines, and electricity. However, certain types of indirect costs cannot be charged to the Conservancy, including food and beverages, fundraising expenses, lobbying, and entertainment costs. Additionally, any cost billed as a direct expense cannot be included in overhead calculations. Both “overhead” and “indirect costs” are acceptable terms that refer to the same category of expenses.

If a grantee wishes to recover overhead costs from a Conservancy grant, these costs should be listed as a line item in the approved project budget. Grantees that intend to charge overhead to a Conservancy grant must be able to document the validity of these charges. One common approach for documentation is to create a Cost Allocation Plan for their organization. While other methods may be acceptable, it is ultimately the grantee’s responsibility to ensure compliance with Generally Accepted Accounting Principles (GAAP) guidelines.

The Conservancy maximum indirect rate allowed is 12% of the total grant amount.

H. Payment Process

Funds cannot be disbursed until there is a fully executed grant agreement between the Conservancy and grantee and satisfactory site control is provided, including a Memorandum of Understanding for operations and maintenance (if applicable); CEQA/NEPA (if applicable) is completed; and signage is installed. As stated above,

project payments are made on a reimbursement basis (i.e., the grantee pays for services, products or supplies; submits invoices and proof of payment; and is then reimbursed by the Conservancy). Each Request for Disbursement (RFD) submitted will require a progress report with supporting documentation. It generally takes 4-6 weeks to process payment once a complete RFD is submitted to the Conservancy. The last ten percent of the grant amount will be withheld until all deliverables and signs are installed.

I. Use of Project Property

The grantee must maintain and operate the property acquired, restored or developed in a manner consistent with the grant agreement and grant guidelines. Land acquisition, conservation, and trail easement proposals must include a plan describing the proposed restrictions and reservations for the easement and the funding mechanism available to support the plan. The final conservation easement terms and conditions are subject to approval by the Conservancy.

Grantees must own the land or hold a lease, long-term agreement, or other legal, long-term interest in the land that is satisfactory to the Conservancy.

J. Project Monitoring and Reporting

The Full Application must include a monitoring and reporting component that explains how the effectiveness of the project will be measured and reported. In addition, Conservancy staff will work with grantees to develop appropriate monitoring and reporting templates and procedures. The monitoring and reporting components will vary depending on the nature of the project.

K. Loss of Funding (not a complete list)

The following are examples of actions that may result in a grantee's loss of funding:

- 1) Grantee fails to execute a grant agreement within three (3) months of grant approval.
- 2) Grantee withdraws from the grant program.
- 3) Property cannot be acquired at or below approved fair market value.
- 4) Grantee loses site control or landowner does not sign an operation and maintenance agreement.
- 5) Grantee fails to submit the required documentation within the time periods specified in the grant agreement.
- 6) Grantee fails to submit evidence of CEQA/NEPA compliance as requested.
- 7) Grantee changes project scope without prior approval from the Conservancy.
- 8) Grantee fails to demonstrate sufficient progress
- 9) Grantee fails to complete the project.

L. State Audit and Accounting Audit Requirements

If the project is selected for audit, the grantee will be contacted in advance. The audit shall include all books, papers, accounts, documents, or other records of the grantee, as they relate to the project for which the funds were granted.

The grantee must have the project records, including the source documents and

canceled checks, readily available and provide an employee with knowledge of the project to assist the auditor. The grantee must provide a copy of any document, paper, record, or the like, requested by the auditor.

Accounting requirements

The grantee must maintain an accounting system that:

- accurately reflects fiscal transactions, with the necessary controls and safeguards,
- provides a good audit trail, including original source documents such as purchase orders, receipts, progress payments, invoices, timecards, canceled checks, etc.
- provides accounting data so the total cost of each individual project can be readily determined.

Records Retention

Project records must be retained for a period of twenty (20) years after final payment is made by the Conservancy or ten (10) years following an audit, whichever is longer. A project is considered complete upon receipt of final grant payment from the Conservancy.

Ongoing Project Reporting

Grantees are required to submit reports on the progress of the project as requested by the Conservancy through the term of the grant agreement. Entities will be provided with a final report of tasks completed and final accounting, including matching and in-kind contributions with the final invoice.

END OF GUIDELINES