

PROPOSITION 1, ROUND 4 GRANT AWARDS

Recommended Action: Adopt Resolutions 22-03-05.1 and 22-03-05.2 (Attachments 1 and 2) authorizing the following two grants:

1. A grant of up to \$300,000 to Placer County for planning activities associated with the Flick Point II Water Quality & Ecosystem Improvement Project (Flick Point Project); and
2. A grant of up to \$550,000 to the City of South Lake Tahoe (City) for implementation of the Tahoe Valley Greenbelt and Stormwater Improvement Project (Tahoe Valley Project).

Executive Summary: The California Tahoe Conservancy (Conservancy) held a fourth round of requests for applications for remaining Proposition 1 grant funding in fall 2021. The Conservancy received two applications, and the External Review Team (External Team) and Conservancy staff recommend funding both projects. The two projects meet Proposition 1 requirements and are regional priorities because they provide water quality, ecosystem, and recreation benefits. Funding for the Flick Point Project supports Placer County in planning improvements in and around the Flick Point neighborhood. These improvements will include restoring a portion of the Watson Creek Stream Environment Zone (SEZ), improving the quality of storm water runoff in the Flick Point neighborhood, and providing a safer non-motorized route to the existing Dollar Creek Shared-Use Trail. Funding for the Tahoe Valley Project supports the City in constructing water retention basins and other drainage elements that will enhance existing SEZ ecosystems and treat storm water runoff that drains into the Upper Truckee River and Lake Tahoe. The funding will also support multi-use paths for walkable, bikeable connections from a dense commercial area along a scenic route to adjacent neighborhoods.

Location: The Flick Point Project area is in Placer County within the Agate Bay sub-watershed and in the Flick Point neighborhood on the western edge of Carnelian Bay (Attachment 3). The Tahoe Valley Project area is located in the southwest portion of the City, partially within the Tahoe Valley Area Plan (Area Plan) footprint (Attachment 4). U.S. Highway 50 bisects the Tahoe Valley Project area, which extends from approximately Julie Lane to Tahoe Keys Boulevard.

Fiscal Summary: Staff seeks authorization to award up to \$850,000 of Proposition 1 funding.

Overview

History

Proposition 1

The Conservancy administers Proposition 1 (the Water Quality, Supply, and Infrastructure Improvement Act of 2014) through a competitive grants process. Grants must support multi-benefit ecosystem and watershed protection and restoration projects consistent with statewide priorities. Staff administers the grants pursuant to the Proposition 1 Grant Guidelines (Guidelines) that the Conservancy Board (Board) approved in 2015. The Guidelines detail a process by which the Conservancy may fund multiple-benefit storm water, watershed and ecosystem restoration, aquatic invasive species, forest health, and sustainable communities projects using Proposition 1 monies. The Board authorized Proposition 1 grant funding in three previous solicitation rounds in 2015, 2017, and 2020, approving nearly \$12.4 million in awards.

The Conservancy is now on its fourth round of Proposition 1 grants, with up to \$850,000 currently available. In July 2021, staff posted the grant solicitation announcement and grant application package on the Conservancy's website and notified regional partners. Two agencies submitted applications, requesting more than \$5.6 million total in funding. After the solicitation closed staff reviewed the applications for eligibility and completeness, and then requested supplemental information from both applicants. Staff considered the Guidelines, the Conservancy's enabling legislation, the Conservancy's Strategic Plan, and the availability of funding from Proposition 1 and other sources.

The External Team evaluated both applications based on several criteria, including project benefits, state priorities, readiness and feasibility, leveraged funding, innovation and science, organizational capacity, and public and stakeholder support. The External Team met in January 2022 and recommended fully funding the Flick Point Project planning grant and partially funding the Tahoe Valley Project implementation grant. With this authorization, Conservancy staff expects this to be the final round of Proposition 1 grant awards.

Flick Point Project

The Flick Point neighborhood in Carnelian Bay has poor water quality and lacks accessible trail connections. The Flick Point Project area includes over two miles of unpaved road, which the public uses primarily for walking and biking. The existing crossing of the road at Watson Creek has a culvert that is undersized and failing. During high flow events, the creek often bypasses the culvert entirely, eroding the dirt road and degrading the SEZ. The Flick Point Project area also includes approximately half a mile of poor-quality unpaved roadway sections in the residential neighborhood. These sections of unpaved roadway continue to act as sources of sediment and other pollutants to local drainage systems, which ultimately convey runoff to Lake Tahoe.

Tahoe Valley Project

The Tahoe Valley Project area has poor water quality and a trail network that occasionally floods. Existing trails do not connect the town center, neighborhoods, and the natural environment. The City adopted the Area Plan in 2015 to foster a more sustainable community with smaller, safer, pedestrian-friendly commerce districts, while improving water quality, wildlife habitat, and recreation trails. Shortly thereafter, the City started planning the Tahoe Valley Project, which is the centerpiece of the Area Plan. In 2019, the City Planning Commission adopted a mitigated negative declaration (MND) and mitigation monitoring plan (MMP) for the Project. In 2020, the Board authorized a \$375,000 Proposition 68 grant to the City to complete the final design for the Tahoe Valley Project, as well as a long-term license agreement on 20 Conservancy parcels. Subsequently, in 2021, the California State Water Resources Control Board (SWRCB) awarded the City an implementation grant of almost \$7 million. The City is prepared to begin construction in 2022.

Detailed Description of Recommended Action

1. Major Elements and/or Steps of the Recommended Action

Flick Point Project

Staff seeks authorization to award a Proposition 1 planning grant of up to \$300,000 to Placer County. The planning grant will provide funding for public outreach, preliminary design, and environmental review for the Flick Point Project. The Flick Point Project is expected to include restoring a portion of the Watson Creek SEZ and to provide a safer non-motorized route to the existing Dollar Creek Shared-Use Trail, among other road and drainage improvements. At the completion of the planning phase, Placer County will have final environmental documents and conceptual engineering plans. If authorized, staff will execute a grant agreement with Placer County.

Tahoe Valley Project

Staff seeks authorization to award a Proposition 1 implementation grant of up to \$550,000 to the City. The Tahoe Valley Project will connect a dense commercial area to adjacent neighborhoods, making the area more walkable and bikeable. To construct the Tahoe Valley Project, the City will remove fill and restore SEZ, improve and expand multi-use paths, and build storm water improvements such as pipes and basins. The trail connections prioritize disadvantaged community access and link to public transportation. If authorized, staff will execute a grant agreement with the City.

2. Overall Context and Benefits

Flick Point Project

The recommended planning grant will allow Placer County to plan improvements in the Flick Point Project area. Placer County staff will conduct public outreach, perform initial surveys and studies, and complete initial design and environmental review. They will explore various resource and recreation improvement opportunities as part of this comprehensive planning process.

Through the planning effort, Placer County will consider treatments to achieve water quality, ecosystem, and recreation benefits, and increased resilience to climate change impacts. Placer County will consider paving portions of an unpaved road to provide safer facilities available to a wider variety of users and reduce erosion and storm water pollution. Placer County will also contemplate options to restore the Watson Creek SEZ to reduce stream bank erosion and improve native vegetation and wildlife habitat. Within the residential neighborhood, Placer County will evaluate paving the unimproved streets and providing proper drainage treatment and conveyance features, which would reduce erosion and other roadway pollutants from entering surface waters and Lake Tahoe.

The Flick Point Project supports the Conservancy's Strategic Plan Goals 2 and 3 (restore watershed resilience and provide public access for all), and several other plans. These include the Lake Tahoe Environmental Improvement Program (EIP), Lake Tahoe Total Maximum Daily Load (TMDL), the Regional Transportation Plan (specifically the North Tahoe Regional Bike Trail), Tahoe Sierra Region Stormwater Resource Plan, and Tahoe-Sierra Integrated Regional Water Management Plan.

Tahoe Valley Project

This implementation grant will help the City move quickly into constructing this high priority project, and will help the City secure remaining implementation funding from other sources. The Tahoe Valley Project will result in benefits to water quality, recreation, and community sustainability, as well as increased resilience to climate change impacts on Conservancy and other publicly owned lands. The Tahoe Valley Project will treat runoff that has large amounts of pollutants that reduce the clarity of Lake Tahoe. The City will expand SEZ areas and encourage higher groundwater to benefit native vegetation and wildlife habitat. Shared-use trails will improve community access to open space and encourage the reduction of greenhouse gas emissions by automobiles. These trails will also connect with future sections of the Dennis T. Machida Memorial Greenway.

The Tahoe Valley Project supports the Conservancy's Strategic Plan Goals 2, 3, and 4 (restore watershed resilience, provide public access for all, and foster sustainable communities), and several other plans. These include the EIP, TMDL, Lake Tahoe Sustainable Communities Strategy, Area Plan, Regional Transportation Plan, City General Plan, Upper Truckee River Restoration Strategy, Tahoe Sierra Region Stormwater Resource Plan, and Tahoe-Sierra Integrated Regional Water Management Plan.

3. Schedule for the Recommended Action

Flick Point Project

Conservancy staff intends to execute the grant agreement in winter 2022. Placer County expects to complete all planning work by summer 2023.

Task	Completion Date
Outreach	Spring 2022
Preliminary Trail Alignment	Summer 2022
Survey Basemap	Summer 2022
Biological Assessments and Studies	Fall 2022
Environmental Review	Summer 2023

Tahoe Valley Project

Conservancy staff intends to execute the grant agreement in winter 2022. City staff plans to obtain final permits and put the Tahoe Valley Project out to bid in spring 2022. After awarding the contract, City staff expects to begin construction in summer 2022 and work will continue for two grading seasons, finishing in fall 2023.

Task	Completion Date
Begin Construction	Summer 2022
End Construction	Fall 2023
Monitoring	Fall 2025

Financing

Flick Point Project

The first recommended action will authorize expending up to \$300,000 of Proposition 1 funds for planning activities. Staff may adjust the budget among line items, but total expenditures will not exceed \$300,000. Processing the agreement also requires incidental staff costs.

Task	Amount
Public Meetings and Outreach	\$12,000
Planning and Design	\$43,500
Environmental Document	\$215,000
Project Management	\$29,500
Total	\$300,000

Placer County has also secured \$300,000 in Lake Tahoe Restoration Act funding from the USDA Forest Service, Lake Tahoe Basin Management Unit. The recommended Conservancy grant will fulfill critical match requirements for this federal funding and will support Placer County in completing all project planning activities.

Tahoe Valley Project

The second recommended action will authorize expending up to \$550,000 of Proposition 1 funds for construction activities. Staff may adjust the budget among line items, but total expenditures will not exceed \$550,000. Processing the agreement also requires incidental staff costs.

Task	Amount
Construction Administration	\$62,500
Direct Construction	\$375,900
Revegetation	\$67,300
Contingency (8%)	\$44,300
Total	\$550,000

The SWRCB awarded almost \$7 million in Proposition 1 funding to support a portion of the Tahoe Valley Project implementation, and the City Council has approved over \$1.4 million in local matching funds. The City anticipates needing at least an additional \$5 million to construct all Tahoe Valley Project elements, and is actively pursuing additional funding for the remaining need.

Authority

Consistency with the Conservancy’s Enabling Legislation

The recommended actions are consistent with the Conservancy’s enabling legislation. Specifically, Government Code section 66907.7 authorizes the Conservancy to award grants to local public agencies for purposes consistent with its mission.

Consistency with the Conservancy’s Strategic Plan

The recommended actions are consistent with Strategic Plan Goal 2, Strategy B, to advance multiple-benefit projects that creatively combine restoring and building the resilience of forests and watersheds with water quality protection, green infrastructure, recreation, and climate change mitigation and adaptation; Goal 3, Strategy A by providing signature opportunities on Conservancy lands for all people to experience and enjoy Lake Tahoe; Strategic Plan Goal 3, Strategy B, by fostering multiple-benefit projects that link people’s health and well-being, public access, and the Conservancy’s unique array of protected lands; and Goal 4, Strategy A, by integrating climate change resilience and adaptation planning and investment decision-making.

Consistency with the Conservancy’s Program Guidelines

The recommended actions are consistent with the Conservancy’s Proposition 1 Grant Guidelines and the External Team’s recommendation. Staff implemented the solicitation process and evaluated the projects consistent with the Guidelines. For the fourth round, the Conservancy required applicants propose projects that fit within the Ecosystem and Watershed Management focus area.

Consistency with External Authorities

The recommended actions are consistent with the EIP because it supports EIP projects 01.01.01.0086 (Flick Point II Water Quality & Ecosystem Improvement Project) and 01.01.01.0033 (Tahoe Valley Stormwater and Greenbelt Improvement Project). The recommended actions also advance state and regional priorities because they provide

funding for multiple-benefit ecosystem and watershed protection and restoration projects consistent with the California Water Action Plan, which highlights the importance of continuing restoration efforts in the Lake Tahoe Basin.

Compliance with the California Environmental Quality Act

Flick Point Project

Pursuant to the California Environmental Quality Act (CEQA) Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), certain classes of activities are statutorily exempt from CEQA or are exempt because they have been determined by the Secretary of the California Natural Resources Agency to have no significant effect on the environment. Staff has evaluated this grant, and has found it to be exempt under CEQA. This grant qualifies for a statutory exemption under CEQA Guidelines section 15262 (Feasibility and Planning Studies). A notice of exemption (NOE) has been prepared for this grant (Attachment 5). If the Board approves the grant, staff will file the NOE with the State Clearinghouse pursuant to CEQA Guidelines, section 15062.

Tahoe Valley Project

On March 12, 2020, the Board reviewed and considered the Tahoe Valley Water Quality and Greenbelt Improvement Project MND and adopted the MMP to comply with CEQA. All potential environmental effects of the current recommended action have been previously analyzed in the MND.

List of Attachments

- Attachment 1 – Resolution 22-03-05.1
- Attachment 2 – Resolution 22-03-05.2
- Attachment 3 – Flick Point Project Map
- Attachment 4 – Tahoe Valley Project Map
- Attachment 5 – Flick Point Project NOE

Conservancy Staff Contact

Jen Greenberg, Associate Environmental Planner jen.greenberg@tahoe.ca.gov