



# Oregon

Kate Brown, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Renee Davis, Deputy Director  
Miriam Hulst, Acquisitions Coordinator

**SUBJECT: Agenda Item J: Land Acquisition Grants – Process Refinements  
October 27-28, 2015 OWEB Board Meeting**

### I. Introduction

This staff report updates the Board about the first biennium of implementation of OWEB's revised administrative rules and updated process for land acquisition grants. The report also outlines staff recommendations for process refinements based on these lessons learned and requests Board action on these recommendations.

### II. Background

In January 2013, the Board adopted revised administrative rules for OWEB's land acquisition grants. The revised rules included several key components, such as:

- 1) Use of grant funds – allows grant funds to be used for property purchase price and other costs associated with the acquisition (e.g., appraisal, management plan);
- 2) Revised components for the grant application process; and
- 3) A revised evaluation process.

In parallel with rulemaking, OWEB staff developed a streamlined process to receive, review, and recommend land acquisition projects, including online submission of applications. Both were implemented in the 2013-2015 biennium. Site visits and ecological evaluations are conducted by staff, and ecological experts recommended by the applicant and staff. Project soundness reviews are conducted by staff, the agency's due-diligence technical assistance contractor, and the Department of Justice. Reviews categorize potential concerns based on their likelihood of being resolved in the 18-month timeframe allowed for closing transactions after the Board awards funding. Applications are also reviewed for organizational capacity and community benefits/impacts. Public comment is then solicited through a noticed public hearing held for each project the Acquisitions Subcommittee recommends. Staff prepare an evaluation summarizing the review outcomes and providing a score for each project. Completed evaluations are provided to applicants, posted online and provided to the Board. Applicants may also provide public comment to the Board as part of the decision-making process.

### III. Assessing the First Biennium of Implementation

In the October 2013 grant cycle, six land acquisition grant applications were received, totaling approximately \$3.6 million. One was withdrawn and four awarded funding by the Board. In the October 2014 cycle, eight applications were received, totaling approximately \$3.3 million. Two were withdrawn and five were funded by the Board.

Staff initiated outreach to land acquisition stakeholders (e.g., applicants, grantees, members of the land trust community) to obtain feedback about the new program after the first two cycles. Outreach is taking multiple forms, such as online surveys and in-person discussions with stakeholders. Based on the feedback received, along with lessons learned from the staff perspective, staff discussed potential refinements to the program with the Board Acquisitions Subcommittee. Based on their feedback, final refinements are outlined in Section IV. Staff have reached out to the land trust community, and refinements were positively received by stakeholders.

#### **IV. Recommendations for Process Refinements**

Staff recommend, and the Board Acquisitions Subcommittee supports, process refinements that fall into two temporal categories: near-term and longer term.

##### **A. Proposed Near-Term Refinements**

- **Implement shared-services for relocation in with ODOT** – Ensures OWEB meets relevant requirements on projects that include relocation.
- **Increase the number of ecological reviewers per project to a total of 4-5** – Ensures well rounded review of each application.
- **Revise the recommendation process for land acquisition grant to engage the subcommittee for providing feedback to staff** – better aligns land acquisitions with Open Solicitation Grant Program and proposed water acquisition process.
- **Conduct public hearings for all applications** – Ensures parity among projects from the standpoint of information that is provided to the Board at time of deliberation.
- **Hold discussion of additional due diligence and funding conditions after evaluations and staff recommendations have been released** – Ensures transparency.

##### **B. Potential Longer-Term Refinements**

- **Explore development of a pilot process by which a “midpoint” due-diligence update could be provided by applicants during the application review process** – Allows applicants to provide important updated due diligence to inform evaluation, while ensuring the information is provided in a legally documentable fashion.

Staff will continue to track the effectiveness and efficiency of all refinements made to the land acquisition process, with the intent of adaptively managing of the program in a consistent and transparent manner.

#### **V. Recommendation**

Staff recommend the Board approve the refinements to the Land Acquisition Program outlined in Section IV of this staff report.