

CALIFORNIA COASTAL COMMISSION

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April 22, 2010

TO: CALIFORNIA COASTAL COMMISSION

FROM: Susan M. Hansch, Chief Deputy Director
Michelle Jespersion, Federal Programs Manager

SUBJECT: **Interagency Agreement for Implementing California's Coastal Management Program** for public hearing and Commission action at the Coastal Commission Meeting of May 12-14, 2010

RECOMMENDATION:

Staff recommends that the California Coastal Commission (Commission) authorize the Executive Director to enter into an interagency agreement to administer the pass through of \$407,425 of federal Coastal Zone Management Act (CZMA) funds to the San Francisco Bay Conservation and Development Commission (BCDC) for the purpose of implementing the federally approved California Coastal Management Program for Fiscal Year 2010-2011. The term of this award begins on July 1, 2010, and extends through December 31, 2011.

MOTION:

"I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$407,425 of federal funds to BCDC for the purpose of implementing the California Coastal Management Program for Fiscal Year 2010-2011."

Staff recommends a **YES** vote.

STAFF ANALYSIS:

The federally-approved California Coastal Management Program (CCMP) comprises three distinct state agencies: the Commission, BCDC, and the California State Coastal Conservancy (Conservancy). The CZMA requires that one single state agency be the primary recipient of all federal CZMA funds awarded to the CCMP. The Coastal Act designates the Commission to serve this purpose. Therefore, any federal CZMA funds for other state agencies must be received by the Commission; included in the Commission's budget; and passed through to the other CCMP agencies by means of an interagency agreement. The arrangement to pass through funds has been used since 1977, when the United States Department of Commerce approved the CCMP.

For Fiscal Year 2010-2011 (July 1, 2010 – June 30, 2011), the State of California will receive \$2,645,425 in CZMA funds. Using a formula agreed to in previous years, the funds will be distributed as follows: BCDC will receive \$407,425, and the Coastal Commission will retain the remaining \$2,238,000 (see *table below*). The grant funds will be awarded pursuant to three sections of the CZMA: Sections 306, 309, and 310.

The Conservancy did not request any funds from the FY 2010-11 CZMA grant, consistent with years past. Given the Conservancy's role in developing and implementing programs to protect, restore, and enhance resources in the coastal zone and the San Francisco Bay, and the uncertainty of future opportunities to secure funding from state bonds or other sources, future federal CZMA funding may be increasingly important to the Conservancy.

Distribution of FY09-10 CZMA grant funding, by agency and CZMA Section

CZMA Sections	CA Coastal Commission	BCDC	State Coastal Conservancy	CZMA grant section TOTALS
Section 306 Coastal Management Program <i>(*state match required)</i>	1,827,000*	\$203,000*	(no funds requested)	\$2,030,000*
Section 309 Enhancement Grants	\$411,000	\$125,000		\$536,000
Miscellaneous - Other (Section 310) – BCDC secured these funds from NOAA separate from CZM. <i>Note: No funds were appropriated to the Nonpoint Source Program</i>	\$0	<u>\$79,425</u>		<u>\$79,425</u>
	\$2,238,000	\$407,425	\$0	total grant \$2,645,425

Section 306 - \$2,030,000 (Commission/\$1,827,000 and BCDC/\$203,000)

Section 306 funds provide program implementation funding for the CCMP. The Commission uses Section 306 funding to support core program activities, including work on permitting, appeals, LCPs, federal consistency review, and enforcement. BCDC uses Section 306 funding to support its work associated with permitting and enforcement activities. The state is required to match any Section 306 funds provided by the federal government. The Commission identifies specific tasks performed by Commission staff as its in-kind match. The state match for BCDC is included in its FY 2010-11 budget; and, therefore, the Coastal Commission will not incur any additional expense.

Section 309 - \$536,000 (Commission/\$411,000 and BCDC/\$125,000)

In 1990, the Coastal Zone Management Act (CZMA) was reauthorized and amended to add a new "Coastal Zone Enhancements Grants" program under CZMA Section 309. In 2006, the Coastal Commission updated the 2001 Assessment and Strategy and identified California's four highest priorities "coastal zone enhancement objectives." The four highlighted objectives identified were: special area management planning, wetlands, cumulative and secondary impacts and coastal hazards. The Coastal Commission prepared a multi-year Section 309 Strategy for improving the California Coastal Management Program in the four priority areas. BCDC prepared a separate updated 309 enhancement and strategy in 2006.

The purpose of the Section 309 grant funding is to provide California with the opportunity to enhance its coastal management program according to the priority objectives identified in 2006 in the 309 Enhancement and Strategy updates.

The Coastal Commission will use the Section 309 funds (\$411,000) for:

- Conducting a comprehensive revision and update to the Commission's 1997 Strategic Plan. The Section 312 evaluation of the California Coastal Management Program for the period March 2005 – December 2008 requires the Commission to develop an agency-wide strategic plan. The Commission's existing Strategic Plan, adopted in 1997, needs to be revised, but contains key core elements that can be used in updating our Strategic Plan. Funding for this task will support the Commission's work to conduct a comprehensive update of the Commission's 1997 Strategic Plan, starting in July 2010.
- Improving LCP Guidance. Building on the work funded by the FY 2009-10 309 grant, staff will continue to define, develop and formalize new mechanisms to enhance and strengthen the partnership between the Commission and local governments in updating LCPs. This work will include developing guidance, tools and feedback mechanisms to incorporate newer and updated policies and procedures into LCPs and improve the LCP process. Staff will work in cooperation with the Technical Work group of the League of Cities Coastal Issues Group, to develop new procedures and tools to enhance LCP planning which may include such program enhancements as LCP training tools and updated LCP policy guidance.
- Implementing new public access projects and additional policy guidance for implementing Coastal Act section 30213 to augment the work completed in the FY08 309 funded work on Local Coastal Program Guidance - Lower Cost Visitor-Serving Accommodations. The completed FY 08 Guidance Document will recommend ways to analyze and review development projects to ensure consistency in mitigation requirements in permit actions and LCP amendments. As part of the FY 08 Guidance document project, an inventory was compiled of the individual projects and data gathered on what mitigation requirements have actually been fulfilled or not. This FY 10 In Lieu Fee Implementation task will analyze the data compiled as part of the FY 08 Guidance document in order to pursue steps to ensure mitigation is carried out for lower cost visitor serving accommodations. Staff will also begin collecting data on other types of in lieu fee mitigation.

BCDC will use Section 309 funds (\$125,000) for:

- Developing a science-based regional climate impact and vulnerability assessment for the nine-county Bay Area that will be used to devise a suite of adaptation strategies to address these vulnerabilities and impacts. The project will help provide the foundation for a new Bay Plan for the region, the core of BCDC's management program.

Section 310 - \$79,425 (BCDC)

In the FY 2010-11, the Coastal Zone Management Program received no federal appropriations to Section 310 to implement the state's Nonpoint Source Pollution Control Programs. The program assists States through implementation grant that are designed to protect water quality by supporting state nonpoint source pollution prevention and control. Without funding, the Commission and BCDC will be forced to cut back on our water quality activities. This means there will be less assistance to local governments and agricultural entities to implement water quality control measures.

However, there will be funds distributed to BCDC through Section 310 of this grant. BCDC secured additional funding through NOAA's Coastal Services Center to begin work on a Climate Adaptation Pilot Study. NOAA determined that the most efficient way to provide this money to BCDC would be through Section 310 of the FY 10 CZM grant.

BCDC will use these funds to define the requirements and prepare a detailed plan for sub-regional adaptation planning for sea level rise. The end product will be a description of a potential pilot project, including identifying the pilot study area and a local community. A scoping workshop will be held with local stakeholders to clarify local needs, capacity and priorities. BCDC will then document the methodology and process for a pilot and identify potential project sponsors and collaborators at the local, regional, state and federal level.

The Commission is working with NOAA to develop a project that would be eligible to use this funding source for a future project.