CALIFORNIA COASTAL COMMISSION
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W31b

August 12, 2013

ADDENDUM

To: Commissioners and Interested Parties

FROM: Charles Lester, Executive Director
            Elizabeth A. Fuchs, *AICP*, manager Statewide Planning Unit

SUBJECT: **Addendum to Item W31b** LCP Grants Program

The following are changes to the staff report (deleted language indicated by ~~strike through~~ and added language by <u>underline</u>):

Page 9, In Section III Tentative Schedule, Modify Row 3 as follows:

CCC public hearing on Recommendations for Awards	January ~~9-11~~ <u>8-10</u>,2014

Page 12, in attachment B Modify item 25 as follows:

25	MWD Wetland	Huntington Beach	~~40~~	South Coast	wetland protection

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W31b

August 2, 2013

TO: COMMISSION AND INTERESTED PERSONS

FROM: CHARLES LESTER, EXECUTIVE DIRECTOR
              ELIZABETH A. FUCHS, *AICP*, MANAGER, STATEWIDE PLANNING

SUBJECT: **Recommended Priorities for FY2013 Local Coastal Program (LCP) Grant Program**

SUMMARY OF STAFF RECOMMENDATION

The Budget Act of 2013 provides an appropriation of $1 million dollars for Coastal Commission grants to local governments to support Local Coastal Program (LCP) planning. There is a need to complete LCPs that have not yet been certified and to update LCPs that may no longer reflect changed circumstances and new scientific information, including new understandings and concern for the effects of climate change. This staff report recommends the Commission adopt eligibility priorities and criteria for the review of grant applications and awarding of funds. Once adopted, staff will develop a request for proposals from local government. Recommendations for individual awarding of grants will return to the Commission for adoption at a later date.

Staff is recommending that priority for grants be given to new LCP Certification, including LCPs for Areas of Deferred Certification, LCP updates, and LCP amendments that address issues related to the effects of climate change. The Commission currently has a steady load of LCP amendment work, ranging from comprehensive LCP updates, to more targeted LCP amendments, and project-driven amendments. In assessing grant applications, lower priority would be placed on more narrow amendment proposals as opposed to more comprehensive updates that address new information, changed conditions, scientific knowledge, etc. Stand-alone project-driven LCP amendments would not be eligible.

Staff is also recommending that the priority grants be evaluated based on a number of criteria including: the public benefit and statewide Coastal Act significance of issues addressed by the amendment or submittal; the relative need for, and extent of, a proposed LCP update; the extent to which the proposal would address climate change concerns; the likelihood of success and effectiveness of the effort; the potential for reduction of Commission permit workload in uncertified areas; and the relationship of the application to other related planning work or other

state or regional planning efforts and the availability and amount of local or other matching funds.

Staff recommends that the California Coastal Commission **adopt the priorities and criteria** for eligibility for, and allocation of, LCP Grant Program funds for the period July 1, 2013-June 30, 2014.

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I. MOTION AND RESOLUTION

Motion:

> *I move that the Commission adopt the priorities and criteria for allocating the $1 million in LCP Planning Grant funds for FY 2013-2014, as set forth in the staff recommendation.*

Staff recommends a YES vote. Passage of this motion will result in adoption of priorities and criteria for the review and recommended awards of LCP planning grant applications. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

> *The Coastal Commission hereby approves the eligibility, priorities and evaluation criteria for the review and administration of the LCP grant applications for FY 2013 as set forth in this report and authorizes staff to solicit and evaluate proposals, subject to the condition that the Coastal Commission shall approve final award of any grants under this program.*

II. FINDINGS AND DECLARATIONS

A. PROGRAM DESCRIPTION

The Budget Act of 2013 provides an appropriation of $1 million dollars for Coastal Commission grants to local governments to support Local Coastal Program (LCP) planning. There is a priority need to complete LCPs that have not yet been certified and to update older LCPs that may no longer reflect changed circumstances and new scientific information, including addressing the effects of climate change.

Over the past 40 years, when funds were appropriated, the Coastal Commission was able to provide substantial financial and technical support to local governments for the preparation and implementation of their Local Coastal Programs. But FY 01/02 was the last year the Commission's budget included funds ($500,000) for LCP Local Assistance grants. At that time, the grant awards ranged from $30,000 to $124,000. The current LCP Grant program includes $1,000,000 in FY 13 for LCP Grants, with the focus on completing new and updating previously certified LCPs to reflect changed conditions, new issues and scientific information. A list of the remaining uncertified jurisdictions is shown in Attachment A and the Areas of Deferred Certification in Attachment B. Few LCPs have been entirely and comprehensively updated, but several (roughly 20%-30%) have been updated in part. However, through coordination with local governments, Commission staff is aware of significant local planning underway to update LCPs and this grant program could provide an additional incentive for local governments to pursue such updates. In addition, the Ocean Protection Council, in coordination with the State Coastal Conservancy and the Coastal Commission, is awarding $2.5 million in grants to update LCPs to address sea level rise. This Commission LCP Grant program will complement and be coordinated with that effort.

Consistency with the Coastal Act

The LCP Program is an essential component of the Coastal Act. LCPs implement the statewide goals and policies of the Coastal Act at the local level. Section 30500 of the Coastal Act requires that local governments prepare LCPs:

> _Section 30500_ **_Preparation_**
>
> _(a) Each local government lying, in whole or in part, within the coastal zone shall prepare a local coastal program for that portion of the coastal zone within its jurisdiction. However, any local government may request, in writing, the commission to prepare a local coastal program, or a portion thereof, for the local government. Each local coastal program prepared pursuant to this chapter shall contain a specific public access component to assure that maximum public access to the coast and public recreation areas is provided._
>
> _(b) Amendments to a local general plan for the purpose of developing a certified local coastal program shall not constitute an amendment of a general plan for purposes of_ [Section 65358 of the Government Code](#)_._
>
> _(c) The precise content of each local coastal program shall be determined by the local government, consistent with Section_ [30501](#)_, in full consultation with the commission and with full public participation._

Under the Coastal Act, the Commission may provide assistance to local governments in their LCP planning efforts:

> _Section 30336_ **_Planning and regulatory assistance to local governments_**
>
> _The commission shall, to the maximum extent feasible, assist local governments in exercising the planning and regulatory powers and responsibilities provided for by this division where the local government elects to exercise those powers and responsibilities and requests assistance from the commission, and shall cooperate with and assist other public agencies in carrying out this division. Similarly, every public agency, including regional and state agencies and local governments, shall cooperate with the commission and shall, to the extent their resources permit, provide any advice, assistance, or information the commission may require to perform its duties and to more effectively exercise its authority._

The Coastal Act also provides for procedures for awarding planning grants:

> _Section 30351_ **_Local coastal program implementation grants; purpose; procedures_**
>
> _The commission shall, not later than July 1, 1980, prepare and adopt procedures for the issuance and management of local coastal program implementation grants. The_

> *purpose of the grants program is to provide, to the extent funds are available, financial assistance for local governments and, in cases the commission deems appropriate, other public agencies to carry out certified local coastal programs. The procedures required by this section shall specify, consistent with the criteria set forth in subdivision (a) of Section 30350, the categories of expenditures eligible for implementation grants and shall include procedures for application, review, approval, and disbursement of grant funds.*

The Commission's regulations outline the common methodology for developing a new LCP. These procedures for new LCP development, which would pertain to any grant application for an uncertified area, are outlined in the California Code of Regulations Section 13505, and subpart (d) outlines the required findings for approval of work programs:

> (d) *The Commission shall approve the work program and authorize the grant for disbursement of state or federal funds to the local government where it finds, after public hearing, that: (1) the scope of tasks outlined appears to address adequately the policies of Chapter 3 of the Coastal Act, including uses of more than local importance and potential cumulative impacts or conflicts with other jurisdictions; (2) the costs of undertaking such tasks are reasonably related to the amount of work needed to resolve coastal planning issues; (3) tasks to be contracted for under such grants are not already required under other statutes or more appropriately undertaken by other agencies; and (4) the work program includes measures for involving the public and other agencies adequate to comply with the Coastal Act and with the requirements of the funding authority. If any issues not included in the work program are later determined to require further analysis as part of the local coastal program preparation, the work program shall be renegotiated to include the additional items and any additional funding assistance that may be required.*

Financial assistance has, and will continue to be, a critical means to assist local governments in their coastal planning. Such financial assistance can serve as an incentive for local government to undertake such planning work. The applications for these LCP grant funds will require a complete work program and timeline for completion of the LCP planning work. The Commission will review and approve the recommended award of any grant funds and the proposed work programs will be part of that future action. Thus, as proposed, this grant program will facilitate the completion and update of LCPs consistent with the provisions of the Coastal Act and California Code of Regulations.

Consistency with the Strategic Plan
Goal 4 of the Commission's adopted Strategic Plan[1] is to Strengthen the LCP Program. One of the important LCP strategies concerns completing the certification of LCPs. While most of the coast (approximately 85% of the geographic area) is governed by a certified LCP, the remaining uncertified areas continue to pose a significant coastal permit workload for the Commission. In

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[1] California Coastal Commission, Strategic Plan 2013-2018, Approved April 2013. Accessed on 8/1/2013 at http://www.coastal.ca.gov/California%20Coastal%20Commission%20Final%20Strategic%20Plan%202013-2018.pdf

addition, many important public access, coastal resource protection, and priority coastal development issues remain to be more comprehensively addressed by an LCP in these areas, as contemplated by the Coastal Act. In addition to the uncertified areas, most of the LCPs that were certified in the 1980s and 1990s are out of date, and need updating to reflect changed conditions and new information and knowledge, new programs and policies and other significant changes.

This grant program addresses the following Objectives and Action items of the Strategic Plan:

> **Objective 4.1** *Pursue Completion of LCP Certification for uncertified segments and Areas of Deferred Certification where feasible.*

> **Action 4.1.3** *Where local jurisdictions are willing, work together to identify funding and workload management strategies to support development and certification of LCPs and ADCs*

> **Objective 4.2** *Work with local governments to Update LCPs where feasible*

> **Objective 4.4** *Continue to Improve Communication and Planning with Local Government Action*

> **Action 4. 4.6** *Pursue joint LCP funding strategy with local government (see Action 7.4.2).*

> **Action 7.4.2** *Prepare a Budget Change Proposal (BCP) to request enhanced support for LCP planning. Work with partners, including local governments, on a joint budget enhancement strategy to secure additional funds*

B. ELIGIBLE GRANTEES AND PROJECTS

These grants are intended to provide assistance to local governments responsible for developing and amending Local Coastal Programs. Because the funds were appropriated to focus on LCP completion and update, project-specific LCP Amendments are not eligible for these grants unless such proposals will result in certification of an LCP for a complete ADC or complete LCP segment.   Also, completion of updated resource studies or other potential components necessary to an LCP submittal or LCP amendment may only be eligible if they are part of an LCP Amendment or submittal that otherwise ranks high on the criteria for grant awards, such as a high likelihood of success to address an important coastal resource issue or set of issues.

C. PROPOSED PROGRAM PRIORITIES AND SELECTION CRITERIA

PRIORITIES

Applications for FY 13 LCP planning grants will be evaluated for their ability to complete or update an LCP. This will include:

- Completion of land use plan and/or zoning work to achieve certification of a Local Coastal Program (LCP) or an Area of Deferred Certification (ADC) resulting in the new transfer of coastal development permit authority to the local government in these areas;

- Planning and/or zoning work to significantly update certified LCPs or LCP segments in whole or in part to reflect changed conditions, new information and scientific knowledge, new programs and policies, or other significant changed circumstances. Updates that address the effects of climate change, such as sea level rise, will be given special consideration.

Applicants will be expected to identify the specific elements of their LCP that they expect to complete or to update through this grant program, and a work program and timeline.

EVALUATION CRITERIA

Staff will evaluate the grant applications against the following selection criteria. The criteria will be considered as a whole (not weighted) and compared across the applications received. Grant applications recommended for award of funds will be brought back to the Commission for approval.

Public Benefit/Significance

The Commission will consider the extent to which the proposed LCP planning effort will address issues of statewide significance and maximize public benefits of the coast. These can include: preserving and enhancing coastal habitat, protecting, providing and enhancing public access, protecting priority land uses such as agriculture, coastal dependent development or recreation, protecting and providing lower cost visitor and recreational opportunities, and addressing climate change.

LCPs are the means to implement the policies of Chapter 3 of the Coastal Act at the local level and when submitted are reviewed by the Commission for conformance with the Coastal Act. As LCPs have become more dated, their ability to provide an up to date framework to govern coastal development in light of changed circumstances and new scientific information may be weakened. As one purpose of this grant program is to update LCPs, the Commission will must consider the extent to which priority Coastal Act resources are addressed and the public benefits maximized.

Relative Need for LCP Update/Extent of Update

Related to the public benefits of a proposal, the Commission will consider the relative need for an LCP update, considering the length of time since an LCP or LCP segment has been updated and the significance of the issues proposed to be updated. For example, many sensitive species and habitats have been identified since the time of certification of many LCPs. A proposal to update an LCP's environmentally sensitive habitat (ESHA) policies, ordinances, resource maps, etc. may be an important update in specific jurisdictions. Other jurisdictions may benefit from updates in policy areas that will resolve known deficiencies or sources of conflict and/or appeals of local coastal development permits to the Commission. In addition, the extent or scope of an update is an important consideration, with higher priority being placed on proposed updates of greater extent/scope, such as a complete LUP/IP update, or an update that results in comprehensive updating of one or more policy areas or a geographic sub-area.

Addressing the Effects of Climate Change

Climate change is one of the most significant policy areas to emerge since many of the LCPs have been certified. The Commission is seeking LCP updates that address the effects of climate change, including sea level rise and other coastal hazards, as well as other issue areas affected by climate change, such has changes in habitat, fire hazards, and transportation and land use policy to facilitate reductions in greenhouse gas emissions and vehicle miles travelled. Special consideration will be given to LCP amendment proposals to address this policy area.

Likelihood of Success/Effectiveness
The Commission has had past grant programs where the investment of public funds has not resulted in completed certified LCPs or LCP Amendments. In a few cases, funding has been awarded but reverted. Overall, the success of the Commission's grant program will be measured by the progress made toward LCP certification or update.

The Commission thus will consider the likelihood of success of each proposal, including evaluating the practicality, feasibility, and effectiveness of a proposed work program that may lead to successful implementation. Proposals should address the need for coordination with the public and the Commission, and provide for practicable benchmarks for LCP amendment development and review. Other evidence in support of this criteria may include resolutions of intent and endorsement for the proposed work from the jurisdiction and other organizations, matching funds or other complementary efforts (see below), or other factors that may affect the likelihood that an LCP amendment will be successfully completed. Applicants will be asked to describe any LCP planning work that has been initiated or is already underway at the local level and how this grant program is needed to substantially further that effort. A resolution from the applicant committing to completing an LCP Amendment submittal to the Commission will be required as part of the application.

For new LCP development, the local government should demonstrate its willingness and capacity to assume local coastal development permit processing. Related, some areas of the coastal zone remain uncertified because the Commission and local government have been unable to reach agreement on the resolution of issues or the issue is particularly intractable. The Commission will consider the likelihood that such areas and specific policy questions can be successfully addressed, leading to certification of the area.

Workload
The Commission will consider the level of existing permit workload generated by uncertified jurisdictions and thus the relative statewide benefits of certification of any particular jurisdiction.

While most of the geographic area of the coastal zone is under certified LCPs, there are 36 segments that are not yet certified and 44 specific Areas of Deferred Certification. The Commission is responsible for review of all coastal development permits in these uncertified areas. If LCPs were certified for these areas, then most coastal development permits would be reviewed at the local level and the Commission's staff resources could be reallocated to assist matters of more statewide significance and importance, such as early coordination with local government on LCP planning matters, as well as oversight, review, and coordination with local governments on LCP implementation.

Project Integration/Leverage/Matching Funds
The Commission will consider the relationship of the LCP work program to other planning work being undertaken by the jurisdiction. Applicants will be asked to describe any other related grant awards (such as through the Ocean Protection Council, Coastal Conservancy or the Strategic Growth Council) that may support the LCP planning work and any availability and amount of local matching funds.

There are several related grant programs underway which may positively integrate with this LCP Planning Grant program. For example, the Ocean Protection Council is currently processing applications for grants to update LCPs to address Sea Level Rise. The Coastal Conservancy is administering a Climate Ready grant program (http://scc.ca.gov/files/2013/07/Climate-Ready-grant-announcement-July-18_FINAL.pdf). The Strategic Growth Council provides a Sustainable Communities Planning Grant and Incentives Program to fund efforts to conduct planning activities that will foster sustainable communities, lead to reduced greenhouse gas emissions, and achieve other sustainability objectives, and for which coastal jurisdictions are eligible to apply. The Commission will consider the ability to integrate and leverage any additional program funds available that could help support a comprehensive LCP certification effort or update.

D. REVIEW OF APPLICATIONS
As a competitive grant program, staff will review and rank applications according to the adopted priority and criteria, and will prepare recommendations for CCC authorization of individual grant awards. The level of funding that staff will recommend to the Commission for a particular award will be determined by evaluating the grant requests against other considerations including:

- the amount of available grant funds ($1,000,000) and the number of competing applications;
- the sequence of tasks and likelihood of timely completion of the work program;
- the necessity of each task; and,
- the reasonableness of costs proposed for specific tasks.

III. TENTATIVE SCHEDULE
The tentative proposed schedule for the grant program (subject to change) is presented below.

Announce 2013 Application Requirements and Deadlines	August 19, 2013
Deadline for Submittal of Grant Applications	November 15, 2013
CCC public hearing on Recommendations for Awards	January 9-11,2014
Execute Contracts	January-March, 2014
Contract Start Dates	March 2014
Deadline for Completion of Work Products	July 1 2016

Attachments

A. LCP SEGMENTS NOT YET CERTIFIED (AS OF MARCH 2013)

B. LIST OF AREAS OF DEFERRED CERTIFICATION (AS OF DECEMBER 2012)

ATTACHMENT A

LCP Segments Not Yet Certified (as of March 2013)

	LCP Segment Name
1	Del Norte County - Pt. St. George segment
2	City of Fortuna
3	Mendocino County - Pygmy Forest segment
4	City/County of San Francisco - Olympic Club segment
5	City of Seaside *(certification pending)*
6	City of Monterey Laguna Grande segment
7	City of Monterey Del Monte Beach segment
8	City of Monterey Harbor segment
9	City of Monterey Cannery Row segment
10	City of Monterey Skyline segment
11	City of Pacific Grove
12	City of Goleta
13	Los Angeles County- Santa Monica Mountains segment
14	Los Angeles County - Playa Vista A segment
15	City of Los Angeles - Pacific Palisades segment
16	City of Los Angeles - Venice segment
17	City of Los Angeles - Playa Vista segment
18	City of Los Angeles - Del Rey Lagoon segment
19	City of Los Angeles - Airport/Dunes segment
20	City of Los Angeles - San Pedro segment
21	City of Santa Monica
22	City of Hermosa Beach
23	City of Torrance
24	Orange County - Bolsa Chica segment
25	Orange County - Santa Ana River segment
26	Orange County - Santa Ana Heights. segment
27	City of Seal Beach
28	City of Costa Mesa
29	City of Newport Beach
30	City of Aliso Viejo
31	City of San Clemente
32	San Diego County
33	City of Carlsbad - Agua Hedionda segment
34	City of Solana Beach
35	City of San Diego - Mission Bay segment
36	City of Chula Vista - South Bay Islands segment

ATTACHMENT B
List of Areas of Deferred Certification (as of December 2012)

	Name of ADC	Location	Acreage	District	Issue Summary
ADC Summary				

	Name of ADC	Location	Acreage	District	Issue Summary
1	Pacific Shores Subdivision	Del Norte County	500	North Coast	1500 lots; hazards, water quality, location of development, ESHA, public works
2	Little Mo-Peepe	Crescent City	8	North Coast	coastal zone boundary line; site of mobile home sales and logging pond
3	Stagecoach Hill	Humboldt County	305	North Coast	30 lots; access, erosion, urban limit line; lack of water supply
4	Big Lagoon Estates	Humboldt County	30	North Coast	ESHA protection/management; litigation over land division; timber and agriculture parcel size
5	Trinidad Area Shoreline Lots	Humboldt County	200	North Coast	Access; prescriptive rights; ESHA
6	Trinidad Harbor	City of Trinidad	76	North Coast	43 ac. land; 33 ac. water area; access; type and extent of boating and upland development
7	Calle Del Arroyo Lots	Marin Co.Unit I	3.5	North Central Coast	24 parcels; buildout; inadequate septic; setback from Bolinas lagoon
8	Quarry Area	City of Pacifica	145	North Central Coast	land use; erosion; endangered species (SF garter snake)
9	Shell Dance	City of Pacifica	11	North Central Coast	result of inland shift of coastal zone boundary; land use
10	Westside Ag Lands	City of Santa Cruz	14	Central Coast	Agricultural land; wetlands; land use; coastal dependent/priority vs. non priority use
11	Malpaso Beach	Monterey County		Central Coast	public access
12	Yankee Beach	Monterey County		Central Coast	public access
13	Fort Ord	Monterey County		Central Coast	created when federal base conversion
14	Fort Ord ADC	City of Marina		Central Coast	

	Name of ADC	Location	Acreage	District	Issue Summary
	ADC Summary				
15	So.of Bay Ave.	City of Sand City	17	Central Coast	sand dunes/beach; zoning unresolved; TDC program
16	Hayward Lumber	City of Pacific Grove	1	Central Coast	land use - open space vs. commercial
17	Sweet Springs Marsh	San Luis Obispo County	10	Central Coast	wetlands and priority land uses
18	Otto/So.Bay	San Luis Obispo County	50	Central Coast	land use; "paper subdivision"
19	Haskell's Beach	City of Goleta/Santa Barbara County	73	South Central	access, ESHA, erosion, density, urban-rural boundary; water service
20	Channel Islands	Santa Barbara County		South Central	Two Channel Islands; access, ESHA, oil development
21	Beach Overlay	City of Santa Monica		South Coast	
22	Civic Center	City of Santa Monica		South Coast	priority land uses
23	Cerritos Wetland	City of Long Beach	244.5	South Coast	Annexed from LA County; wetland issues
24	Pebbly Beach	City of Avalon			Erosion, ESHA, Land uses
25	MWD Wetland	Huntington Beach	40	South Coast	wetland protection
26	Irvine Cove	City of Laguna Beach	0	South Coast	public access; locked gate community
27	Hobo Canyon	City of Laguna Beach	361	South Coast	location and intensity of development; access road
28	Blue Lagoon	City of Laguna Beach	9.6	South Coast	public access
29	Three Arch Bay	City of Laguna Beach	300	South Coast	public access
30	Marblehead Coastal	City of San Clemente	192	South Coast	public access; environmental protection of canyons;
31	Tamarack Street 1	City of Carlsbad		San Diego Coast	Tamarack Street 2
32	Tamarack Street 2	City of Carlsbad		San Diego Coast	

	Name of ADC	Location	Acreage	District	Issue Summary
		ADC Summary			
33	Tamarack Street 3	City of Carlsbad		San Diego Coast	
34	Palomar Airport Rd site	City of Carlsbad		San Diego Coast	
35	Poinsettia Lane lots	City of Carlsbad		San Diego Coast	
36	Via De la Valle	City of San Diego	100	San Diego Coast	density; grading and encroachment on steep slopes; visual resources
37	South Slopes	City of San Diego		San Diego Coast	Slope of San Dieguito River Valley; land use intensities; slope preservation
38	Carmel Valley	City of San Diego	400	San Diego Coast	extent of development; road alignment of SR 56/Carmel Valley Rd; riparian
39	Los Penasquitos	City of San Diego	600	San Diego Coast	ESHA; lack of master plan
40	Torrey Pines	City of San Diego	75	San Diego Coast	stability of coastal bluffs; public access; lack of master plan
41	Cal Sorrento	City of San Diego	25	San Diego Coast	wetlands; steep slopes protection
42	Famosa Slough	City of San Diego	20	San Diego Coast	wetland protection
43	Co. Admin Center	City of San Diego	15	San Diego Coast	future use of county-owned parking lots - park and open space or commercial
44	Otay River Valley	City of San Diego		San Diego Coast	multi-jurisdictional regional park plans; time for specific plan preparation