

CALIFORNIA COASTAL COMMISSION

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June 26, 2014

TO: Coastal Commissioners and Interested Persons

FROM: Charles Lester, Executive Director
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 - Coastal Commission Meeting
July 9-11, 2014

RECOMMENDATION:

Staff recommends that the California Coastal Commission (Commission) authorize the Executive Director to enter into an interagency agreement to administer pass through funding of \$329,200 from the federal Coastal Zone Management Act (CZMA) grant award 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 2014-2015. The term of this award will begin on July 1, 2014 and extends through December 31, 2015.

MOTION:

"I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$329,200 of federal funds to BCDC for the purpose of implementing the California Coastal Management Program for Fiscal Year 2014-2015."

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 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 1978 when the United States Department of Commerce approved the CCMP.

For Fiscal Year 2014-2015, which starts July 1, 2014, the State of California will receive \$2,712,000 CZMA funds. Using a formula agreed to in prior years, the funds will be distributed as follows: BCDC will receive \$329,200, and the Coastal Commission will retain the remaining \$2,382,800 (see table below). The grant funds will be awarded pursuant to two sections of the CZMA: Sections 306 and 309.

The Conservancy did not request any funds from the FY 2014-2015 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 of interest to the Conservancy.

Distribution of FY 2014-2015 CZMA grant funding by agency and CZMA Section

<i>CZMA Sections</i>	<i>CA Coastal Commission</i>	<i>BCDC</i>	<i>State Coastal Conservancy</i>	<i>CZMA grant section TOTALS</i>
Section 306 Coastal Management Program <i>(*state match required)</i>	\$1,792,800*	\$199,200*	(no funds requested)	\$1,992,000*
Section 309 Enhancement Grants	\$390,000	\$130,000		\$520,000
Project of Special Merit**	\$200,000			\$200,000
Section 310 Miscellaneous - Other <i>(Note: No funds were appropriated)</i>	\$0	\$0		\$0
	\$2,382,800	\$329,200	\$0	total grant \$2,712,000

**Note: the Project of Special Merit funds are not available until October 1, 2014

Section 306 - \$1,992,000 (Commission/\$1,792,800 and BCDC/\$199,200)

Section 306 provides program implementation funding for the CCMP. The Commission uses Section 306 funding to support core program activities, including staff work on permits, appeals, LCPs, federal consistency review, and enforcement. BCDC uses Section 306 funding to support its work associated with permitting, federal consistency and enforcement activities. The state is required to match all Section 306 funds provided by the federal government. State general fund revenues that support Commission staff salary and benefits costs are used for the match. The state match for BCDC is included in its FY 2014-2015 Budget; therefore, the Commission will not incur any additional expense to provide BCDC’s portion of the state match.

Section 309 - \$520,000 (Commission/\$390,000 and BCDC/\$130,000)

In 1990, the CZMA was reauthorized and amended to add a new “Coastal Zone Enhancements Grants” program established under CZMA Section 309. The purpose of the Section 309 grant funding is to provide California with the opportunity to enhance its coastal management program in any of the nine priority objective areas identified in the CZMA (wetlands, coastal hazards, public access, marine debris, cumulative and secondary impacts, special area management planning, ocean resources, energy and government facility siting and aquaculture).

In 2010, the Coastal Commission updated its Section 309 Assessment and Strategy for 2011 – 2015 (a requirement of the grant) which identifies the Commission’s five highest priority coastal zone enhancement area objectives that will be the focus of the Commission’s Section 309 work. These areas are: special area management planning (also considered LCP planning), cumulative and secondary impacts, public access, wetlands, and coastal hazards. BCDC updated their own 309 Assessment and Strategy in 2010 and it provides the basis for their 309 activities.

For the FY 2014-2015 grant, the Coastal Commission will use the Section 309 Enhancement Grant funds (\$390,000) for:

- **Development of the 2016 – 2020 Commission’s Assessment and Strategy.** The new Enhancement Program Assessment and Strategy Cycle will begin in July 2016. To prepare for the next cycle, the Coastal Commission will develop the 2016 – 2020 Assessment and Strategy during this award period, working closely with NOAA staff and in accordance with most current Section 309 Program Guidance. This task will include: (1) conducting public and stakeholder outreach to receive input at the beginning of the project, (2) completing a Phase I and Phase II Assessment of the Commission’s efforts in addressing all nine priority enhancement areas over the last five years, and (3) using the data collection and analysis from the Assessment to develop the next five year Strategy. There will also be a public comment opportunity on the Draft Assessment and Strategy before the finalizing the document for submission to NOAA.
- **Agricultural Information for Emerging Uses and Process Improvements.** The purpose of this project is to develop informational materials for Coastal Commission staff, local governments, agricultural interests and the public to address emerging coastal agricultural issues/trends with an overarching goal of improving coordination between agricultural interests and local, state and federal regulatory agencies. These informational materials will supplement the policy guidance contained in the Agriculture Chapter of the Coastal Commission’s “LCP Update Guide” available online. The exact format of the information has yet to be determined but will be based on feedback from the agricultural community and local governments.

BCDC will use Section 309 funds (\$130,000) for:

- **Development of the 2016 – 2020 BCDC’s Assessment and Strategy.** BCDC will also use a portion of their 309 funding to develop their next 2016 – 2020 Assessment and Strategy. This task will be conducted in the same manner as the Commission’s Assessment and Strategy task described above.
- **The Suisun Resource Conservation District Local Protection Program Phase III.** BCDC will, in Phase III, complete the work commenced in Phases I and II of the Suisun Resource Conservation District Local Protection Program. The completion of the Suisun Resource Conservation District Local Protection Program update will entail the finalization of the remaining duck club plans and the commencement of the Commission’s certification process. Due to the extensive amount of geographic information system (GIS) data that has to be field collected from approximately 40 clubs, the project has taken longer than expected.

Section 309 – Project of Special Merit (Commission/\$200,000)

In addition to the Enhancement Grant projects described above, the Commission will also receive \$200,000 in Section 309 Project of Special Merit Award funding. The intent of the Project of Special Merit Awards is to offer coastal management programs the opportunity to develop innovative projects that further the approved enhancement area strategies and focus on specific enhancement areas of coastal hazards, wetlands, and cumulative and secondary impacts. The Commission applied for and successfully competed against other state coastal management program proposals to receive the Project of Special Merit Award funding. This award will start on October 1, 2014 and the funding will not be made available until that time.

The Project of Special Merit, “Managing the Coastal Squeeze – Resilience Planning for Shoreline Residential Development,” will result in adopted policy guidance and model ordinance language for resilient shoreline residential development in hazardous areas affected by sea level rise. Under this project, Commission staff will conduct a broad statewide survey of shoreline residential areas and to characterize physical shoreline conditions for those residential areas along the coast. Informed by this assessment, staff will identify and analyze policy and legal issues for development and redevelopment in hazardous areas factoring in sea level rise projections that will further change shoreline conditions in the future. Staff, working collaboratively with local governments, will use the policy and legal analysis to develop the policy guidance and model ordinance language. The proposed project builds upon the Commission’s past 309 projects, such as the near complete Sea Level Rise Policy Guidance, and is consistent with its current 2011 – 2015 Assessment and Strategy and Strategic Plans goals (Action 3.1.2).

Section 310

The FY 2014-2015 federal budget received no federal appropriations to Section 310 of the CZMA. Traditionally, the CZMA Nonpoint Source Pollution Control Programs was funded through Section 310 and assisted states by providing grants to support state nonpoint source pollution prevention and control activities. No federal funds have been appropriated the Nonpoint Source Pollution Control Program since 2009.