

CALIFORNIA COASTAL COMMISSION


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TO: Commissioners and Interested Persons

FROM: Peter Douglas, Executive Director
Steven Scholl, A/CP, Deputy Director
Elizabeth Fuchs, A/CP, Manager, Land Use Unit
 Rebecca Roth, Analyst, Federal Programs and LCP Assistance

SUBJECT: **Recommended Priorities for FY 1999-2000 Local Coastal Program (LCP) Assistance Grant Program**

The proposed state budget for Fiscal Year (FY) 1999-2000 includes a \$500,000 augmentation for local planning assistance grants. In anticipation that this component of the budget will be adopted, staff has drafted eligibility and criteria standards for allocating these expected funds. This report recommends Commission action to complete the first step in the process which is adoption by the Commission of the priorities and criteria for reviewing grant applications.

The staff recommendation includes revisions to the method for allocating these funds. In past grant programs, the Commission has given highest priority to grant applications that involve completion of Local Coastal Programs (LCPs) for certification. In the past two grant years, 16 grants have been awarded to coastal cities and counties to work on completing their LCP or completing the Land Use Plan component of the LCP. (*For a detailed description of past grant activities see Background Section, pg. 4*)

Staff is recommending a shift in approach where jurisdictions with outdated LCPs will be given equal consideration for funding to undertake LCP updates for a number of reasons.

- Only 70% (22 of 73) local jurisdictions within the coastal zone have LCP segments remaining to be certified which means that under the previous priorities, grant money would only be available to a small percent of jurisdictions. In addition, these uncertified segments cover only 13% of the geographic area of the coastal zone.
- The majority of the jurisdictions with uncertified segments have not requested funding in the last two grant cycles which suggests that they have no interest in completing their LCPs; and,
- Certified jurisdictions are faced with new coastal resource and public access issues and challenges that cannot effectively be resolved if the LCPs are outdated and not kept current.

Therefore, staff is recommending that the FY 1999-2000 local assistance funds be used to support a broader spectrum of local coastal planning activities, including planning to update old LCPs, or to participate in, and respond to, a Commission-initiated periodic review. As recommended, all local governments will be eligible to apply for grant funds and staff will review applications based on the Commission's adopted criteria. The grant application schedule and review process is described on page 3 of the staff report.

Staff Recommendation

Staff recommends that the Commission adopt the following criteria for allocating \$500,000 in LCP Grants Program funds for the period of July 1999 through June 2000, Fiscal Year 1999-2000.

Comments on these recommendations may be mailed or faxed to Rebecca Roth at the Commission's Headquarters for distribution to the Coastal Commission.

Recommended 1999/00 Eligibility for Grant Funds

Local jurisdictions proposing to perform any of the following LCP related work would be eligible to apply for funding under the proposed FY 1999-2000 local assistance program. These categories are not listed in any order. Rather, eligible applications will be evaluated based on criteria below.

LCP Preparation. Land Use Plan and/or Implementation Planwork to achieve certification of Local Coastal Programs resulting in transfer of coastal development permit authority to the local government.

LCP Preparation of Areas of Deferred Certification. Planning and/or implementation work to resolve outstanding problems and complete Local Coastal Program certification of Areas of Deferred Certification (ADCs)

LCP Comprehensive Updates. Local government-initiated Local Coastal Program comprehensive updates that involve establishing or revising policies and implementation that address changed conditions or new information related to key and emerging coastal issues.

LCP planning in conjunction with Coastal Commission LCP Periodic Reviews. Local Coastal Program work to enable local government to participate in, and respond to, a Commission-initiated periodic review.

Recommended Criteria for Award of LCP Grant Funds

Staff recommends that the Commission adopt the following criteria for evaluation of specific grant applications.

Criteria 1: The level of pre-certification permit workload or post-certification appeals generated by the jurisdiction is substantial.

Criteria 2: The willingness of local government to assume local coastal development permit processing responsibility. Alternatively, in the case of certified LCPs, the willingness of local government to substantially update one or more LCP components, with special consideration given to policy components addressing: nonpoint pollution control; public access; wetland and environmentally sensitive habitat; urban-rural boundaries; coastal hazards and protection of agricultural land.

Criteria 3: The opportunity to coordinate with other planning work being undertaken by the jurisdiction or the Commission, thus providing more efficient utilization of Commission staff resources, and providing the opportunity to address issues involving more than one jurisdiction.

Criteria 4: An expressed willingness of local government to contribute or to obtain other matching funds at a suggested 1 to 1 ratio necessary to complete the work.

Criteria 5: A history of successful performance under previous LCP grants.

Criteria 6: The local jurisdiction exhibits significant conflicts, challenges or changed conditions in coastal resources and/or public access.

In addition, special consideration will be given to applications that provide an opportunity to complete planning work in areas where the Commission has previously adopted priorities for completing or reviewing LCPs.

Grant Application Schedule

Following Commission consideration and adoption of grant criteria, the Commission staff will solicit letters of interest from local governments to assess the range of funds requested and to advise local government on preparation of work plans which are required as part of the grant application. The work plans will be for a one year grant period. Following adoption of the state budget, the Commission staff will then open the application period. As with past grant programs, local governments will have approximately one month to apply for grants. The staff will then return to the Commission at a subsequent meeting (probably September or October, 1999) with recommendations for the awarding of grants to specific jurisdictions based on the adopted criteria.

Application and Review

After grant applications are received, staff will evaluate each work program for compliance with the Commission's adopted criteria. In applying these criteria, staff will rank applications according to these criteria. The level of funding that staff will recommend to the Commission will be determined by evaluating the grant requests against the above listed criteria and the amount of funds available. Staff will encourage local governments to:

- Limit the amount of money requested based on consideration of the number of competing applications;
- Insure that tasks are necessary to achieve resolution of Coastal Act issues rather than local government issues that may not address coastal management concerns;
- Create workplans that include succinct tasks which address emerging or existing coastal issues; and,
- Insure that the costs proposed for specific tasks are reasonable.

Background

Over the past 20 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. Since July 1, 1976, the Commission has awarded coastal cities and counties an estimated \$11,849,052¹ in LCP grant funds. From 1991 through August 1998 the Commission's Local Assistance program has been limited to staff assistance only, since no funds had been appropriated during that period. Moreover, for this six-year period (1991 through 1998), no state funds had been appropriated to the Commission on State Mandates to reimburse local governments for their LCP development and implementation costs.

Fiscal Year 1997-1998

In 1998, the Commission authorized contracts for \$340,000 that was appropriated for Local Assistance (grants to local governments for LCP completion) as part of the Fiscal Year 1997-98 budget. These funds were made available pursuant to Chapter 779 of the Statutes of 1997 (AB 1581). The majority of these funds were encumbered by eight local governments in August 1998. Additionally, the Commission received an addition of a half-time staff position to assist local jurisdictions in completing their LCPs and to manage the grant program.

Fiscal Year 1998-1999

In Fiscal Year 1998-99 budget \$500,000 was appropriated for Local Assistance (grants to local governments for LCP completion). The \$500,000 contained in the 1998-99 budget will be encumbered by June 30, 1999 and the contracts for the eight local governments receiving this money will become effective July 1, 1999. Similar to the 1997-1998 budget, the Commission received an addition of limited term staff positions to assist local jurisdictions in completing their LCPs and to manage the grant program.

Fiscal Year 1999-2000

The 1999-2000 Coastal Commission budget projects the inclusion of \$500,000 for local assistance, including distributing grants to local governments to develop policies, develop implementing ordinances and comprehensively update LCPs. Additionally, the Commission expects to receive additional staff positions to

¹ California Coastal Commission, *Staff Report on Recommended Priorities for 1991 LCP Local Assistance Program*, April 24, 1991, page 2.

assist local jurisdictions in completing and updating their LCPs and to manage the grant program.

When the Commission first faced the prospect of being unable to fund all local government grant requests in 1981, the Commission established a "grant priority system." The purpose of the priority system, which was adjusted periodically, was to make sure that the limited grant funds were allocated to provide gains in numbers of LCPs actually certified before funding other implementation and "start up" activities. To date 34 jurisdictions and segments of jurisdictions remain uncertified. Another area of concern for the Commission is that many existing LCPs are relatively old and do not reflect changed conditions and new information to further protect and enhance coastal resources and public access. Approximately 80 LCPs have been in place for five to 17 years but few have been reviewed and updated. Therefore, it is necessary to perform comprehensive reviews and updates to existing LCPs to reflect the changes in coastal management that have evolved as a result of new federal policy, new scientific information and new judicial decisions.

Therefore, staff recommends that all jurisdictions be eligible to apply for grants providing that workplans target one of the following: 1) completion of uncertified Local Coastal Programs; 2) completion of Areas of Deferred Certification; 3) comprehensively updating outdated Local Coastal Programs; and, 4) completing updates or revisions in conjunction with or in response to a Commission initiated periodic review. Moreover, staff intends to provide initial screening of local government workplans to suggest that updates and new certification include LCP policies and ordinances that focus on solving coastal resource and public access issues that are at risk. A list of the remaining uncertified jurisdictions is shown in Attachment A and the Areas of Deferred Certification in Attachment B. A listing of previous LCP Grant Payments to uncertified jurisdictions is shown in Attachment C.

Grant Monitoring

Because of the importance of using the very limited grant resources in the most cost-effective manner, LCP grant contract language will continue to include language to provide for close monitoring of the progress on completing each work program's tasks. Specifically, each contract will require the local government to submit progress reports to Commission staff on a regular basis. However, the local government will be given an option of submitting invoices for work completed either semi-annually or quarterly. All funds are provided on a reimbursement basis, that is, payments are made to local governments only after work tasks are completed. The contract will specify that failure to meet work program milestones in a timely manner may result in the Commission's termination of the grant and redirection of the remaining grant funds to another jurisdiction (either to supplement an already awarded grant or to award a new grant).

ATTACHMENT A

UNCERTIFIED SEGMENTS)

CCC Area Office	Jurisdiction –	Segment Name	LUP?
North Coast ↓ 3	Del Norte County	Pt. St. George	NO
	Mendocino County	Pygmy Forest	NO
	San Fran. Co./City	Olympic Club	NO
Central Coast ↓ 7	Seaside		YES
	City of Monterey	Laguna Grande	YES
	City of Monterey	Del Monte Beach	YES
	City of Monterey	Harbor	YES
	City of Monterey	Cannery Row	YES
	City of Monterey	Skyline	YES
	Pacific Grove		YES
South Central Coast ↓ 2	City of Malibu		NO
	Malibu/Santa Monica Mtns.		YES
6. South Coast ↓ 16	City of L.A.	Playa Vista "A"	NO
	City of L.A.	Cerritos Wetland	NO ²
	City of L.A.	Pacific Palisades	NO
	City of L.A.	Venice	NO
	City of L.A.	Playa Vista	YES
	City of L.A.	Del Rey Lagoon	YES
	City of L.A.	Airport/Dunes	YES
	City of L.A.	San Pedro	YES
	Santa Monica		YES
	Hermosa Beach		YES
	Redondo Beach		YES
	Torrance		NO*
	Seal Beach	N/Bolsa Chica	YES
	Costa Mesa	N. Sta. Ana River	NO
	Newport Beach	N. Sta. Ana Hts.	NO
	San Clemente		NO*
San Diego ↓ 6	San Diego County	Agua Heionda	YES
	Carlsbad		YES
	Solana Beach		NO
	Del Mar		YES
	City of San Diego	Mission Bay	NO
	Chula Vista	South Bay Is.	YES

NOTE: Jurisdictions with more than one segment left to be certified are shaded

² LUP is certified with Modifications

ATTACHMENT B

List of Areas of Deferred Certification
(as of 8/20/98)

Name of ADC	Location/LCP	Acreage (Approx)	District
Pacific Shores Subdivision	Del Norte County	500	North Coast
Little Mo-Peepe	City of Crescent City	8	North Coast
Stagecoach Hill	Humboldt County	305	North Coast
Big Lagoon Estates	Humboldt County	30	North Coast
Trinidad Area Shoreline Lots	Humboldt County	200	North Coast
Trinidad Harbor	City of Trinidad	76	North Coast
Noyo Flats	City of Ft. Bragg	13	North Coast
Calle Del Arroyo Lots	Marin Co. Unit I	3.5	North Coast
Quarry Area	City of Pacifica	145	North Coast
Shell Dance	City of Pacifica	11	North Coast
Westside Ag Lands	City of Santa Cruz	72	Central Coast
Capitola Parcels	City of Capitola	10.25	Central Coast
Malpasos Beach	Monterey County		Central Coast
Yankee Beach	Monterey County		Central Coast
Fort Ord	Monterey County		Central Coast
So. of Bay Ave.	City of Sand City	17	Central Coast
Hayward Lumber	City of Pacific Grove	1	Central Coast
Sweet Springs Marsh	San Luis Obispo County	10	Central Coast
Otto/So. Bay	San Luis Obispo County	50	Central Coast
Haskell's Beach	Santa Barbara County	73	South Central
Channel Islands	Santa Barbara County		South Central
Beach Overlay	City of Santa Monica		South Coast
Civic Center	City of Santa Monica		South Coast
Edison Easement	City of Redondo Beach	5.2	South Coast
MWD Wetland	City of Huntington Beach	40	South Coast
Irvine Cove	City of Laguna Beach		South Coast
Hobo Canyon	City of Laguna Beach	361	South Coast
Blue Lagoon	City of Laguna Beach	9.6	South Coast
Treasure Island	City of Laguna Beach	21.4	South Coast
Three Arch Bay	City of Laguna Beach	300	South Coast
Monarch Beach/Laguna Niguel Niguel	City of Dana Point	225	South Coast
Dana Strand	City of Dana Point		South Coast
Marblehead Coastal	City of San Clemente	192	South Coast
Tamarack Street 1	City of Carlsbad		San Diego Coast
Tamarack Street 2	City of Carlsbad		San Diego Coast
Tamarack Street 3	City of Carlsbad		San Diego Coast
Palomar Airport Rd site	City of Carlsbad		San Diego Coast
Poinsettia Lane lots	City of Carlsbad		San Diego Coast
Via De la Valle Specific Plan	City of San Diego	100	San Diego Coast
South Slopes / San Dieguito River	City of San Diego		San Diego Coast
Carmel Valley	City of San Diego	400	San Diego Coast
Los Penasquitos Regional Park	City of San Diego	600	San Diego Coast
Torrey Pines City Park	City of San Diego	75	San Diego Coast
Cal Sorrento	City of San Diego	25	San Diego Coast
Famosa Slough	City of San Diego	20	San Diego Coast
Co. Admin Center	City of San Diego	15	San Diego Coast
Otay River Valley / South Bay	City of San Diego		San Diego Coast
Total ADCs 47	Sum of Acreage:	3913.95	

Data Source: LCP Annual Report Detailed History 8/98 and district review 2/98