

CALIFORNIA COASTAL COMMISSION

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W27a

October 5, 2011

TO: CALIFORNIA COASTAL COMMISSION

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 at the Coastal Commission meeting October 2011

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 \$333,300 from 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 2011-2012. The term of this award began on July 1, 2011 and extends through December 31, 2012. Due to the extended negotiations on the federally FY 2011-12 appropriations, award of the federal grant was delayed and we were not able to bring this item to you for your consideration sooner.

MOTION:

"I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$333,300 of federal funds to BCDC for the purpose of implementing the California Coastal Management Program for Fiscal Year 2011-2012."

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 1977 when the United States Department of Commerce approved the CCMP.

For Fiscal Year 2011-2012, which started July 1, 2011, the State of California will receive \$2,619,000 in CZMA funds. Using a formula agreed to in previous years, the funds will be distributed as follows: BCDC will receive \$333,300, and the Coastal Commission will retain the remaining \$2,285,700 (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 2011-12 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 FY11-12 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>	1,874,700*	\$208,300*	(no funds requested)	\$2,083,000*
Section 309 Enhancement Grants	\$411,000	\$125,000		\$536,000
Miscellaneous - Other (Section 310) <i>Note: No funds were appropriated to the Nonpoint Source Program</i>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
	\$2,285,700	\$333,300	\$0	total grant \$2,619,000

Section 306 - \$2,083,000 (Commission/\$1,874,700 and BCDC/\$208,300)

Section 306 provides 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 2011-12 Budget; therefore, the Coastal Commission will not incur any additional expense.

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

In 1990, the CZMA was reauthorized and amended to add a new “Coastal Zone Enhancements Grants” program established under CZMA Section 309. In 2010, the Coastal Commission updated its Assessment and Strategy for 2011 – 2015 as required by OCRM, and identified the Commission’s five highest priority “coastal zone enhancement area objectives.” The five highlighted objectives are: special area management planning (also considered LCP planning), cumulative and secondary impacts, public access, wetlands, and coastal hazards. The Coastal Commission prepared a multi-year Section 309 Strategy for improving the Commission’s

element of the California Coastal Management Program in the five priority areas. BCDC updated their own 309 Assessment and Strategy in 2010, which provides the basis for their 309 activities.

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 the 309 Enhancement and Strategy updates.

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

- Initiating a Digital LCP Pilot Scoping and Needs Assessment project. This task allows Commission staff to consider how to transition Local Coastal Program (LCP) documents, including certified LCPs and other planning documents to a digital format that is publically available. Currently, LCPs are found in various formats and locations, and there is no single archive, digital or otherwise, that maintains up-to-date, accurate LCPs for the 93 effectively certified LCP segments. The lack of a central library of LCPs inhibits effective and efficient implementation of our CCMP and limits public access to these central management documents. Creation and maintenance of a comprehensive digital LCP library system will improve management by assuring that Commission and local government staff, as well as the public generally, have real-time online access to every certified LCP in the state.
- Developing Sea Level Rise (SLR) Policy Guidance. Although the Commission has a long history of considering sea level rise in its planning and regulatory decisions, accelerated SLR due to climate change will exacerbate shoreline erosion hazards that the Commission and local governments must address in their coastal planning decisions. SLR will directly affect public beach access and recreation resources, particularly in urbanized areas where allowing for the inland retreat of beaches and other shoreline resources as sea levels rise may prove difficult. Updated policies, ordinances, programs, and community-based adaptation planning will be required to effectively respond to this coastal management challenge. A primary mechanism for addressing SLR in the CCMP will be to provide guidance to Commission staff and local governments on how to incorporate estimated SLR based on the best available science, into planning and permit decisions. This task will result in new policy guidance for Commission staff, permit applicants, local governments and other agencies for implementing enforceable CCMP policies that address hazards affected by SLR, including coastal erosion and flooding.

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

- Phase 2 of the Adapting to Rising Tides (ART) project to develop an adaptation planning processes and strategy options to improve shoreline community resiliency. This work will leverage partners and funding from the ART Project Phase 1 supported by the FY 2010-11 CZMA grant.

Section 310

In the FY 2011-12, the Coastal Zone Management Program received no federal appropriations to Section 310. In years past, the CZMA Nonpoint Source Pollution Control Programs was funded through Section 310. This program was established to assist States by providing grants to support state nonpoint source pollution prevention and control activities. Without funding,

the Commission and BCDC will be forced to cut back on water quality activities. This means there will be less assistance to local governments and agricultural entities to implement water quality control measures and best management practices.