

CALIFORNIA COASTAL COMMISSION

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**W27b**

July 19, 2012

TO: CALIFORNIA COASTAL COMMISSION

FROM: Charles Lester, Executive Director
Susan M. Hansch, Chief Deputy Director
Michelle Jesperson, Federal Programs Manager

SUBJECT: **Interagency Agreement for Implementing California's Coastal Management Program** for public hearing and Commission action at the Coastal Commission meeting August 2012

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 \$311,700 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 2012-2013. The term of this award began on July 1, 2012 and extends through December 31, 2013. The federal grant was not awarded until mid June so we were unable to bring this item to you sooner for your consideration.

MOTION:

"I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$311,700 of federal funds to BCDC for the purpose of implementing the California Coastal Management Program for Fiscal Year 2012-2013."

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 2012-2013, which started July 1, 2012, the State of California will receive \$2,655,644 CZMA funds. Using a formula agreed to in prior years, the funds will be distributed as

follows: BCDC will receive \$311,700, and the Coastal Commission will retain the remaining \$2,343,944 (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 2012-2013 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 FY2012-2013 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	\$370,500	\$112,500		\$663,644
Project of Special Merit	\$180,644			
Section 310 Miscellaneous - Other <i>Note: No funds were appropriated</i>	\$0	\$0		\$0
	\$2,343,944	\$311,700	\$0	total grant \$2,655,644

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 2012-2013 Budget; therefore, the Commission will not incur any additional expense to provide BCDC's portion of the state match.

Section 309 - \$663,644 (Commission/\$551,144 and BCDC/\$112,500)

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 provides the basis for their 309 activities.

For the FY 2012-2013 grant, the Coastal Commission will use the Section 309 Enhancement Grant funds (\$370,500) for:

- Phase II of the Digital LCP Pilot Project. Under the FY 2011-2012 grant, Commission staff undertook Phase I of this project, consisting of an assessment and needs analysis to identify and scope practice and problems related to building and maintaining a digital LCP library. In Phase II staff will continue the investment to build public access to a Digital LCP library. Preliminary information from the Phase I assessment shows that only 14 percent of certified LCPs are currently in some digital format and of those, only 10% have a procedure established for keeping it updated following amendments. This second phase of the project will select one or more pilot LCPs on which to construct and test the steps identified in the Phase I scoping report and to develop an implementation plan based on different document status, options and priorities.
- Developing Policy Guidance for Updating LCPs. Under this task, Commission staff will take the results of the policy guidance on sea level rise (developed under the FY 2011-2012 grant) and apply it to the process of updating Local Coastal Programs. This task will develop guidance for local governments and Commission staff for what to consider in a LCP Update to address climate changes impacts, beyond just sea level rise and flooding. Other policy areas to be covered in this guidance will include but are not limited to: habitat shifts, wetland change/migration, species range shifts, fire, water supply, siting/location of critical public infrastructure, public access, and transportation. The guidance may also include recommendations for LCP policies related to greenhouse gas reductions, such as policies to encourage green building.

BCDC will use Section 309 funds (\$112,500) for:

- The Suisun Resource Conservation District Local Protection Plan Update. BCDC will partner with the Suisun Resource Conservation District (SRCD) to update its local protection program (LLP) component, including individual management plans for diked wetlands in the Suisun Marsh. The update will be integrated into the existing Suisun Marsh Habitat Management, Preservation and Restoration Plan. This is Phase I of a two-phase project.

Section 309 Project of Special Merit (Commission/\$180,644)

In addition to the Enhancement Grant projects described above, the Commission will also receive \$180,644 in funding under the Section 309 Project of Special Merit Award. The intent of the Project of Special Merit awards is to offer coastal management programs the opportunity to develop innovative projects that further their approved enhancement area strategies and focus on specific enhancement areas of wetlands, hazards, cumulative and secondary impacts and ocean and great lake resources. The Commission applied for and successful competed against other state coastal management programs to receive the Project of Special Merit funding.

With this funding, Commission staff seek to better evaluate and mitigate for the adverse impacts to recreation, public access and beach ecology from permitting shoreline armoring projects. The project will build upon the Commission's existing efforts to mitigate for the adverse impacts of shoreline development projects to public access and recreation by working with beach ecologists and an economic valuation academic to develop an evaluation methodology to quantify impacts to biological resources and beach ecology. This information will then be used to determine a set of mitigation options that may be considered for use when evaluating individual permit applications to offset anticipated losses to beach ecology and resources caused by shoreline armoring projects. The final product of this effort will be a set of guidelines to use in assessing the impacts of proposed shoreline armoring projects and a methodology(s) for calculating the full value of recreational and ecological loss resulting from installation of shoreline armoring projects (where they may be approved as consistent with the Coastal Act).

Section 310

The FY 2012-2013 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. Without funding in this area, the Commission and BCDC have scaled 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. No federal funds have been appropriated the Nonpoint Source Pollution Control Program since 2009.