

CALIFORNIA COASTAL COMMISSION

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July 28, 2017

TO: California Coastal Commission and Interested Persons

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

SUBJECT: **Interagency Agreements for Implementing California’s Coastal Management Program** for public hearing and Commission action at the Coastal Commission meeting August 2017

RECOMMENDATION:

Staff recommends that the California Coastal Commission (Commission) authorize the Executive Director or designee to enter into: (1) an interagency agreement to administer pass-through funding of \$325,583 from the federal Coastal Zone Management Act (CZMA) grant award to the San Francisco Bay Conservation and Development Commission (BCDC); and (2) an interagency agreement to administer pass-through funding of \$314,333 from the CZMA grant award to the State Coastal Conservancy (SCC) for the purpose of implementing the federally approved California Coastal Management Program for Fiscal Year 2017-18. The term of this award is eighteen months, beginning on July 1, 2017 and ending December 31, 2018, with an option to extend the term up to three years through June 30, 2020.

MOTION I:

“I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$325,583 of federal funds to the San Francisco Bay Conservation and Development Commission for the purpose of implementing the California Coastal Management Program for Fiscal Year 2017-2018.”

Staff recommends a **YES** vote.

MOTION II:

“I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$314,333 of federal funds to the State Coastal Conservancy for the purpose of implementing the California Coastal Management Program for Fiscal Year 2017-2018.”

Staff recommends a **YES** vote.

STAFF ANALYSIS:

The federally approved California Coastal Management Program (CCMP) comprises three distinct state agencies: the Commission, BCDC, and SCC. 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 2017-18, which started July 1, 2017, the State of California will receive \$2,683,000 in CZMA funds. The funds will be distributed as follows: BCDC will receive \$325,583, SCC will receive \$314,333 and the Coastal Commission will retain the remaining \$2,043,084 (see table below). The grant funds will be awarded pursuant to two sections of the CZMA: Sections 306 and 309. The Executive Directors of the three state agencies mutually agreed upon the distribution of federal funds as outlined in the table below. The SCC is not eligible to receive section 309 funds at this time since they do not have an approved 309 2016 – 2020 Assessment and Strategy.

Distribution of FY 2017-2018 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> | \$1,656,834* | \$196,833* | \$314,333* | \$2,168,000* |
| Section 309 Enhancement Grants | \$386,250 | \$128,750 | \$0 | \$515,000 |
| Section 310 Miscellaneous <i>No funds appropriated</i> | \$0 | \$0 | \$0 | \$0 |
| | \$2,043,084 | \$325,583 | \$314,333 | total grant \$2,683,000 |

Section 306 - \$2,168,000 (Commission/\$1,656,834; BCDC/\$196,833; and SCC/\$314,333)

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 SCC will use their 306 funding to support projects on sea level rise vulnerability assessments, developing adaptation plans and implementation projects, and coastal access. 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 CCC portion of the state match. The state match for BCDC and SCC is included in their FY 2017-18 budgets; therefore, the Commission will not incur any additional expense to provide BCDC and SCC’s portions of the state match.

Section 309 - \$515,000 (Commission/\$386,250 and BCDC/\$128,750)

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 states with the opportunity to enhance their coastal management programs 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 2015, the Coastal Commission updated its Section 309 Assessment and Strategy for 2016 – 2020 (a requirement of the grant); this document identifies the Commission’s highest priority coastal zone enhancement area objectives that will be the focus of the Commission’s Section 309 work for the next five years. The Commission reviewed and provided input on the Draft 2016 – 2020 Assessment and Strategy in July of 2015. This document was then finalized and approved by NOAA in November 2015. The enhancement areas included in the Commission’s 2016 – 2020 Assessment and Strategy 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 2015 and it provides the basis for their 309 activities for 2016 - 2020.

For the FY 2017-18 grant, the Coastal Commission will use the Section 309 Enhancement Grant funds (\$386,250) for:

- **Management Options to Protect Public Trust Resources – Pilot Projects.** Strategy 1, Management Options to Protect Public Trust Lands and Resources, is a multi-year effort that will examine ways to improve interagency coordination between the Coastal Commission, the State Lands Commission (SLC) and potentially other relevant state agencies on issues related to the public trust to enable each agency to better fulfill their statutory mandates and result in policy guidance and a joint-agency Memorandum of Agreement or Understanding (MOA or MOU). This 2017 task builds off of the coordination work started in Year 1 of Strategy 1. Commission and SLC staff will focus on conducting three (3) to five (5) pilot projects to apply joint-agency framework developed in Year 1 and address potential losses of public trust lands and resources due to sea level rise on the ground in specific locations.
- **Training Framework for LCP Planning and Implementation – Year 2.** This second year of implementing the Coastal Commission 2016 – 2020 Strategy 2, Strengthening Technical Assistance for Local Coastal program, will develop some of the highest priority LCP training modules for use by Commission staff based on the framework for design and evaluation of LCP training modules completed under Year 1 of Strategy 2. This 2017 task will also include updated guidance for local government planners that addresses needs in communication and information sharing as outlined Strategy 2. The training program modules and updated guidance will provide key policy and planning information to Commission staff to assist local jurisdictions in complete their LCP planning grants as well as direct guidance to local government staff.

- **Sea Level Rise Training and Capacity Building.** For this task, Coastal Commission will work on specific sea level rise analysis tools and policy guidance that will assist with training Commission analysts and local government planners on improved ways to address sea level rise in their planning and permitting work. The training products developed will be based on the work we have been doing through implementation of the Commission’s Sea Level Rise Policy Guidance, feedback from Coastal Commission staff, and through our work with local government partners in updating LCPs to address climate change and sea level rise. The task will also include outreach and the creation of communications materials on the products developed to reach a wider audience, such as environmental justice and community groups. This task leverages past 309 funded projects.

BCDC will use Section 309 funds (\$128,750) for:

- **Environmental Justice in BCDC’s Bay Plan and Coastal Zone Management Plan.** This proposed 309-funded project will directly support Strategy 2 of the San Francisco Bay Conservation and Development Commission’s (BCDC) formally adopted 2016-2020 Assessment and Strategy, which has the goal of “improving the region’s capacity to understand and address current and future coastal hazards by incorporating best available information, approaches, and recommendations from current and ongoing hazards and adaptation planning efforts into coastal management planning projects and BCDC findings and policies.” Under a previously funded Project of Special Merit called “Policies for a Rising Bay”, BCDC evaluated the BCDCs laws and policies in light of sea level rise to determine if changes are needed to help the region advance appropriate resilience and adaptation actions. A key finding of the project was that the BCDC’s policies are inadequate with regard to environmental justice and sea level rise, where factors such as lack of resources and public engagement can render disadvantaged communities more vulnerable to sea level rise. Therefore, under this FY 2017 309 task, BCDC will initiate a Bay Plan Amendment process to lead to, or implement, the following type of program change: Bay Plan amendment process to include findings and policy sections on environmental justice in the Commission’s Bay Plan and BCDC’s Coastal Zone Management Plan.