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W6d

DATE: May 24, 2018

TO: Commissioners and Interested Parties

FROM: John Ainsworth, Executive Director
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Kelsey Ducklow, Coastal Program Analyst

SUBJECT: Recommended Update to Priorities and Evaluation Criteria for the Local Coastal Program (LCP) Grant Program

SUMMARY OF STAFF RECOMMENDATION

In August of 2013, the Coastal Commission adopted a set of priorities and evaluation criteria to determine eligibility for, and allocation of, LCP Grant Program funds (see [Appendix A](#)). These priorities and criteria were used throughout the first four rounds of the LCP Grant Program, which consisted of the distribution of over \$6 million to 34 local jurisdictions to complete sea level rise vulnerability assessments, technical studies, and adaptation plans, and to develop new and updated LCP policies. The priorities and evaluation criteria included a focus on the need to complete LCPs that have not yet been certified and to update LCPs to reflect changed circumstances and new scientific information, especially related to climate change.

The Budget Act of 2017, as amended by Assembly Bill 109, appropriated \$4.5 million to the State Coastal Conservancy (SCC), \$1.5 million to the California Coastal Commission, and \$500,000 to the San Francisco Bay Conservation and Development Commission (BCDC). This funding comes from the Greenhouse Gas Reduction Fund which puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. The California Air Resources Board (CARB) develops funding guidelines to provide direction for agencies that administer these funds.

The \$1.5 million for the Coastal Commission will fund local assistance grants as part of the LCP Grant Program (\$750,000) as well as to support Coastal Commission staff working on a variety of climate change adaptation, coastal resilience planning, and greenhouse gas reductions efforts (\$750,000). Further details describing how the Coastal Conservancy, BCDC, and the Coastal

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Commission will use these funds are described in the Expenditure Record for Fiscal Year 2017-2018, included as [Exhibit 1](#).

This staff report recommends that the Commission adopt updated priorities and evaluation criteria for the review of grant applications and awarding of funds. The purpose of these updates is to better align with the funding guidelines for the GGRF funds, as well as to reflect the current state of adaptation planning, LCP updates, and the Commission's experience with the last four rounds of grants. Once adopted, staff will develop a request for proposals from local governments, and recommendations for individual awarding of grants will return to the Commission for adoption at a later date.

The adopted 2013 LCP grant priorities were to either complete a land use plan and/or implementation plan to achieve certification of a new Local Coastal Program (or Area of Deferred Certification); or to update a certified LCP, in whole or in part, to reflect changed conditions (with special consideration for updates that address climate change). For the updated priorities, staff recommends combining these two priorities into one and adding two additional priorities: 1) planning and/or implementation of strategies to reduce greenhouse gas emissions or to adapt to the impacts of climate change; and 2) planning work and/or focused outreach efforts to address environmental justice concerns related to coastal resilience and greenhouse gas reductions.

Commission staff also recommends several revisions to the evaluation criteria. These revisions include adding discussion of environmental justice issues, particularly related to climate resilience; updating language to better emphasize the need to address climate change; providing examples of the types of planning work that would align with GGRF goals of reducing or facilitating the reduction of greenhouse gases; and highlighting that projects focused more narrowly on planning and/or implementation of individual adaptation options would also be considered. Language suggesting that proposed projects with a greater scope, such as a comprehensive LCP update, would be viewed more favorably than projects with a narrow scope, such as a targeted LCP amendment, has been removed. Staff also recommends removing evaluation criteria related to workload.

Commission staff recommends **approval** of the priorities and evaluation criteria for eligibility for, and allocation of, future LCP Grant Program funds.

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APPENDICES

[Appendix A – 2013 Adopted LCP Grant Program Priorities and Evaluation Criteria](#)

EXHIBITS

[Exhibit 1 – Expenditure Record for Fiscal Year 2017-2018](#)

I. MOTION AND RESOLUTION

Motion:

I move that the Commission adopt the priorities and evaluation criteria for allocating LCP Grant Program funds as set forth in the staff recommendation.

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in adoption of priorities and criteria for the review and recommended awards of LCP planning grant applications. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

The Commission hereby approves the eligibility, priorities, and evaluation criteria for the review and administration of LCP grant applications as set forth in this report and authorizes staff to solicit and evaluate proposals, subject to the condition that the Coastal Commission shall approve final award of any grants under this program.

II. FINDINGS AND DECLARATIONS

A. PROGRAM DESCRIPTION

The Budget Act of 2013 provided a general fund appropriation of \$1 million dollars for Coastal Commission grants to local governments to support Local Coastal Program (LCP) planning in recognition that there had been, and continues to be, a need to complete LCPs that have not yet been certified and to update older LCPs that no longer reflect changed circumstances and new scientific information, including addressing the effects of climate change. In August 2013, prior to the call for grant proposals and the awarding of grants, the Coastal Commission adopted a set of priorities and evaluation criteria by which to determine eligibility for, and allocation of, LCP Grant Program funds (see [Appendix A](#)). The adopted set of criteria was found to be consistent with both Coastal Act and Coastal Commission Strategic Plan goals of supporting the development of Local Coastal Programs to ensure protection of coastal resources. The priorities and evaluation criteria have been used through all four rounds of LCP grants that the Commission has since awarded.

The 2013 priorities included:

- 1) Completion of land use plan and/or zoning work to achieve certification of a Local Coastal Program (LCP) or an Area of Deferred Certification (ADC) resulting in the new transfer of coastal development permit authority to the local government in these areas;
- 2) Planning and/or zoning work to significantly update certified LCPs or LCP segments in whole or in part to reflect changed conditions, new information and scientific knowledge, new programs and policies, or other significant changed circumstances. Updates that address the effects of climate change, such as sea level rise, will be given special consideration.

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The evaluation criteria included six main categories which were to be considered as a whole (rather than weighted) and compared across the applications received. These categories consisted of: the public benefit/significance; the relative need for an LCP update and the extent of the update; addressing the effects of climate change; likelihood of success/effectiveness; workload; and project integration and the ability to leverage matching funds.

To date, the LCP grant program has awarded just over \$6 million¹ to 34 local jurisdictions. Work has included the completion of sea level rise vulnerability assessments, technical studies, economic analyses, adaptation planning and reports, public outreach and engagement, and LCP policy development. Proposed LCP work has consisted of a variety of new LUPs or IPs; comprehensive LUP, IP, or full LCP updates; or targeted amendments to LUPs, IPs, or both to address specific issues, mainly including sea level rise.² Grant requests are consistently larger than the amount of funding available, and coordination with state, local, and non-government partners suggests that lack of funding continues to be a significant barrier in addressing sea level rise impacts. These findings emphasize the need to continue grant programs like the LCP Grant program to ensure sustained support for local governments as they address sea level rise vulnerabilities, and particularly for moving from assessment and planning stages to implementation of adaptation strategies.

In 2017, the Coastal Commission received \$1.5 million, half of which will be used to continue the LCP Grant Program and half to support Coastal Commission staff working on this important effort. This money comes from the California Climate Investments program, a statewide initiative funded by appropriations from the Greenhouse Gas Reduction Fund (GGRF), which was established by SB 1018 as the account to receive the proceeds from the Cap-And-Trade program. The California Air Resources Board (CARB) develops funding guidelines to provide direction for agencies that administer these funds. In order to meet GGRF's legislative purposes, projects must facilitate the achievement of reductions of greenhouse gas (GHG) emissions and further the purposes of AB 32.

As an example, a project that achieves net GHG reductions by increasing carbon sequestration through restoring wetlands, conserving open space or agricultural lands, or planting trees would be consistent with GGRF's purposes. Other projects might facilitate GHG reductions by developing and implementing policies to reduce vehicle miles traveled, such as adding bicycle paths, bicycle lanes, or pedestrian facilities that provide safe routes for travel between residences, workplaces, commercial centers, and coastal access areas. The Coastal Commission will work with applicants to document compliance with GGRF requirements.

¹ Round 1 consisted of \$1M of general fund appropriations; Round 2 consisted of \$1M of general fund appropriations plus an additional \$1,015,750 of funding from the Ocean Protection Council's grant program; and Rounds 3 and 4 provided an additional \$3M from Prop 40 bond funds transferred from the State Coastal Conservancy.

² Additional information about the LCP Grant Program, including grant agreements and links to completed deliverables can be found at <https://www.coastal.ca.gov/lcp/grants/>

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In order to better align with GGRF goals and requirements, as well as to reflect the current state of adaptation planning and LCP work, Coastal Commission staff recommends updating the 2013 priorities and eligibility criteria.

The overall goal of the LCP Grant Program would remain the same: to provide jurisdictions with grant funds to support efforts to update or develop new LCPs to better address changed conditions, particularly including climate change. Five out of six of the evaluation criteria categories remain in place, though with some updated language.

As outlined in Section C below, staff recommends combining the two general priorities from 2013 and adding two additional priorities: 1) planning and/or implementation of strategies to facilitate the reduction of greenhouse gas emissions or to adapt to the impacts of climate change; and 2) planning work and/or focused outreach efforts to address environmental justice concerns related to climate resilience.

Staff also recommends several revisions to the evaluation criteria, including adding discussion of environmental justice issues; updating language to better emphasize the need to address climate change; providing examples of the types of planning work that would align with GGRF goals of reducing greenhouse gases; and highlighting that projects focused more narrowly on planning and/or implementation of individual adaptation options would also be considered.

Language which suggested that proposed projects with a greater scope, such as a comprehensive LCP update, would be viewed more favorably than projects with a narrow scope has been removed. This change is made to encourage and allow for projects that would take a more focused look at, for example, how to implement particular climate change adaptation options. To date, significant work has been done to assess vulnerabilities, to identify a range of adaptation options, and to develop policy language, yet many jurisdictions still find that implementing chosen adaptation strategies requires additional technical, economic, and/or legal analysis as well as public outreach. Additionally, many local jurisdictions have voiced concerns about the ability to complete a comprehensive update in the limited grant term or with limited funding. This change would ensure that jurisdictions proposing a smaller project, either to address a narrow issue or as a way of initiating a larger planning process, would not be looked upon unfavorably.

Staff also recommends removing evaluation criteria related to workload. Initially, the inclusion of this category sought to prioritize completion (or updates) of LCPs that generated significant work for the Coastal Commission, either through a heavy permit load because the jurisdiction lacked a certified LCP or due to a significant number of conflicts and appeals. However, this approach is not needed to achieve the goals of the California Climate Investments program, as reducing greenhouse gas emissions and addressing the impacts of climate change are critical efforts for all jurisdictions to complete, regardless of LCP status.

B. ELIGIBLE GRANTEES AND PROJECTS

These grants are intended to provide assistance to local governments responsible for developing and amending Local Coastal Programs. Completion of updated resource studies or other potential components necessary to an LCP submittal or LCP amendment may only be eligible if

they are part of an LCP Amendment or submittal that otherwise ranks high on the criteria for grant awards, such as a high likelihood of success to address an important coastal resource issue or set of issues.

C. PROPOSED PROGRAM PRIORITIES AND SELECTION CRITERIA

Priorities

Applications for LCP planning grants will be evaluated for their ability to complete, update, or amend an LCP. This may include:

- Planning and/or implementation of strategies to address the effects of climate change, such as reducing greenhouse gas emissions, adapting to sea level rise or increased fire risks, or other climate resilience activities;
- Planning work and/or focused outreach efforts to address environmental justice concerns, particularly related to climate resilience, and to ensure protection of coastal resources and provision of public coastal access and lower-cost recreation for everyone, regardless of race, ethnicity, socio-economic status, or place of residence; or,
- Completion of land use plan and/or zoning work to achieve certification of a new Local Coastal Program (or an Area of Deferred Certification) or planning and/or zoning work to significantly update certified LCPs (or LCP segments) in whole or in part to reflect changed conditions, new information and scientific knowledge, new programs and policies, or other significant changed circumstances.

Evaluation Criteria

Staff will evaluate grant applications against the following selection criteria. The criteria will be considered as a whole (not weighted) and compared across the applications received. Grant applications recommended for award of funds will be brought back to the Commission for action.

Public Benefit/Significance and Environmental Justice

The Commission will consider the extent to which the proposed LCP planning effort will address issues of statewide significance and maximize public benefits of the coast. These can include: reducing greenhouse gases and addressing the impacts of climate change and sea level rise; preserving and enhancing coastal habitat; protecting, providing and enhancing public access; protecting priority land uses such as agriculture, coastal dependent development, or recreation; protecting and providing lower cost visitor and recreational opportunities.

LCPs are the means to implement the policies of Chapter 3 of the Coastal Act at the local level and when submitted are reviewed by the Commission for conformance with the Coastal Act. As LCPs have become more dated, their ability to provide an up to date framework to govern coastal development in light of changed circumstances and new scientific information may be weakened. The Commission will consider the extent to which priority Coastal Act resources are addressed and the public benefits maximized.

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Additionally, in 2016, the Legislature passed AB 2616 giving the Coastal Commission explicit authority to consider environmental justice, defined in California Government Code Section 65040.12(e) as: *“The fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation and enforcement of environmental laws, regulations, and policies.”* Residents of poorer communities or communities of color can often bear a disproportionate burden of pollution or other environmental harms, while suffering from a lack of environmental services, such as clean drinking water, clean air, and access to parks and open space. Addressing these types of disparities is critical for ensuring that Coastal Act goals of protecting coastal resources for all are fulfilled, particularly as climate change results in evolving risks, and the Coastal Commission will consider the extent to which environmental justice issues are addressed when evaluating grant proposals.

Addressing the Effects of Climate Change

Climate change is one of the most significant policy areas to emerge since many of the LCPs have been certified. The Commission is seeking LCP updates that address the effects of climate change, including land use, transportation, and habitat restoration and conservation policies that facilitate reductions in greenhouse gases and vehicle miles travelled, as well as the planning and implementation of strategies to adapt to sea level rise and other issue areas affected by climate change, such as changes in habitat and fire hazards. Special consideration will be given to LCP amendment proposals that include coastal resilience planning.

Relative Need for LCP Update

Related to the public benefits of a proposal, the Commission will consider the relative need for an LCP update, considering the length of time since an LCP or LCP segment has been updated and the significance of the issues proposed to be updated. For example, many jurisdictions have identified needs to reduce vehicle miles travelled, improve public transit, and enhance pedestrian and bicycle options, particularly to and along the coast. Others may seek to assess vulnerability and develop adaptation solutions to address sea level rise, fire, or other climate change impacts to critical infrastructure, recreational amenities and open space, or significant wetland and habitat areas. A proposal to complete technical studies, economic analyses, mapping, public outreach, and development of LCP policies in support of these options may be important.

Likelihood of Success/Effectiveness

The Commission has had past grant programs where the investment of public funds has not resulted in completed certified LCPs or LCP Amendments. In a few cases, funding has been awarded but reverted. Overall, the success of the Commission’s grant program will be measured by the progress made toward LCP certification, update, or amendment.

The Commission thus will consider the likelihood of success of each proposal, including evaluating the practicality, feasibility, and effectiveness of a proposed work program that may lead to successful implementation. Proposals should address the need for coordination with the public and the Commission, and provide for practicable benchmarks for LCP amendment development and review.

Other evidence in support of this criteria may include resolutions of intent and endorsement for the proposed work from the jurisdiction and other organizations, matching funds or other complementary efforts (see below), or other factors that may affect the likelihood that an LCP amendment will be successfully completed. Applicants will be asked to describe any LCP planning work that has been initiated or is already underway at the local level and how this grant program is needed to substantially further that effort. A resolution from the applicant committing to completing an LCP Amendment submittal to the Commission will be required as part of the application.

For new LCP development, the local government should demonstrate its willingness and capacity to assume local coastal development permit processing. Related, some areas of the coastal zone remain uncertified because the Commission and local government have been unable to reach agreement on the resolution of issues or the issue is particularly intractable. The Commission will consider the likelihood that such areas and specific policy questions can be successfully addressed, leading to certification of the area.

Project Integration/Leverage/Matching Funds

The Commission will consider the relationship of the LCP work program to other planning work being undertaken by the jurisdiction. There are several statewide grant programs underway which may positively integrate with this LCP Planning Grant program. Applicants will be asked to describe any other related grant awards (such as through past Coastal Commission grant rounds, or from the Ocean Protection Council, Coastal Conservancy, Caltrans, or the Strategic Growth Council) that may support the LCP planning work. The Commission will consider the ability to integrate and leverage any additional program funds available that could help support LCP certification, update, or amendment.

D. REVIEW OF APPLICATIONS

As a competitive grant program, staff will review and rank applications according to the adopted priority and criteria, and will prepare recommendations for Coastal Commission authorization of individual grant awards. The level of funding that staff will recommend to the Commission for a particular award will be determined by evaluating the grant requests against other considerations including:

- The amount of available grant funds and the number of competing applications;
- The sequence of tasks and likelihood of timely completion of the work program;
- The necessity of each task; and,
- The reasonableness of costs proposed for specific tasks.

III. TENTATIVE SCHEDULE

The tentative proposed schedule for the grant program (subject to change) is presented below.

Announce Round 5 application requirements and deadlines	June 2018
Deadline for Submittal of Grant Applications	August 31, 2018
CCC public hearing on Recommendations for Awards	October 2018
Execute Grant Agreements	October 2018 – January 2019
Anticipated Grant Agreement Start Dates	~January 2019
Anticipated Completion of Work Products	December 2020

APPENDIX A -- 2013 ADOPTED LCP GRANT PROGRAM PRIORITIES AND EVALUATION CRITERIA

PROPOSED PROGRAM PRIORITIES AND SELECTION CRITERIA

PRIORITIES

Applications for FY 13 LCP planning grants will be evaluated for their ability to complete or update an LCP. This will include:

- Completion of land use plan and/or zoning work to achieve certification of a Local Coastal Program (LCP) or an Area of Deferred Certification (ADC) resulting in the new transfer of coastal development permit authority to the local government in these areas;
- Planning and/or zoning work to significantly update certified LCPs or LCP segments in whole or in part to reflect changed conditions, new information and scientific knowledge, new programs and policies, or other significant changed circumstances. Updates that address the effects of climate change, such as sea level rise, will be given special consideration.

Applicants will be expected to identify the specific elements of their LCP that they expect to complete or to update through this grant program, and a work program and timeline.

EVALUATION CRITERIA

Staff will evaluate the grant applications against the following selection criteria. The criteria will be considered as a whole (not weighted) and compared across the applications received. Grant applications recommended for award of funds will be brought back to the Commission for approval.

Public Benefit/Significance

The Commission will consider the extent to which the proposed LCP planning effort will address issues of statewide significance and maximize public benefits of the coast. These can include: preserving and enhancing coastal habitat, protecting, providing and enhancing public access, protecting priority land uses such as agriculture, coastal dependent development or recreation, protecting and providing lower cost visitor and recreational opportunities, and addressing climate change.

LCPs are the means to implement the policies of Chapter 3 of the Coastal Act at the local level and when submitted are reviewed by the Commission for conformance with the Coastal Act. As LCPs have become more dated, their ability to provide an up to date framework to govern coastal development in light of changed circumstances and new scientific information may be weakened. As one purpose of this grant program is to update LCPs, the Commission will must consider the extent to which priority Coastal Act resources are addressed and the public benefits maximized.

Relative Need for LCP Update/Extent of Update

Related to the public benefits of a proposal, the Commission will consider the relative need for an LCP update, considering the length of time since an LCP or LCP segment has been updated and the significance of the issues proposed to be updated. For example, many sensitive species and habitats have been identified since the time of certification of many LCPs. A proposal to update an LCP's environmentally sensitive habitat (ESHA) policies, ordinances, resource maps, etc. may be an important update in specific jurisdictions. Other jurisdictions may benefit from updates in policy areas that will resolve known deficiencies or sources of conflict and/or appeals of local coastal development permits to the Commission. In addition, the extent or scope of an update is an important consideration, with higher priority being placed on proposed updates of greater extent/scope, such as a complete LUP/IP update, or an update that results in comprehensive updating of one or more policy areas or a geographic sub-area.

Addressing the Effects of Climate Change

Climate change is one of the most significant policy areas to emerge since many of the LCPs have been certified. The Commission is seeking LCP updates that address the effects of climate change, including sea level rise and other coastal hazards, as well as other issue areas affected by climate change, such as changes in habitat, fire hazards, and transportation and land use policy to facilitate reductions in greenhouse gas emissions and vehicle miles travelled. Special consideration will be given to LCP amendment proposals to address this policy area.

Likelihood of Success/Effectiveness

The Commission has had past grant programs where the investment of public funds has not resulted in completed certified LCPs or LCP Amendments. In a few cases, funding has been awarded but reverted. Overall, the success of the Commission's grant program will be measured by the progress made toward LCP certification or update.

The Commission thus will consider the likelihood of success of each proposal, including evaluating the practicality, feasibility, and effectiveness of a proposed work program that may lead to successful implementation. Proposals should address the need for coordination with the public and the Commission, and provide for practicable benchmarks for LCP amendment development and review. Other evidence in support of this criteria may include resolutions of intent and endorsement for the proposed work from the jurisdiction and other organizations, matching funds or other complementary efforts (see below), or other factors that may affect the likelihood that an LCP amendment will be successfully completed. Applicants will be asked to describe any LCP planning work that has been initiated or is already underway at the local level and how this grant program is needed to substantially further that effort. A resolution from the applicant committing to completing an LCP Amendment submittal to the Commission will be required as part of the application.

For new LCP development, the local government should demonstrate its willingness and capacity to assume local coastal development permit processing. Related, some areas of the coastal zone remain uncertified because the Commission and local government have been unable to reach agreement on the resolution of issues or the issue is particularly intractable. The Commission will consider the likelihood that such areas and specific policy questions can be successfully addressed, leading to certification of the area.

Workload

The Commission will consider the level of existing permit workload generated by uncertified jurisdictions and thus the relative statewide benefits of certification of any particular jurisdiction.

While most of the geographic area of the coastal zone is under certified LCPs, there are 36 segments that are not yet certified and 44 specific Areas of Deferred Certification. The Commission is responsible for review of all coastal development permits in these uncertified areas. If LCPs were certified for these areas, then most coastal development permits would be reviewed at the local level and the Commission's staff resources could be reallocated to assist matters of more statewide significance and importance, such as early coordination with local government on LCP planning matters, as well as oversight, review, and coordination with local governments on LCP implementation.

Project Integration/Leverage/Matching Funds

The Commission will consider the relationship of the LCP work program to other planning work being undertaken by the jurisdiction. Applicants will be asked to describe any other related grant awards (such as through the Ocean Protection Council, Coastal Conservancy or the Strategic Growth Council) that may support the LCP planning work and any availability and amount of local matching funds.

There are several related grant programs underway which may positively integrate with this LCP Planning Grant program. For example, the Ocean Protection Council is currently processing applications for grants to update LCPs to address Sea Level Rise. The Coastal Conservancy is administering a Climate Ready grant program (http://scc.ca.gov/files/2013/07/Climate-Readygrant-announcement-July-18_FINAL.pdf). The Strategic Growth Council provides a Sustainable Communities Planning Grant and Incentives Program to fund efforts to conduct planning activities that will foster sustainable communities, lead to reduced greenhouse gas emissions, and achieve other sustainability objectives, and for which coastal jurisdictions are eligible to apply. The Commission will consider the ability to integrate and leverage any additional program funds available that could help support a comprehensive LCP certification effort or update.