

CALIFORNIA COASTAL COMMISSION

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August 24, 2018

TO: California Coastal Commission and Interested Persons

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

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

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 \$364,550 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 \$353,700 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 2018-19. The term of this federal award is eighteen months, beginning on July 1, 2018 and ending December 31, 2019, with an option to extend the term up to three years through June 30, 2021.

MOTION I:

“I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$364,550 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 2018-2019.”

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 \$353,700 of federal funds to the State Coastal Conservancy for the purpose of implementing the California Coastal Management Program for Fiscal Year 2018-2019.”

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. As such, 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. This arrangement has been in place since 1978 when the U.S. Department of Commerce approved the CCMP.

For Fiscal Year 2018-19, which started July 1, 2018, the State of California will receive \$2,873,000 in CZMA funds. This reflects an increase of \$190,000 over the prior year award due to a \$5 million increase in Congressional appropriation for this program at the national level. The funds will be distributed as follows: BCDC will receive \$364,550, SCC will receive \$353,700 and the Coastal Commission will retain the remaining \$2,154,750 (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 because they do not have an approved 309 Assessment and Strategy.

Distribution of the FY 2018-19 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>	\$1,768,500*	\$235,800*	\$353,700*	\$2,358,000*
Section 309 Enhancement Grants	\$386,250	\$128,750	\$0	\$515,000
Section 310 Miscellaneous <i>No funds appropriated</i>	\$0	\$0	\$0	\$0
	\$2,154,750	\$364,550	\$353,700	total grant \$2,873,000

Section 306 - \$2,168,000 (Commission/\$1,768,500; BCDC/\$235,800; and SCC/\$353,700)

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, 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 personnel costs are used for the CCC portion of the state match. The state match for BCDC and SCC is provided for in their FY 2018-19 budgets. 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 2018-19 grant, the Coastal Commission will use the Section 309 Enhancement Grant funds (\$386,250) for the following 309 tasks:

- **Management Options to Protect Public Trust Resources – Products for Project Review (Year 3).** 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 agencies to better fulfill their statutory mandates. The effort will ultimately result in policy guidance, improved interagency coordination and a joint-agency Memorandum of Agreement or Understanding (MOA or MOU). This 2018 309 task builds off of the coordination work started in the previous two fiscal years. The Year 3 task will focus on developing products that help to further the coordination work with State Lands Commission (SLC) on protecting public trust resources by providing tools in the form of white papers and fact-sheets that can be used in future project reviews for coastal development permits and lease applications. In particular, Commission staff will work with SLC to develop a white paper and fact sheet to guide analysis of proposed shoreline protective works and implications for public trust resources and public access. Commission staff will also work with SLC staff on implementation of state law AB 691, which requires trustees of granted public trust lands meeting a certain criteria to submit sea level rise adaptation strategy assessments by July 1, 2019.
- **Training Framework for LCP Planning and Implementation – New Modules and Partner Coordination (Year 3).** This task implements the third year of Strategy 2, Strengthening Technical Assistance for Local Coastal Programs. Under this task, Commission staff will develop additional priority LCP training modules for use by Commission staff based on the training framework developed in previous fiscal years.

The Year 3 work will also include updates to the Commission's webpage to make training materials more easily accessible to local government staff, and it will include training sessions for Commission staff and local government staff. The training program modules and updated guidance will provide key policy and planning information to Commission staff to assist local jurisdictions, especially those undertaking LCP planning under grant awards from the Coastal Commission's local assistance LCP planning grants, as well as direct guidance to local government staff.

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

- **Mitigation in BCDC's Bay Plan and Coastal Zone Management Plan**

This 309-funded project will directly support Strategy 2 of the San Francisco Bay Conservation and Development Commission's (BCDC) adopted 2016-2020 Assessment and Strategy to "improve[e] 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," as well as Strategy 1 to integrate best available science-based information and findings into BCDC's San Francisco Bay Plan (Bay Plan) findings and policies to enhance coastal management and planning to advance Bay Area wetland resilience. BCDC has evaluated its laws and policies in light of sea level rise and determined that changes are needed to help the region advance appropriate resilience and adaptation actions. A key finding of this evaluation is that the BCDC's policies are inadequate with regard to addressing mitigation for impacts to Bay resources in projects. Thus, through this 309 task, BCDC will initiate a Bay Plan amendment process to revise the findings and policies on mitigation, in particular with regards to advanced mitigation and regional coordination. These proposed efforts will lead to or implement a Bay Plan amendment process to include updated findings and policies regarding mitigation in the Commission's Bay Plan and BCDC's Coastal Zone Management Plan. This effort will include public workshops to gather input and solicit feedback as well as public hearings of the Commission to consider proposed changes.