

CALIFORNIA COASTAL COMMISSION

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August 23, 2019

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

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 \$366,750 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 \$357,000 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 2019-2020. The term of this federal award is eighteen months, beginning on July 1, 2019 and ending December 31, 2020, with an option to extend the term up to three years through June 30, 2022.

MOTION I:

“I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$366,750 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 2019-2020.”

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 \$357,000 of federal funds to the State Coastal Conservancy for the purpose of implementing the California Coastal Management Program for Fiscal Year 2019-2020.”

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 2019-2020, which started July 1, 2019, the State of California will receive \$2,894,000 in CZMA funds. This reflects an increase of \$21,000 over the prior year award due to a \$500,000 increase in the Congressional appropriation for this program at the national level. The funds will be distributed as follows: BCDC will receive \$366,750, SCC will receive \$357,000 and the Coastal Commission will retain the remaining \$2,170,250 (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 2019-2020 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>	\$1,784,000*	\$238,000*	\$357,000*	\$2,379,000*
Section 309 Enhancement Grants	\$386,250	\$128,750	\$0	\$515,000
Section 310 Miscellaneous <i>No funds appropriated</i>	\$0	\$0	\$0	\$0
	\$2,170,250	\$366,750	\$357,000	total grant \$2,894,000

Section 306 - \$2,379,000 (Commission/\$1,784,000; BCDC/\$238,000; and SCC/\$357,000)

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 that advance 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. BCDC and SCC will provided their portion 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 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. The 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 its 309 Assessment and Strategy in 2015, which provides the basis for their 309 activities for 2016 - 2020.

For the FY 2019-2020 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 – Outreach and Development of Draft Guidance (Year 4).** The 309 Strategy (1) on 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 with rising sea level. The effort will ultimately result in policy guidance, improved interagency coordination and a joint-agency Memorandum of Agreement or Understanding (MOA or MOU). This 2019 task builds off of the coordination work started in previous fiscal years. The Year 4 task will focus on developing draft policy guidance for the Commission and local governments on how to protect public trust resources when acting on coastal development permits and updating LCPs, working closely with SLC staff. Staff will also develop outreach and education materials for the public and training materials for the Commission, Commission staff and local governments to further explain the public trust and policy implications for LCP policy development and for coastal development permits in light of sea level rise.
- **LCP Training Program (Year 4).** This task implements the fourth year of the 309 Strategy (2) called “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 4 work will also include updates to the Commission’s internal webpage for staff and to the Commission’s public-facing website to make training materials more easily accessible to local governments. The task may also include providing in-person training sessions for Commission staff and local government staff.
- **Environmental Justice Policy Implementation and Training.** Under this 309 task, Commission staff will use the federal grant money to support development of some of the training and education materials, procedural guidance and LCP guidance to carry out the Commission’s Environmental Justice (EJ) Policy as described in the Implementation

Section of that policy. Staff will also conduct specific training and education of Commission staff on a few key topic areas identified in the Commission's EJ Policy through a series of regional in-person training workshops.

- **CCC Development of the 2021 – 2025 Assessment and Strategy.** This task will support the Coastal Commission staff in developing the next 2021 – 2025 309 Assessment and Strategy which will serve as a guide for spending future 309 funds. Commission staff will work closely with NOAA staff and in accordance with most current Section 309 Program Guidance to develop the next Assessment and Strategy document. This effort will include: (1) obtaining public and stakeholder input on current efforts and needs, (2) completing a Phase I and Phase II Assessment of the Commission's efforts in addressing all nine priority enhancement areas over the last five years, and (3) using the data collection, the analysis from the Assessment Phase I and II and the agency's larger Strategic Plan priorities to inform development of the next five year 309 Strategy. There will also be a public comment opportunity on the Draft 309 Assessment and Strategy before the finalizing the document for submission to NOAA.

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

- **BCDC's Climate Change Policy Guidance: Applying Policies to Projects and Planning.** BCDC will use its 309 funding to develop policy guidance on how to apply state and BCDC-specific climate change policies and best available science on sea level rise to project-review for permitting and in its planning work.
- **BCDC Development of the 2021 – 2025 Assessment and Strategy.** **CCC Development of the 2021 – 2025 Assessment and Strategy.** Similar to the CCC, BCDC will use a portion of the 309 funding to support development of its own 2021 – 2025 Assessment and Strategy, following same steps as described above in the CCC task.

CONCLUSION:

Staff recommends a "yes" vote for the Commission to enter into an interagency agreement to administer pass-through funding of federal Coastal Zone Management Act grant awards to BCDC and SCC.

The motions can be found on page 1 of this staff report.