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July 24, 2020

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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 \$373,800 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 \$367,575 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 2020-21. The term of this federal award is eighteen months, beginning on July 1, 2020 and ending December 31, 2021, with an option to extend the term up to three years through June 30, 2023.

MOTION I:

"I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$373,800 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 2020-21."

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 \$367,575 of federal funds to the State Coastal Conservancy for the purpose of implementing the California Coastal Management Program for Fiscal Year 2020-21."

Staff recommends a **YES** vote.

STAFF ANALYSIS:

The federally approved California Coastal Management Program (CCMP) comprises three distinct state agencies: Coastal 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 2020-21, which started July 1, 2020, the State of California will receive \$2,965,500 in CZMA funds. This reflects an increase of \$71,500 over the prior year award due to a \$1,500,000 increase in the Congressional appropriation for this program at the national level. The funds will be distributed as follows: BCDC will receive \$373,800, SCC will receive \$367,575 and the Coastal Commission will retain the remaining \$2,224,125 (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.

CZMA Sections	CA Coastal Commission	BCDC	State Coastal Conservancy	CZMA grant section TOTALS
Section 306 Coastal Management Program	\$1,837,875*	\$245,050*	\$367,575*	\$2,450,500*
Section 309 Enhancement Grants	\$386,250	\$128,750	\$0	\$515,000
Section 310 Miscellaneous No funds appropriated	\$0	\$0	\$0	\$0
Noto: '*' refere to the fundi	\$2,224,125	\$373,800	\$367,575	<i>total grant</i> \$2,965,500

Distribution of the FY 2020-21 CZMA Grant Funding by Agency and CZMA Section

Note: "- refers to the funding amount where state match is required.

<u>Section 306 - \$2,379,000</u> (Commission/\$1,837,875; BCDC/\$245,050; and SCC/\$367,575)

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 provide their portion of the state match.

<u>Section 309 - \$515,000</u> (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).

For FY 2020-21, the Coastal Commission is working under the last year of its Section 309 Assessment and Strategy for 2016 – 2020 (a requirement of the Section 309 grant program); the Assessment and Strategy document identifies the Commission's highest priority enhancement area objectives that the Commission will focus on for Section 309 work for the five-year period. 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 has its own 309 Assessment and Strategy, which provides the basis for its 309 activities for 2016 - 2020.

For the FY 2020-21 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 Final Guidance • (Year 5). The 309 Strategy (1) on Management Options to Protect Public Trust Lands and Resources is a multi-year effort that examines 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 the agencies to better fulfill their statutory mandates with rising sea level. This 2020 task builds off of the coordination work started in previous fiscal years and the prior fiscal year task of developing draft policy guidance. The Year 5 309 task for this Strategy will result in final policy guidance for the Coastal Commission, SLC and local governments on how to protect public trust resources when acting on coastal development permits and updating LCPs factoring in the impacts of sea level rise to public trust resources. This effort will be done in close coordination with SLC staff. Staff will also conduct outreach and training for both Commissions, SLC and Commission staff, and for local governments on the final product.
- LCP Training Program Additional Modules and Partner Coordination (Year 5). This task implements the fifth 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 under a prior year task). Informational products will also be developed on emerging issues where targeted guidance and resources for staff or local governments may be need. Commission staff will partner with other agencies conducting training, like NOAA's Office for Coastal Management or the National Estuarine Research Reserves Coastal Training Program, to deliver or provide training when appropriate. The task will allow for providing virtual training sessions for Commission staff and local government staff.

 Addressing Environmental Justice and Equity in Sea Level Rise Planning -Outline. Under this task, staff will develop an outline for a policy guidance document that will be a training resource on integrating environmental justice and equity considerations in sea level rise adaptation planning, consistent with 309 Strategy (2) described above. This guidance will ultimately be used to inform staff recommendations for LCP updates to address sea level rise and other climate impacts, with specific focus on LCP Grant Program deliverables, such as vulnerability assessments, adaptation plans, and draft LCP policies on sea level rise. This task will be the first phase in the development of this guidance. The task will include outreach and engagement with stakeholders and members of environmental justice communities to ensure the guidance reflects priorities for environmental justice communities and also to gain their trust and buy-in for engagement in future sea level rise policy development.

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

• Updating BCDC Suisun Marsh Protection Plan: This 309 task will begin the process of updating BCDC's Suisun Marsh Protection Plan (SMPP) to incorporate best available information about climate change, reflect current status and trends, and address other emerging issues. The SMPP is component of BCDC's coastal management program and the findings and policies of the SMPP have not been comprehensively reviewed or updated since its adoption in 1976. In addition to the findings and policies that are out of date, the SMPP does not include best available science, best management practices, and does not include polices to address issues such as sea level rise, or on technologies developed after 1976 like cell phone towers.