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Th5d

September 24, 2021

TO: California Coastal Commissioners and Interested Public

FROM: John Ainsworth, Executive Director
Madeline Cavalieri, Statewide Planning Manager
Kelsey Ducklow, Environmental Scientist

SUBJECT: **Recommended Updates to the Local Coastal Program (LCP) Local Assistance Grant Program**

SUMMARY OF STAFF RECOMMENDATION

The Budget Act of 2021 appropriates \$31 million to the Coastal Commission to support its LCP Local Assistance Grant Program for Climate Resiliency. The funding is to be awarded to local governments as well as to support Coastal Commission staff administering the program and working with local governments on climate resiliency grant projects. Prior to awarding the funds, staff recommends updating the existing LCP Local Assistance Grant Program to reflect current needs and objectives.

In August of 2013, the Coastal Commission adopted a set of priorities and evaluation criteria to determine eligibility for, and allocation of, Local Coastal Program (LCP) Local Assistance Grant Program funds ([Exhibit 1](#)). 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. 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 local governments.

The Budget Act of 2017, as amended by Assembly Bill 109, appropriated \$1.5 million from the Greenhouse Gas Reduction Fund (GGRF) to the California Coastal Commission, \$750,000 of which was used to fund local assistance grants as part of the LCP Grant Program. The Budget Act of 2018, as amended by Senate Bill 856, and the Budget Act of 2019, as amended by Assembly Bill 74, provided an additional \$1.5 million of GGRF funds for the LCP Grant Program. In May of 2018, the Commission adopted an updated set of priorities and evaluation criteria ([Exhibit 2](#)) 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 previous grant rounds. The updated priorities and evaluation criteria were used in awarding the \$2.25 million in GGRF funds for Grant Rounds 5 and 6.

Following the new and increased funding appropriated in 2021, Commission staff is once again recommending updates to the LCP Grant Program to reflect the current state of sea level rise adaptation and LCP planning. The overall LCP Local Assistance Grant Program goals remain the same: to support climate change and sea level rise adaptation and coastal resiliency efforts at the local level within a Coastal Act and LCP planning context. Proposed updates, as summarized below and described in the staff report, are meant to provide additional detail about eligible grantees and project types and to ensure efficient use of funds in a way that is responsive to local government needs. Proposed changes include the following:

1. Edits to the "Eligible Grantees and Projects" section to provide additional detail, including to allow for sharing of funds across jurisdictions or with relevant stakeholders to support regional and other planning efforts and to highlight that funds can be used to support development of a variety of adaptation planning studies and outreach in the context of LCP planning
2. Updates to the "Program Priorities" section to provide additional detail and guidance about the types of analyses meant to assist in understanding, planning for, and adapting to climate change and sea level rise that can be funded, to include a new program priority specifically related to development of adaptation plans, and to better emphasize priorities related to addressing environmental justice issues
3. Minor edits to the "Evaluation Criteria" section, primarily to reflect the proposed updates to the "Program Priorities"
4. Changes to the "Review of Applications" section to allow for the awarding of targeted, non-competitive grants of up to \$100,000 on a rolling basis with Executive Director approval, to be capped at \$5 million

Staff is recommending **approval** of the updates to the LCP Local Assistance Grant Program, including to the descriptions of eligible grantees and projects, program priorities, evaluation criteria, and application review, as described in the staff report.

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EXHIBITS

[Exhibit 1 – 2013 Adopted LCP Grant Program Priorities and Criteria](#)

[Exhibit 2 – 2018 Adopted LCP Grant Program Priorities and Criteria](#)

I. MOTION AND RESOLUTION

Motion:

I move that the Commission approve the modifications to the LCP Local Assistance Grant Program pursuant to the staff recommendation.

Staff Recommendation of Approval:

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in authorization for Coastal Commission staff to use modified guidelines for review and recommendation for future LCP planning grants. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution of Approval:

The Commission hereby approves the newly modified guidelines for the LCP Local Assistance Grant Program pursuant to the staff recommendation.

II. DISCUSSION

A. Program Summary

Since 2013, the California Coastal Commission has awarded approximately \$8.25 million to local governments through the Local Coastal Program (LCP) Local Assistance Grant Program to support LCP updates with a focus on climate change, sea level rise, and coastal resiliency planning. This funding has included \$2 million of General Fund appropriations (Grant Rounds 1 and 2), just over \$1 million from the Ocean Protection Council's grant program (Round 2)¹, \$3 million from Prop 40 bond funds transferred from the State Coastal Conservancy (Rounds 3 and 4), and \$2.25 million from the Greenhouse Gas Reduction Fund (GGRF) (Rounds 5 and 6).

To date, the LCP Grant Program has provided funds to 39 local jurisdictions. Grant-funded 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; and targeted amendments to LUPs, IPs, or both to address specific issues, mainly including climate change and sea level rise. More information on the LCP Grant Program, including grant

¹ The Coastal Commission administered a total of \$1,015,750 of funding from the Ocean Protection Council's grant program

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agreements and links to completed deliverables can found on the Commission's [LCP Grant website](#).

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 ([Exhibit 1](#)). The program priorities included planning work to achieve certification of new LCPs or to significantly update certified LCPs to reflect changed conditions, new information and scientific knowledge, new programs and policies, or other significant changed circumstances, with a special emphasis on planning for sea level rise. Evaluation Criteria fell into six categories, considered as a whole, consisting of 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.

Following the appropriation of GGRF funds in 2017 to be used for the LCP Grant Program, the Commission adopted an updated set of program priorities and evaluation criteria ([Exhibit 2](#)). Updates were generally meant to better align with GGRF goals and requirements, as well as to reflect the current state of adaptation planning and LCP work. Specifically, this included adding two new program priorities, the first related to planning efforts to facilitate the reduction of greenhouse gas emissions or to adapt to the impacts of climate change, and the second related to planning and outreach efforts to address environmental justice concerns. Updates were also made to the evaluation criteria to add discussion of environmental justice issues, to better emphasize the need to address climate change, and to provide examples of the types of planning work that would align with GGRF goals of reducing greenhouse gases. Criteria related to workload and 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 was also removed at the time. More detailed information on the 2018 updates can be reviewed in the [staff report](#) for that item.

The Budget Act of 2021 appropriates \$31 million to the Coastal Commission to support its LCP Local Assistance Grant Program for Climate Resiliency. The funding is to be awarded to local governments as well as to support Coastal Commission staff administering the program and working with local governments on climate resiliency grant projects.

This new and expanded funding will play a critical role in helping local jurisdictions prepare for the impacts of climate change and sea level rise. Over the past six LCP grant rounds, requests were 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 climate resiliency and 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.

To that end, Commission staff is again recommending several updates to the LCP Grant Program to reflect the current state of coastal resiliency planning. The proposed updates, as discussed below, have been developed based on staff's understanding of continued local government needs, identified both through ongoing coordination with local governments as well as a survey that was recently sent to local government partners and other stakeholders. Key survey findings, which match well with other coordination efforts, include interest in funds for specific studies to add on to earlier planning efforts, such as for additional technical analyses, more specific adaptation planning, and feasibility studies; a range in funding amount needs; and considerations for stakeholder partnering with local governments to support regional planning and other goals.

B. Summary of Proposed Program Updates

Coastal Commission staff is recommending updates to the eligible grantees and projects, program priorities, evaluation criteria, and application review procedures. In most cases, the updates do not result in overall changes to the program, but rather provide additional details to help potential grantees understand the types of applicable projects and to ensure efficient use of funds. A summary and explanation of proposed changes is below, and the full text of the proposed updated LCP Grant Program language is provided in Section C.

1. **Edits to the language describing eligible grantees and projects.** Eligible grantees continue to be local governments responsible for developing and amending LCPs. However, language has been added to note that local governments may share funding across jurisdictions or use funds to support relevant stakeholder groups. These updates are intended to provide additional awareness of the opportunities and support for things like regional planning, outreach, particularly in coordination with environmental justice groups, and targeted planning for specific assets.

Eligible projects continue to be those that are designed to assist local governments in assessing, planning for, and adapting to the impacts of climate change and sea level rise or increasing climate resiliency, and which contain an LCP planning component. Language has been added to provide additional information and examples of the types of studies that could be funded through the grant program and to better describe potential LCP work. Specifically, the LCP planning component could include comprehensive LCP updates, LCP amendments, or more targeted LCP changes.

Altogether, these updates reflect the current status of coastal resiliency and LCP planning. In particular, while significant strides have been made in terms of broad scale vulnerability assessment, adaptation planning, and LCP policy development, there is often a need for more targeted studies or additional outreach to fill data gaps, better identify specific adaptation strategies, and coordinate with local communities.

- 2. Updates to program priorities.** As discussed above, a new program priority was added in 2018 related to planning or implementation of strategies to address the effects of climate change. This priority has been updated to call out the development of technical, economic, policy, or other analyses which are critical for understanding, planning for, and adapting to climate change and sea level rise. An additional priority specifically related to the development of regional, neighborhood, site, or asset specific adaptation approaches, including phased adaptation/adaptation pathways has also been added.

Additionally, the existing priority related to public engagement with an emphasis on addressing environmental justice concerns has been split into two priorities, the first specifically about increasing public outreach and engagement, the second about addressing environmental justice concerns. This change clarifies that while these topics are sometimes related, they are not one and the same, and applicants are encouraged to address environmental justice issues beyond outreach and engagement. Other minor edits have also been made to the existing program priorities, generally to better emphasize the focus on coastal resiliency planning.

As with the updates to the eligible grantees and projects, these edits do not result in significant changes to the LCP Grant Program, but are instead meant to reflect the current state of planning and to ensure potential grantees are aware of the various types of projects that are the focus of this grant program.

- 3. Minor edits to the evaluation criteria.** Minor updates have been made to the evaluation criteria to emphasize the focus coastal resiliency planning and to add language that better reflects the updates to the eligible grantees and projects, program priorities, and application review. One specific change includes splitting apart the “public benefit/significance and environmental justice” criterion so that “environmental justice” stands on its own. This change is made for similar reasons as above. The evaluation criteria will continue to be considered as a whole, rather than weighted.

- 4. Changes to the application review procedures.** One significant change is proposed to the application review procedures. Specifically, staff is recommending the addition of a new, non-competitive, rolling grant application process that would be separate from and in addition to the existing competitive grant process through which the past six LCP Grant rounds have been awarded.

This application process would allow for targeted grants of up to \$100,000 on a non-competitive, rolling basis. Proposals for such grants could be submitted at any time and would be reviewed by staff against the program priorities, evaluation criteria, and other general considerations. The Executive Director would make a final determination on grant awards within 30 days of receiving a complete grant application and would then provide an update to the Coastal Commission on awarded projects. The priority for these grants would be on more targeted projects which have a high likelihood of success over a shorter grant

term, such as a single feasibility study with targeted LCP changes. The targeted non-competitive grant funding would initially be capped at \$5 million.

Commission staff is recommending this new process to allow for more efficient use of the new and expanded funding. Specifically, staff believes that this would allow for faster turnaround and use of funds as needs arise, rather than requiring potential grantees to wait for a future grant round. This process may also help to ease application process burdens for applicants with less staff capacity to meet tighter application deadlines. Staff also believes that this process will help fill a need for additional targeted funding for issues that arise during and after other adaptation planning processes, such as for specific technical studies to fill data and information gaps or for adaptation strategy feasibility studies that build on general adaptation planning, and which are critical for supporting the development of more specific LCP policies.

C. Proposed Updated Program Guidelines

The full text of the proposed updated LCP Local Assistance Grant Program, including the guidelines for eligible grantees and projects, program priorities, evaluation criteria, and application review, is as follows.

Eligible Grantees and Projects

These grants are intended to provide assistance to local governments responsible for developing and amending Local Coastal Programs, and such local governments must be the primary applicant and grantee. Coastal jurisdictions may also partner together in support of regional planning efforts and/or grant funds may be used to support relevant stakeholder groups to achieve specific project goals. Local governments are eligible to apply for projects that were not previously funded.

Eligible projects are those that are designed to assist local governments in assessing impacts and planning for coastal resiliency, including adapting to the impacts of climate change and sea level rise, and which contain an LCP planning component. Grant funds may be used for technical, economic, policy, and other analyses, feasibility studies, vulnerability assessments, adaptation plans, outreach and coordination efforts, and activities related to LCP adoption and submittal. LCP planning components may include development of a new LCP, a comprehensive LCP update, an LCP amendment (e.g., updates to coastal hazards policies; incorporation of new sea level rise related policies or programs), targeted LCP changes (e.g., changes to LCP policies/zoning to allow for implementation of identified sea level rise adaptation strategies or climate resiliency projects; updates to previously adopted SLR policies in response to continued planning), or similar activities undertaken through a Public Works Plan (PWP) process.

More information on eligible project types is provided in the program priorities and evaluation criteria sections below. Additional details, including project examples, may be provided in forthcoming grant application announcements.

Program Priorities

Applications will be evaluated for their ability to advance coastal resiliency efforts in the context of LCP planning. This may include:

- Completion of technical, economic, policy, or other analyses meant to assist in understanding, planning for, and adapting to climate change and sea level rise, and increasing coastal resiliency, including but not limited to general vulnerability assessments, studies to evaluate impacts based on evolving science (e.g., extreme sea level rise, groundwater change), feasibility and design studies for nature-based adaptation or other specific strategies, and development of monitoring programs
- Planning work and/or related studies to support development of regional, neighborhood, site, or asset specific adaptation approaches, including phased adaptation/adaptation pathways, such as for a Shoreline Management Plan, a Coastal Hazards Response Plan as required by a Coastal Development Permit, or similar
- Planning work and/or focused outreach efforts to increase public awareness and participation in climate change and sea level rise planning activities, particularly among vulnerable communities
- Planning work to address environmental justice concerns, particularly related to climate change and sea level rise planning activities, and to ensure equitable 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
- 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 provide for coastal resiliency, or 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.

Public Benefit/Significance

The Commission will consider the extent to which the proposed project 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. The Commission will consider the extent to which priority Coastal Act resources are addressed and the public benefits maximized.

Environmental Justice

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 updated in 2020, as: “*The fair treatment and meaningful engagement of people of all races, cultures, incomes, and national origins with respect to the development, adoption, implementation and enforcement of environmental laws, regulations, and policies.*” Low-income communities, indigenous communities, communities of color, and other marginalized communities 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 and barriers to meaningful involvement is critical for ensuring that Coastal Act goals of protecting coastal resources for all are equitably fulfilled, particularly as climate change results in evolving risks, without creating new or continuing to exacerbate existing environmental burdens in environmental justice communities. 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 and amendments that address the effects of climate change, including land use, housing, transportation, and habitat restoration and conservation policies that facilitate reductions in greenhouse gases and vehicle miles traveled, 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 habitats and fire hazards.

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 seek to assess vulnerability and develop adaptation solutions to address sea level rise, fire, or other climate change impacts to critical infrastructure, residential areas, recreational amenities and open space, or significant wetland and habitat areas. Others have identified needs to reduce vehicle miles traveled, encourage smart growth, increase climate-resilient housing supply, improve public transit, and enhance pedestrian and bicycle options, particularly to and along the coast. 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

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Overall, the success of the Commission's grant program will be measured by the progress made toward development and implementation of climate resilience strategies, including through LCP certification, update, or amendment. The Commission 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 must address the need for coordination with the public and the Commission, and provide for practicable benchmarks for development and review of studies, plans, LCP policies, and other project-specific deliverables.

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. Relatedly, 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.

Review of Applications

The LCP Local Assistance Grant Program will be administered in two ways:

1. **Competitive grant rounds:** Similar to the first six rounds of the Grant Program, Commission staff will announce a Request for Proposals, will review applications, 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 the amount of available grant funds and the number of competing applications, as well as consistency with program priorities, evaluation criteria, and other general considerations as

described below. An initial grant round will likely be announced in Fall 2021, with future rounds dependent on initial interest, remaining funds, and program capacity.

2. **Targeted, non-competitive rolling grants:** The program will also allow for targeted grants of up to \$100,000 on a non-competitive, rolling basis. Proposals for such grants can be submitted at any time and will be reviewed by staff against the program priorities, evaluation criteria, and other general considerations as described below. The Executive Director will make a final determination on grant awards within 30 days of submittal of a complete grant application and will then provide an update to the Coastal Commission on awarded projects.

The priority for these grants is on more targeted projects which have a high likelihood of success over a shorter grant term, such as a single feasibility study with targeted LCP changes. Comprehensive LCP updates or projects that include development of multiple studies and significant LCP changes will likely be more appropriate for the competitive grant rounds. Projects not awarded funding through the non-competitive program will still be eligible for the competitive grant rounds. The targeted non-competitive grant funding will initially be capped at \$5 million but this amount may be increased by the Commission, based on interest and available funding.

In all cases, staff will review applications according to the adopted priorities and evaluation criteria, as well as administrative considerations including 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. Applicants with approved grants will be required to coordinate with Coastal Commission staff to develop a grant agreement that is subject to certain program requirements and special conditions, such as requirements for public outreach, review of deliverables, reporting and invoicing, and coordination with Coastal Commission staff. More information on the application processes will be provided in grant announcements and on the Coastal Commission website.

D. Tentative Schedule

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

Announce Round 7 competitive application requirements and deadlines	October 2021
Deadline for Submittal of Competitive Grant Applications	December 2021
CCC public hearing on Recommendations for Competitive Awards	February 2022
Announce targeted, non-competitive grant application requirements	January 2022