CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300 SAN FRANCISCO, CA 94105 PHONE (415) 904-5202 FAX (415) 904-5400 WWW.COASTAL.CA.GOV



W6d

August 19, 2021

TO: California Coastal Commission and Interested Persons

FROM: John Ainsworth, Executive Director

Alison Dettmer, Chief Deputy Director

Ashley Reineman, 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 \$382,900 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 \$375,600 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 2021-22. The term of this federal award is eighteen months, beginning on July 1, 2021 and ending December 31, 2022, with an option to extend the term up to three years through June 30, 2024.

MOTION I:

"I move that the Commission authorize the Executive Director to enter into an interagency agreement to pass through \$382,900 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 2021-22."

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 \$375,600 of federal funds to the State Coastal Conservancy for the purpose of implementing the California Coastal Management Program for Fiscal Year 2021-22."

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 2021-22, which started July 1, 2021, the State of California will receive \$3,034,000 in CZMA funds. This reflects an increase of \$68,500 over the prior year award due to an \$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 \$382,900, SCC will receive \$375,600 and the Coastal Commission will retain the remaining \$2,275,500 (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 the agency does not have an approved 309 Assessment and Strategy.

Distribution of the FY 2021-22 CZMA Grant Funding by Agency and CZMA Section

CZMA Sections	CA Coastal Commission	BCDC	State Coastal Conservancy	CZMA grant section TOTALS
Section 306 Coastal Management Program	\$1,878,000*	\$250,400*	\$375,600*	\$2,504,000*
Section 309 Enhancement Grants	\$397,500	\$132,500	\$0	\$530,000
Section 310 Miscellaneous No funds appropriated	\$0	\$0	\$0	\$0
,,,	\$2,275,500	\$382,900	\$375,600	<i>total grant</i> \$3,034,000

Note: '*' – refers to the funding amount where state match is required.

<u>Section 306 - \$2,504,000</u> (Commission/\$1,878,000; BCDC/\$250,400; and SCC/\$375,600)

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, Local Coastal Programs, federal consistency review, and enforcement. BCDC uses Section 306 funding to support its work associated with permitting, federal consistency and enforcement activities. The SCC uses 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.

Section 309 - \$530,000 (Commission/\$397,500 and BCDC/\$132,500)

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 2021-22, the Coastal Commission is working under the first year of its Section 309 Assessment and Strategy for 2021 – 2025 (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 2021 – 2025 Assessment and Strategy are: (1) Building Resilient and Sustainable Communities through Planning and Permitting; (2) Public Access for All with Sea Level Rise; and (3) Marine Debris Reduction Measures Program.

For the FY 2021-22 grant, the Coastal Commission will use the Section 309 Enhancement Grant funds (\$397,500) for the following 309 tasks:

• Evaluation of Regulations for Sea Level Rise. As a part of the first year implementing the Coastal Commission's 2021 – 2025 Strategy 1, Building Resilient and Sustainable Communities through Planning and Permitting, Commission staff will evaluate the Commission regulations that guide implementation of Coastal Act policies related to protection of land and marine resources as well as policies on hazard reduction and habitat restoration. The purpose of the analysis is to determine if any updates are needed to the regulations to better facilitate or accelerate sea level rise planning and implementation of sea level rise adaptation strategies and projects that are

consistent with the Coastal Act. The task is the first part of a multi-year effort that will result in program changes in the form of updated regulations or interpretive policy guidance if it is determined that regulation changes are not needed. The analysis will also inform other tasks under Strategy 1 related to developing policy guidance for building resilient and sustainable communities through planning and permitting, especially in relation to coastal development projects designed for responding to coastal hazards and sea level rise.

- Framework and Work Plan for Sustainability Principles. Also as a part of the first year implementing the Commission's 2021 2025 Strategy 1, Building Resilient and Sustainable Communities through Planning and Permitting, Commission staff will work on developing a framework for a set of principles related to sustainability and reduction of greenhouse gas emissions (GHGs) in land use planning. These principles will provide a foundation for the future tasks of Strategy 1 that will result in guidance documents relating to GHG emission reduction, sustainable development standards, and smart growth land use planning strategies. Using a lens of sustainable development, Commission staff will develop policy guidance on ways to reduce emissions and stabilize the levels of greenhouse gases that would ultimately result in reducing coastal hazards and protection of coastal resources. The work done under this proposed strategy task will inform guidance on encouraging smart growth and GHG-reductions in land use planning and permits consistent with the developed work plan and sustainability principles.
- Wildfire Resilience Research & Recommendations. Also as a part of the first year implementing the Coastal Commission 2021 2025 Strategy 1, Building Resilient and Sustainable Communities through Planning and Permitting, Commission staff will consider approaches for addressing wildfire. Building more resilient communities means avoiding hazards where possible, responding to the hazards as they occur, and developing in sustainable ways. In the case of wildfire, guidance is needed on reducing wildfire risk in coastal areas with high fire hazard severity zones, where post fire-impacted slopes cause mudslides and debris flows to reach the coast, and to promote forest and habitat health and reduce damaging effects of fires in natural areas that occur in response to artificially inflated fuel loads that do not support a more natural fire regime for that habitat type. The work done under this proposed strategy task will inform guidance to build and strengthen the policy tools available to support implementation of adaptation for wildfire at both the planning and permitting phases, thus protecting resources while also preparing communities for wildfire.
- Equity and Environmental Justice in Sea Level Rise Planning Draft
 Guidance. Also as a part of the first year implementing the Coastal Commission
 2021 2025 Strategy 1, Building Resilient and Sustainable Communities through
 Planning and Permitting, staff will develop draft policy guidance on integrating
 environmental justice and equity in sea level rise adaptation planning. The
 Commission's adopted Environmental Justice Policy includes a set of guiding

principles, one of which is on climate change and complements the 2015 Sea Level Rise Guidance section on environmental justice and equity. However, neither document provides detailed guidance on how to integrate the principles of environmental justice into sea level rise adaptation efforts or into sea level rise related Local Coastal Program policies. This task builds on previous work from the Commission's FY 2020 grant and will result in new policy guidance, revised guidelines or procedural guidance integrating environmental justice and equity principles into sea level rise planning. Commission staff expects that these program changes will be achieved in a subsequent grant year award, consistent with the Commission's 309 Strategy 1 for 2021 – 2025. The effort will also result in new or revised local coastal programs and implementing ordinances once the final guidance is complete and implemented.

- Assessing Public Access Vulnerability. Under this task, Commission staff will begin implementation of the Coastal Commission 2021 – 2025 Strategy 2, Public Access for All with Sea Level Rise. The focus of this first year of this strategy will be to identify locations where public accessways, the California Coastal Trail (CCT), or roadways that facilitate access may be limited or eliminated in the future due to sea level rise and increased storm events. Staff will carry out this sea level rise vulnerability analysis by utilizing recently completed geospatial mapping of the CCT to analyze vulnerabilities with various sea level rise projections and other information available on coastal recreational public assets. Commission staff will also work to establish an ongoing coordination work group made up of representatives of key partner agencies, like the State Coastal Conservancy, State Parks, Caltrans, and regional transportation agencies, to leverage information on vulnerabilities and conduct the analysis. This task will lead to development of policy guidance and a framework for maintaining public access in light of sea level rise, with an additional focus on addressing disproportionate impacts of public access losses to socially vulnerable or environmental justice communities and removal of barriers to access.
- Review and Inventory for Marine Debris Reduction. Under this 309 task, the Commission will begin implementation of its 2021 2025 309 Strategy 3, Marine Debris Reduction Measures Program. The focus of this task will be to review past Commission regulatory, planning, and enforcement actions that may have included plastic pollution or marine debris reduction measures or other related water quality protection measures. The review will lead to the development of an inventory of past actions that can serve as the basis for the initial public outreach about the overall project. The inventory will also inform the development of methods and criteria for evaluating plastic pollution impacts from proposed development or other coastal-dependent uses. This effort will result in new policy guidance, revised guidelines, and/or procedural guidance integrating plastic pollution and other marine debris reduction and prevention measures into the Commission's existing regulatory and enforcement efforts. The task will also result in new or revised local coastal programs and implementing ordinances.

BCDC will use Section 309 funds (\$132,500) for:

• Updating BCDC Suisun Marsh Protection Plan. This 309 task will continue 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 task is focused on identifying the priority policies to be updated over time, since the Marsh Plan cannot be updated comprehensively at once under the Commission's current resources and staffing. Under their previous FY20 grant award, BCDC staff initiated work on the update, including undertaking background research and meeting with various stakeholders. The FY20 task involved researching the Marsh Plan to identify outdated policies, updating the science related to the Marsh, and determining what policies are potentially missing, among other research topics. The FY20 Task also included stakeholder engagement to inform that task. This FY21 task builds on that research by engaging in a stakeholder and Commission-driven processes to prioritize policy amendments to the Marsh Plan.