CALIFORNIA COASTAL COMMISSION

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November 2, 2022

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- TO: California Coastal Commissioners and Interested Public
- FROM: John Ainsworth, Executive Director Madeline Cavalieri, Chief Deputy Director Erin Prahler, Statewide Planning Manager Kelsey Ducklow, Coastal Resilience Coordinator
- SUBJECT: Recommended Round 8 Local Coastal Program (LCP) Local Assistance Grant Awards

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Commission award \$4,476,389 in grant funds to three jurisdictions for LCP updates and coastal resilience planning under the competitive grant program. Staff also recommends increasing the cap on funding amounts for the rolling, non-competitive grants from \$100,000 to \$500,000 to provide for increased ease and flexibility for local governments seeking LCP grant funding.

Funding is provided by the Budget Act of 2021, which 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. Round 8 grants will support local governments developing new or amending existing Local Coastal Programs (LCPs) pursuant to the California Coastal Act. Funds will be used for projects 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. This includes funding for developing technical and engineering studies; planning and design of adaptation strategies, including phased approaches, that address the impacts of climate change and sea level rise; and public outreach and engagement associated with this planning work.

Recommended Grant Awards

The application period for the Round 8 grants opened on July 6, 2022 and closed on September 16, 2022. The Coastal Commission received three LCP grant applications with funding requests totaling \$4,476,389 (see <u>Table 1</u>). The individual grant requests range from approximately \$900,000 to \$2.2M and comprise a variety of technical studies and planning work.

Commission staff recommends the Commission award all three LCP grants for a total of \$4,476,389. Due to the length of the application packets, Commission staff opted to provide the proposals in an electronic format via the links below (<u>Table 1</u>), and to provide descriptions of the grant proposals in <u>Section C</u>. The grant applications recommended for awards are consistent with the purpose of the LCP Grant Program and the Commission's adopted priorities and evaluation criteria¹. They all are supported by adopted resolutions of the local governing bodies, indicating support for completion of the LCP planning work.

The three grant projects recommended for awards under Round 8 would result in one comprehensive LCP update and two LCP amendments, all of which would include SLR policies, including at a minimum the baseline SLR policies identified by the Local Government SLR Working Group. Round 8 grant funding would also support a variety of technical studies that assess the impacts of sea level rise and climate change on a variety of coastal resources, regional coordination to address sea level rise and climate change impacts, and development of coordinated adaptation approaches and plans to ensure coastal communities can be resilient and continue to thrive even as the climate changes.

Jurisdiction	Grant Project	Funding Request	Recommended Award
Humboldt County	Humboldt Bay Regional Sea Level Rise Adaptation Strategy	\$1,400,000	\$1,400,000
Mendocino County	Mendocino County Sea Level Rise Local Coastal Update	\$2,177,399	\$2,177,399
City of Fort Bragg	Noyo Harbor Blue Economy Visioning, Resiliency, and Implementation Plan	\$898,990	\$898,990
	Total	\$4,476,389	\$4,476,389

¹ <u>https://documents.coastal.ca.gov/reports/2021/10/Th5d/Th5d-10-21-report.pdf</u>

Grant Conditions

All of the projects recommended for awards will be subject to general grant administration requirements (see <u>Section D</u>). These general requirements cover topics related to finalization of the work programs; selecting subcontractors/consultants; progress reporting; requests for funds; reallocation of funds in the event of a failure to enter into a grant agreement or to meet performance criteria; grant agreement amendments; and so on.

Awarded projects will also be subject to requirements specific to the LCP Local Assistance Grant Program (see <u>Section D</u>). These include, but are not limited to, requirements for revising work programs to allow for sufficient time for CCC staff review of draft deliverables; describing the steps that will be taken to achieve certification of LCP work after the grant work is completed; inclusion of tasks (or subtasks) related to public outreach and engagement, including among visitors/non-residents and disadvantaged communities; and use of best available science and related sea level rise adaptation planning recommendations from the Coastal Commission and other state agencies.

Lastly, the recommended awards include grant-specific conditions related to the work programs. Please refer to <u>Section C</u> for these specific conditions.

LCP Grant Program Updates

In October 2021 the Coastal Commission approved updates to the management details and evaluation criteria of the LCP Local Assistance Grant Program, including to specifically allow for a rolling, non-competitive application process by which jurisdictions could apply for a grant of up to \$100,000 at any time to be reviewed by staff and approved by the Executive Director (if the proposed project meets the program criteria). This non-competitive application process opened in early February 2022, and, to date, the Executive Director has approved three grants totaling \$300,000, with multiple other jurisdictions currently in talks with staff to develop grant proposals. Based on the ongoing success of this application process and to provide for additional flexibility and efficient use of funds, staff is recommending that the \$100,000 funding cap for each project be increased to \$500,000.

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I. MOTION AND RESOLUTION

Motion 1:

I move that the Commission approve the three grant awards identified in the "Recommended Award" column of Table 1 of this staff recommendation and authorize the Executive Director or their designee to enter into grant agreements with the grantees for allocation of these funds and to make any amendments thereto, subject to the requirements and conditions set forth in the staff recommendation.

Staff Recommendation of Approval:

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in approval of the three grant awards identified in Table 1 and the Commission authorizing the Executive Director or their designee to enter into grant agreements with the grantees for distribution of the grant funds. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution of Approval:

The Commission hereby approves the three grant awards identified in the "Recommended Award" column of Table 1 of this staff recommendation and authorizes the Executive Director or their designee to enter into grant agreements with the grantees for allocation of these funds and to make any amendments thereto, subject to the requirements and conditions set forth in the staff recommendation.

Motion 2:

I move that the Commission approve the modifications to the LCP Local Assistance Grant Program pursuant to the staff recommendation to authorize the Executive Director or their designee to enter into grant agreements with grantees for noncompetitive grants of up to \$500,000.

Staff Recommendation of Approval:

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in authorization for the Executive Director or their designee to approve and enter into grant agreements with grantees for non-competitive grants up to \$500,000. 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 to authorize the Executive Director or their designee to enter into grant agreements with grantees for non-competitive grants of up to \$500,000.

II. DISCUSSION

A. Program Summary

Since 2013, the California Coastal Commission has awarded approximately \$12 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.

To date, the LCP Grant Program has provided funds to 39 local jurisdictions. Grantfunded 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 agreements and links to completed deliverables can found on the Commission's <u>LCP</u> <u>Grant website</u>.

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. 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.

B. Review Process

On October 15, 2021, the Commission adopted revised priorities and evaluation criteria for reviewing and recommending awards for the LCP Local Assistance Grant Program and authorized staff to solicit and evaluate proposals subject to the requirement that the Commission approve final selection of competitive grants awarded under this program.²

The application period for Round 8 competitive grants opened on July 6, 2022 and closed on September 16, 2022. Commission staff received three grant applications requesting a total of \$4,476,389 and is recommending full funding for the three projects.

C. Round 8 Award Recommendations

Commission staff recommends the Commission award three grants for a total of \$4,476,389. <u>Table 1</u> on page 2 and the following section provide a summary of the staff recommendations. The grant applications recommended for awards are consistent with the purpose of the LCP grant program and the Commission's adopted priorities and

² <u>https://documents.coastal.ca.gov/reports/2021/10/Th5d/Th5d-10-21-report.pdf</u>

criteria. They all are supported by adopted resolutions of the local governing bodies, indicating support for completion of the LCP planning work.

For each application, this section includes a summary of the grant proposal, conditions of approval, and a brief discussion regarding the fulfillment of the grant priorities and evaluation criteria. Grant projects are listed geographically, starting from the northern-most proposal. Complete applications are available through the hyperlink in the Project Title.

1. HUMBOLDT COUNTY

Project Title: Humboldt Bay Regional Sea Level Rise Adaptation Strategy

Project Location: Humboldt County, CA

Proposed Timeline: 1/1/2023 – 12/31/2026

Amount Requested: \$1,400,000 Recommended Award: \$1,400,000

Conditions of Approval: In addition to the general LCP grant requirements, staff recommends the following specific conditions on Humboldt's grant award:

By January 15, 2023, the grantee shall submit a revised work program, budget and schedule for review and approval by the Executive Director that reflects an award of \$1,400,000 and includes the necessary detail to complete execution of the grant agreement consistent with the grant requirements, terms, and conditions. Additionally, the work program shall be revised to reflect and clarify that the County will update its LCP to incorporate sea level rise policies (at a minimum including baseline SLR policies of the type described by the Local Government SLR Working Group).

Grant Proposal Summary: Humboldt County seeks \$1,400,000 to build off of a Round 6 grant project designed to identify and assess the feasibility of different options for regional adaptation planning to take the next steps towards developing and implementing a regional sea level rise planning framework. The County will also conduct technical studies on sea level rise adaptation to inform a roadmap for adaptation projects and priorities and will update its LCP to incorporate sea level rise policies and findings from the County's Regional Climate Action Plan.

The Humboldt Bay Area includes a mix of uses including agricultural land, critical utility and transportation infrastructure, cultural resources, sensitive wetlands, and habitats, and is the primary urban and employment center for the County. These important regional resources span multiple jurisdictions, hydrologic units, and asset managers, and will all be impacted by sea level rise. Developing a regional adaptation strategy to address these resource vulnerabilities requires the participation of a variety of key stakeholders including Humboldt County, the Cities of Eureka and Arcata, the Wiyot Tribe, property owners, Caltrans, Humboldt Community Services District, PG&E, Coastal Commission, and other stakeholders. The proposed project will continue outreach and coordination with these stakeholders to implement the recommendations resulting from the Humboldt Bay Regional Sea Level Rise Planning Feasibility Study (funded by a Round 6 LCP Grant), which analyzed potential frameworks for regional planning on sea level rise. Although the County is still in the process of finalizing the regional coordination recommendations, a variety of options are discussed in the draft feasibility study, including but not limited to developing Memoranda of Understanding among stakeholders, coordinated LCP policies among the three LCP jurisdictions, a Public Works Plan to guide short-term adaptation options, shared funding to support implementation of adaptation projects and more.

The County and the regional sea level rise planning framework created as part of this grant (or more generally the ongoing collaborative effort) will also seek to develop a Bay-wide approach to sea level rise adaptation, including potentially a phased approach with triggers for future planning and adaptation projects. Although the specific studies to be completed may vary depending on the evolution of the collaborative effort, the County anticipates conducting technical studies on the economic, cultural, and ecological impacts of adapting diked shorelines and former tidelands to sea level rise to identify triggers for additional adaptation planning and projects. These studies will also be used to develop a roadmap for adaptation projects to protect critical infrastructure and vulnerable assets.

Lastly, the County will update its LCP with policies to incorporate actions from the Regional Climate Action Plan such as measures to reduce greenhouse gas emissions by focusing development in areas served by multiple modes of transportation infrastructure including bike trails and pedestrian facilities. The County will also update the LCP with sea level rise policies. As conditioned, at a minimum the County will incorporate baseline SLR policies of the type described by the Local Government SLR Working Group, though the County seeks to build off of previous work as well as the proposed regional collaborative work to include more detailed SLR planning policies.

The proposal includes the following key outcomes:

- Implementation of recommended actions in support of regional coordination Grant funding will be used to carry out the recommended actions identified through the County's Round 6 grant focused on developing a regional adaptation planning framework, including potentially creating a cross-jurisdictional organization or agreement. At a minimum, the County will use funding to continue outreach and collaboration with the three Humboldt Bay LCP jurisdictions and other stakeholders on sea level rise adaptation planning.
- Regional Adaptation Strategy A preliminary goal will be to build an integrated regional strategy including a set of adaptation actions for diked shorelines that will achieve shared management objectives, including by addressing conflicting resource needs. This may be followed by expanding the regional strategy into the urban areas in a stepwise manner, first addressing the assets most immediately at risk. Depending on the form of regional collaboration, this may instead include actions such as identifying key adaptation projects to undertake in the short term.
- Technical Studies Funding will be used to complete a variety of technical, economic, biological, and cultural resource analyses to understand the impacts

of adapting diked shorelines and former tidelands to sea level rise and increase coastal resiliency of these systems. The focus of this work will be to identify appropriate triggers for implementation of different adaptation strategies on diked shorelines. It will also define and describe high priority projects to implement identified adaptation strategies.

• LCP update – The County will also complete an LCP update to incorporate both SLR policies and actions from the County's Climate Action Plan.

Discussion: The proposed grant project is consistent with the adopted priorities and evaluation criteria in that it will support development of a regional sea level rise adaptation approach and incorporation of SLR policies into Humboldt County's LCP. The proposed project will also reflect key LCP grant program priorities and broader statewide planning goals including supporting regional coordination and development of phased approaches to addressing sea level rise impacts. Humboldt County's work will build off of past grant work, implementing findings and recommendations from the Round 6 grant, and will help the County continue to support outreach and coordination with the variety of stakeholders that will play key roles in adapting the Humboldt Bay area to sea level rise. Although some specific outcomes will depend on the evolution of the proposed regional coordination entity, the proposed grant project may also lead to additional LCP updates for the cities of Arcata and Eureka, development of a PWP to implement short-term adaptation options, and/or identification of specific adaptation priorities. Humboldt County will also seek to address other climate change impacts by incorporating actions from the Climate Action Plan into the County's LCP.

Recommendation: Commission staff recommends fully funding Humboldt County's grant request. **Staff recommends the Commission authorize a grant of \$1,400,000** to fund regional coordination efforts, technical studies, and updates to the County's LCP.

2. MENDOCINO COUNTY

Project Title: Mendocino County Sea Level Rise Local Coastal Update

Project Location: Mendocino County, CA

Proposed Timeline: 1/1/2023 – 6/30/2026

Amount Requested: \$2,177,399 Recommended Award: \$2,177,399

Conditions of Approval: In addition to the general LCP grant requirements, staff recommends the following specific conditions on Mendocino's grant award:

By January 15, 2023, the grantee shall submit a revised work program, budget and schedule for review and approval by the Executive Director that reflects an award of \$2,177,399 and includes the necessary detail to complete execution of the grant agreement consistent with the grant requirements, terms, and conditions. Additionally, the work program shall be revised to reflect and clarify that the County will update its LCP to incorporate sea level rise policies (at a minimum including baseline SLR policies of the type described by the <u>Local Government SLR Working</u> <u>Group</u>). The work program shall also be revised to reflect that the County will coordinate with the City of Fort Bragg on both jurisdictions' Round 8 LCP Grant projects, and that the County will consider (and incorporate into LCP planning and policies as relevant and appropriate) the findings from Fort Bragg's Round 8 LCP Grant work related to sea level rise and Noyo Harbor. Lastly, the work program shall be revised to reflect that the County's study relating to the availability of water for development shall consider future climate impacts on water supply.

Grant Proposal Summary: Mendocino County seeks \$2,177,399 for a comprehensive LCP update and associated technical studies and outreach. The County's LCP has not been comprehensively updated since it was certified by the Commission in 1992. The purpose of this project is to complete an LCP update, including both the LUP and IP, resulting in a complete update ready to be submitted to the Coastal Commission for certification. The overall goal of the project is to improve local coastal planning in Mendocino County to better address coastal resiliency and climate change adaptation by updating technical studies, descriptions, policies, maps, and the implementation plan for the LCP in order to adapt to the impacts of climate change, sea level rise, and associated coastal hazards while maintaining the overall quality of the coastal zone environment in the interest of all people.

The County will use grant funds to complete a variety of technical studies to better understand how climate change has and will continue to affect the County. It is understood that climate change has already impacted the availability of domestic water supplies, agricultural resources, open space, and forests. In addition, climate change impacts may be exacerbated by future growth, such as through increased greenhouse gas emissions resulting from increased traffic and use of recreational facilities, if not appropriately addressed. The proposed studies and data analysis informing the LCP update will consider climate change resiliency and impacts, such as sea level rise, preservation of open space and agricultural lands, clustering development, and vehicle miles travelled (VMT). Specific studies and new LCP policy development will address topics including water supply and sewage disposal availability, transportation resources and development, agricultural resources and development, coastal access and visitor serving facilities, rare plants and sensitive natural communities, and visual resources. A special condition clarifies that the County's study of water availability will consider the future effects of climate change on water supply for the region.

The County is also committed to coordinating with the City of Fort Bragg on the City's proposed Round 8 grant work related to the Noyo Harbor. The recommended grant award includes conditions to reaffirm this commitment and further to ensure that relevant study findings and LCP policy direction identified through the City's work will be incorporated, as appropriate, into the County's work. Additionally, special conditions will ensure that sea level rise information developed through this grant and the City of Fort Bragg's work will be incorporated into the LCP (including at a minimum the baseline SLR policies described by the Local Government SLR Working Group).

The proposal includes the following key components:

- Technical Studies the County will complete technical studies necessary for updating LCP policies to address topics relating to water supply and sewage disposal availability, transportation resources and development issues, agricultural resources and development issues, coastal access and visitor serving facilities, rare plants and sensitive natural communities, and visual resources.
- Environmental Impact Report In order to facilitate adoption of the Coastal Element and Coastal Zoning Code updates, the County will prepare an Environmental Impact Report to satisfy CEQA requirements and provide a framework and baseline level of analysis for CCC review.
- Public and Stakeholder Engagement A variety of stakeholders will be engaged in the development of the updated LCP to ensure appropriate involvement and buy-in.
- Updated LUP and IP section the County will submit a comprehensive LCP update.

Discussion: The proposed grant project is consistent with the adopted priorities and evaluation criteria in that it will support the completion of a comprehensive update of the County's LCP, including incorporation of sea level rise and climate change planning and greenhouse gas emissions reduction efforts. A key priority of the LCP Local Assistance Grant Program since its inception has been to support the update of LCPs to better address evolving statewide issues, particularly including climate change and sea level rise. The County of Mendocino is proposing to carry out a variety of technical studies to better understand how climate change is and will continue to impact County resources and will update its LCP based on the findings. The County will also coordinate with the City of Fort Bragg and will have the opportunity to incorporate additional focused studies the City is completing related to Noyo Harbor.

Recommendation: Commission staff recommends fully funding Mendocino County's grant request. **Staff recommends the Commission authorize a grant of \$2,177,399** to fund a variety of technical studies and the County's comprehensive LCP update.

3. CITY OF FORT BRAGG

Project Title: <u>Noyo Harbor Blue Economy Visioning, Resiliency, and Implementation</u> <u>Update</u>

Project Location: Noyo Harbor, CA

Proposed Timeline: 11/15/2022 - 6/30/2026

Amount Requested: \$898,990 Recommended Award: \$898,990

Conditions of Approval: In addition to the general LCP grant requirements, staff recommends the following specific conditions on Fort Bragg's grant award:

By January 15, 2023, the grantee shall submit a revised work program, budget and schedule for review and approval by the Executive Director that reflects an award of \$898,990 and includes the necessary detail to complete execution of the grant agreement consistent with the grant requirements, terms, and conditions. Additionally, the work program shall be revised to reflect and clarify that the City will update its LCP to incorporate sea level rise policies (at a minimum including baseline SLR policies of the type described by the Local Government SLR Working Group). The work program shall also be revised to reflect that the City will coordinate with Mendocino County on both jurisdictions' Round 8 LCP Grant projects, and that the City will consider (and incorporate into LCP planning and policies as relevant and appropriate) the findings from Mendocino's Round 8 LCP Grant work related to sea level rise and Noyo Harbor. Lastly, the work program shall be revised to reflect and clarify that the City's study relating to the feasibility of aquaculture in Noyo Harbor will consider future climate impacts on potential aquaculture operations.

Grant Proposal Summary: The City of Fort Bragg seeks \$898,990 for feasibility and planning studies to facilitate a blue economy transition in Noyo Harbor. Comprehensive baseline information about the existing environmental, physical, and economic conditions of Novo Harbor is needed to prepare the harbor for a changing climate and position the region for sustainable blue economy investment. This part of the Mendocino coast has been and will continue to be impacted by climate change, as evidenced by the devastating urchin barren/kelp forest dynamic, changing fisheries, and by the socioeconomic vulnerability of community members who use, live and work on the water. LCP Grant Program funds would support the development of much-needed analysis for informed decision making as the region prepares for the impacts of a changing climate, and ensure that Coastal Act goals to protect coastal resources for all are equitably fulfilled. The proposed project would result in an update to the City of Fort Bragg's LCP, and would generate information that can be used by Mendocino County throughout their ongoing LCP update, related to the Noyo Harbor's function as a commercial fishing village to ensure that the community can continue to respond to and address changing climate conditions.³

As part of this grant, the City will develop a site-specific hazards analysis of the harbor that includes projected sea level rise impacts; an aquaculture feasibility study that includes a water quality assessment (and which is conditioned to consider climate change impacts); an inventory of current parcel uses, boundaries, and other

³ Note that Noyo Harbor is mostly located within Mendocino County's LCP jurisdiction. However, the Harbor falls within the City's sphere of influence, some harbor assets (*e.g.*, access roads) cross jurisdictional boundaries into the City's LCP jurisdiction, and the City's existing LCP has long included a variety of policies related to supporting priority uses in the Harbor. Both the City and Mendocino County have stated a commitment (and both project awards are conditioned) to coordinate on this grant work and to ensure that the findings of this project are considered and reflected in LCP updates in both jurisdictions, as appropriate, to ensure that the Harbor can appropriately address climate change impacts throughout the future.

characteristics of harbor development; a harbor facilities conditions assessment to determine ongoing maintenance needs and operational issues and concerns; an analysis of special district management of the harbor; and identification of project partners and funding sources. After public outreach and engagement, these studies will be used to create a Blue Economy Visioning, Resiliency, and Implementation Plan that identifies opportunities and limitations of the harbor's transition to blue economy uses; adaptation and resiliency measures based on the site-specific sea level rise and hazard assessment; a suite of potential projects to pursue in and around Noyo Harbor; and potential partners and funding sources.

This work will culminate in an update to the City's LCP that includes sea level rise policies (at a minimum, as conditioned, including baseline SLR policies) and incorporates the findings and approaches from the Blue Economy Visioning, Resiliency, and Implementation Plan. The City is committed to (and the project is conditioned to require) coordination with the County of Mendocino so that the findings of the City's work can be incorporated into the County's Round 8 grant work and vice versa.

The proposal includes the following key components:

- Equitable Outreach and Coordination The City will build off of an ongoing effort over the past two years to develop an inclusive regional conversation exploring the potential of blue economy investment in the region which spurred the formation of the Noyo Ocean Collective, comprised of the City of Fort Bragg, Mendocino County, Noyo Harbor District, Sherwood Valley Band of Pomo Indians, Mendocino College, and the Noyo Center for Marine Science. The City will prepare a Communication and Engagement Plan (CEP) that will outline overarching goals, and define the role of the public and stakeholders in shaping and realizing the project, the overall timeline, and opportunities for engagement.
- Technical Studies The City will complete a variety of technical studies necessary for informing the overall project goal of developing a future vision for the Harbor area that can ensure resiliency to changing climate conditions. Key studies will include a sea level rise and other coastal hazards assessment of the harbor and an aquaculture feasibility study.
- Noyo Harbor Blue Economy Visioning, Resiliency, and Implementation Plan The City will develop a plan based on the findings of the technical studies and the stakeholder outreach and engagement that identifies opportunities for ensuring the Harbor can support a blue economy and continue to thrive even with climate change.
- LCP Update the City will update its LCP to incorporate the findings of the Blue Economy Visioning, Resiliency, and Implementation Plan and to address sea level rise impacts (including, at a minimum, baseline SLR policies like those described by the Local Government Working Group). The City will also coordinate with Mendocino County to incorporate relevant policies into the County's LCP.

Discussion: The proposed grant project is consistent with the adopted priorities and evaluation criteria in that it will support development of technical studies, a community vision, and relevant LCP policy updates to address climate change and sea level rise impacts to Noyo Harbor. The overarching goal of the LCP grant program, as reflected in the program priorities, is to help communities complete the studies and planning necessary for ensuring that they can respond and continue to protect priority coastal uses and resources even as the climate changes. Harbors and working waterfronts like Noyo Harbor will be at the front lines of sea level rise and other climate change impacts, and an ability to remain thriving communities that are resilient over time will require significant planning. The City's proposed project will build off of ongoing community coordination to assess a variety of climate change impacts, including sea level rise, to identify options for a blue economy that is able to persist and evolve to respond to changes over time. The project will involve significant community collaboration as well as regional coordination, most specifically with Mendocino County. The project will result in an update to the City's LCP that addresses sea level rise and implements the community's resilient blue economy vision. It will also include development of information and LCP policies that can inform Mendocino County's Round 8 grant work.

Recommendation: Commission staff recommends fully funding the City of Fort Bragg's grant request. **Staff recommends the Commission authorize a grant of \$898,990** to fund outreach, technical studies, visioning, and LCP policy development in support of efforts to ensure environmental and social resiliency of Noyo Harbor.

D. Grant Requirements and Administration

Coastal Commission staff will work with grantees to finalize the grant agreements consistent with general grant requirements and specific requirements associated with the LCP Grant Program. Key requirements are described below. The full terms and conditions cover a variety of additional administrative requirements (*e.g.*, prompt payment clauses, non-discrimination clauses) and the detailed language will be finalized as part of the grant agreement execution process.

Coastal Commission staff will provide the local government with a draft grant agreement for execution by both parties. During this process, Commission staff will work with grantees to ensure work programs and budgets are sufficiently detailed and contain the necessary benchmarks to meet the goals of the grant program. Commission staff will also review, process, and approve invoices and progress reports under the grant agreements and ensure grantees are making appropriate progress.

General Grant Requirements

1. All grantees shall work with Commission staff to finalize the work program, including progress benchmarks and budget for Executive Director review and approval that reflects the amount of the grant award and final products that will be produced as a result of the grant funding. Grantees shall include a schedule and benchmarks that show the plan for completing the certification process. The final work program, schedule, and budget shall be part of the grant agreement.

- 2. Grantees seeking subcontractors (e.g., consultants) to perform grant-related tasks and services shall select all subcontractors pursuant to a bidding and procurement process that complies with all applicable laws.
- 3. All grant agreements shall require progress reports at least every 3 months, and all shall be subject to Executive Director review and approval. Each grant agreement shall include the standards Commission staff will use to assess whether work progress reflected in such reports is adequate and procedures to address any grantee that is not meeting the final approved work program and benchmarks.
- 4. Grant funds will not be available in advance of expenditures. Expenses will be paid in arrears no more than once per month upon submission of an approved invoice by the grantee. That is, all funds will be provided on a reimbursement basis, and payments will be made to local governments only after work tasks are completed.
- 5. If a grantee fails to properly execute the grant agreement or fails to meet the performance criteria and benchmarks in the grant agreement, the Executive Director or his designee may cancel the grant agreement and re-allocate any unspent funds to one or more of the other approved grantees.
- 6. Complete reimbursement of grant funds will be dependent upon successful completion of the final deliverable of the grant agreement. Up to 20% of the grant award may not be reimbursable until all final deliverables have been completed by the grantee.
- 7. Should a jurisdiction not need the full amount of funds awarded by the Coastal Commission, they shall notify Commission staff as soon as possible so that any remaining allocated but unspent funds may be redistributed, as feasible. In addition, should a local government fail to enter into a grant agreement in a timely manner or fail to meet work program benchmarks as noted above, the Executive Director or his designee may reallocate funds to supplement an already awarded grant.
- 8. Travel Reimbursement shall be at the same rates as similarly situated State employees. If any conflicts exist between the Contractor's rates and those applicable to State employees, the State's reimbursement rates shall prevail. Receipts will be required. All travel costs are inclusive within the budgeted amount referenced in the grant agreement.

LCP Grant Program Requirements

1. Work programs shall be revised to ensure there is sufficient time for coordination with Commission staff on each deliverable, including time for review and comment by Commission staff, and time for grantees to revise deliverables where necessary. For major deliverables, there shall be sufficient time for

multiple rounds of review and revision. To the extent feasible, such coordination shall take place prior to public release of the deliverable.

- 2. For grant projects that do not include certification of proposed LCP planning work, work programs shall be revised to include a description of the future steps that will be taken to achieve certification after grant work is complete.
- 3. Prior to the Executive Director's determination and reporting of certification pursuant to Section 13544 of the California Code of Regulations of a grant-funded LCP project, grantees shall submit LCP documents and maps in both paper and editable digital format to the Coastal Commission.
- 4. Grantees shall use the Commission's <u>Sea Level Rise Policy Guidance document</u> to inform the development of sea level rise impact assessments, vulnerability assessments, and LCP Land Use Plan and Implementation Plan completion or updates.
- In addition to the general recommendations contained within the Coastal Commission's Sea Level Rise Policy Guidance, Vulnerability Assessments shall include: (1) storm and non-storm scenarios, including maximum daily and annual tidal inundation, (2) assessment of sea level rise vulnerability with and without key development that is currently vulnerable and/or protected by a revetment, such as Highway 1, railroad tracks, and/or a row of residences, (3) anticipated changes in beach width under future sea level rise scenarios, (4) evaluation of the feasibility and effectiveness of sediment management and beach nourishment, and (5) evaluation of sea level rise vulnerability of existing and planned segments of the California Coastal Trail, (6) the subject of environmental justice by, to the extent feasible, analyzing the differential impacts of sea level rise upon various demographics and community groups, and (7) the latest reports on sea level rise science and recommendations from the state of California, including Rising Seas in California (Griggs et al. 2017) and the most recently adopted update to the State Sea Level Rise Guidance. These scenarios and topics should be modelled or quantitatively analyzed where feasible and applicable, or at a minimum thoroughly discussed in a qualitative manner. Scenarios analyzed should include Medium-high Risk Aversion and Extreme Risk Aversion scenarios per the 2018 Ocean Protection Council Guidance and the Coastal Commission's Sea Level Rise Policy Guidance Update adopted November 2018, which both provide recommendations to aid in planning and understanding the worst-case scenario for projected time horizons.
- 6. Sea Level Rise work completed under the grant program shall be coordinated regionally to the extent feasible with other jurisdictions and entities working on sea level rise projects within the same county or broader regional area relevant for sea level rise adaptation, such as the watershed, littoral cell, or area with similar geologic characteristics. Entities working on sea level rise projects include, but are not limited to, the State Coastal Conservancy, the Ocean Protection Council, The Nature Conservancy, NOAA, and USGS. Coordination

includes early coordination meetings among the different entities, sharing of technical analyses and lessons learned, and consideration of regional adaptation policies.

7. Public outreach shall target all interested members of the public, including visitors and other non-residents to the maximum extent feasible for the purpose of meaningful engagement in policy development, technical studies, and other tasks conducted pursuant to the grant work program. All public outreach activities related to the work program shall, to the maximum extent feasible, proactively engage those who already face disproportionate environmental burdens or vulnerabilities to environmental hazards, and/or those who come from communities of existing social inequalities, including members of the public and organizations from the following communities: disadvantaged communities, communities of color and/or low income, communities with low capacity to adapt to climate change, and communities not in close proximity to the shoreline but who visit and recreate there. Outreach activities shall seek to provide maximum opportunities for these groups to engage with and provide input on the tasks of the work program.

E. LCP Grant Program Updates

In October 2021 the Coastal Commission approved updates to the management details and evaluation criteria of the LCP Local Assistance Grant Program, including to specifically allow for a rolling, non-competitive application process by which jurisdictions could apply for a grant of up to \$100,000 at any time to be reviewed by staff and approved by the Executive Director (if the proposed project meets the program criteria). This non-competitive application process opened in early February 2022 and, to date, the Executive Director has approved three grants totaling \$300,000, as summarized below, with multiple other jurisdictions currently in talks with staff to develop grant proposals.

Approved Non-Competitive Grants

- 1. **City of Pacific Grove, \$100,000**: The City of Pacific Grove will build on past grant work by completing an updated vulnerability assessment. In particular, the City will fill a data gap by including new SLR modeling for the Asilomar Dunes area (which was not included in previous modeling work) and updating older, now out of date SLR modeling for other parts of the City. Minor updates to the recently certified LCP based on these studies will also be completed, most likely including an updated coastal hazards map overlay.
- 2. **City of Point Arena, \$100,000**: The City of Point Arena will develop a Sea Level Rise Vulnerability Assessment (SLRVA) for the Point Arena Cove area of the City, and update the Community Health and Safety Element (CHSE) of its LCP. The SLRVA will analyze the impacts of storms and extreme events, changing shorelines, and trends in relative local sea level on vulnerable natural and built resources and facilities, including public access, commerce, recreation, coastal

habitats, and navigability. The CHSE update will use information developed in the SLRVA to update coastal hazard LCP policies.

3. **City of Marina, \$100,000**: The City of Marina will build off of previous grantfunded work to assess SLR vulnerabilities and update their LCP. Specifically, the City will update its 2019 vulnerability assessment, including by updating the technical report, adding a social vulnerability assessment, and updating hazard mapping to include in the City's GIS database. The City will also complete its update to the coastal hazards policies of its LCP (both IP and LUP).

Proposed Non-Competitive Project Funding Cap Increase

Since the announcement of the rolling, non-competitive grant application process, Commission staff have been in talks with numerous jurisdictions seeking such noncompetitive grant awards. The ongoing coordination with local governments has suggested that this process helps provide greater flexibility for local governments, allowing them to apply as needs arise and as timing and staff capacity allows. This process has also allowed for increased coordination with CCC staff prior to the submittal of an application, which has resulted in better, more complete grant applications that address both Commission and local government goals. Altogether, this has resulted in an easier and more efficient use of grant funds than is possible with the competitive grant application process alone.

Based on the ongoing success of this application process, staff is recommending that the \$100,000 funding cap for each project be increased to \$500,000. This would capture additional projects that local governments are seeking to complete, further increasing flexibility for local governments and efficient use of funds. Proposed updates to relevant parts of the LCP Grant Program Details are provided below (with deletions show in strikethrough and additions shown in bold, underline). The complete set of LCP Grant Program Details, Priorities, and Evaluation Criteria, with the proposed changes included, is included as <u>Exhibit 1</u>.

Review of Applications

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

- 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 \$500,000 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 <u>is authorized to enter into grant</u> agreements with grantees for allocation of these funds. The Executive Director 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.