January 27, 2022

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom:

In light of the ongoing affordable housing crisis and a worsening trend in staff turnover, the executive leadership of the San Francisco Bay Conservation and Development Commission (BCDC), the California Coastal Commission (Commission), and the California Coastal Conservancy (Conservancy) – California's three Coastal Zone Management Agencies – formally request an opportunity to negotiate the implementation of a Geographic Pay Differential (GeoPay) for its civil service employees in the nine-county region of the San Francisco Bay Area, Ventura County, and the counties of Los Angeles and San Diego.

While requests for salary increases may be a common refrain, the seriousness of the issues facing our three organizations is difficult to overstate. All three are losing vital personnel, primarily due to insufficient compensation. In the past three years, BCDC has lost 16 staff members to competing offers in the public and private sectors, which is equal to about one-third of its total workforce. The Coastal Commission has lost 17 staff members during that time, and it is likely that the Coastal Commission's turnover percentage is lower than BCDC's because it has significantly more upward mobility in its organizational structure. In just calendar year 2021, the Coastal Conservancy lost 11 staff people, 15% of its workforce. Collectively, this turnover has delayed critical projects, reduced the availability of technical expertise and institutional knowledge, and imposed additional costs to hire and train replacements. At risk are the statutorily mandated programs that protect our state's shorelines, revitalize ecosystems and economies, enhance resilience against catastrophic climate change, enable responsible commercial development, and provide necessary regulation and enforcement. The success of these programs wholly depends on the availability of highly experienced personnel, and the state simply does not provide enough remuneration to retain this talent.

A cursory examination of publicly available data illustrates the severe impact of the cost-of-living for civil service employees in our respective jurisdictions. California's housing crisis is no secret – in a New York Times article on September 16, 2021, it was noted that California "is the leading edge of a nationwide problem that is pricing middle-income families out of ownership and has one in four rental households paying more than half its pretax income on rent," adding that the median home price in

the state is now over $800,000 and that "[t]enants in the state are among the most cost-burdened in the country." Data from the U.S. Census Bureau supports these claims; the statewide median value of owner-occupied housing units is $505,000 compared to the national average of $217,500. Median gross rent in California is $1,503 per month compared to the national average of $1,062. These figures and trends are especially pronounced in the areas we note above. In these jurisdictions, the median value of an owner-occupied home is $759,909 (150% of the state average and 349% of the national average) and the median gross rent is $1,808 per month (120% of the state average and 170% of the national average). Simply put, civil service employees who work in these jurisdictions struggle to find an appropriate place to live.

Further analyses of these salary and cost of living factors justifies the need to implement GeoPay. Currently, GeoPay is afforded to civil service employees in the counties of Orange, San Luis Obispo, Santa Barbara, and Santa Cruz. Data show that cost-of-living factors for the areas we list above are higher than found in these GeoPay counties. For example, the median value of owner-occupied homes in GeoPay areas is $646,825 compared to the aforementioned $759,909 for the Bay Area, Ventura, and Long Beach. Median rent for GeoPay areas is $1,673 per month compared to $1,808 for BCDC and Coastal Commission operational areas.

Considering this information, the compensation offered by the State of California approaches poverty wages. The maximum gross monthly salary for a Staff Services Manager I is $7,178. These staff members would have to spend approximately 25% of their pre-tax income on rent in the San Francisco Bay Area. This percentage increases to 30% for an AGPA at maximum salary. An Office Technician would pay fully 50% of pre-tax income just to have a place to sleep.

Given the dual pressures of high rent and depressed wages, civil service employees in our jurisdictions are offered, and accept, better compensated positions with local and regional governments, as well as with the private sector. Nearly every county government in our operational areas pays more than the state for nearly every position. Our study focused on positions that are equivalent to those of Office Technician, AGPA, SSM I, and Accountant I. County-level Office Technician positions across all counties pay approximately 10% above the state, 27% higher for the AGPA-equivalent classification, 28% higher for SSM I, and 46% more for Accountant I. Some of these counties are paying over 60% above the state maximum for certain positions. From the perspective of applicants, there is no shortage of public sector positions that provide higher salaries than the state. Furthermore, because many of these counties allow individuals to continue paying into an existing CalPERS retirement account, state civil service employees benefit by moving to local and regional government positions to increase their monthly salaries and future pensions. It is also worth noting that the Cost-of-Living Adjustment provided by the state often does not match inflation, meaning that state civil service employees effectively take pay cuts.

Another lens through which to view this problem is that our agencies are finding it increasingly difficult to hire. In a recent attempt to hire an entry-level clerical position, the Coastal Conservancy invited four candidates for interviews and not a single one appeared. Another project manager candidate verbally accepted a job offer only to later decline after she started to look at the cost of relocating to the Bay Area. BCDC is searching to replace a recently retired Regulatory Director and has been unable to locate suitable candidates during the past three months given the job's level of difficulty and the low salary that it commands.

Unlike other state entities, such as the California Public Utilities Commission, our agencies cannot and should not relocate to Sacramento or an alternate region to offset cost-of-living expenses. By statutes, our agencies are located in coastal counties due to their heavily localized mission scopes, enforcement presence, and partnerships with local, state, and federal entities.

Simply put, our agencies have been on an unsustainable human resources path for many years. Short of a comprehensive program that reduces housing costs along the coast, our agencies need to implement GeoPay now throughout our operational areas. We urge you with all due respect to direct the appropriate agencies in your Administration to work with us to move this proposal forward.

Sincerely,

DocuSigned by:
R. Zachary Wasserman
981D0269BE594E3...
R. ZACHARY WASSERMAN, Chair
San Francisco Bay Conservation and
Development Commission

DocuSigned by:
Douglas Bosco, Chair
E16C0976DA174C4...
DOUGLAS BOSCO, Chair
California State Coastal Conservancy

DocuSigned by:
Donne Brownsey, Chairwomen
2B0930CFC453403...
DONNE BROWNSEY, Chairwomen
California Coastal Commission

cc: Secretary Wade Crowfoot, California Natural Resources Agency
Director Mark Gold, California Ocean Protection Council
Director Eraina Ortega, CalHR

Response by Jack Ainsworth,

Re “Lift prohibition on new kelp farms off California’s coast”; Commentary, Jan. 20, 2022

Some say California is falling behind in “a revolution” to usher in a new era of seaweed aquafarms because of government overregulation and an alleged ban on new aquaculture leases.

The truth is there is no regulatory prohibition on seaweed or shellfish aquaculture in California. In fact, the Coastal Act was amended in 1982 to make aquaculture a “priority use,” and in the past several years, the Commission has approved permits for seven seaweed farms – making kelp the fastest growing aquaculture sector in California.

The California Coastal Commission staff recently approved a permit for a seaweed aquaculture project for the San Pedro company that was co-founded by the author of the guest commentary. The commission will be recommending approval at a February hearing for an entirely new shellfish farm on 110 acres in Humboldt Bay.

This would be the latest of several dozen permits for seaweed or shellfish aquaculture facilities and operations to come before the commission in recent years. Every one of those prior projects was approved by the commission.

In fact, over the past 10 years, the commission has approved and amended dozens of permits for aquaculture operations and in nearly every case, unanimously through its consent calendar. For these approvals, the application cost has typically been less than $5,000 and the typical processing time has been less than six months.

The California Fish and Game Commission, which issues bottom leases for aquaculture projects in state waters, instituted a temporary hiatus on accepting aquaculture lease applications in order to establish priorities and build capacity for this budding industry. That hiatus was lifted nearly a year ago.

Moreover, the Ocean Protection Council recently convened a partnership of seven state agencies to develop and release a set of guiding principles for aquaculture in California and is hard at work on a statewide aquaculture plan to be released later this year. A major focus of this plan will be on further increasing the efficiency of the regulatory system and expanding environmentally sustainable algae and shellfish aquaculture in state waters.

Finally, the National Oceanic and Atmospheric Administration recently released a report identifying 10 sites covering more than 16,000 acres offshore of California as opportunity areas for aquaculture. This siting report will soon be followed by a Programmatic Environmental Impact Statement that will assess the environmental impacts of siting aquaculture facilities at the different potential aquaculture sites. Expressions of interest from businesses in pursuing operations on these sites have already been received by state and federal agencies.

The author may be confusing regulatory overreach with public responsibilities. While aquaculture can be sustainable, if not done right, these projects can cause a host of problems.

In past years there was a pilot-scale seaweed farm constructed out of used tires, concrete blocks, plastic milk jugs and nylon rope that short-hopped the environmental review process and began to break apart

and wash up along the Balboa Peninsula in Newport Beach. Floating gear from another improperly maintained underwater facility off Long Beach fouled the engine of a recreational fishing boat, sinking the vessel and killing its captain. And before the commission instituted best management practices in Tomales Bay, beachwalkers at Point Reyes National Seashore would routinely collect hundreds of pounds of plastic marine debris from the commercial oyster farms there.

That so many agencies are working hard and coordinating closely to ensure these proposed projects are thoughtfully planned and executed is what good government does. Our California Coast and waters are a beloved treasure that draws visitors around the world and are the linchpin for a $44 billion coastal economy. We cannot risk that for any industry – even one that claims to be revolutionary.

Lift prohibition on new kelp farms off California's coast

By Brandon Barney, Special to CalMatters

Brandon Barney is the co-founder of Primary Ocean, a San Pedro company developing seaweed farms. He was featured in the recently released documentary "They Say It Can't Be Done."

At a recent public hearing, I told the California Coastal Commission that the state is ripe for revolution – a seaweed revolution. Thankfully, they listened.

The commission voted to approve an offshore project that plans to farm giant kelp. By the time it appeared on the commission's docket, the project already had the backing of the federal government – including $5 million of federal funding. We're thrilled that the outpouring of support from businesses, universities and nonprofits finally convinced regulators to let our project proceed.

But securing the green light for a project that will advance such goals as sustainable agriculture, carbon emissions reduction and renewable energy shouldn't have been such a headache in the first place.

Our revolutionary offshore farm was already two years behind schedule because it hadn't received clearance from regulatory agencies in California, a state where concern for the environment so often morphs into regulatory overreach. At least, that has been our experience.

The project is funded in part by the U.S. Department of Energy. Our aim is to disrupt the world's biofuel and specialty chemical industries with farmed seaweed – in this case giant kelp, or macrocystis pyrifera – semi-autonomously grown and harvested on long lines in the open ocean off the coast of Southern California. A consortium of 12 aquaculture companies and universities – including my company Primary Ocean – are all members of a giant kelp cultivation network funded with federal money.

Seaweed is already the most sustainable superfood consumed by humans worldwide. It's used in everything from cosmetics to biopharmaceuticals. Yet despite the enormous demand for this sustainable, environmentally friendly product, California prohibits new seaweed cultivation projects off its 1,000-mile coastline. Fully repealing that ban would boost our economy and help make the state a world leader in aquaculture.

Let's not forget that in the 1970s, California pioneered ambitious aquaculture research into giant kelp, the fastest-growing organism on the planet. But the state ultimately put laws in place that block most aquaculture projects. And we're feeling the pain today.

If the waters off California remain closed to aquaculture, it's only a matter of time before commercial kelp farms could be established in Mexican waters, just across the border.

This would be a major loss not just to California but to the United States – and a squandered opportunity to help rejuvenate our economy.

At Primary Ocean, we recently developed "Organikelp," a biostimulant solution derived from giant kelp that improves soil health, plant growth, yield and overall crop performance at every stage of the growth cycle. It's designed to help farmers hit by drought by reducing the need for water, fertilizers and other chemicals while maintaining or increasing yields.

Our consortium's offshore research project experienced significant delays because of the pandemic, not to mention California's needlessly complex regulatory process. There is currently a California ban on new aquaculture leases for "bottom water" – the water closest to the seabed – which prevents a commercial giant kelp farm from being established in state waters. No new state bottom-water licenses have been granted in 25 years.

Even the California Coastal Commission's recent approval of our project can't undo the time and opportunities we've wasted over the past two decades.

Without a permanent legislative fix, it's almost certain that commercial giant kelp farms, paid for with Californian capital, could be deployed as far away as Namibia in southwest Africa before they become prevalent here.

If it's not going to be in "our backyard," it will certainly be in someone else's.

Why would the country's most progressive state discourage projects that seek to feed people and help drought-stricken farmers, all with methods that enhance the quality of our environment?

It's time to lift the prohibition on new kelp leases off California's coast. It's time, in fact, for a seaweed revolution.