



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Planning & Development  
Department No.: 053  
For Agenda Of: March 16, 2010  
Placement: Set Hearing  
Estimated Time: 45 minutes on 3-23-10  
Continued Item: Yes  
If Yes, date from: August 19, 2008  
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Glenn Russell, Director, Planning & Development, 568-2085  
Director(s)  
Contact Info: Doug Anthony, Deputy Director, Energy Division, 568-2046

SUBJECT: Options for Allocating Additional, Unanticipated Federal Coastal Impact Assistance Program Revenue

**County Counsel Concurrence**

As to form: N/A

**Other Concurrence:** N/A

As to form: No

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors set a hearing for March 23, 2010 to consider allocation of grant funds from the Federal Coastal Assistance Impact Program (CIAP), as follows:

- A. Approve the allocation of additional, unanticipated CIAP funds in the amount of \$555,081.80, choosing projects from established lists, or revising these lists to add one or more projects, as discussed in Section A below, and direct staff to return with a Resolution to memorialize the allocation on the April 6, 2010 administrative agenda.
- B. Approve a Resolution (Attachment A), approving a minor revision to the Agricultural Commissioner's Santa Ynez River Restoration grant, as described in Section B below.
- C. Direct staff to return to the Board of Supervisors to adopt a major or minor amendment to the current Coastal Impact Assistance Plan concurrent with the Board's decision of Goleta Beach, as described in Section C below.

**Summary Text:**

***A. Options for allocating additional, unanticipated CIAP funds***

CIAP funds become available in varying increments annually during a period of four years, from 2008 through 2011 (see Attachment B), and must be expended by the end of 2016. Allocations to eligible

coastal states and political subdivisions for the first two years was based on federal offshore oil/gas revenues in the federal fiscal year of 2006, and for the last two years, on revenues earned in fiscal year 2008. The substantial increase in oil prices in fiscal year 2008 resulted in increased allocation to California and its coastal counties. For Santa Barbara County, this increase made an additional \$566,752.48 available over the last two years. This amount was subsequently reduced to \$555,081.80 so that more funds were available to cover the Minerals Management Service's (MMS) costs of administering the various grants.

On February 19, 2008, the Board of Supervisors approved two lists of projects for CIAP funding, and revised those lists on August 19, 2008, in response to a reduction in funds allocated to Santa Barbara County. The lists are included herein as Attachment B, and a summary of each project is included in Attachment C. Board packets for the previous Board hearings for CIAP allocation are included as Attachments D and E.

The Tier 1 list identifies those projects that the County wished to fund with its \$2,300,149 share of CIAP monies. The Tier 2 list identifies those projects the County wished to fund should a Tier 1 project not move forward, or a Tier 1 project is completed under-budget, or as applicable today, additional CIAP funds become available. After approval of the lists, the County may shift CIAP funds between projects via a minor amendment.

Staff has identified four basic options for allocating an additional \$555,081.80 in unanticipated funds.

- A. Allocate the entire amount to specific Tier 1 projects only – the likely candidate being beach erosion protection at the Goleta Beach Park.
- B. Allocate the entire amount to specific Tier 1 and Tier 2 projects.
- C. Allocate the entire amount specific Tier 2 projects only.
- D. Allocate the amount, in part or whole, to a project(s) that currently does not appear on either list, with any remainder going to Tier 1 or 2 project(s).

Options A through C would require state and federal approval via a minor amendment process only, unless there are substantial revisions to any of the project descriptions that would trigger a major amendment.

Option D would require state and federal approval via a major amendment process, which could take as long as a year, judging from the experience of attaining approval of the California CIAP plan.

Among other potential factors, the Board should keep in mind both the authorized uses of the CIAP. Also, the Board should consider those projects that have a likelihood of being completed no later than the end of 2016, which is the deadline by which CIAP funds are required to be expended. Projects may take longer to complete, provided the portion approved for CIAP funding is completed by the deadline.

CIAP authorizes the following uses of these funds:

1. Projects and activities for the conservation, protection, or restoration of coastal areas, including wetland.
2. Mitigation of damage to fish, wildlife, or natural resources.
3. Planning assistance and the administrative costs of complying with this section.

4. Implementation of a federally approved marine, coastal, or comprehensive conservation management plan.
5. Mitigation of the impact of Outer Continental Shelf activities through funding of onshore infrastructure projects and public service needs (restricted to 23% of each state's allocation).

***B. Revision to Agricultural Commissioner's Santa Ynez River Restoration Grant***

The Agricultural Commissioner's Office originally proposed to assess and eradicate an infestation of the invasive weeds, *Tamarix ramosissima* and *Arundo donax*, along the riparian corridor of the Santa Ynez River. Phase 1 of the project, which has been completed, involved a survey and mapping of the infestation. The survey and mapping revealed that there is more *Tamarix ramosissima* and *Arundo donax* than can be treated with the grant funds that have been allocated. Therefore the project has been revised to target the eradication of only *Arundo donax*. As an aside, the Agricultural Commissioner's Office is in the process of preparing necessary environmental review of the restoration.

***C. Adoption of a Major or Minor Amendment to the Current Plan***

The current Tier 1 list allocates \$1,501,322 of the entire \$2,300,149 to the *Goleta Beach Park Coastal Access & Recreation Enhancement* project. Originally, this project envisioned installation of a permeable pier, but that approach was denied by the California Coastal Commission. A revised project description for addressing projected erosion of the park is currently under development, and is anticipated to come before the Board in April or May. Accordingly, staff recommends that the Board consider the currently approved allocation of CIAP concurrently with its consideration of addressing the erosion of Goleta Beach Park, when a projected scope, schedule, and budget are presented.

The Parks Department is also moving forward with replacement of the entrance bridge; however, CIAP may not be used to help fund bridge replacement because other federal funds are being devoted to that project and may not be matched with any other federal funding sources.

**Background:**

Section 384 of the U.S. Energy Policy Act of 2005 established CIAP for the purpose of sharing Federal oil and gas royalties with six coastal states impacted by offshore oil and gas development; specifically, \$250 million annually over a period of four years. Thirty-five percent of each state's share goes directly to coastal political subdivisions, based on a formula that takes into account coastal population, shoreline miles, and proximity to oil and gas leases on the Outer Continental Shelf. Until recently, Santa Barbara County's share was \$2,300,149.

As required, California has prepared a Coastal Impact Assistance Plan that lists projects proposed for funding under CIAP, and has certified that these projects meet the authorized uses of CIAP (see Attachment A for the County's list of projects). The MMS approved the plan and is entering into individual grant agreements with each recipient to execute the grant awards.

The Public Works Department has executed one grant agreement with the MMS for the *Creek Signage and Targeted Mailing* project, and plans to submit grant applications for the *Public Opinion Survey and Education to Reduce Water Pollution in Coastal Areas* projects in the next couple of months. The Agricultural Commissioner's office has submitted a grant application for its *Santa Ynez River*

*Restoration* project and is undergoing process to revise its project description as described below. The Parks Department has not submitted any grant application as of yet.

**Fiscal and Facilities Impacts:**

Budgeted: No

**Fiscal Analysis:**

Narrative: The CIAP makes an additional, unanticipated \$555,081.80 available to Santa Barbara County, provided County uses this revenue to fund approved projects. The revenues are reimbursed to County upon demonstration of expenditures pursuant to terms established in the grant agreements. All CIAP monies must be expended by the end of 2016.

**Attachments:**

- A. Resolution
- B. List of current CIAP projects
- C. Descriptions of current CIAP projects
- D. Board packet of February 19, 2008
- E. Board packet of August 19, 2008

**Authored by:** Doug Anthony

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