



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: October 6, 2015
Placement: Administrative
Estimated Tme: n/a
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Planning and Development
Director(s) Glenn Russell, Director, 568-2084
Contact Info: Kevin Drude, Deputy Director, Energy & Minerals Division,
568-2519

SUBJECT: Coastal Resource Enhancement Fund (CREF) 2016 Cycle

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: No

Recommended Actions:

That the Board of Supervisors:

- A. Receive and file the annual CREF Status Report (Attachment A); and
- B. Direct staff to commence the 2016 CREF cycle.

Summary Text:

A. Annual CREF Status Report. The Annual Coastal Resource Enhancement Fund (CREF) Status Report (Attachment A) reviews the status of the 298 grants from CREF since 1988. The report organizes the CREF grants by district and then by category (acquisitions, capital improvements, planning and research, educational and equipment).

B. Commencement of the 2016 CREF Cycle. Staff recommends commencement of the 2016 CREF grant cycle, beginning with solicitation of proposals immediately and culminating with the Board's allocation of CREF grants proposed in March of 2016. Fees for the 2016 cycle are due in February and total \$675,500. The Fund Deferral Program in the CREF Guidelines, page 15, stipulates that half of each year's contributions be available to accrue for coastal acquisitions. Therefore, in the 2016 CREF cycle, there would be \$337,750 available for coastal acquisitions, \$313,875 available for general allocation and \$23,875 in administrative costs.

Background:

The County established CREF as a condition of permits for offshore oil and gas development and transportation projects; mitigation is provided through CREF for impacts to four categories of coastal resources: recreation, tourism, aesthetics, and environmentally sensitive resources (e.g., marine mammals and birds). The County must ensure that CREF fees are used to mitigate those impacts.

Fiscal and Facilities Impacts:

The Coastal Resource Enhancement Fund (CREF) is funded by mitigation fees paid by developers of offshore oil and gas reserves. Fees to fund grants are received annually. Funding for this program is budgeted on page D-291 of the FY 2015-16 budget in the Coastal Mitigation Budget Program, and is fully supported by funds in the Coastal Resource Enhancement Fund. Administration of CREF includes updates of the annual status report, solicitation and evaluation of grant proposals and recommendation of grant awards to the Board of Supervisors, preparing, monitoring and enforcement of CREF grant contracts, preparation and monitoring of the CREF budget, and responding to inquiries.

Currently, P&D has an unallocated balance of \$15,097. This amount is composed of the remaining administrative and interest balances that accumulated over the past three years. This current unallocated balance plus future interest earnings in the FY 2015-16 will serve as a contingency fund should administrative costs exceed the estimated budget, and to accumulate to fund future annual administrative costs. In each future cycle, staff will assess how much it may need to set aside from the CREF fees annually for administrative costs.

Attachments:

Attachment A: Annual CREF Status Report

ATTACHMENT A

Annual CREF Status Report