



BOARD OF SUPERVISORS
AGENDA LETTER

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

Agenda Number:

Submitted on:
(COB Stamp)

Department Name: Planning &
Development
Department No.: 053
For Agenda Of: August 29, 2023
Placement: Departmental
Estimated Tme: 1 hour
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Planning and Development
Director(s) Lisa Plowman, Director, (805) 568-2086

Contact Info: John Zorovich, Deputy Director, Energy, Minerals & Compliance
Division (805) 568-2519

SUBJECT: Allocate 2022 and 2023 Coastal Resources Mitigation Fund (CRMF) Grants –
All Districts

County Counsel Concurrence:

As to form: Yes

Other Concurrence: N/A

As to form: No

Auditor-Controller Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive staff's recommendations for the 2022 and 2023 Coastal Resources Mitigation Fund (CRMF) awards totaling \$680,337;
- b) Approve 2022 and 2023 CRMF budgeting of funds as proposed on pages 7-9, including Table 9, of the attached staff report, along with stipulations outlined in the *Staff Recommendation* sections for each proposal (Attachment A);
- c) Direct staff to prepare the proposed contractual agreements with non-County grantees, including final grant conditions, and return with contractual agreements for Board consideration and approval, including appropriate CEQA compliance;
- d) Defer \$596,777 of acquisition monies to the Fund Deferral Program allowing to accrue for future coastal acquisition proposals; and
- e) Determine that budgeting CRMF funds for the recommended projects does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to

Sections 15378(b)(5) and 15378(b)(4) of the CEQA Guidelines, because it is an administrative activity of the government and creation of government funding mechanisms or other government fiscal activities, which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

Summary Text:

It is requested that the Board of Supervisors approve funding and direct staff to return to the Board for approval of individual Coastal Resources Mitigation Fund (CRMF) grant agreements. The CRMF program was established to utilize funds paid from offshore oil and gas projects for the enhancement of coastal resources. The fund is financed through mitigation fees collected from oil and gas developers. Funds are distributed to various County and non-county environmental impact mitigation projects through a grant program administered by the Planning & Development Department Energy, Minerals & Compliance Division, which solicits and evaluates project proposals and makes recommendations to the Board of Supervisors. For the 2022-2023 funding cycle, nine projects are recommended to receive funding, for a total award of \$680,337 as detailed on pages 7-9 of the report included as Attachment A.

Background:

The County established CRMF to mitigate the environmental impacts of offshore oil and gas development and transportation projects in 1987. As a condition for permitting the Point Arguello, Point Pedernales, Santa Ynez Unit, Gaviota Oil Terminal, and Molino Gas projects each pay mitigation fees to fund CRMF for the life of each project. The Gaviota Oil Terminal and Molino Gas projects, since dismantled, no longer contribute to CRMF. Mitigation is provided through CRMF for impacts to four categories of coastal resources: recreation, tourism, aesthetics, and environmentally sensitive resources. The County must ensure that CRMF fees are used to mitigate those impacts, according to conditions of approval on projects and the CRMF Guidelines.

On December 6, 2022, the Board of Supervisors reassessed CRMF fees for the years 2023-2027 and directed staff to commence a combined two-year 2022-2023 CRMF cycle. On May 2, 2023, the Board of Supervisors modified the 2023-2027 CRMF fee to reduce the assessment for the Point Pedernales project from \$238,950 to \$26,550. The CRMF fees for this offshore platform were reduced because previously identified impacts will no longer occur due to it being shut-down for the foreseeable future.

This year's CRMF cycle is a combined two-year 2022 and 2023 funding cycle. There is a total of \$971,777 available for coastal acquisitions and \$305,337 available for general allocation. Please refer to Table 5 in Attachment A for a detailed breakdown of the funding allocations for this funding cycle.

The County received nine proposals for this cycle. One proposal is seeking \$750,000 of the \$971,777 available for coastal acquisition and eight proposals are seeking a total of \$638,574 of the \$305,377 available for general allocation. Staff recommends granting a total of \$680,337 in awards to all nine proposals.

General Allocation Projects	Requested	Recommended
Wild Welcome Packet Project	\$40,500	\$5,000
Wheelchair Freedom Trax Devices (4)	\$23,074	\$23,074
Channel Islands Education Center Exhibits	\$30,000	\$30,000
Lookout Park Pedestrian Access Improvements	\$280,000	\$30,000
Shalawa/Hammond’s Meadow Restoration	\$25,000	\$25,000
Goleta Kelp Restoration Project – Sea Caves	\$75,000	\$50,000
Stormwater System Full Trash Capture Project	\$65,000	\$42,263
Cabrillo High School Aquarium Coastal Gallery Project	\$100,000	\$100,000
GENERAL ALLOCATION TOTAL	\$638,574	\$305,337

Coastal Acquisition Projects	Requested	Recommended
Gaviota Overlook Property	\$750,000	\$375,000
COASTAL ACQUISITION TOTAL	\$750,000	\$375,000

AWARD TOTALS	\$1,388,574	\$680,337
---------------------	--------------------	------------------

Please refer to Table 9 on page 9 in Attachment A for specific staff recommendations for the 2022 and 2023 CRMF awards. Appendix 1 of the staff report evaluates each CRMF proposal relative to the established CRMF criteria and outlines stipulations for each of the staff recommended CRMF awards.

Section 3.6 of the CRMF Guidelines was established by the Board to provide adequate funding for acquisition projects. The program’s intent is to defer half of each year's CRMF fees and allow these funds to accrue so the Board can eventually fund an appropriate coastal acquisition project. Prior to this funding cycle, there was \$712,800 in the Fund Deferral Program that had been deferred from past cycles. With the \$712,800 deferred from past cycles and the 2022 and 2023 CRMF fees earmarked for coastal acquisitions (\$162,176 and \$96,801, respectively), there is \$971,777 available for coastal acquisitions this cycle.

As noted above, there is one coastal acquisition proposal seeking \$750,000 of the \$971,777 available this cycle. Staff is recommending \$375,000 towards the one coastal acquisition proposal, which would leave \$596,777 to defer to the Fund Deferral Program for future coastal acquisition proposals.

Fiscal Analysis:

Budgeted: Yes

CRMF creates no fiscal impact on the County General Fund budget. CRMF is funded by mitigation fees paid annually by developers of offshore oil and gas reserves. Funding for CRMF is budgeted in the Planning & Development Department’s Coastal Mitigation Budget Program on page D-316 of the County of Santa Barbara Fiscal Year (FY) 2023-24 Adopted Budget, and is fully supported by CRMF monies.

Administration of CRMF includes preparation of the annual status report, solicitation and evaluation of grant proposals and recommendations of grant awards to the Board of Supervisors, preparation, monitoring and enforcement of CRMF grant contracts, preparation and monitoring of the CRMF budget, and the reassessment of CRMF fees.

If the Board grants a CRMF award to Proposal No. 4 towards the Community Services Department's Lookout Park Pedestrian Access Improvement project, any fiscal impact for maintenance costs would be absorbed in the park's annual budget.

Attachments:

A: Combined Two-Year 2022 and 2023 CRMF Cycle Staff Report