



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: CEO  
Department No.: 012  
For Agenda Of: February 15, 2011  
Placement: Departmental  
Estimated Tme: 30 minutes  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Department Chandra L. Wallar, County Executive Officer, 568.3400  
Director(s)  
Contact Info: Chandra L. Wallar, County Executive Officer, 568.3400  
**SUBJECT: Allocating Coastal Resource Enhancement Fund (CREF) 2011 Grants**

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**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

Allocate \$260,580 for the Gaviota Coast Plan and \$69,559 for the Santa Claus Lane Project in General Allocation funds for the 2011 Coastal Resource Enhancement Fund (CREF) cycle.

**Summary Text:** There is \$330,139 of Coastal Resource Enhancement Fund (CREF) available for general allocation in 2011. CREF Guidelines state that project proposals *may be* solicited from the public, public agencies, municipalities, special districts, and non-profit organizations. Last year, the Board directed staff to conduct a full solicitation (internal and external) with a preference to County projects over non-County projects due to the County's budget situation. While the Board of Supervisors has the discretion to determine how CREF funds are awarded, it is recommended that the Board award the funds to the Gaviota Coast Plan and Santa Claus Lane Beach Access, Parking and Street Improvements. This recommendation is based upon the following information: (1) all projects satisfy criteria for CREF funding; (2) without CREF funds it is likely that ongoing efforts towards these projects will remain unfunded and (3) CREF funding will enable substantial progress and/or the completion of these projects.

**Background:** The County recently collected \$623,000 in 2011 fees. Pursuant to the Fund Deferral Program in the CREF Guidelines, 50% of the fees are allocated to coastal acquisition-type projects and 50% to general allocation type projects, which may include acquisitions. In September of 2010, the Board of Supervisors awarded Trust for Public Land's Ocean Meadows Property the acquisition-only fees from 2011, which amount to \$311,500. The balance of the fees collected in 2011 (\$311,500), coupled with refunds from previously completed projects (\$18,639) results in \$330,139 in CREF funds. 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.

The recommended projects of the Gaviota Coast Plan and Santa Claus Lane satisfy the CREF criteria.<sup>1</sup> Gaviota Coast Plan develops policies supporting agricultural stewardship and protecting significant coastal resources by evaluating and updating existing policies and regulations in the County’s Coastal Plan, Comprehensive Plan, Grading Ordinance, and Land Use and Development Code to determine policies’ effectiveness in protecting Gaviota Coast coastal resources. Santa Claus Lane improves streetscape, pursues public beach access and provides adequate coastal access parking. The proposed use of CREF funds will ensure that these projects achieve significant progress in 2012. As the Board is aware FY 2011-12 will see severe fiscal challenges in achieving a balanced budget. It is likely many programs, services and projects will be reduced or eliminated. Since completion of the Gaviota Coast Plan and Santa Claus Lane projects are principally dependent upon discretionary County General Fund monies, it is unlikely that these projects would be completely funded in the upcoming budget process. Unlike other potential projects that may compete for CREF, there is limited likelihood that federal and state monies or grants would become available for these types of projects. Additionally, without funding, these projects would be placed on hold, impacting the progress completed to date. The following chart shows costs to date and funding needed to complete each project.

Project Name	Through June 2011	FY 11-12	FY 12-13	FY 13-14	Completion Date	Projected Total
<b>Gaviota Coast Plan</b>	\$488,620	\$286,790	\$295,538	\$99,231	Fall 2014	\$1,170,179
<b>Santa Claus Lane Phase I</b>	\$212,464	\$10,197	N/A		Summer 2011	\$222,661
<b>Santa Claus Lane Phase II</b>	N/A	\$146,715	N/A		Summer 2012	\$146,715

**Fiscal and Facilities Impacts:** The Gaviota Coast Plan project total is \$1,170,179. In FY2010, CREF (\$280,710) and the General Fund (\$207,910) paid for the Plan. The estimated cost for implementation in FY2011 is \$286,790 and proposed to be funded entirely by CREF, \$260,580 in 2011 and the carryover of the remaining \$26,210 unspent from the 2010 award. In FY 2010, CREF (\$73,889) the General Fund (\$103,265) and Mitigation Trust (\$35,310) funded Santa Claus Lane Phase 1. Phase II is proposed to be funded by CREF (\$69,559), which leaves a remaining balance of \$77,156. Since the total amount of 2011 CREF funding available is less than the project costs for these two projects, either the scope of the projects will need to be modified or additional funds must augment the CREF shortfall. However, without the proposed use of CREF, the General Fund needed would be significantly greater.

The recommendation to award CREF funds to these projects is not intended to create a precedent for funding planning projects. Rather, it is recommended that the current CREF cycle fund these two planning projects in light of the progress made on these projects to date as well as the difficult budget climate facing the County. Without the receipt of CREF funds, it is likely that these discretionary projects will not receive sufficient General Fund support within the proposed 2011-12 County budget necessary to complete or move the projects significantly forward toward completion. Staff will recommend that 2012 and subsequent CREF funding cycles should emphasize projects instead of planning initiatives.

<sup>1</sup> CREF projects are evaluated on criteria: (1) Enhancement projects must be located in the coastal area or have a coastal relationship, and must be consistent with the County's Local Coastal Program and Comprehensive Plan or other applicable local coastal/general plans. Enhancement projects should be located within geographical proximity to oil and gas onshore/offshore development activities while still providing for the broadest public benefit; (2) Projects should compensate for coastal impacts due to oil and gas development, specifically for sensitive environmental resources, aesthetics, tourism, and negative effects on coastal recreation in the County; (3) Projects should provide a level of broad public benefit; (4) The intent of the CREF program is to fund coastal acquisition and capital improvement projects; therefore, projects which offer coastal acquisition and capital improvements will receive higher priority than those projects which do not; (5) Projects should utilize matching funds and/or in-kind services to the maximum extent possible; (6) Projects should be self-supporting or should require minimum on-going County operations/maintenance costs once the project is completed and implemented; (7) Projects to be funded should lack other viable funding mechanisms to complete the project and (8) The feasibility of implementing and completing the project shall be considered. Planning and Development staff evaluated projects for the Board meeting of June 1, 2010 and determined Gaviota Coast satisfied criteria #1 and partially satisfied criteria #2, #3, #5, #6, #7 and #8. Santa Claus satisfied #1, #2, #3, #8 and partially satisfied #4, #5, #6 and #7.