



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

#4

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: September 11, 2012
Placement: Departmental
Estimated Tme: 30 mins
Continued Item: No
If Yes, date from:
Vote Required: Majority

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: Allocation of Coastal Resource Enhancement Fund (CREF) Grants in the 2013 Cycle

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence:

As to form: Community Services Department

Recommended Actions:

That the Board of Supervisors considers the following recommendations for the allocation of Coastal Resource Enhancement Fund ("CREF") funds for the 2013 CREF funding cycle:

- A. Revise the Coastal Resource Enhancement Fund (CREF) Guidelines, Section 3.6, Fund Deferral Program to reduce the percentage of fees earmarked for acquisitions from 50% to 0% in the 2013 CREF cycle.
- B. Allocate \$273,000 of the 2013 CREF fees to Planning & Development, towards the Gaviota Coast Plan;
- C. Allocate \$402,500 of the CREF fees to the Community Services Department for construction of a new restroom at Arroyo Burro Beach County Park;
- D. Determine that the amendment to the CREF Guidelines, Fund Deferral Program is not a project under CEQA Section 15378(b)(4) of the State Guidelines for the implementation of the California Environmental Quality Act.
- E. Determine that the allocation of the CREF grant for the Gaviota Coast Plan is exempt from CEQA pursuant to Section 15262 of the State Guidelines for the implementation of the California Environmental Quality Act.
- F. Determine that the allocation of the CREF grant for Arroyo Burro Beach restroom is exempt from CEQA pursuant to Section 15301 of the State Guidelines for the implementation of the California Environmental Quality Act.

Summary Text:

On August 21, 2012, the Board of Supervisors approved the Coastal Resource Enhancement Fund (CREF) reassessment of fees for the years 2013-2017, making \$675,500 available in the 2013 CREF cycle. Unless amended, the CREF Guidelines earmark 50% of each year's fees for projects that involve the acquisition of coastal land or easement. The other 50% is earmarked for general allocation, which can include acquisitions. CREF Guidelines also state that project proposals may be solicited from the public, public agencies, municipalities, special districts, and non-profit organizations.

Discretion to determine how CREF funds are awarded falls to the Board of Supervisors. It is recommended that the Board:

- Make all 2013 CREF fees available for general allocation and not allocate any of the 2013 CREF fees to the Fund Deferral Program. The proposed amendment to the CREF Guidelines to effectuate this recommendation is reflected with an underline in the last sentence in Section 3.6 on page 15 of Attachment A to this board letter;
- Award \$273,000 to Planning & Development's Gaviota Coast Plan; and
- Award \$402,500 to the Community Services Department's new restroom at Arroyo Burro Beach, which would replace the two existing restrooms.

This recommendation is based on the following:

- (1) FY 2013-2014 will see fiscal challenges in achieving a balanced budget.
- (2) The two general allocation proposals satisfy most criteria for CREF funding (see Attachment B).
- (3) Without CREF funds, it is likely that ongoing efforts towards the Gaviota Coast Plan will remain unfunded.
- (4) The current restroom facilities are old. Without sufficient CREF funds, it is likely that the new restroom would not be built.

Alternatively, Planning and Development (P&D) staff could immediately commence a brief solicitation of proposals for general allocation and return to the Board with funding recommendations in January of 2013. CREF fees will be available in February of 2013. Options for soliciting proposals could include, but are not limited to:

- a. Conducting a solicitation from County agencies only (internal); or
- b. Conducting a solicitation from all eligible applicants (internal and external).

The two general allocation projects would be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA), as defined in the State and County Guidelines for the implementation of CEQA (see Attachment C).

Background: 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 Gaviota Coast Plan has been evaluated and found to satisfy most of the CREF criteria. The Gaviota Coast Plan would provide policies addressing agriculture viability and stewardship, recreation, visual resources, and 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. The proposed use of CREF funds will ensure that the Gaviota Coast Plan achieves significant progress in 2013-14. As the Board is aware, the County will continue to face fiscal challenges in FY 2013-2014. It is likely that some programs, services, and projects will be reduced or eliminated. Since completion of the Gaviota Coast Plan is principally dependent upon discretionary County General Fund monies, it is unlikely that this project would be completely funded in the upcoming budget process. Additionally, without the CREF funding, the Gaviota Coast Plan may be placed on hold, impacting the progress completed to date.

The recommended new restroom at Arroyo Burro Beach was evaluated and found to satisfy all of the CREF criteria. The Community Services Department (CSD) would propose to construct a new restroom building at Arroyo Burro County Park Beach, just north of the existing women's restroom. The current restroom facility is in two separate buildings; the men's restroom is attached to the restaurant and the women's restroom is detached. The current restrooms are 30 years old, in poor condition and do not adequately meet the needs of the public. The new restroom would provide for better access, circulation, maintenance, and security and gravity flow for waste water to the sewer system. A new restroom facility would also be appropriately sized to meet the needs of the park users. The new proposed restroom is also included in the Capital Improvement Program. Without CREF funding, the restroom may not be installed.

In the last two years (2011 and 2012 CREF cycles), the Board did not solicit proposals and opted to fund various County projects that had a coastal nexus (i.e., the Gaviota Coast Plan, Santa Claus Lane Project, and the Guadalupe Dunes Bypass Road). In the 2010 cycle, 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 unfavorable budget situation.

Fiscal and Facilities Impacts:

The Gaviota Coast Plan project total is estimated to be \$1,521,209. The costs through FY 12/13 have been estimated to be \$1,176,633. This has and will be funded by:

- \$251,739 (General Fund) in FY 09/10;
- \$254,500 (the bulk of the 2010 CREF grant) and \$32,914 (General Fund) in FY10/11;
- \$26,210 (the remainder of the 2010 grant) and \$245,262 (2011 CREF grant) in FY 11/12; and
- \$15,318 (the remainder of the 2011 grant), \$296,497 (2012 CREF grant) and \$54,193 (General Fund) in the FY 12/13 budget.

Planning & Development estimates remaining cost:

- \$309,476 in FY13/14 to complete the EIR and conduct most of the local adoption hearings (proposed \$273,000 2013 CREF grant and \$36,476 in general fund); and
- \$35,100 in FY 14/15 to finish up the local adoption hearings and certify the plan with the Coastal Commission.

The proposed new restroom at Arroyo Burro Beach is estimated to cost \$706,000, which would be paid for by the recommended \$402,500 2013 CREF award and the proposed \$303,500 AB1600 (South Coast West) funds. AB1600 currently has \$635,000 available for use and subsequent to the Board approving this CREF request, Community Services Department will return with a Budget Revision Request to allocate funds to this project.

The Coastal Resource Enhancement Fund is funded by mitigation fees paid by developers of offshore oil and gas reserves. Fees to fund grants are received annually. CREF is included in the Energy Division Mitigation Program Cost Center in the Planning & Development Department's FY 12/13 Budget on page D-138 (see "Source of Funds Summary – Energy Mitigation" for revenue, expenditures are included in "Use of Funds Summary – Energy"). Staff costs to administer the fund are offset by interest accrued to the Coastal Resource Enhancement Fund.

Attachments:

Attachment A: CREF Guidelines

Attachment B: CREF Criteria Evaluations for Gaviota Coast Plan and Arroyo Burro Beach Restroom

Attachment C: Notice of Exemptions