



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: December 6, 2011
Placement: Departmental
Estimated Tme:
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: Allocating Coastal Resource Enhancement Fund (CREF) 2012 Grants

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

As to form:

Recommended Actions:

That the Board of Supervisors:

- A. Revise the Coastal Resource Enhancement Fund (CREF) Guidelines, Section 3.6, Fund Deferral Program to revise the percentage of fees to acquisitions from 50% to about 15.5% (that is, \$96,404) in the 2012 CREF cycle only.
- B. Defer \$96,404 of acquisition monies to the Fund Deferral Program.
- C. Allocate \$296,497 for the Gaviota Coast Plan from the general allocation subfund in the 2012 CREF cycle.
- D. Allocate \$250,000 for the Guadalupe Dunes New Road and Parking Lot Access from the general allocation subfund in the 2012 CREF cycle.
- 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 the Guadalupe Dunes Road is exempt from CEQA pursuant to Section 15378(b)(4) of the State Guidelines for the implementation of the California Environmental Quality Act.

Summary Text: In the 2012 Coastal Resource Enhancement Fund (CREF) cycle, there will be \$642,901 available (\$623,000 in CREF fees and a \$19,901 refunded from a CREF project in 2011). Currently, the CREF Guidelines, Section 3.6, state that at least 50% of the annual CREF fees shall be dedicated to coastal land acquisitions or go into the Fund Deferral Program, which accrue monies to adequately fund coastal acquisition projects. For the 2012 cycle only, it is recommended that the

percentage for acquisition funding be reduced to approximately 15.5%, that is, \$96,404. This proposed change to the CREF Guidelines is reflected on page 18 of Attachment A to this board letter.

CREF Guidelines state that project proposals *may* be solicited from the public, public agencies, municipalities, special districts, and non-profit organizations. 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 the Guadalupe Dunes New Road and Parking Lot Access. This recommendation is based on the following: (1) the two proposals satisfy some criteria for CREF funding (see Attachment B); (2) without CREF funds it is likely that ongoing efforts towards these project will remain unfunded; and (3) CREF funding will enable substantial progress and/or the completion of these projects.

Creating a funding mechanism for the two 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:

Currently, there is a balance of \$19,901 in the general allocation sub-fund and the acquisition sub-fund is expended. The County will collect \$623,000 in 2012 fees in February of 2012.

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. The County must ensure that CREF fees are used to mitigate those impacts.

The recommended Gaviota Coast Plan was evaluated and found to satisfy some of the CREF criteria. The 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.

The recommended Guadalupe Dunes New Road and Parking Lot Access was evaluated and found to satisfy some of the CREF criteria. The road to the parking lot at the Guadalupe Dunes County Park has been closed since March of 2011 due to the Santa Maria River washing out the original road. The proposed new section of road would by-pass the section of the original road that was washed out and allow access to the parking lot at the County Park.

The proposed use of CREF funds will ensure that these projects achieve significant progress in 2012. As the Board is aware, FY 2012-2013 will see 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 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 funding, these projects would be placed on hold, impacting the progress completed to date.

Fiscal and Facilities Impacts:

The Gaviota Coast Plan project total is \$1,170,179. In FY 09/10, the Plan was paid for by General Fund (\$251,739). In FY10/11, the bulk of a 2010 CREF grant (\$254,500) and the General Fund (\$32,914) paid for the Plan. In FY 11/12, the remaining of the 2010 CREF grant (\$26,210) and a 2011 CREF grant (\$260,580) paid for the Plan. The estimated costs for the FY12/13 are \$296,497, which is proposed to be paid for by a CREF 2012 grant.

Since March of 2011, visitors to Guadalupe Dunes County Park have been parking at the washed out area of the road into the park and walking a mile to the beach. The proposed new section of road will enable visitors to park at the Park's parking lot. It will cost the Parks Department \$1,500 to maintain the road until the original road is repaired.

Attachments: Attachment A: CREF Guidelines

Attachment B: CREF Criteria Evaluations for Gaviota Plan and Guadalupe Dunes Road

Attachment C: Notice of Exemptions

Attachment A

Proposed Changes to CREF Guidelines

(See Page 19)

COASTAL RESOURCE ENHANCEMENT FUND

GUIDELINES

Adopted: June 6, 1988
Revised: April 25, 1990
Revised: December 8, 1992
Revised: May 24, 1994
Revised: December 1, 1998
Revised: October 22, 2002
Revised: September 21, 2004
Revised: February 12, 2008
Revised: April 20, 2010
Revised December 6, 2011

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COASTAL RESOURCE ENHANCEMENT FUND GUIDELINES

1. PURPOSE OF THE COASTAL RESOURCE ENHANCEMENT FUND

Environmental impact reports for five oil projects concluded that Santa Barbara County's coastal resources will be adversely affected by the impacts of offshore oil and gas development along or near the County's coast. Permit conditions for these County-approved offshore oil and gas projects, Point Arguello, Santa Ynez Unit, Point Pedernales, Gaviota Terminal, and Molino Gas require each project to contribute to a Coastal Resource Enhancement Fund (CREF). The permit conditions specify that for the Santa Ynez Unit and Point Arguello projects, the contribution to the CREF shall not exceed \$327,400 annually for the life of the project. For Gaviota Terminal and Point Pedernales projects, the contribution to CREF shall not exceed \$325,000. The Molino Gas project's permit requires a CREF payment of \$71,880 (in 1997 dollars) every year while the drilling rig is erected for primary drilling operations and \$17,970 (in 1997 dollars) every quarter for well workovers and abandonment procedures.

The purpose of the CREF is to provide the required mitigation for these residual and cumulative impacts that cannot be fully mitigated by other project-specific mitigation measures. The CREF is designed specifically to mitigate, to the maximum extent feasible, impacts to coastal recreation, aesthetics, tourism, and/or sensitive environmental resources. The CREF achieves mitigation by providing enhancement projects, which will compensate for the residual impacts to the County caused by these oil and gas projects that are not fully mitigated by other project-specific mitigation measures. Any future offshore oil and gas projects permitted by Santa Barbara County would be expected to participate in the CREF program consistent with the adopted guidelines.

1.1 Coastal Resource Enhancement Fund Program Approved by the Board of Supervisors

On April 18, 1988 the Board of Supervisors approved a funding approach for implementing the CREF. This approach requires four of the five affected offshore oil projects (Point Arguello, Santa Ynez Unit, Point Pedernales, and the Gaviota Terminal), to make either a front-end, five-year payment to the CREF or to make annual payments for the next five years. The CREF payments required of these projects for each five-year period are reassessed by the Board of Supervisors. The results of the past reassessments are in Table 1.

The County specified the CREF fees for the Molino Gas project in the permit, rather than resorting to five-year assessments, due to state law effective for mitigation fees approved after January 1, 1989. The Molino Gas project has paid \$71,880 to CREF in 1997 and \$21,025 when it plugged and abandoned its sole exploratory well in 2003.

Table 1. Past CREF Payments (adjusted for inflation)

	Santa Ynez Unit	Point Arguello	Gaviota Terminal	Point Pedernales	Totals
1987/88	\$240,000	\$981,000	\$480,000	\$400,000	\$2,101,000
1989	\$240,000	\$327,400	\$240,000	\$100,000	\$ 907,400
1990	\$240,000	\$327,400	\$240,000	\$ 60,000	\$ 867,400
1991	\$240,000	\$300,000	\$100,000	\$ 60,000	\$ 700,000

1992	\$240,000	\$300,000	\$100,000	\$ 60,000	\$ 700,000
1993	\$239,600	\$327,400	\$119,800	\$ 95,840	\$ 782,640
1994	\$263,560	\$327,400	\$119,800	\$ 95,840	\$ 806,600
1995	\$239,600	\$327,400	\$239,600	\$ 95,840	\$ 902,440
1996	\$239,600	\$327,400	\$119,800	\$ 95,840	\$ 782,640
1997	\$239,600	\$327,400	\$119,800	\$ 95,840	\$ 782,640
1998	\$234,450	\$299,575	\$104,200	\$130,250	\$ 768,475
1999	\$234,450	\$273,525	\$ 78,150	\$130,250	\$ 716,375
2000	\$234,450	\$247,475	\$ 78,150	\$130,250	\$ 690,325
2001	\$234,450	\$247,475	\$ 78,150	\$130,250	\$ 690,325
2002	\$234,450	\$221,425	\$ 78,150	\$130,250	\$ 664,275
2003	\$208,600	\$253,300	\$149,000	\$149,000	\$ 759,900
2004	\$208,600	\$253,300	\$149,000	\$149,000	\$ 759,900
2005	\$208,600	\$223,500	\$ 59,600	\$149,000	\$ 640,700
2006	\$208,600	\$223,500	\$ 89,400	\$149,000	\$ 670,500
2007	\$208,600	\$223,500	\$ 29,800	\$149,000	\$ 610,900
2008	\$213,600	\$231,400	\$ 0	\$178,000	\$ 623,000
2009	\$213,600	\$231,400	\$ 0	\$178,000	\$ 623,000
2010	\$213,600	\$231,400	\$ 0	\$178,000	\$ 623,000
2011	\$213,600	\$231,400	\$ 0	\$178,000	\$ 623,000
2012	\$213,600	\$231,400	\$ 0	\$178,000	\$ 623,000

1.2 Mitigation Requirements

The Coastal Resource Enhancement Fund provides a mechanism for receiving and utilizing funds assessed as part of oil and gas development project approval and permit issuance. The CREF ensures that impacts identified in project Environmental Impact Reports (EIRs) are mitigated to the maximum extent feasible.

Inclusions: Provisions of the CREF are applicable to all projects related to offshore oil and gas development, where the EIR for the project identifies potential residual impacts to the County's coastal zone of one or more of the following types: coastal recreation, aesthetics, tourism and environmentally sensitive resources. Residual impacts are those impacts remaining after project-specific mitigation has been implemented.

Impacts resulting from all project phases -- including construction, operation, facility removal, and site restoration -- are subject to the provisions of the CREF.

"Residual" is emphasized above as the CREF addresses only those impacts that have not already been mitigated through project-specific conditions. Impacts that can be eliminated by project mitigation measures will continue to be addressed in that manner and only unmitigated impacts fall under the purview of the CREF.

Exclusions: To avoid duplicative mitigation, impacts addressed by any existing program (including in-lieu fee programs) are not included within the scope of the CREF. Impacts and associated mitigation programs or existing funds that are specifically excluded from the CREF are outlined below.

Local Fishermen's Contingency Fund: For coastal developments containing offshore project components such as platforms, pipelines, and piers, monies are required to be set aside in this contingency fund. Funds are specifically used to aid commercial fishermen whose gear is damaged or lost due to offshore oil or gas development.

Fisheries Enhancement Fund: Although payments to this fund are from the same type of offshore developments as referenced above, monies are targeted for improvement of commercial fisheries. The purpose of the fisheries fund is to offset losses of, or disturbances to, commercial fishing areas. Projects that may be eligible for funds from this program are: protection of certain spawning grounds; pier, dock, and harbor improvements for commercial fishermen; and various types of fishery enhancement programs.

Offsite Road Improvement Fees: Road improvement fees are required by the Santa Barbara County Public Works Department to mitigate cumulative direct and/or indirect traffic impacts. Fees are used to improve roads in impacted areas, to install traffic signals and turn lanes, to widen roads, etc.

In-Lieu Coastal Access Fees: Coastal access is an existing County requirement for projects within the coastal zone.

Socioeconomic Monitoring and Mitigation Program: This program addresses mitigation required as a result of oil development population impacts to the County, cities, or special districts and school districts.

2.0 CREF PROCESS

2.1 Fee Amounts

The procedure for calculating fee amounts for the Point Arguello, Santa Ynez Unit, Point Pedernales, and the Gaviota Terminal projects is described below. The assessment is based on the following three steps:

1. Identify residual impacts within various issue areas that contribute to an impact, either project-specific, cumulative or both.
2. Assign impact points a value between 0-5.
3. Multiply the number of impacts points for each oil project times the \$20,000 value to determine the annual contribution, adjusted every five years to reflect constant dollars, pursuant to changes in the Consumer Price Index (The Bureau of Labor Statistics, U.S. Department of Labor, "Consumer Price Index for All Urban Consumers, Los Angeles - Long Beach - Anaheim Metropolitan Area.").

Administrative Costs: Administrative costs are covered by the CREF program. Under a five-year assessment approach the administrative costs for the CREF program are relatively minor.

Determining Fee Amounts:

1. Identify residual impacts of the types below. "Residual impacts" refer to impacts remaining after all mitigation measures have been incorporated into the project.
2. Evaluate the entire project, including onshore and offshore impacts that adversely affect residents of, or visitors to Santa Barbara County.
3. Evaluate impacts associated with all phases of the project, including construction, operation, facility removal, and site restoration.
4. Evaluate net residual impacts; include directly related beneficial impacts in the assessment of residual impacts.

Impact Types:

- coastal recreation
- tourism
- aesthetics (visual)
- environmental sensitive resources

Impact Values:

Assign a value from 0-5 to each impact category. A value of one is equivalent to low impact; five signifies high impact. Sum all values to derive a measure of total residual impact. See Tables 2-5 for a summary of the past_CREF point value determinations.

In assigning values, consider the following factors:

- a. area affected by impact,
- b. duration of impact,
- c. frequency of impact,
- d. extent to which impact exceeds impact significance criteria.
- e. number of project components contributing to the impact.
- f. number of people affected,
- g. quality of resource prior to impact,
- h. priority given to impacted resource in the Local Coastal Program and other elements of the County's Comprehensive Plan.

Table 2: Santa Ynez Unit CREF Assessments

	Environ. Sensitive Resources	Aesthetics	Recreation	Tourism	TOTALS
1988	5	2	0	5	12
1989	5	2	0	5	12
1990	5	2	0	5	12
1991	5	2	0	5	12

1992	5	2	0	5	12
1993	4	2	0	4	10
1994	4	2	2	3	11
1995	3	2	2	3	10
1996	3	2	2	3	10
1997	3	2	2	3	10
1998	2.5	2	1.5	3	9
1999	2.5	2	1.5	3	9
2000	2.5	2	1.5	3	9
2001	2.5	2	1.5	3	9
2002	2.5	2	1.5	3	9
2003	2	2	1.5	1.5	7
2004	2	2	1.5	1.5	7
2005	2	2	1.5	1.5	7
2006	2	2	1.5	1.5	7
2007	2	2	1.5	1.5	7
2008	1.5	2	1.25	1.25	6
2009	1.5	2	1.25	1.25	6
2010	1.5	2	1.25	1.25	6
2011	1.5	2	1.25	1.25	6
2012	1.5	2	1.25	1.25	6

Table 3: Point Arguello CREF Assessment

	Environ. Sensitive Resources	Aesthetics	Recreation	Tourism	TOTALS
1988	4	5	5	5	19
1989	4	5	5	5	19
1990	4	5	5	5	19
1991	3	4	4	4	15
1992	3	4	4	4	15
1993	3	4	4	4	15
1994	3	4	4	4	15
1995	3	4	4	4	15
1996	3	4	4	4	15
1997	3	4	4	4	15
1998	3.5	3	3	2	11.5
1999	2.5	3	3	2	10.5
2000	2.5	3	3	1	9.5
2001	2.5	3	3	1	9.5
2002	2.5	3	3	0	8.5
2003	2.5	3	3	0	8.5
2004	2.5	3	3	0	8.5

2005	2.5	2.5	2.5	0	7.5
2006	2.5	2.5	2.5	0	7.5
2007	2.5	2.5	2.5	0	7.5
2008	2	2.5	2	0	6.5
2009	2	2.5	2	0	6.5
2010	2	2.5	2	0	6.5
2011	2	2.5	2	0	6.5
2012	2	2.5	2	0	6.5

Table 4: Gaviota Terminal CREF Assessments

	Environ. Sensitive Resources	Aesthetics	Recreation	Tourism	TOTALS
1987/88	2	4	3	3	12 (x 2)
1989	2	4	3	3	12
1990	2	4	3	3	12
1991	1	0	2	2	5
1992	1	0	2	2	5
1993	1	0	2	2	5
1994	1	0	2	2	5
1995	2	2	3	3	10
1996	1	0	2	2	5
1997	1	0	2	2	5
1998	2	0	2	2	6 (-2)*
1999	1	0	2	2	5 (-2)*
2000	1	0	2	2	5 (-2)*
2001	1	0	2	2	5 (-2)*
2002	1	0	2	2	5 (-2)*
2003	1	0	2	2	5
2004	1	0	2	2	5
2005	0.75	0	1.75	1.5	4**
2006	0	0	1.		1***
2007	0	0	1	0	1
2008	0	0	0	0	0****
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	0	0	0	0	0

* The County credited ten points spanned over five years since the first two assessments predicted three years of tanker berthing and only one year of tanker berthing occurred.

** The whole point in the Coastal Recreation category reflects the annual impact of the tanks onsite. The three other points distributed among the three categories represents the impact of oil in the storage tanks for three-quarters of the year.

*** One point reflects the annual impact of the purged tanks onsite.

**** The CREF assessment eliminates the remaining last point since removal of all tanks will occur in 2008.

Table 5: Point Pedernales CREF Assessments

	Environ. Sensitive Resources	Aesthetics	Recreation	Tourism	TOTALS
1987/88	2	2	1	0	5
1989	2	2	1	0	5
1990	1	1	1	0	3
1991	1	1	1	0	3
1992	1	1	1	0	3
1993	2	1	1	0	4
1994	2	1	1	0	4
1995	2	1	1	0	4
1996	2	1	1	0	4
1997	2	1	1	0	4
1998	3	1	1	0	5
1999	3	1	1	0	5
2000	3	1	1	0	5
2001	3	1	1	0	5
2002	3	1	1	0	5
2003	3	1	1	0	5
2004	3	1	1	0	5
2005	3	1	1	0	5
2006	3	1	1	0	5*
2007	3	1	1	0	5
2008	3	1	1	0	5
2009	3	1	1	0	5
2010	3	1	1	0	5
2011	3	1	1	0	5
2012	3	1	1	0	5

* The half point reduction in the aesthetics category applies the year following confirmation by Energy Division that the newly planted trees are established, thriving, and of adequate growth to screen the electrical substation at Surf Beach from direct view. The table does not show the half-point reduction, and it is unlikely to occur prior to 2012.

2.2 Timing of Payments

CREF fee requirements may be included as a condition of any discretionary plan or permit approved by the County. Relevant approvals and permits include, but are not limited to, Preliminary Development Plans, Final Developments Plans, Conditional Use Permits, Special Use Permits, and Specific Plans. In no case will different permits for the same project duplicate assessed fees.

The fee is assessed as an annual payment to be paid each year. Annual payments will be due by February 15 of each year. A reassessment of impacts and CREF contributions for the next five-year period will be done during the last year of the last assessment.

For all affected oil projects the CREF applies to each oil project for the life of the project. For purposes of the CREF program "life of the project" is defined as the period:

"beginning the first date of the initiation of site preparation or construction activities (a) in state or federal waters offshore Santa Barbara County, or (b) at an onshore site within the coastal zone as designated in the County's Local Coastal Program, whichever is earlier; and ending the date County-approved site restoration has occurred at (a) the last offshore, or (b) the last onshore site that is in or adjacent to the coastal zone and associated with the project, whichever is later."

In all cases, the beginning and ending dates are determined by the Director of the Planning & Development Department.

2.3 Impact and Fee Reassessments

As impacts may not actually occur as predicted by the environmental analysis used for the initial CREF assessments, fee amounts are to be reassessed throughout the duration of offshore oil and gas development along the County's coastline. Impacts and corresponding fee amounts are to be reassessed at five-year intervals. Reassessments are to be based on information collected as part of the County's project and permit monitoring efforts.

A reassessment for the CREF does not open other conditions of the same plan or permit to reevaluation.

A reassessment may be based on the same methodology as described for the initial assessment, or based on an improved methodology if one becomes available in the intervening years and is approved by the Planning Commission and Board of Supervisors prior to its use.

3.0 USE OF FUNDS

CREF monies are to be used for a variety of coastal resource protection or improvement projects. Enhancement projects, or programs eligible to receive CREF monies, are limited to those that are offsite from and not specific to any one development project. That is, the projects eligible for funding must be above and beyond the scope of other mitigation measures required of an individual permit holder.

As the purpose of the CREF is to mitigate coastal impacts, it is the County's intent to actively seek and provide financial assistance to appropriate enhancement projects. The County Board of Supervisors will ultimately determine how CREF monies are awarded.

3.1 Eligible Enhancement Projects

All projects awarded CREF monies or support must demonstrate that they are consistent with the goals and policies of the County's Local Coastal Program (LCP). In addition, according to the specific goals of the CREF, eligible projects must emphasize one or more of the following categories:

- coastal land acquisition for public use/preservation,
- coastal restoration or habitat protection,
- coastal tourism or recreation,

- coastal quality of life.

Examples of the type of projects that might be funded are presented below. These are not intended to be all-encompassing, or exclusionary, or necessarily to indicate the County's priorities.

Coastal Tourism and Recreation, such as projects to:

- a. Acquire new coastal recreation areas and coastal access; improve conditions or facilities at existing recreation areas. (See LCP Section 3.7.)
- b. Improve access to recreation areas for non-motorized modes of transportation (bikeways, hiking and equestrian trails). (See LCP Section 3.7.5.)

Coastal Restoration/Habitat Protection, such as projects to:

- a. restore or enhance degraded habitat areas such as wetlands. (See LCP Section 3.9).
- b. purchase land, conservation easements, or development rights in remaining habitat areas for rare and endangered native plants and animals. (See LCP Section 3.9).

Note that eligible projects are not associated with the direct mitigation measures required of an individual development. Note too, that while CREF monies may be used to acquire, improve, and maintain coastal access, such use of CREF monies is not interchangeable with, nor a substitute for, in-lieu coastal access fee requirements of specific development projects. CREF monies may be matched, however, with In-Lieu Coastal Access Fees to better implement the County's Coastal Access Plan.

Enhancement projects may be located in the unincorporated and incorporated areas of Santa Barbara County. Projects in the incorporated areas of the County, or areas subject to a certified coastal program or management program other than the County's, must be consistent with the relevant program. Certified programs include, but are not limited to, the City of Santa Barbara's Coastal Land Use Plan for the City (certified January 22, 1981) and for the Airport (certified May 20, 1983), City of Carpinteria's Coastal Land Use Plan (certified January 27, 1982), University of California at Santa Barbara's Long-Range Development Plan (certified March 17, 1981).

Eligible Project Applicants

Project proposals may be solicited from the public, public agencies, municipalities, special districts, and non-profit organizations, as appropriate for the types of projects desired. All project applicants must demonstrate that their project is for a broad public purpose.

3.2 Enhancement Project Selection Criteria and Selection Process

CREF projects for funding will be recommended to the Board of Supervisors by the Planning & Development Department (P&D). For those CREF projects under consideration that are in the jurisdiction of other County departments, such as the County Park Department, P&D, in conjunction with the appropriate department, and the Administrative Office, will provide the Board of Supervisors with an

assessment of long-term fiscal impacts associated with these projects. The diversity of projects ultimately selected for funding will be at the sole discretion of the Board. The Board may give priority to projects where combined funding resources, such as matching grants or leveraged funds, can be utilized to increase the effectiveness of CREF expenditures. The Board of Supervisors will hold a public hearing to select CREF projects on the funding schedule and cycle to be determined by the Board. The Planning & Development Department will solicit public input and provide discussion of potential CREF projects through public workshops. These workshops will be held in the North County and the South Coast area, prior to the Board's hearings on CREF project allocations.

3.3 Revised Enhancement Project Selection Criteria and Selection Process

The Board of Supervisors has expressed concerns that the selection criteria have been excessively broad. As a result, numerous proposals that have not been consistent with the major goals of the CREF program have not been screened out prior to the Board's hearing. The Board has been, in particular, concerned with projects not meeting the coastal area criterion and the acquisition criterion as was the intent of the original guidelines. Subsequently, the Board has revised the language of No. 1 Coastal Area criterion and No. 4 Acquisition Project criterion to ensure that all projects will enhance those two major goals of the CREF program.

The Board has directed Planning & Development Department Energy Division staff to advise whether or not proposed projects will be located in the coastal area or will be coastal related as described in revised No. 1 Coastal Area Criterion below. The term "coastal area" provides the Board of Supervisors with sufficient flexibility to enhance coastal resources that may extend beyond the Coastal Zone boundary, yet are still coastal related. Staff has been directed to encourage those projects, which are coastal by virtue of location or relationship. Also, staff will assign a higher priority to revised No. 4 criterion to ensure that acquisition projects will be implemented as a major goal of the CREF program.

Coastal Resource Enhancement Fund: Enhancement Project Criteria

Projects requesting funding from the Coastal Resource Enhancement Fund would be assessed according to the criteria specified below:

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 and with the other local jurisdictions' applicable coastal programs. 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 improvement 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.
8. The feasibility of implementing and completing the project shall be considered. Projects with a high probability of success should be given preference.

3.4 Financial Assistance Options

The Board of Supervisors may choose to award CREF monies, or support, in a variety of forms, including grants, loans, matching funds, leverage arrangements, and loan guarantees.

3.5 Enhancement Project Application Requirements

An applicant requesting CREF funds must submit the following information as part of the CREF application, but is not limited to:

- a. Project description, including sufficient detail for staff to verify project description and seek additional information, if relevant. (For example, in the case of a proposal for an easement or for the acquisition of property, applicant should provide the name, address and telephone number of the property owner, together with the assessor's parcel numbers of the properties affected and the current status of any negotiations in progress.
- b. Project budget, including detailed itemization of expenses, estimated costs of materials, etc.
- c. Project construction or implementation schedule.
- d. Schedule of milestones the applicant agrees would be fair progress check points for Energy Division project managers to track.
- e. Descriptive slides, photographs, maps to help explain the project and its setting.
- f. Detailed explanation of the public benefits of the project.
- g. Applicants proposing acquisition projects must describe how ownership of real property to be acquired will be held.
- h. Demonstration of non-profit status by attaching relevant evidence such as a declaration of the group's California State Tax Exemption status and a description of the group's voting membership including the number of voting members and the group's statement of purpose.

- i. When a city within the county (or other organization and municipality) submits more than one proposal in a given funding cycle for consideration by the Board, that city shall rank the priority of its CREF proposals and further justify the priority of each proposal in the context of its own budgetary priorities.

Additional informational requirements may be contained in the Request-For-Proposal (RFP) packages prepared annually by the Planning & Development Department, Energy Division. Potential applicants must provide all information requested in the RFP package.

3.6 Fund Deferral Program

To provide adequate funding for acquisition projects, in April 1990 the Board directed that a program deferring 1/2 of each year's contributions to allow available funds to accrue shall be implemented. These deferred funds will be used at a point when the Board decides an appropriate project has been initiated. The Board may also wish to allocate funds to staff to develop acquisition projects acceptable to CREF criteria.

In February and May of 2007, the Board of Supervisors directed that at least 65% of the CREF fees in 2007-2009 be designated for acquisitions and the remaining 35% for both general allocation and acquisition. In April of 2010, the Board of Supervisors directed that no 2010 CREF fees be deferred for acquisitions in order to provide itself with additional flexibility in allocating CREF grants, whether for acquisitions or general allocation. This change is for one year only – 2010 – after which the percentage of funds will return to a minimum of 50%. The Board of Supervisors directed that about 15.5% of the CREF fees (that is, \$96,404) in the 2012 CREF cycle be designated for acquisitions and the remaining approximately 85% for both general allocation. The percentage of annual CREF fees dedicated to acquisitions will return to a minimum of 50% in the 2013 cycle.

3.7 Fund Administrative Guidelines: Requirements of Grantees

- a. Each grantee, except for an agency of Santa Barbara County, shall enter into a contractual agreement with Santa Barbara County. The contract shall contain provisions that require the timely and successful completion of the project as proposed. Any substantive modification to the project shall require a modification to the contractual agreement.
- b. All grantees shall commence projects within one year of the decision by the Board of Supervisors to award the CREF grant. If the project has not commenced within one year, the CREF grant shall become void and all associated money shall revert back to the CREF for new allocation. The Planning & Development Department may grant a maximum extension of one year if the grantee can demonstrate good cause for the delay.
- c. All grantees shall conduct their projects in accordance with their proposed schedule, and such schedule shall be included in the proposal. The County shall send written warning to any grantee that falls more than six months behind schedule, and the County shall send a second written warning to any grantee that falls more than nine months behind schedule. The County shall reclaim the unspent portions of all grants for projects which fall behind schedule by more than twelve months, without further notice.

- d. All grantees shall submit annual written reports on project status, including photographs to document the work completed to date. These reports shall include verification that the CREF grant is being used in accordance with the project description contained in the contract between the County and the grantee or, in the case of County agencies, in accordance with the project description as proposed. The contractual agreement shall specify when annual reports fall due.
- e. Any County agency that is a CREF grantee shall be accountable to commence and complete the CREF project as proposed. Any substantial changes in the project description must be approved by the Planning & Development Department as the administering agency, in consultation with the County Administrator's office. Changes in the project schedule of more than six months must also be approved by the Planning & Development Department in consultation with the County Administrator's office.
- f. A CREF grantee shall no longer be eligible for CREF grants or loans in the future if the grantee has defaulted on a previous CREF contract. Exceptions shall be considered only for minor defaults that do not result in a significant mis-use of the grant as determined by the county. Additionally, the county will exercise its options to seek full refund of CREF grants when a major default of the terms and conditions of the grant has occurred. County agencies that receive CREF awards shall be treated in a similar manner if the agency does not use the grant as proposed in its CREF application.

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Attachment B

CREF Criteria Evaluations for Gaviota Plan and Guadalupe Dunes Road

PROJECT # 1
GAVIOTA COAST PLAN

3rd District
Santa Barbara County Office of Long Range Planning
Requests \$296,497
Total Project Costs: \$1,170,179

Summary of Proposal: The applicant proposes to prepare a Gaviota Coast Plan. The applicant states goals for the proposed Gaviota Plan would include policies supporting agricultural stewardship and protecting significant coastal resources. The applicant plans to evaluate and update existing policies and regulations in the County's Coastal Plan, Comprehensive Plan, Grading Ordinance, and Land Use and Development Code and determine the policies effectiveness in protecting Gaviota Coast coastal resources. Where needed, the applicant plans to develop new resource-protection policies and design standards appropriate for the rural character of the Gaviota Coast. The design standards would address size, bulk, scale, and visual impact of new development along the Coast. The applicant states that it will identify areas for restoration and develop policies that would streamline the permitting process for restoration projects. The applicant states that it would plan for additional coastal access, a coastal trail, and connector trails into Los Padres National Forest.

During preparation and development of the proposed plan, the applicant plans to collaborate with Gaviota Coast stakeholders (e.g., landowners, community groups, and local, state and federal agencies).

The applicant's boundaries for the Gaviota Coast Plan encompasses approximately 100,000 acres along 38 miles of Santa Barbara County's coast: (1) East boundary is the western urban limit line of unincorporated lands around the City of Goleta; (2) West boundary is Vandenberg Air Force Base; (3) North boundary is the ridgeline of the Santa Ynez Mountain; and (4) South boundary is the Pacific Ocean.

Applicant's Priority Ranking: The applicant ranks this proposal first of three submitted.

Background: There has been much planning activity on the Gaviota Coast in the past. The Board of Supervisors has awarded eight CREF grants towards various agencies and non-profit groups for a total of \$176,452 to help plan for the Gaviota Coast. Below is a summary of those grants.

(1)1992 Cycle, \$30,000 CREF Grant - Coastal Access Implementation Plan ~ The Planning & Development Department prepared a Coastal Access Implementation Plan, which provides a database of existing recorded offers to dedicate public access.

(2) 1994 Cycle, \$14,452 CREF grant - Phase IV, Cooperative Permanent Coastal Preservation ~ The Land Trust for Santa Barbara County contacted 62 landowners along the Gaviota Coast and held a number of workshops to inform the landowners about conservation easements, transfer of development rights, governmental deductions, agricultural preserve status, and charitable trusts to

help preserve the Gaviota Coast in its rural state. Since then, three landowners have entered into either a conservation easement or an outright land purchase with the Land Trust.

(3) 1997 Cycle, \$20,000 CREF grant; and (4) 2000 Cycle, \$27,000 CREF grant - *Perspective on the Gaviota Coast Resources* ~ In July of 2003, the Planning & Development Department, Comprehensive Planning Division compiled an inventory and digital mapping of natural resources along the Gaviota Coast.

(5) 1999 Cycle, \$10,000 grant; and (6) 2002 Cycle, \$15,000 grant - *Gaviota Coast Suitability/Feasibility Study* ~ The National Park Service evaluated resource values and methods to preserve the Gaviota Coast. The National Park Service released the study in April of 2003 (see below for description of the report).

(7) No Cycle, \$15,000 CREF grant; and (8) 2003 Cycle, \$45,000 CREF grant - *Gaviota Coast Common Ground Facilitation* ~ As the National Park Service was conducting its Gaviota Coast Suitability/Feasibility Study (see above), various stakeholders expressed concern that they had not been adequately represented. A steering committee formed to create a Common Ground process, which would develop a locally generated vision for the Gaviota Coast. The two awards paid for a professional facilitator to facilitate a total of 44 meetings during the Gaviota Coast Common Ground process in 2002 through 2004.

There are three documents that have been generated from various planning activities on the coast:

(1) *A Perspective on Gaviota Coast Resources* – This document was prepared by a consulting firm (EDAW) for the Planning and Development Department as a part of the then-ongoing newsletter series. The document was first published in June of 2002 with the purpose “to serve as an informational document and planning tool for the public, decision-makers, and County staff as they face difficult land use decisions for this unique coastal area, now and in the future.” The document focuses on physical resources, and discusses governance and land use, as well as conservation techniques.

(2) *Gaviota Coast Draft Feasibility Study and Environmental Assessment* – This document was prepared and released in April of 2003 by the National Park Service as a result of authorization by Congress in 1999 to study the feasibility of including all or a portion of the Gaviota Coast in the national park system. The feasibility study provided a discussion of the resources and their significance and looked at a variety of management options. Management options included local and state management, National Park Service management, National Reserve, National Seashore and National Preserve. Federal management options were determined to be infeasible due to insufficient land available from willing sellers and strong opposition from area landowners. Only local and state management either as currently managed or with enhanced programs, was considered feasible. In response to the study, the Board of Supervisors held a public hearing on July 1, 2003 and sent a public comment letter concurring with the National Park Service’s conclusions about the importance of the area and feasible management options.

(3) Respecting Our Heritage, Determining Our Future: Gaviota Coast Study Group Report and Recommendations – This document was the result of a collaborative effort between Gaviota ranch, farm and landowner interests, local environmental and conservation interests, staff observers from local, state and elected officials, and occasional public or private advisors. The self-stated purpose of the group “is to discuss and develop a land planning process and strategies that can preserve the character and values inherent in public and private land on the Gaviota Coast in a manner that is acceptable to both property owners and the community as a whole.” The report includes a number of recommendations, including:

- Keeping Agriculture on the Land
- Stewarding the Land and Resources
- Developing Land Use Policy with Equity and Ecology
- Creating Public Access on the Coast
- Providing Effective Local Governance and Finance

Imbedded in these recommendations are a number of actions, including an update to the General Plan and Local Coastal Plan for the Gaviota Coast and the placement of a voter referendum on the ballot for a countywide vote to establish a rural planning area for the Gaviota Coast. The referendum would limit land use and zoning to rural uses for a period of 30 years.

At its March 17, 2009 hearing, the County Board of Supervisors identified preparation of the proposed Gaviota Coast Plan as a high priority project for funding in the 2009-2010 Annual Work Program for Long Range Planning.

To date, the applicant has spent approximately \$221,062 on initiating the project, forming the GPAC and holding GPAC meetings. This money was secured from the County’s General Fund for the 2009-2010 fiscal year.

Satisfaction of CREF Criteria:

[(+) means the proposal satisfies the criterion; (-) means doesn’t satisfy; (+/-) means partially satisfies]

- (+) ***Criterion #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 and with the other local jurisdictions' applicable coastal programs. Enhancement projects should be located within geographical proximity to oil and gas onshore/offshore development activities while still providing for the broadest public benefit.*** The proposed Gaviota Coast Plan has a coastal relationship in that the Gaviota Coast encompasses acreage along 38 miles of Santa Barbara County’s coast. Portions of this coast have been impacted by oil and gas development. The Point Arguello and Las Flores Canyon projects and their associated pipelines are located on the Gaviota Coast. Seven oil and gas platforms can be seen approximately 2-10 miles offshore the Gaviota Coast.

- (+/-) ***Criterion #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.*** The Gaviota Coast possesses coastal resources:

Coastal Aesthetics. The Gaviota Coast is known to many for its scenic rural and coastline beauty. The applicant states that the visual and scenic resources along the Gaviota Coast are vulnerable to degradation through improper location and scale of development, impairment of coastal views, and alteration of natural landforms.

Environmentally Sensitive Coastal Resources. The Gaviota Coast is extremely rich in biological diversity of both terrestrial and marine plant and animal species. The area is home to many endangered and threatened species.

Coastal Recreation Coastal Tourism. The Gaviota Coast includes a wide variety of recreational activities for Santa Barbara County residents and tourists. El Capitan, Refugio, and Gaviota State Parks and Jalama County Park provide coastal access and recreational opportunities, including boating, surfing, swimming, fishing, camping, bicycling, etc. Hiking trails are found in privately owned areas, such as the Arroyo Hondo Preserve and El Capitan Canyon Campground.

The applicant envisions the proposed Gaviota Plan enhancing coastal resources – aesthetics, environmentally sensitive species, recreation, and tourism – through revision and development of new policies and design standards or guidelines. However, in past efforts, Gaviota Coast stakeholders have not always agreed on resource-protection policies or standards that limit development. The outcome of the process in terms of revisions or development of new policies and new design standards that would go beyond enhancing existing policy protection of coastal resources is uncertain.

- (+/-) ***Criterion #3: Projects should provide a level of broad public benefit.*** The proposed Gaviota Coast Plan is intended to provide a broad public benefit, through new resource-protection policies and design standards that would preserve the rural character of the Gaviota Coast. However, Gaviota Coast stakeholders have not always agreed on resource-protection policies or standards that limit development. The ultimate extent of the public benefit would be more clearly understood when the Board of Supervisor deliberates on a final product.
- (-) ***Criterion #4: The intent of the CREF program is to fund coastal acquisition and capital improvement projects; therefore, projects which offer coastal acquisition and capital improvement will receive higher priority than those projects which do not.*** The proposal is not a coastal acquisition or a capital improvement project; therefore, it does not satisfy the higher priorities of CREF.
- (-) ***Criteria #5 and #7: Projects should utilize matching funds and/or in-kind services to the maximum extent possible, and projects to be funded should lack other viable funding mechanisms to complete the project.*** The applicant spent \$284,653 from the general fund, a 2010 CREF grant in the amount of \$280,710, and a 2011 CREF grant in the amount of \$260,580. The

applicant seeks a CREF grant for costs in the fiscal year 2012/2013. The applicant has not identified how it plans to fund the remaining two fiscal years (FY 13/14 and FY 14/15).

(+/-) **Criterion #6: Projects should be self-supporting or should require minimum on-going County operations/maintenance costs once the project is completed and implemented.** There are no known operating costs at this time; however, such costs could result as part of a final product (e.g., Transfer of Development Rights program).

(+/-) **Criterion #8: The feasibility of implementing and completing the project shall be considered. Projects with a high probability of success should be given preference.** The applicant hopes to develop new resource-protection policies and design standards appropriate for the rural character of the Gaviota Coast. If funded, staff is confident that the applicant can produce a product(s) that will provide the required nexus for CREF mitigation fees. However, planning along the Gaviota Coast has always been an extremely controversial topic. In past efforts, Gaviota Coast stakeholders have not always agreed on resource-protection policies. It is uncertain if the applicant can revise or develop new policies and new design standards that would go beyond enhancing existing policy protection of coastal resources.

The outcome of the process in terms of revisions or development of new policies and new design standards that would go beyond enhancing existing policy protection of coastal resources is uncertain.

Other Considerations: Preservation of the Gaviota Coast has been helped substantially with CREF funding. Approximately 6,750 acres of land along the Gaviota Coast have been preserved to protect agricultural, natural and cultural resources onsite and to maintain the rural coastline view shed. Approximately half of the 6,750 acres (3,465 acres) have been protected with conservation easements, which protect these resources onsite without allowing public access. However, with the high cost of land acquisition, policies that protect significant coastal resources along the Gaviota Coast may be a cost-effective tool in preserving the Gaviota Coast.

PROJECT # 2
GUADALUPE DUNES NEW ROAD AND PARKING LOT ACCESS

3rd District
Parks Department
Requests \$250,000
Total Project Costs: \$260,000

Summary of Proposal: The applicant proposes to construct a new section of the access road to Guadalupe Dunes. This new section would be approximately 3,000 feet long.

Background: Due to severe erosion caused by the Santa Maria River in the past two winters, a section of the access road to the Guadalupe Dunes County Park has been washed away. The road has been closed since March of 2011.

Satisfaction of CREF Criteria:

[(+) means the proposal satisfies the criterion; (-) means doesn't satisfy; (+/-) means partially satisfies]

- (+) ***Criterion #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 and with the other local jurisdictions' applicable coastal programs. Enhancement projects should be located within geographical proximity to oil and gas onshore/offshore development activities while still providing for the broadest public benefit.*** The proposal is within the coastal zone, and has a coastal nexus in that it is maintaining beach access to Guadalupe Dunes County park. However, the proposed road may have potentially significant impacts to cultural resources and to environmentally sensitive habitat (i.e., snowy plover). If impacts to environmentally sensitive coastal resources are insignificant or mitigated to an insignificant level, the project would be consistent with the Local Coastal Program.
- (+) ***Criterion #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.*** The project would enhance coastal recreation and coastal tourism by opening up the access to Guadalupe Dunes. However, the applicant has stated that the proposed road would go through environmentally sensitive coastal habitat for the snowy plover. If impacts to environmentally sensitive coastal resources are found insignificant or mitigated to an insignificant level, the project would not impact an environmentally sensitive coastal habitat.
- (+) ***Criterion #3: Projects should provide a level of broad public benefit.*** In the north County, there are few beach accesses: Surf Beach, Jalama Beach, Point Sal (difficult to get to) and Guadalupe Dunes. Maintaining Guadalupe Dunes beach access benefits mainly the residents of Guadalupe, Santa Maria, and Orcutt. Approximately 75,000 people visit the dunes a year.

- (+) ***Criterion #4: The intent of the CREF program is to fund coastal acquisition and capital improvement projects; therefore, projects which offer coastal acquisition and capital improvement will receive higher priority than those projects which do not.*** The proposal is a capital improvement, thereby satisfying the higher priority of CREF.

- (+/-) ***Criteria #5 and #7: Projects should utilize matching funds and/or in-kind services to the maximum extent possible, and projects to be funded should lack other viable funding mechanisms to complete the project.*** The applicants unsuccessfully sought monies from FEMA's Disaster Relief Mitigation Fund. The applicants seek 100% of the proposal costs from CREF.

- (+/-) ***Criterion #6: Projects should be self-supporting or should require minimum on-going County operations/maintenance costs once the project is completed and implemented.*** There would be ongoing County operational or maintenance costs of \$1,500 to maintain the road.

- (+) ***Criterion #8: The feasibility of implementing and completing the project shall be considered. Projects with a high probability of success should be given preference.*** If fully funded, staff believes that the section of road can be installed successfully.

Attachment C

Notice of Exemptions

NOTICE OF EXEMPTION

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: County Executive Officer

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: Gaviota Coast

Case No.: N/A

Location: Gaviota Coast

Projects Title: Gaviota Coast Plan

Projects Description: The 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.

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: Long Range Planning, Planning & Development

Exempt Status: (Check one)

- Ministerial
- Statutory Exemption
- Categorical Exemption
- Emergency Project
- Declared Emergency

Cite specific CEQA and/or CEQA Guideline Section: 15262

Reasons to support exemption findings:

CEQA Section 15262 exempts, "A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities." Funding the Gaviota Plan is a project that involves only planning studies for possible future actions which the board has not approved.

Lead Agency Contact Person: _____ Phone #: _____

Department/Division Representative: _____ Date: _____

Acceptance Date: _____

distribution: Hearing Support Staff

Project file (when P&D permit is required)
Date Filed by County Clerk: _____.

NOTICE OF EXEMPTION

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: County Executive Officer

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: 113-020-021

Case No.: 11CDH-00000-00052

Location: Guadalupe Dunes

Projects Title: Guadalupe Dunes New Road and Parking Lot Access

Projects Description: The proposed new section of road would by-pass the section of the original road that was washed out by the Santa Maria River and allow access to the existing parking lot at the County Park.

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: Parks Department

Exempt Status: (Check one)

- Ministerial
 Statutory Exemption
 Categorical Exemption
 Emergency Project
 Declared Emergency

Cite specific CEQA and/or CEQA Guideline Section: 15378(b)(4)

Reasons to support exemption findings:

CEQA Section 15378(b)(4) exempts when, *“Project does not include the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.”* Funding the Guadalupe Dunes Road is a government fiscal activity which involves a project that will not result in a potentially significant physical impact on the environment; the road project is being exempt under CEQA Section 15269(d). This project will also be subject to County review and approval of a coastal development permit, with a hearing, at which time the necessary CEQA determinations and findings will be made.

There is no substantial evidence that there are unusual circumstances (including future activities) resulting in (or which might reasonably result in) significant impacts which threaten the environment. The exceptions to the categorical exemptions pursuant to Section 15300.2 of the State CEQA Guidelines are:

- (a) Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located -- a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.**
- (b) Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.**

- (c) **Significant Effect.** A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.
- (d) **Scenic Highways.** A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.
- (e) **Hazardous Waste Sites.** A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.
- (f) **Historical Resources.** A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

The exceptions to Categorical Exemptions do not apply to the awarding of CREF funding to the Guadalupe Dunes Road project because CEQA Guidelines Section 15378(b)(4) provides that creating a funding mechanism is not a project. If and when the County approves the Guadalupe Dunes Road project, the appropriate CEQA determinations will need to be made.

Lead Agency Contact Person: _____ Phone #: _____

Department/Division Representative: _____ Date: _____

Acceptance Date: _____

distribution: Hearing Support Staff

Project file (when P&D permit is required)
Date Filed by County Clerk: _____.