

SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

Agenda Number:
Prepared on: 3/8/01
Department Name: Planning & Development
Department No.: 053
Agenda Date: 3/20/01
Placement: Departmental
Estimate Time: 30 minutes
Continued Item: Yes
If Yes, date from: 3/13/01

F:\GROUP\ENERGY\WP\POLICY\Non8g\CIAP2001.BoSdocket.allocation.doc

TO: Board of Supervisors

FROM: John Patton, Director
Planning & Development Department

STAFF CONTACT: Doug Anthony, Energy Specialist
Energy Division, 896-3653

SUBJECT: Coastal Impact Assistance Program

Recommendation(s):

That the Board of Supervisors:

- (1) Approve staff recommendation for the use of the County portion of offshore oil/gas revenues from H.R. 5548; and
- (2) Direct the County Administrator to include the recommendations in the proposed budget.

Alignment with Board Strategic Plan:

The recommendation primarily aligns with Goal No. 5: A High Quality of Life for All Residents.

Executive Summary and Discussion:

Background:

The U.S. Congress passed legislation in December of 2000 (H.R. 5548, § 903), appropriating \$150 million from offshore oil and gas revenues to fund the Coastal Impact Assistance Program (CIAP) for one year only. California will receive about \$18 million from this one-time assistance program, although we will not know exact amount until mid-April. Thirty-five percent is earmarked for allocation among coastal counties based on population, coastline miles, and proximity to eligible OCS leases. Santa Barbara County's share is estimated to be approximately \$1.8 million.

CIAP requires each state to submit a Coastal Impact Assistance Plan to the National Oceanographic and Atmospheric Administration. The plan must identify programs and projects for funding, and be submitted by

July 1, 2001. The California Resources Agency has been designated to prepare California's plan and has requested all coastal counties to submit a draft description of programs and projects no later than April 6th.

H.R. 5548 authorizes the following uses of CIAP funds:

- a) Activities which support and are consistent with the CZMA, including National Estuarine Research Reserve programs, the National Marine Sanctuaries Act, the Magnuson-Stevens Fishery Conservation and Management Act, or the National Estuaries program.
- b) Conservation, restoration, enhancement, protection of coastal or marine habitats;
- c) Protection, restoration, and enhancement of coastal water quality, including reduction or monitoring of coastal polluted runoff or other coastal contaminants;
- d) Addressing of watershed protection or other coastal or marine conservation needs which cross jurisdictional boundaries;
- e) Assessment, research, mapping and monitoring of coastal or marine resources and habitats, including, where appropriate, the establishment and monitoring of marine protected areas;
- f) Addressing coastal conservation needs associated with seasonal or otherwise transient fluctuations in coastal populations;
- g) Protection and restoration of natural coastline protective features, including control of coastline erosion;
- h) Identification, prevention and control of invasive exotic and harmful non-indigenous species;
- i) Assistance to local communities to assess, plan for and manage the impacts of growth and development on coastal or marine habitats and natural resources, including coastal community fishery assistance programs;
- j) Projects that promote research, education, training and advisory services in fields related to coastal marine resource use and management;
- k) Conservation, protection, or restoration of wetlands (similar to (b));
- l) Mitigation damage to fish, wildlife, or natural resources;
- m) Planning assistance & administrative costs for complying with the Impact Assistance provision of HR 5548;
- n) Implementation of federally approved marine, coastal, or comprehensive conservation management plans; and
- o) Mitigation of impacts of OCS activities (not to exceed 23% of the \$14 million allocated to California) for onshore infrastructure and other public service needs.

Recommendations:

The list of authorized uses for these one-time funds is broad and the Board may elect to direct staff to solicit expressions of interest from a wide variety of parties, as has been the case for the County's Coastal Resources Enhancement Fund (CREF) or the State's Coastal Resources Grant Program (AB 1431).

The recommendations below take a different direction: while allowing for some new programs and a substantial allocation for leveraging other Gaviota coast acquisition funds, it also allows the Board to fund several of the programs identified in the 5-year Comprehensive Planning work program requiring budget expansions. It does this in two ways: direct funding of eligible projects with H.R. 5548 revenues, and indirectly by funding certain other eligible programs presently included in the Planning & Development proposed base budget through H.R. 5548, freeing those funds to be applied to two other budget expansion requests--the Santa Ynez plan and the Resources Program EIR.

This recommendation is made for three reasons. First, the State has given us a short time to respond. A “preliminary draft” of the guidelines for preparing the CIAP plan was not received until March 6. The precise amount of funds available is still unknown, pending final calculations by NOAA and the Minerals Management Service. Nevertheless, a draft plan is due April 6. H.R. 5548 was a one-time alternative to the comprehensive Conservation and Reinvestment Act (CARA), which failed passage last year. CARA would provide a predictable multi-year revenue stream. We are hopeful Congress will pass CARA this year. If so, we will recommend a more relaxed process coordinated with CREF in the future.

Second, your Board expressed interest in finding a way to fund the 5-year work program “catch-up” budget expansions without being confronted with tradeoffs for other general fund priorities. This recommendation accomplishes that.

Third, since local government gets only 35% of the funds, the California Resources Agency will be going through a process to establish how the \$11 million plus in State share should be allocated. In view of Congress’ intent in H.R. 5548 to recognize offshore oil and gas producing areas as the primary beneficiaries, a strong argument can be made that a number of additional projects in the tri-county area, offshore and onshore, can and should be funded through the State’s share. Your Board may direct P& D to work with other parties to develop and advocate for additional local projects on a slightly more relaxed schedule.

In the table below, the first group of projects is presently included in the base budget proposal. Funding them through this program frees general fund dollars to pay for the Santa Ynez plan and Resources EIR.

The Ellwood specific plan and the Geographic Information System enhancements have been submitted as budget enhancement requests. Both are eligible for H.R. 5548 funding. Project Clean Water is also currently included in the base budget in Public Works (Fund 3060). Using H.R. 5548 funds for part of the project cost would provide the Board flexibility for other general fund priorities. A related project not currently included in the budget is a portion of the funding required for a tri-county steelhead fish recovery project, also to be administered by Public Works jointly with water purveyors and in cooperation with various non-governmental organizations.

The last group of Planning & Development projects is directly related to energy issues. The budget expansion for completing the amortization study is included. New funds would be provided to enable the Energy Division to fund several small policy projects, and participate in rulemaking and legislative activities related to the fate of undeveloped offshore leases. This group also includes funds for a staff position to assist the County and the public in responding to the utility cost problems in electricity and natural gas by promoting conservation and providing technical assistance for distributed electrical generating alternatives.

Lastly, the recommendation reserves the largest share of funds to leverage acquisitions of land or easements along the Gaviota coast. This has been a multi-year priority for the County, using CREF and AB 1431 funds, State bond funds, non-profit organization’s funds and private donations. However, other resources and incentives will be needed to offer long-term protection to this area. While the financial resources required to address all the potential threats to coastal resources are beyond the County’s capabilities, the approximately \$800,000 remaining from H.R. 5548 would be a valuable tool to assist in delivering one or more key preservation projects. This money would be held in trust for future allocation by your Board to participate in transactions with willing sellers as opportunities for leveraging other funds arise.

Table 1: Recommended Projects

Project*	Amount
Adoption and Implementation of Greenhouse LCP Amdt	20,000
Adoption and Implementation of Toro Canyon Plan	20,000
Summerland Community Plan Implementation	20,000
Gaviota Coast Resources Study	50,000
Coastal Area Compliance and Enforcement	30,000
CEQA Guidelines and Thresholds Update	20,000
Restoration, Enhancement & I.V. Master Plan (GF match)	40,000
Regional Planning, UCSB LRDP	50,000
SUBTOTAL I	250,000
Ellwood Specific Plan	200,000
Geographic Information System	106,000
SUBTOTAL II	306,000
Project Clean Water	100,000
Steelhead Recovery	25,000
SUBTOTAL III	125,000
Amortization/Consolidation LCP Amendment	90,000
Energy Policy Program	150,000
Energy Conservation and Distributed Generation	105,000
SUBTOTAL IV	346,000
PROJECT TOTAL	1,027,000
Gaviota Coast Acquisition Trust	Balance, approx 800,000

* A brief description of each project appears in Attachment 1.

Mandates and Service Levels:

Federal legislation mandates each state to prepare a Coastal Impact Assistance Plan (ref: Section 31(d) of the Outer Continental Shelf Lands Act as amended by H.R. 5548, Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act of 2001, Section 903) in order to receive funds. This plan must describe each state’s programs and projects, including the 35% earmarked for coastal counties. The California Resources Agency has directed each County to submit a draft plan by April 6. All programs and projects must comply with authorized uses prescribed in Section 31.(e) of the Outer Continental Shelf Lands Act.

Fiscal and Facilities Impacts:

This funding program benefits the County fiscally by providing a one-time source of unanticipated revenue.

Special Instructions: None.

Concurrence: County Administrator
 Public Works