



**Staff Recommendation**

August 15, 2023

Item 5

**Action Item:**

**Consideration and Approval of SB 1 Grant Program Solicitation to Support Sea-Level Rise Adaptation Planning**

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**Recommended Action:** Authorization to disburse up to \$95.9 million to local, regional, and tribal governments who submit a successful application to the Senate Bill 1 Sea-Level Rise Adaptation Planning Grant Program for sea-level rise adaptation planning or implementation projects.

**Location:** Statewide

**Strategic Plan Goals and Objectives:** Goal 1: Safeguard Coastal and Marine Ecosystems and Communities in the Face of Climate Change; Objective 1.1: Build Resiliency to Sea-Level Rise, Coastal Storms, Erosion and Flooding

**Equity and Environmental Justice Benefits:** Community engagement, Locally driven adaptation priorities, Improved coastal habitat, Safer coastal access

**Exhibits:**

Exhibit A: [Draft Sea-Level Rise Criteria](#)

Exhibit B: Letters of Support

**Findings and Resolution:**

Staff recommends that the Ocean Protection Council (OPC) adopt the following findings:

“Based on the accompanying staff report and attached exhibit(s), OPC hereby finds that:

1. The proposed projects are consistent with the purposes of Division 26.5 of the Public Resources Code, the California Ocean Protection Act;
2. The proposed projects are consistent with the Budget Act of 2022 which included a \$37.5 million Greenhouse Gas Reduction Fund appropriation, Budget Act of 2023 which included a \$54.5 million General Fund appropriation, for implementation of Chapter 236 of the Statutes of 2021 (SB 1), and an anticipated \$10 million in the 2024-2025 budget; and
3. The proposed projects are not ‘legal projects’ that trigger the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section, section 15378.”

Staff further recommends that OPC adopt the following resolution pursuant to Sections 35500 *et seq.* of the Public Resources Code:

“OPC hereby approves the authorization to disburse up to \$95.9 million to local, regional, and tribal governments who submit a successful application to the Senate Bill 1 Sea-Level Rise Adaptation Planning Grant Program for sea-level rise adaptation planning or implementation projects.

This authorization is subject to the condition that prior to disbursement of funds, each grantee shall submit for the review and approval of the Executive Director of the OPC detailed work plans, schedules, staff requirements, budgets, and the names of any contractors intended to be used to complete the projects, as well as discrete deliverables that can be produced in intervals to ensure the projects are on target for successful completion. All projects will be developed under a shared understanding of process, management, and delivery.”

### **Executive Summary:**

Staff recommends that the Ocean Protection Council approve the disbursement of up to \$95.9 million to local, regional, and tribal<sup>1</sup> governments who submit a successful application to the Senate Bill 1 Sea-Level Rise Adaptation Planning Grant Program (SB 1 Grant Program) for sea-level rise (SLR) adaptation planning or implementation projects. The 2022 and 2023 Budget Act appropriated \$37.5 million and \$54.5 million respectively to OPC to implement [Senate Bill 1 \(Atkins, 2021\)](#), the Sea Level Rise Mitigation and Adaptation Act. The 2024-2025 budget is anticipated to include an additional \$10 million for this purpose. Senate Bill 1 (SB 1) directs the

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<sup>1</sup> California Native American tribes, including federally recognized Native American tribes and non-federally recognized Native American tribes.

state to provide funding to local and regional governments to develop SLR adaptation plans and implementation projects.

Ultimately, the goal of the SB 1 Grant Program is to provide funding for coastal communities to develop SLR adaptation plans and implementation projects to build resilience to SLR along the entire coast of California and San Francisco Bay. To ensure adaptation planning efforts across jurisdictions are consistent, standardized, and equitable, OPC staff, alongside the California Sea-Level Rise State and Regional Support Collaborative (SLR Collaborative), have developed specific draft SLR Adaptation Criteria (SLR Criteria, Exhibit A). This SLR Criteria must be followed when developing and executing projects under the SB 1 Grant Program, as feasible for each locality.

## Project Summary:

### Background:

In 2021, Governor Newsom signed SB 1 into law. SB 1 directs OPC to administer grants to local and regional governments to plan for SLR and implement adaptation projects to build resilience along the coast. An OPC-funded report [“Planning for Sea Level Rise on California’s Coast: Status, Trends, and Recommendations”](#) determined that of the 76 California outer coastal jurisdictions, 61% have SLR vulnerability assessments and 22% have Local Coastal Programs (LCPs) updated for SLR. Additionally, 29% have SLR adaptation plans, although it was determined that existing plans do not have consistent standards or criteria. In 2022 and 2023, OPC received \$37.5 million and \$54.5 million respectively to support the implementation of SB 1, with an additional \$10 million anticipated in the 2024-2025 budget. Ultimately, OPC’s SB 1 Grant Program aims to provide funding for coastal communities to develop consistent SLR adaptation plans and projects to build resilience to SLR along the entire coast of California and San Francisco Bay.

In Fall 2022, OPC staff began developing the SB 1 Grant Program, including creation of draft SLR Adaptation Criteria (Exhibit A). The SLR Criteria is a standardized set of minimum requirements for SLR adaptation projects in the pre-planning, planning, and implementation phases. Ultimately, the SLR Criteria aims to establish best practices throughout all phases of the SLR Adaptation planning process. By doing so, it ensures that SLR vulnerability and impact assessments along the coast incorporate consistent components. This uniformity not only ensures neighboring communities are planning for SLR at the same level and caliber but also enables California to make smart, well-informed investments when preparing for SLR. This applies a necessary equity component, by

ensuring that Environmental Justice (EJ)<sup>2</sup> communities and cross-jurisdictional impacts are considered thoughtfully in planning efforts. Throughout this development process, OPC staff have worked closely with California Coastal Commission (CCC) and the San Francisco Bay Conservation and Development Commission (BCDC) staff to ensure the SB 1 Grant Program is complementary to, and supportive of Local Coastal Program efforts and Bay Adapt’s San Francisco Bay Shoreline Adaptation Plan development. The SLR Collaborative provided feedback and input during initial, draft, and draft final versions of the SLR Criteria, with input from the SLR Collaborative provided as recently as July. Incorporation of all final comments is currently underway, with the final version of the SLR Criteria set to be released with the SB 1 Grant Program Solicitation in Fall 2023.

### **Project Summary:**

The intent of the SB 1 Grant Program is to ensure the entire coast of California, including SF Bay, is preparing for SLR through a consistent and equitable process. To accomplish this, the SB 1 Grant Program will offer two tracks of funding: one for pre-planning and planning phases (Track One), and one for the project phase (Track Two). Eligible projects within Track One (Pre-planning and Planning) include: Community Visioning, Vulnerability Assessments, Data Collection, SLR Adaptation Plans, SF Bay Shoreline Adaptation Plans, and Sector Specific SLR Adaptation Plans. Projects within Track Two (Projects) include: Nature-based and Green-Grey Hybrid Adaptation Projects, Feasibility Studies, and/or Design. The SB 1 Grant Program is also intended to meet jurisdictions where they are in their own SLR adaptation planning processes and ensure that planning efforts are consistent with the Coastal Act for the outer coast, the McAteer-Petris Act for the Bay Shoreline, and the Suisun Marsh Preservation Act for the Suisun Marsh shoreline.

To reflect OPC’s commitment to addressing the critical need for planning, the proposal acceptance process will be as follows:

Following the release of the SB 1 Grant Program Solicitation in Fall 2023, Track One proposals (projects in the Pre-planning, Data Collection, and Planning Phases) will be accepted through a rolling, quarterly, non-competitive process, provided they satisfy the SLR Criteria and final solicitation template requirements. Starting in mid-late 2024, Track Two proposals (Implementation Project Phase) will be accepted through a competitive process.

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<sup>2</sup> Environmental Justice (EJ) communities are communities that are disproportionately impacted by environmental injustices and social inequities, that are environmentally and economically-stressed and experience environmental health inequities which contribute to persistent environmental health disparities, as will be defined in the SB 1 Grant Program Solicitation.

The strategic prioritization on planning in the first phase of the SB 1 Grant Program reflects the OPC 2020-2025 Strategic Plan, [the SLR Action Plan](#), and SB 1, which all highlight the state's need to support planning efforts. Prioritization for planning will also fill a critical need given limited funding available from other resources to conduct this adaptation phase. However, OPC staff recognize the importance of funding timely implementation projects. Therefore, during the period between the release of the solicitation and the acceptance of Track Two proposals, OPC staff will establish a mechanism to identify and prioritize shovel-ready implementation projects for consideration. OPC staff will bring all Track One and Track Two Projects to quarterly OPC meetings as consent or action items.

### **Equity and Environmental Justice Benefits:**

The SB 1 Grant Program meets many of the strategies and actions outlined in Goal 1 of OPC's [Equity Plan](#), which is to establish and implement more equitable and sustainable community engagement and funding methods to expand and enhance opportunities for ocean and coastal projects, policies, and research. According to the SLR Criteria, each SB 1 Project, regardless of phase, must have outreach, education, and community engagement, especially to EJ communities and tribes, as part of the project's scope.

OPC is currently in the process of establishing a complementary [SB 1 Technical Assistance \(TA\) Program](#) that will provide targeted technical assistance to potential applicants of the SB 1 Grant Program. Establishing the SB 1 TA Program meets many of the strategies and actions outlined in Objective 1.5 of OPC's Equity Plan, which is to expand opportunities for EJ communities and California Native American tribes to access OPC funding by enhancing grant processes. Additionally, this pilot TA Program addresses OPC Equity Plan Strategy 1.5.4, which is to expand technical assistance opportunities.

The SB 1 Grant Program also meets OPC Equity Plan Strategy 1.5.3, which is to expand outreach for each OPC funding opportunity across communities to target community-based organizations, grassroots organizations, and California Native American tribes. The solicitation and opportunities for TA will be communicated and disseminated through public outreach channels, including webinars, social media postings, and listservs.

To ensure adequate funding for tribal adaptation plans and projects, a percent of total available funds (to be determined) will be set aside specifically to support grants for tribal governments. OPC will also prioritize a percent of total remaining funds to jurisdictions that include EJ communities. These exact percentages will be provided in the SB 1 Grant Program Solicitation.

**About the Grantee:**

Eligible applicants of the SB 1 Grant Program include local, regional, and tribal governments, in accordance with SB 1. Organizations or consultants who apply on a government’s behalf may be considered, however, explicit support and collaboration between the organization and government must be provided within the application.

**Project Timeline:**

The SB 1 Grant Program is expected to start no later than Fall 2023 and remain active until funds are fully expended. Timelines for individual projects will be identified during the solicitation and selection process.

**Project Financing:**

Staff recommends that the Ocean Protection Council (OPC) authorize encumbrance of up to \$95.9 million to local, regional, and tribal governments who submit a successful application to the Senate Bill 1 Sea-Level Rise Adaptation Planning Grant Program for sea-level rise adaptation planning or implementation projects.

California Ocean Protection Council	\$95,900,000
<b>TOTAL</b>	<b>\$95,900,000</b>

The anticipated source of funds will be from the Budget Act of 2022, which included a \$37.5 million Greenhouse Gas Reduction Fund appropriation to OPC, along with the Budget Act of 2023, which included a \$54.5 million General Fund appropriation to OPC for implementation of Chapter 236 of the Statutes of 2021 (SB 1). The fiscal year 2024-2025 budget is anticipated to include \$10 million for this purpose as well. According to SB 1, funding is designated “for the purpose of making grants to local and regional governments to update local and regional land use plans to take into account sea level rise and for directly related investments to implement those plans.” Consequently, all projects under the SB 1 Grant Program will focus on SLR Adaptation and fall within the Pre-planning, Planning, or Implementation Phase. These projects will follow the SLR Adaptation Criteria, developed in accordance with SB 1 and in consultation with the SLR Collaborative.

## **Consistency with California Ocean Protection Act:**

The proposed project is consistent with the Ocean Protection Act, Division 26.5 of the Public Resources Code, because it is consistent with trust-fund allowable projects, defined in Public Resources Code Section 35650(b)(2) as projects which:

- Eliminate or reduce threats to coastal and ocean ecosystems, habitats, and species.
- Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection and conservation of those resources.
- Improve management, conservation, and protection of coastal waters and ocean ecosystems.
- Provide funding for adaptive management, planning coordination, monitoring, research, and other necessary activities to minimize the adverse impacts of climate change on California's ocean ecosystem.

## **Compliance with the California Environmental Quality Act (CEQA):**

The proposed projects are not “legal projects” that triggers the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21068 and Title 14 of the California Code of Regulations, section 15378. Further, pursuant to CEQA guidelines section 15262, Feasibility and Planning Studies are statutorily exempt from CEQA.

If individual projects are selected that trigger CEQA, OPC must determine whether the project is in compliance with CEQA prior to the issuance of funds.