

Wade Crowfoot | Secretary for Natural Resources | Council Chair Yana Garcia | Secretary for Environmental Protection Eleni Kounalakis | Lieutenant Governor Ben Allen | State Senator Dawn Addis | State Assemblymember Alexis Jackson | Public Member Megan Rocha | Public Member

Staff Recommendation September 30, 2025

Item 5c

Action Item:

Consideration and Approval of Competitive Solicitation for Track 2: Sea Level Rise Implementation Project Funding Solicitation

Olivia Won, Coastal Resilience Sea Grant Fellow

Recommended Action: Authorization and approval to release the Track 2: Sea Level Rise (SLR) Implementation Project Funding Solicitation to advance SLR adaptation projects with an initial funding amount of up to \$7,000,000, with the discretion to increase or decrease the amount for this solicitation pending availability of funding.

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; Goal 2: Advance Equity Across Ocean and Coastal Policies and Actions; Objective 2.1: Enhance Engagement with Tribes

Equity and Environmental Justice Benefits: Climate resilience, sea level rise adaptation implementation, safeguarding coastal habitats, coastal hazard risk reduction.

Exhibits:

Exhibit A: DRAFT Track 2: Sea Level Rise Implementation Project Funding Solicitation

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 funding opportunity is consistent with the purposes of Division 26.5 of the Public Resources Code, the California Ocean Protection Act;

- 2. The proposed funding opportunity is consistent with Proposition 4, Section 92000, which provides \$75 million to implement the California Sea Level Rise Mitigation and Adaptation Act of 2021 (SB 1).
- 3. The proposed funding opportunity is consistent with OPC's General Grant Guidelines, adopted June 2025; and
- 4. The proposed funding opportunity is not a 'legal project' 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."

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

"OPC hereby approves the release of the competitive Track 2: Sea Level Rise (SLR) Implementation Project Funding Solicitation with an initial funding amount of up to \$7,000,000 for SLR adaptation projects. OPC staff may annually release this solicitation, with the discretion to increase or decrease the amount of this solicitation, pending availability of funding for this program.

Selected projects will be brought back to the Council for consideration of disbursement of funding."

Executive Summary:

Staff recommends approval of the Track 2: SLR Implementation Project Funding Solicitation (Track 2), a new funding opportunity under the Senate Bill 1 SLR Adaptation Planning Grant Program (SB 1 Grant Program). The goal of Track 2 is to put SLR adaptation planning into action by supporting the implementation of priority nature-based SLR adaptation projects. Track 2 advances OPC's Strategic Plan and the implementation of SB 1 (Atkins, 2021) and SB 272 (Laird, 2023) by directing investments to implement on-the-ground SLR adaptation efforts that protect vulnerable communities, infrastructure, and ecosystems.

Project Summary:

Background:

In 2021, <u>SB 1 (Atkins, 2021)</u>, the Sea Level Rise Mitigation and Adaptation Act, was signed into law, which directs OPC to administer grants to support planning and implementation projects that address the impacts of SLR. While much SLR planning and adaptation work has been conducted along California's coast and shoreline over the past decade, there has been a lack in consistency and coordination across jurisdictions in their development of vulnerability assessments, adaptation plans, and coastal resilience projects. In recognition of these gaps, and the urgency of preparing for SLR, <u>SB 272 (Laird, 2023)</u> was signed into law. SB 272 requires that all coastal local governments develop SLR plans and prioritizes local governments with approved SLR plans for SLR

adaptation funding. With a deadline of January 1, 2034, these plans must be integrated into local coastal programs or San Francisco Bay Subregional Shoreline Adaptation Plans.

In 2023, OPC launched the <u>SB 1 Grant Program</u> to help local, regional, and tribal governments address coastal resilience along California's coast and the San Francisco Bay shoreline. 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. The SB 1 Grant Program was designed to award funding through two tracks: Track 1 for sea level rise adaptation plans and Track 2 for project implementation. Track 1 funds pre-planning and planning activities such as community visioning, data collection, vulnerability assessments, and SLR adaptation planning through a rolling, non-competitive process.

To date, OPC has awarded \$16,999,376 through Track 1 across five funding rounds. In total, Track 1 has funded 20 planning initiatives across the state: Ten (10) on the Outer Coast and ten (10) in the San Francisco Bay. OPC also awarded \$3,176,250 for two Track 2 implementation projects awarded through an interim track for urgent projects addressing near-term and present-day SLR threats. The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4) included \$75,000,000 for the SB 1 Grant Program.

Project Summary:

Building upon the SB 1 Grant Program's investments in SLR adaptation planning through Track 1, the purpose of this Track 2 solicitation is to establish a competitive grant process for funding SLR adaptation projects, as a separate but complementary funding track. Through a competitive process, Track 2 will fund nature-based SLR adaptation implementation projects on the outer coast or the San Francisco Bay shoreline that directly advance local and regional SLR adaptation plans. Eligible projects must be nature-based strategies that are identified as a priority in a completed or in-progress SLR adaptation plan, coastal resilience plan, or other comparable land-use planning effort. An exception to this requirement is for strategic relocation projects. This requirement aims to ensure that a proposed project is complementary and clearly advances a local jurisdiction's long-term adaptation planning, has community buy-in, and complies with key regulatory statutes, including the Coastal Act, the McAteer-Petris Act, and Suisun Marsh Preservation Act.

This competitive Track 2 solicitation was developed with extensive interagency coordination, including the SLR Collaborative Working Group, and in alignment with the California Natural Resources Agency's interagency guidance to increase coordination of state funding provided by Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

Track 2 Program Priorities:

- Advancing completed or in-progress SLR adaptation plans, coastal resilience plans, or other comparable land-use planning efforts; or strategic relocation.
- Protecting or restoring coastal habitats threatened by SLR, benefiting biodiversity and ecosystems.
- Coastal hazard risk reduction for coastal dependent-uses, critical infrastructure, and coastal communities.
- Maintaining and strengthening public access to coastal resources.
- Building resilience of public trust resources.
- Providing multiple co-benefits to human and ecological communities.
- Meaningful and direct benefits to vulnerable populations, disadvantaged communities, or severely disadvantaged communities.
- Co-developing and partnering with California Native American tribes through collaboration or formal consultation to embed tribal priorities throughout the project.

Project Types:

- **Site Assessment and Preliminary Design:** the first stages of site-specific, project-level planning (e.g. the evaluation of potential project sites and project alternatives, continued and expanded stakeholder engagement efforts, gathering baseline data, conducting site-specific technical studies, cost-benefit analyses, site-specific feasibility studies, preliminary engagement with permitting agencies, land acquisition, and preparing project design)
- **Final Design and Permitting:** additional technical work and approvals needed to be ready for construction (e.g. completing detailed engineering drawings and specifications, continuing and expanding stakeholder engagement efforts, preparing detailed cost estimates, securing permits, completing environmental planning tasks, and other related activities that position the project for implementation)
- **Construction:** "shovel-ready" construction projects (e.g. construction and installation of project elements, implementation of nature-based adaptation measures, site preparation, and post-construction monitoring)

Eligible Applicants:

- Local governments, including Special Districts
- Regional governments

- California Native American tribes, including federally recognized and non-federally recognized tribes¹
- State agencies
- Public or private universities
- Nonprofit organizations, including community-based organizations, non-governmental organizations, and private entities. Nonprofit organizations must be 501(c)(3) as verified by the Internal Revenue Service.

Equity and Environmental Justice Benefits:

As directed by Proposition 4, at least 40 percent of the total Proposition funds shall be allocated for projects that provide meaningful and direct benefits to vulnerable populations or disadvantaged communities (DAC). At least 10 percent of the total funds available pursuant to this division shall be allocated for projects that provide meaningful and direct benefits to severely disadvantaged communities (SDAC). All project applicants will be required to evaluate whether the proposed project provides meaningful and direct benefits to vulnerable populations, DAC, or SDAC.

Project Timeline:

OPC staff anticipate releasing the Track 2: SLR Implementation Project Funding Solicitation (subject to minor refinement) and opening the first competitive round for Track 2 in Fall 2025 with selected projects brought to the Council for approval in Summer 2026. OPC staff anticipate opening this funding opportunity annually, pending availability of funds.

¹ Non-federally recognized tribes are eligible to apply to this solicitation through a qualified 501(c)(3) non-profit organization. Non-profit organizations applying on behalf of non-federally recognized tribes, an inter-tribal consortium, tribal conservation district, or tribal partnerships must provide an IRS 501(c)(3) determination letter as well as a resolution, MOU, or letter, signed by the chairperson of the tribe(s) to confirm that the California Native American tribe has an established relationship with the applicant, details the status of the current working relationship, affirms the tribe's commitment to the project, and describes how the project outcomes will be useful for the tribe.

Project Financing:

Staff recommends that the Ocean Protection Council authorize the competitive Track 2: SLR Implementation Project Funding Solicitation with an initial funding amount of up to \$7,000,000 for SLR adaptation projects. OPC staff may annually release this solicitation, with the discretion to increase or decrease the amount of this solicitation, pending availability of funding for this program.

| Ocean Protection Council | \$7,000,000 |
|--------------------------|-------------|
| TOTAL | \$7,000,000 |

The anticipated source of funds will be from OPC's allocation of funding for the SB 1 Grant Program from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4), Fiscal Year 2025/2026. Proposition 4 Section 92000 directs a total of \$75 million to OPC to implement the California Sea Level Rise Mitigation and Adaptation Act of 2021 (SB 1). Track 2 is an appropriate use of Proposition 4 funds because it will directly fund implementation of SB 1 (Atkins, 2021) through SLR adaptation implementation projects to increase coastal resilience to SLR impacts throughout the state.

Consistency with California Ocean Protection Act:

The proposed funding opportunity 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.
- Protect, conserve, and restore 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 funding opportunity is not a 'legal project' 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. If individual projects are selected that trigger CEQA, OPC must determine whether the project is in compliance with CEQA prior to the issuance of funding awards.