



Memo

Date: March 27, 2014
To: Members of the State Coastal Conservancy
From: Sam Schuchat, Executive Officer
Mary Small, Deputy Executive Officer
CC: Legislative Oversight Members
RE: Coastal Conservancy Strategic Plan, First Year Progress Report

On December 6, 2012, the Coastal Conservancy adopted a new five-year Strategic Plan that identified specific goals and objectives to help the Conservancy prioritize its work. These goals and objectives are organized under four program areas: Coastal Access, Coastal Resource Conservation, San Francisco Bay Area Conservancy, and Organization. This report highlights some of the Conservancy's major accomplishments in 2013 and reviews progress implementing the Strategic Plan in each program area.

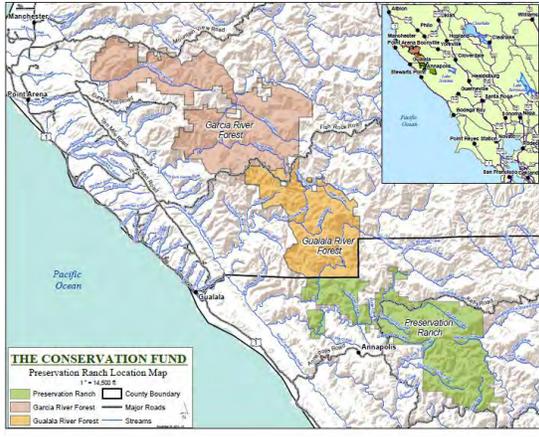
In its first year of implementing the Strategic Plan the Conservancy made considerable progress toward achieving its goals and objectives. Of particular note are the successes of two competitive grant rounds initiated in 2013: Explore the Coast grants, which support opportunities for the public to get to and learn about the coast and San Francisco Bay, and Climate Ready grants, which help communities prepare for and reduce the effects of climate change. Both of these programs attracted many proposals and allowed us to support far more projects than originally anticipated in the Strategic Plan. Attachment 1 to this report shows the progress to date on the goals and objectives in each region of the coast and around San Francisco Bay. As in past years, progress implementing the Strategic Plan objectives is uneven. Some numeric objectives have been completed, others have limited progress to report.

Highlights of 2013 (and early 2014)

Last year the Conservancy celebrated several major project accomplishments and milestones. This section highlights some of the important achievements covering a range of programmatic goals and regions of the state. As with the majority of Conservancy projects, these accomplishments follow many years of work by our staff and project partners.

Preservation Ranch

In April 2013 the Conservancy awarded \$10 million to The Conservation Fund to acquire Preservation Ranch—almost 20,000 acres of rugged, mostly undeveloped land in northern Sonoma County. The property had been operated as industrial timberland for many decades



but more recently was at risk of being converted to vineyards. The acquisition protected 30 square miles of the Gualala River’s upper watershed and put to rest a major land use controversy in Sonoma County. As shown on the map, this property (in green) connects on its northern boundary to over 50,000 acres of protected working forest and open space lands (in orange and pink). The Conservation Fund will manage the land as a sustainable forest and is working on registering the project so that it will be eligible for carbon credits.

Malibu Lagoon Enhancement

May 2013 marked the completion of the 20-year effort to improve Malibu Lagoon’s wildlife habitat. This project involved reshaping the lagoon and removing bridges to increase dissolved oxygen and improve water circulation. Monitoring indicates that the restoration is achieving its goals and the improved habitat is already attracting more fish and birds. The project also included construction of a new parking lot and new path to the beach. Many new interpretive features and amenities were installed for park visitors, such as the kelp shade structure shown in the photo.



Photo from Malibu Times

San Clemente Dam Removal



Construction work to remove Monterey County’s San Clemente Dam and restore the Carmel River began in June 2013. Since it was built in 1921, the dam has accelerated erosion and blocked a once vibrant run of steelhead from historic spawning grounds. The area behind the dam is filled with sediment, and the dam has been declared an unsafe structure that threatens lives and property downstream. This project—the largest dam removal project in California—will open 25 miles of river habitat to steelhead trout, restore natural sediment processes to the river, and protect 900 acres of watershed lands.

Hamilton Wetlands

After many years of construction, restoration of wetlands at the former Hamilton Army Airfield in Marin County is nearly complete. The work included delivery of about six million cubic yards of materials dredged primarily from the Port of Oakland. It is expected that the external levee will be breached in 2014, reconnecting the site to the San Francisco Bay. A new 2.6-mile section of the San Francisco Bay Trail was constructed on a new inner levee, allowing public access close to the restored area. The Conservancy has led this project for the past decade in partnership with the U.S. Army Corps of Engineers and the San Francisco Bay Conservation and Development Commission.



San Francisco Bay Living Shorelines



In the fall of 2013 monitoring results for the first year of the San Francisco Bay Living Shorelines Project found that more than two million oysters had settled on an artificial reef constructed in San Rafael. This is one of two bay sites selected in 2012 to establish healthy habitats for aquatic animals and plants and to test innovative techniques to protect and buffer shorelines from sea level rise and storm surges. The project has included construction of native oyster reefs and eelgrass beds plus research on the ecological and physical benefits of these habitats, such as their use by fish, birds, and invertebrates. Initial monitoring has indicated that the reefs reduce wave energy by up to 30% at certain water levels.

Stornetta and Point Arena Bluffs—National California Coastal Monument

On March 11, 2014, President Obama established the first shoreline addition to the California Coastal National Monument. The new Point Arena-Stornetta Unit contains 1,665 acres along a spectacular stretch of public lands in Mendocino County. The Coastal Conservancy provided more than \$5 million for two of the acquisitions that make up the Unit—the Stornetta property, approved in 2003, and the Point Arena Bluff property, approved in 2011.



New Grant Programs

In 2013 the Conservancy launched two new grant programs, one focused on expanding public access to the coast and the other focused on preparing for the impacts of climate change. Both programs received far more applications than we expected or were able to fund. As a result of these grant rounds, the Conservancy has exceeded its Strategic Plan objectives for goals relating to coastal access, climate resilience, and environmental education.

Explore the Coast Grants

The Conservancy held its first ***Explore the Coast Grant Program*** last spring. These grants support new opportunities for people to visit California's spectacular coast and the San Francisco Bay shoreline, along with projects to enhance the experience of coastal visitors. Several grants supported programs that provide transportation for students and families to get to the coast where they can participate in docent-led hikes and other activities. One program brings disadvantaged youth and people with physical or developmental disabilities onto the waters of San Francisco Bay, offering an opportunity to learn first-hand the value of healthy coastal ecosystems. Projects also included the development of mobile-accessible trail guides and other information about recreational opportunities, support services, and the natural and human histories of specific areas. The Conservancy received more than 100 applications for grants and awarded \$1.3 million to 52 local governments and nonprofit organizations. Awards ranged between \$1,500 and \$50,000 and averaged about \$25,000.



Climate Ready Grant Round

The Conservancy also initiated its ***Climate Ready Grant Program*** in 2013. Some of the supported projects aim to reduce greenhouse gas emissions or sequester carbon from the atmosphere. For example, the Marin Carbon Project is working with farmers to reduce methane emissions and increase carbon sequestration in grasslands. Several communities received grants to help them adapt to the effects of climate change, including sea level rise. The Conservancy is supporting 20 projects located in all parts of the coast with grants totaling more than \$3 million. For this grant round we received 76 applications with more than \$13 million in requests.

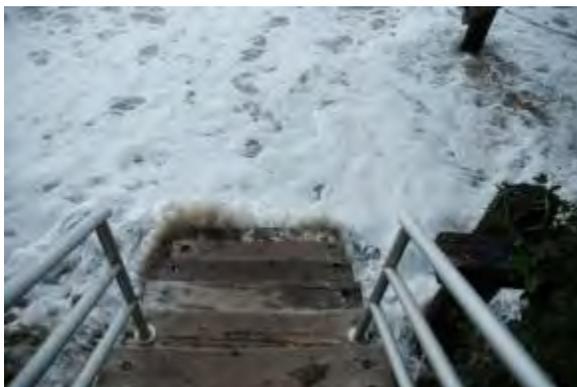


Photo: LA Waterkeeper, King Tides

Coastal Access Goals

Coastal Trail

As a result of the Explore the Coast grant round the Conservancy has already met Objective 1A, to promote awareness and use of the Coastal Trail. In setting the goal we underestimated the number of projects that could be accomplished through relatively small grants, as done through the grant round. All other Coastal Trail objectives are only partially complete, but we will continue to work on projects to design, build, and secure rights-of-way for new segments of the Coastal Trail. We conducted staff training on installation of signage for Coastal Trail segments and will continue work to install signs on the existing trail.

Coastal Access

During the first year we have made significant progress on the Objective 2D to construct coastal recreational facilities. The Conservancy approved funding for a new restroom at Carmel Beach, a new stairway at Del Mar Shores in San Diego, and parking expansion and new trail construction at Ma-le'l Dunes in Humboldt County. We also made significant progress on the goal to design regional trails connecting to the coast. Very limited progress was made on the construction of regional trails this past year; we will seek to complete more of these projects over the next four years.

Urban Waterfront Revitalization and Low Cost Accommodations

The Conservancy funded a few projects that will develop community fishery revitalization plans for ports and waterfront areas in Ventura and San Pedro. These plans will identify recommendations for redeveloping working waterfronts and supporting local fisherman and/or community fishing associations. During 2013 we did not fund many projects to implement revitalization plans but are looking to implement such projects in the coming year.

The Conservancy has not funded any projects related to its objectives to provide low cost visitor accommodations, but potential projects are being pursued by staff and this objective will be a focus over the next four years.

Coastal Resource Conservation Goals

Protect Coastal Resource Properties

As discussed above, in April 2013 the Conservancy funded the acquisition of Preservation Ranch. This was an enormous project that essentially completed the North Coast target for land conservation. In addition, we also funded the acquisition of the 8,532-acre Cemex Redwoods property in Santa Cruz County last year. Both of these projects helped achieve objectives 4A and 4B, but we did not double-count the acreage. Projects to protect additional working lands will be a priority in the coming years.

Coastal Watershed Projects

There are eight objectives under Goal 5 that aim to improve water quality, habitat, and natural resources in coastal watersheds. The Conservancy has exceeded a few of the objectives under this goal primarily due to the success of the Integrated Watershed Restoration Program in the Central Coast region. This program is a Coastal Conservancy initiative that seeks to improve water quality and fish and wildlife habitat in Santa Cruz County watersheds using a non-regulatory, voluntary approach. We have improved tracking of specific projects this year, and as a result we have exceeded our estimate for the number of projects that will be completed under this goal.

Working Land Stewardship

The Conservancy has not made much progress under its goal to enhance coastal working lands this year. These projects will be a focus in the coming years.

Climate Resilience

As discussed above, the Conservancy held its first Climate Ready Grant Round last fall. We received 76 applications and were able to fund 20 projects. The response exceeded our expectation and we were able to support more projects than originally anticipated in the Strategic Plan. Given the demand and the importance of planning for climate resilience, staff anticipates funding a second round of Climate Ready Grants and expects to exceed all of the objectives under Goal 7.

Reduce Conflicts Among Competing Uses

The Conservancy made little progress under Goal 8. This goal will be a focus in future years.

Environmental Education

The Conservancy has met or exceeded its objectives for Goal 9 related to promoting environmental education, primarily due to the overwhelming response to the Explore the Coast grant program. This program allowed us to fund 52 projects with grants of \$50,000 or less. Many of these projects are supporting the expansion of environmental education programs. For example, the Conservancy is funding the Ocean Discovery Institute's work with students in the City Heights neighborhood of San Diego, the Central Coast State Parks Association's project to bring underserved students to Morro Bay, and Acterra's efforts to create a Junior Bay Steward Program targeting underserved young people from East Palo Alto.

San Francisco Bay Area Conservancy Goals

Resource and Recreational Goals

The Conservancy has made good progress identifying and prioritizing recreation and resource goals for the Bay Area. In addition to new projects, the Conservancy continues to support multi-year planning efforts such as a technical update to the Baylands Goals Report to address climate change impacts.

Land Protection

The Conservancy is on track to achieve its objectives related to the protection and enhancement of habitats, corridors, watersheds, and other open space resources. In October 2013 the Conservancy approved funding for the Sonoma Land Trust to purchase the 1,091-acre Haire Ranch, a large hay farm located on Skaggs Island. This project completed the protection of the island, a long-term regional conservation priority.

Public Access and Recreation

The Conservancy is making excellent progress on its San Francisco Bay Area goals related to improving public access and recreation. The Explore the Coast grants enabled us to fund a large number of small projects, and so we have already exceeded our goal to fund projects that expand opportunities for barrier-free access to natural areas. In addition, the Conservancy funded a number of projects to construct new segments of the San Francisco Bay Trail.

Working Lands

The Conservancy made very little progress under Goal 13. This goal will be a focus in future years.

Organizational Goals

The organizational goals in the Strategic Plan describe what the Conservancy will need to achieve in order to implement the programmatic objectives of the plan. Although these goals do not have quantifiable objectives, significant progress has been made toward achieving these objectives in the past year. There are three goals in this section: implementing a sustainable long-term funding strategy, reorganizing the agency structure, and ensuring full transparency and accountability.

Sustainable Funding Strategy

The first goal is to implement a sustainable long-term funding strategy, and the Conservancy has implemented the two objectives under this goal. In October the Conservancy Board was provided with the annual report on the agency's budget and progress implementing the long-term financial plan, see Attachment 2. This year the senior staff initiated a regular evaluation of progress achieving annual funding targets and reduction of our operating costs. We are on track to reduce operational expenses this year. Next year we will be moving to a state-owned building, which will result in significant one-time costs and an increase in rent. However, the Governor's budget includes additional funding for these costs.

As reported in October, the Conservancy made significant progress implementing the long-term funding plan last year and we expect to meet or achieve the goals for support funding for FY 2013/14 identified in the plan. The Preservation Ranch project included a cost-sharing agreement for any future carbon credits sold from the property. Although there is uncertainty about the future carbon market, the current projection from this project will achieve our target

for carbon revenue. The Conservancy has also received approval to use 5% of the Habitat Conservation Fund and 10% of the Violation Remediation Account for its support budget. As a result, we secured \$344,000 in support funds this year and approximately \$350,000 for next fiscal year.

The Conservancy was very successful obtaining outside grant funds to pay for both our projects and our staff this year. Last year the Conservancy was awarded nearly \$11.5 million for our projects, including more than \$780,000 in grant funds to pay for the Conservancy's operation and to support our staff in providing important technical assistance to implement projects over the next few years. A table of all the grants we received in 2013-14 is at the end of this section.

Reorganize Staff Structure

The management team is continuing to evaluate existing staff resources and ways of shifting responsibilities to address the existing needs and future challenges of the agency. One example is a recently created external grants manager position. We created this half-time assignment for an existing project manager to act as a resource for staff applying for and managing outside grants to accomplish our goal of receiving increased funding for our projects and staff.

As discussed in our long-term financial plan, absent significant new funding the Conservancy is generally not replacing staff members as they leave or retire. Our intention is to gradually reduce the total staff through attrition back to approximately the same staff size that the Conservancy had in 2000. Ultimately, this would mean a reduction of about 30 positions. Last year, with the transfer of the Ocean Protection Council, our staff was reduced by 8 positions. We expect further reductions of at least 3 more positions this year.

Full Transparency and Accountability

The first objective under this goal is to maintain and consistently upgrade the Conservancy project database and to complete all required reporting. During the past year we have migrated all of our project data into the Natural Resource Agency's new bond reporting database. We are continuing monthly updates of that information and are adding geographic data to pre-Proposition 84 entries. We expect to complete that data entry by the fall.

The second objective is to improve and expand our web presence. We are currently in the process of revamping our website to make it easier to use and a better communications tool. We expect to unveil the new website this summer. We are also regularly posting project updates to our Facebook site and directing people to the website for more information.

Our third objective is to develop better mapping tools and to use them for project planning, decision making, and reporting. We are working with the nonprofit organization GreenInfo Network to develop a mapping tool for Coastal Conservancy project managers, which we expect to have in place by the summer of 2014. This tool will allow the Conservancy to maintain a geospatial database of all land conservation projects that show the actual parcels conserved,

rather than dots on a map. In addition, we are also working to map all prior Conservancy acquisitions at the parcel level. We expect to complete this effort in 2014 as well.

The final objective under this goal is to prepare and disseminate compelling regional and topical reports about our accomplishments. We have developed a series of reports that summarize the Conservancy's work in specific counties and one report on our urban projects in Southern California. A few examples of these reports are attached. We have completed reports for most counties and expect to have a full set of reports for all coastal counties complete and posted to our website by summer of 2014.

<i>Project Name</i>	<i>Funder</i>	<i>Staff</i>	<i>Staff Funding</i>	<i>Total Award</i>
S.F. Bay Creosote Piling Removal and Habitat Restoration	National Fish and Wildlife Foundation	M. Latta	\$200,000	\$2,000,000
S.F. Estuary Invasive Spartina Eradication and Restoration	Wildlife Conservation Board	M. Latta	\$0	\$1,500,000
Ryan Creek	US Fish and Wildlife Service	J. Gerwein	\$50,000	\$1,000,000
S.F. Estuary Invasive Spartina Enhancement Work	US Fish and Wildlife Service (North American Wetlands Conservation)	M. Latta	\$100,000	\$1,000,000
S.F. Bay Coastal Wetlands Vegetation and High Tide Refuge Islands	US Fish and Wildlife Service (National Coastal Wetlands Conservation)	M. Latta	\$100,000	\$1,000,000
Los Cerritos Acquisition	US Fish and Wildlife Service	C. Kroll	\$45,000	\$1,000,000
White Slough Restoration	US Fish and Wildlife (National Coastal Wetlands Conservation)	J. Gerwein	\$50,000	\$1,000,000
Upper Devereux Slough Restoration	US Fish and Wildlife Service	R. Couch	\$38,237	\$1,000,000
Bair Island Restoration	US Fish and Wildlife Service (National Coastal Wetlands Conservation)	B. Buxton	\$0	\$554,485
Elkhorn Slough	National Oceanic and Atmospheric Administration	T. Chapman	\$0	\$552,436
Los Osos Creek Wetland Conservation Project	US Fish and Wildlife Service	T. Duff	\$3,000	\$510,222
Sea Level Rise Planning	Federal Emergency Management Agency	M. McEnespy	\$200,000	\$200,000
Little River Estuary Protection	US Fish and Wildlife Service	P. Jarausch	\$0	\$40,000
Humboldt Bay Spartina Eradication	US Fish and Wildlife Service	J. Gerwein	\$0	\$75,000
SF Bay Ecosystems Climate Adaptation	Bay Conservation and Development Commission	M. Gerhart	\$0	\$10,000
TOTALS			\$786,237	\$11,442,143

Goals and Objectives 2013-14 Progress

Coastal Public Access and Recreation Goals and Objectives	Target	Progress To Date	Percent Complete	North Coast Target	North Coast Progress	North Coast % Compl.	Central Coast Target	Central Coast Progress	Central Coast % Compl.	South Coast Target	South Coast Progress	South Coast % Compl.
Goal 1: Develop the Coastal Trail												
Objective 1A: Promote awareness and use of the California Coastal Trail (unit = projects)	6	6	100%	4	2	50%	1	4	400%	1	0	0%
Objective 1B: Place California Coastal Trail signs on existing trails (unit = miles)	100	1	1%	30	0	0%	30	1	3%	40	0	0%
Objective 1C: Design new trail segments (unit = miles)	28	1.6	6%	12	1.5	13%	8	0	0%	8	0.1	1%
Objective 1D: Construct new trail segments (unit = miles)	29	1.1	4%	12	0	0%	15	1	7%	2	0.1	5%
Objective 1E: Secure property interests to facilitate development of the California Coastal Trail (unit = projects)	6	0	0%	3	0	0%	2	0	0%	1	0	0%
Objective 1F: Improve support facilities at existing coastal accessways (unit = projects)	9	4	44%	3	1	33%	4	3	75%	2	0	0%
Goal 2: Expand system of coastal public accessways, open space and connecting trails												
Objective 2A: Develop projects that expand opportunities for barrier-free coastal access (unit = projects)	12	5	42%	4	3	75%	4	1	25%	4	1	25%
Objective 2B: Open coastal areas that are currently inaccessible or closed to public use (unit = projects)	15	5	33%	8	3	38%	4	1	25%	3	1	33%
Objective 2C: Design facilities to increase and enhance coastal recreational opportunities (unit = designs)	5	2	40%	2	1	50%	3	0	0%	0	1	N/A
Objective 2D: Fund construction of new, or reconstruction of dilapidated, coastal recreation facilities (unit = facilities)	10	6	60%	4	1	25%	5	2	40%	1	3	300%
Objective 2E: Design new regional trails and river parkways that connect inland populations to the coast (unit = plans)	3	2	67%	1	0	0%	1	1	100%	1	1	100%
Objective 2F: Construct new regional trails and river parkways that connect inland populations to the coast (unit = miles)	29	0.4	1%	0	0	0%	0	0	N/A	29	0	0%
Objective 2G: Acquire land to allow for development of new coastal accessways (unit = projects)	5	2	40%	4	1	25%	1	0	0%	0	1	
Goal 3: Revitalize coastal and inland waterfronts												
Objective 3A: Develop waterfront revitalization plans (unit = plans)	5	3	60%	1	0	N/A	1	0	0%	2	2	100%
Objective 3B: Implement waterfront revitalization projects (unit = projects)	4	1	25%	1	0	0%	0	0	N/A	1	0	0%
Objective 3C: Design low cost visitor accommodations to expand access to the coast (unit = plans)	2	0	0%	1	0	0%	1	0	0%	0	0	N/A
Objective 3D: Construct low cost visitor accommodations along the coast (unit = projects)	2	0	0%	1	0	0%	1	0	0%	0	0	N/A

Goals and Objectives 2013-14 Progress

Coastal Resource Conservation Goals and Objectives	Target	Progress To Date	Percent Complete	North Coast Target	North Coast Progress	North Coast %	Central Coast Target	Central Coast Progress	Central Coast %	South Coast Target	South Coast Progress	South Coast %
Goal 4: Protect coastal resource properties												
Objective 4A: Protect significant coastal and watershed resource properties (units = acres)	23,580	29,737	126%	21,000	20,850	99%	2,000	4,345	217%	580	104	18%
Objective 4B: Protect working-lands through conservation easements and other agreements (units = acres)	13,000	4,200	32%	7,000	-	0%	6,000	4,200	70%	-	-	N/A
Objective 4C: Implement projects that preserve and restore fish and wildlife corridors (units = projects)	6	5	83%	5	2	40%	1	-	0%	-	2	N/A
Goal 5: Enhance Coastal Watersheds												
Objective 5A: Develop plans for the restoration and enhancement of coastal habitats (units = plans)	15	6	40%	3	4	133%	9	1	11%	3	1	33%
Objective 5B: Restore or enhance coastal habitats (units = acres)	965	213	22%	825	206	25%	140	2	1%	-	5	N/A
Objective 5C: Develop plans to preserve and enhance coastal watersheds and floodplains (units = plans)	12	3	25%	3	1	33%	4	1	25%	5	1	20%
Objective 5D: Implement projects that preserve and enhance coastal watersheds and floodplains (units = projects)	12	29	242%	3	-	0%	2	26	1300%	7	2	29%
Objective 5E: Implement projects to improve fish habitat (units = projects)	9	22	244%	5	6	120%	3	16	533%	1	-	0%
Objective 5F: Complete plans to improve water quality to benefit coastal and ocean resources (units = plans)	11	1	9%	5	1	20%	3	-	0%	3	-	0%
Objective 5G: Implement projects to improve water quality to benefit coastal and ocean resources (units = projects)	4	10	250%	1	3	300%	1	7	700%	2	-	0%
Objective 5H: Implement projects to support the recovery of the southern sea otter (units = projects)	3	7	233%	-	-	N/A	3	7	233%	-	-	N/A

Goals and Objectives 2013-14 Progress

Coastal Resource Conservation Goals and Objectives	Target	Progress To Date	Percent Complete	North Coast Target	North Coast Progress	North Coast %	Central Coast Target	Central Coast Progress	Central Coast %	South Coast Target	South Coast Progress	South Coast %
Goal 6: Enhance coastal working lands												
Objective 6A: Develop plans for projects that foster the long-term viability of coastal working lands (units = plans)	8	1	13%	4	1	25%	3	-	0%	1	-	0%
Objective 6B: Implement projects that foster the long-term viability of coastal working lands (units = projects)	5	1	20%	4	1	25%	1	-	0%	-	-	N/A
Goal 7: Climate Change Resilience												
Objective 7A: Identify significant climate-related threats and technical assistance needs of coastal communities	1	3	300%	-	-	N/A	1	1	N/A	1	1	N/A
Objective 7B: Conduct vulnerability assessments from sea level rise and develop adaptation plans (units = plans)	3	4	133%	-	1	N/A	1	1	100%	1	1	100%
Objective 7C: Conduct vulnerability assessments of uplands and waterways and develop adaptation plans (units = plans)	3	3	100%	1	1	100%	1	1	100%	1	-	0%
Objective 7D: Implement adaptation pilot projects that reduce hazards from sea level rise (units = projects)	2	1	50%	1	1	100%	1	-	0%	-	-	N/A
Objective 7E: Implement adaptation pilot projects that address climate change impacts to uplands natural resources, biodiversity and critical habitat (units = projects)	1	1	100%	1	1	100%	-	-	N/A	-	-	N/A
Objective 7F: Implement projects that reduce greenhouse gases (units = projects)	4	3	75%	1	2	200%	1	1	100%	1	-	0%
Objective 7G: Implement tree and vegetation planting projects that reduce urban heat islands (units = projects)	1	-	0%	-	-	N/A	-	-	N/A	1	-	0%

Goals and Objectives 2013-14 Progress

Coastal Resource Conservation Goals and Objectives	Target	Progress To Date	Percent Complete	North Coast Target	North Coast Progress	North Coast %	Central Coast Target	Central Coast Progress	Central Coast %	South Coast Target	South Coast Progress	South Coast %
Goal 8: Reduce conflicts in Coastal Zone												
Objective 8A: Implement projects that resolve land-use conflicts (units = projects)	1	1	100%	-	1	N/A	-	-	N/A	1	-	0%
Objective 8B: Implement multi-benefit projects that accomplish multiple objectives and resolve longstanding conflicts (units = projects)	6	1	17%	-	1	N/A	-	-	N/A	6	-	0%
Goal 9: Support Environmental Education												
Objective 9A: Support programs and events that improve public understanding of coastal resources (units = programs)	27	35	130%	10	6	60%	11	11	100%	6	13	217%
Objective 9B: Support the design and installation of interpretive or educational displays related to the coast (units = exhibits)	8	11	138%	1	3	300%	1	6	600%	6	1	17%
Objective 9C: Construct or improve regional environmental education centers that educate the public about environmental issues affecting the coast and inland watersheds (units = centers)	1	1	100%	1	-	0%	-	-	N/A	-	1	N/A

Goals and Objectives 2013-14 Progress

San Francisco Bay Area Program Goals and Objectives	SF Bay Area Target	SF Bay Area Progress	SF Bay Area % Complete
Goal 10: Identify and prioritize long-term resource and recreational goals			
Objective 10A: Identify and prioritize resource and recreational goals, including projects that protect and enhance natural habitats and other open-space lands of regional significance and those that improve public access (unit = plans)	2	1	50%
Goal 11: Protect and enhance natural habitat, corridors, watersheds, scenic areas			
Objective 11A: Protect tidal wetlands, managed wetlands, seasonal wetlands, riparian habitat, and subtidal habitat (unit = acres)	500	0	0%
Objective 11B: Protect wildlife habitat, connecting corridors, scenic areas, and other open-space resources of regional significance (unit = acres)	2,000	1329	66%
Objective 11C: Develop plans for enhancement of tidal wetlands, managed wetlands, seasonal wetlands, upland habitat, and subtidal habitat (unit = acres)	3,000	500	17%
Objective 11D: Enhance tidal wetlands, managed wetlands, seasonal wetlands, upland habitat, and subtidal habitat (unit = acres)	1,500	1453	97%
Objective 11E: Develop plans for enhancement of riparian and riverine habitat or other watershed functions and processes for the benefit of wildlife or water quality, including removal of barriers to fish passage or ensuring sufficient instream flow (unit = plans)	2	0	0%
Objective 11F: Enhance riparian and riverine habitat or other watershed functions and processes for the benefit of wildlife or water quality, including removal of barriers to fish passage or projects that ensure sufficient instream flow (unit = projects)	2	2	100%
Objective 11G: Develop plans to eradicate non-native invasive species that threaten important habitats in the SF Bay Area (unit = plans)	0	0	N/A
Objective 11H: Eradicate non-native invasive species that threaten important habitats in the San Francisco Bay Area (unit = projects)	1	0	0%
Goal 12: Improve public access, recreation and educational facilities			
Objective 12A: Develop plans for projects that provide recreational facilities such as picnic areas, docks and piers, campgrounds, parking lots, interpretive signs, interpretive or educational centers, and natural play spaces (unit = plans)	4	2	50%
Objective 12B: Implement projects that provide recreational facilities such as picnic and staging areas, docks and piers, campgrounds, parking lots, interpretive signs, interpretive or educational centers, and natural play spaces (unit = projects)	3	4	133%
Objective 12C: Complete acquisition projects that increase the amount of land accessible to the public or provide corridors for trails (unit = acres)	1,000	238	24%
Objective 12D: Develop plans for completing segments of the San Francisco Bay Trail (unit = miles)	22	8.18	37%
Objective 12E: Construct segments of the San Francisco Bay Trail (unit = miles)	5	6.5	130%

Goals and Objectives 2013-14 Progress

San Francisco Bay Area Program Goals and Objectives	SF Bay Area Target	SF Bay Area Progress	SF Bay Area % Complete
Goal 12 (continued): Improve public access, recreation and educational facilities			
Objective 12F: Plan segments of the Bay Area Ridge Trail (unit = miles)	15	0.6	4%
Objective 12G: Construct segments of the Bay Area Ridge Trail (unit = miles)	9	4.6	51%
Objective 12H: Develop plans for regionally significant public access trails and community connectors, including links between the Bay Trail, Ridge Trail, Water Trail, and Coastal Trail, and links between regional trails and urban communities (unit = plans)	2	1	50%
Objective 12I: Construct regionally significant public trails and community connectors, including links between the Bay Trail, Ridge Trail, Water Trail, and Coastal Trail, and links between regional trails and urban communities (unit = projects)	2	1.7	85%
Objective 12J: Designate launch sites for the San Francisco Bay Area Water Trail (unit = sites)	15	1	7%
Objective 12K: Enhance designated launch sites for the San Francisco Bay Area Water Trail (unit = sites)	6	1	17%
Objective 12L: Implement projects that expand opportunities for barrier-free access to natural areas (unit = projects)	3	7	233%
Objective 12M: Implement projects that create, expand, or improve environmental educational or interpretive programs, especially those that are available to urban populations (unit = projects)	10	11	110%
Goal 13: Protect working lands an support stewardship			
Objective 13A: Protect working lands, including farmland, rangeland and forests (unit = acres)	1,000	0	0%
Objective 13B: Implement projects that assist farmers and ranchers to steward the natural resources on their lands (unit = projects)	1	0	0%



Memo

Date: October 3, 2013
To: State Coastal Conservancy Board
From: Sam Schuchat, Executive Officer
Mary Small, Deputy Executive Officer
CC: Oversight Members
RE: Coastal Conservancy Financial Report

The state's fiscal year began on July 1st. This report is the annual financial report to the Coastal Conservancy that provides an overview of the past year's expenditures and an overall picture of the agency's funding. In the spring, we will provide the Coastal Conservancy with a budget update focusing on implementation of the longterm funding plan and any changes proposed in the Governor's Budget for the coming year.

Project Funding

Project funds are appropriated to the Conservancy for the purposes of making grants and entering into contracts; they are not used for operating costs. There are three types of funding available to the Conservancy to fund projects: Bond Funds, Annual Appropriations and Coastal Trust Funds. A detailed description of each of the funds is provided in Attachment 1.

How much funding do we have?

Over the past decade, the vast majority of the funds available for Conservancy projects have come from voter approved bond measures. As shown below, the four bond measures approved by the voters since 2000 included nearly \$1 billion for Conservancy projects. The remaining balances are based on an estimate of the balance in the bond rather than current appropriations; we have included anticipated future appropriations of bond funds in these totals.

There is good news in this report, the Conservancy has more remaining funding than estimated in last year's report. This is good news as there is more funding available for projects. There are two main reasons that I have increased the estimated remaining balances. First, there have been some reversions of older appropriations, this is funding that was unspent. The largest reversion was from the 2009 Prop 84 appropriation. Due to the stop work order and the bond freeze, more than \$40 million from that appropriation reverted. The second reason is reimbursements. As discussed in this memo,

the Conservancy has done an excellent job obtaining matching funds for its projects. In many cases, this requires that we initially spend our funds and then get reimbursed. For Propositions 40, 50 and 84, the Conservancy has recovered significant reimbursements and has significant outstanding reimbursements. When reimbursements are collected, they are essentially repaid to the fund and can be used for new projects.

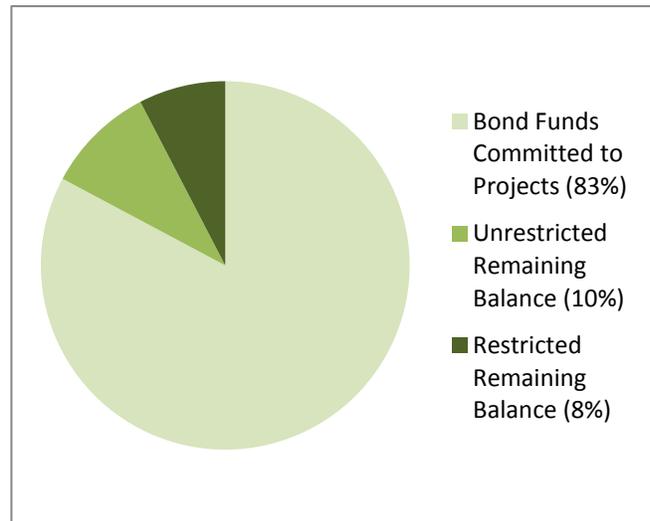
Here is a table summarizing the Conservancy’s remaining balances for each of the four bond acts.

Bond	Total Available to Conservancy	Estimated Balance as of 8/31/13
Prop 12	\$250,400,000	20,000,000
Prop 40	\$240,000,000	16,000,000
Prop 50	\$140,000,000	16,000,000
Prop 84	\$360,000,000	118,500,000
<i>TOTAL</i>	<i>\$990,400,000</i>	<i>170,500,000</i>

Each bond act included specific language governing the use of its funds. In many cases, funds are restricted to specific geographic areas or specific projects. Almost half of the remaining funds must be used for specific purposes; the bond allocation balances are provided in detail in Attachment 1.

In addition to the bond funds, the Conservancy receives annual appropriations from other sources for its projects. These sources include the Habitat Conservation Fund (HCF), the Coastal Access Account, the California Beach and Coastal Enhancement Account and the Sea Otter Funds.

The Conservancy receives occasional appropriations from the Violation Remediation Account which is funded by fines levied by the Coastal Commission against violators of the Coastal Act. The table below shows the uncommitted appropriations of these funds as of August 31, 2013.



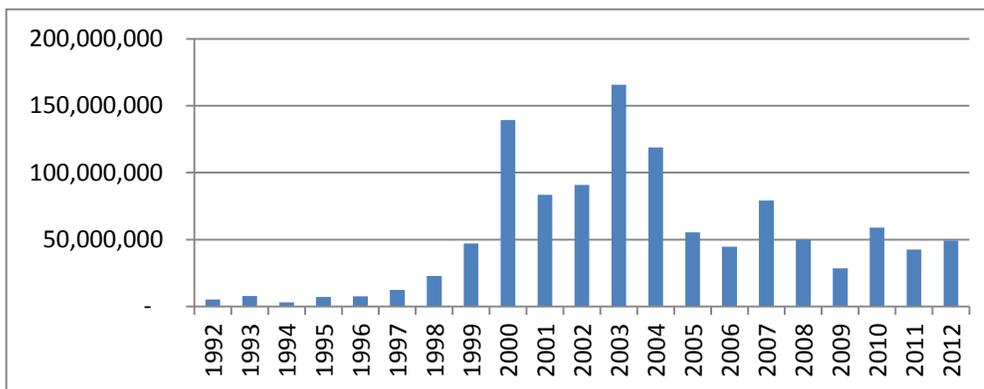
	Current Unallocated Appropriation
Habitat Conservation Fund	19,200,000
Coastal Access Account	960,000
California Beach and Coastal Enhancement Account	430,000
Violation Remediation Account	1,340,000
Sea Otter Fund	130,000
<i>TOTAL</i>	<i>22,060,000</i>

How much did we spend last year?

Bond Funds		
	Proposition 12	2,000,000
	Proposition 40	14,200,000
	Proposition 50	1,200,000
	Proposition 84	25,100,000
Annual Appropriations		
	Habitat Conservation Fund	630,000
	Coastal Access Account	220,000
	California Beach & Coastal Enhancement Account	140,000
	California Sea Otter Fund	120,000
Coastal Trust Funds		
	Coastal Trust Fund	3,800,000
	San Francisco Bay Conservancy Account	1,090,000
	<i>TOTAL</i>	<i>48,500,000</i>

What is our annual spending rate?

This chart shows the total amount that the Conservancy has authorized each fiscal year for the past 20 years. Although not included in the chart, the Conservancy authorized less than \$20 million a year in the decade between 1986 and 1996. The chart shows that the Conservancy’s total authorizations have decreased from their peak in 2003. The Conservancy awarded about \$48.5 million for projects last fiscal year.

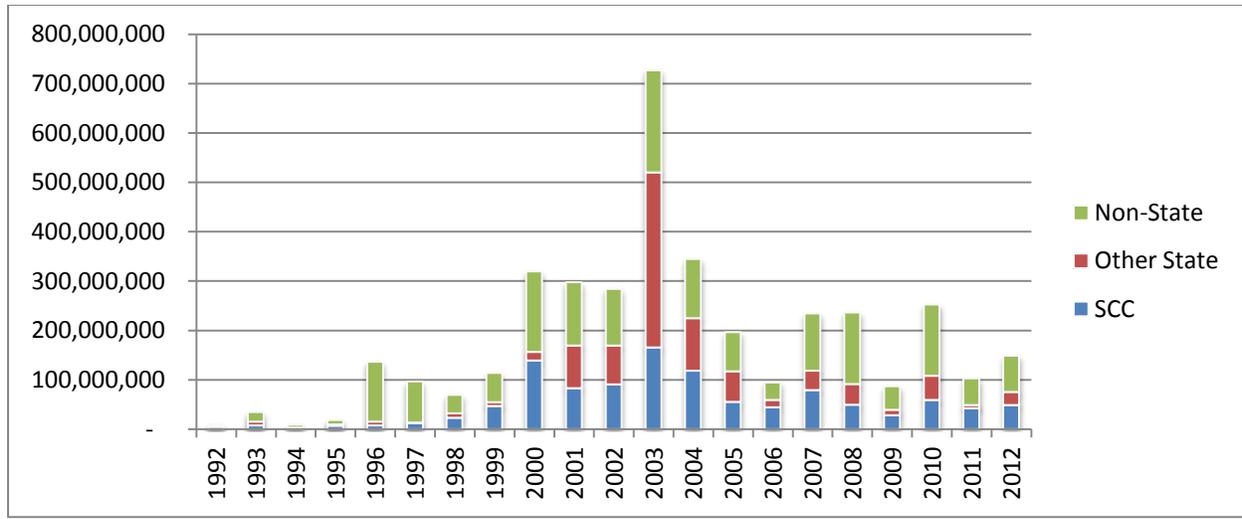


How much matching funding have we leveraged?

Over the past fifteen fiscal years (ending with FY 11), the Conservancy authorized \$1,052,521,838 for its projects. Those funds have been matched by a total of \$2,546,539,993. Matching funds came from other state sources (\$888,152,579) as well as non-state sources including local, federal and private partners (\$1,658,387,414). For every dollar the Conservancy provided, our projects received more than \$2.50 in matching funds. Over the past 25 years, Conservancy funds have been matched on average \$2.80 to \$1. Last fiscal year, Conservancy funds were leveraged 2:1. The \$48.5 million

authorized by the Conservancy was matched by \$26 million in other state funds and \$73.6 million in non-state funds.

Matching Funds - Conservancy Projects 1997-2012



The Conservancy was awarded a number of grants to fund our projects and our staff work implementing important projects. The table below summarizes the grants awarded last year.

<i>Project Name</i>	<i>Funder</i>	<i>Staff</i>	<i>Amt for Staff</i>	<i>Total Award</i>
Bair Island and Sears Point Restoration	Bay Area Clean Water Agencies/DWR	B.Buxton, B. Wilson	\$221,470	\$3,795,000
S.F. Bay Creosote Piling Removal	National Fish and Wildlife Foundation	M. Latta	\$200,000	\$2,000,000
S.F. Estuary Invasive Spartina Eradication	Dept. of Fish & Wildlife/WCB	M. Latta	\$0	\$1,500,000
Ryan Creek	US Fish and Wildlife	J. Gerwin	\$50,000	\$1,000,000
Los Cerritos Acquisition	US Fish and Wildlife	C. Kroll	\$45,000	\$1,000,000
Elkhorn Slough	National Oceanic and Atmospheric Admin.	T. Chapman	\$0	\$552,436
Sea Level Rise Planning	Federal Emergency Management Agency	M. McEnespy	\$200,000	\$200,000

Support Budget

The support budget is the annual budget for the operation of the Conservancy including salaries, benefits, operational expenses (rent, utilities, supplies, computers) and any contracts that are related to operation (i.e. project database programming).

At the direction of the legislature, the Conservancy developed a funding plan for the operation of the agency over the next ten years, absent any new bond funds. That long-term funding plan is provided as Attachment 2. The plan assumes that the Conservancy will develop new sources of funding to pay for our operation and that we will reduce our operational expenses. This report provides a brief update on our progress to achieve both of these goals.

How much does it cost to operate the Conservancy?

The table below shows the actual expenditures for the operation of the Conservancy over the past five fiscal years. About 2/3 of our operating expenditures are staff salaries and benefits. All of the categories of expenditure were lower last year than the year before, except for interdepartmental consulting. That category was significantly higher because SCC entered into a one-time interagency agreement to transfer \$418,500 of unspent Environmental License Plate Funds to the Natural Resource Agency as part of the transfer of the Ocean Protection Council.

Coastal Conservancy Operating Budget 2008–2012

(Dollars in 1,000s)

	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Actual
Staff					
Salaries	5,138	4,595	4,674	4,883	4,618
Benefits	1,728	1,772	2,206	2,446	2,008
<i>subtotal - Staff</i>	<i>6,866</i>	<i>6,367</i>	<i>6,880</i>	<i>7,329</i>	<i>6,626</i>
Expenses					
Travel In State	320	288	217	231	181
Travel Out of State	12	10	4	4	4
Training	3	15	4	3	2
Facilities & Utilities	570	495	467	449	435
General Expense & Equipment	160	195	201	193	142
Printing, Commun. & Postage	170	161	116	110	85
Consulting interdept.	294	364	238	274	687
Consulting external	3,055	1,013	715	837	276
<i>Centralized Costs</i>					
Data Processing	114	157	165	152	97
Pro Rata	313	356	706	644	621
SWCAP	6	38	12	8	-
<i>subtotal OE&E</i>	<i>5,016</i>	<i>3,090</i>	<i>2,846</i>	<i>2,905</i>	<i>2,530</i>
Total	11,882	9,457	9,726	10,234	9,156

Where does the funding for the Conservancy's operation come from?

The Coastal Conservancy does not receive any money from the State General Fund to pay for its operation. Since its creation, the Conservancy has generally paid its support expenses from other sources although General Funds have been appropriated to the Conservancy in the past when bond funds were limited or not available. Over the past decade, the Conservancy has received funding for its operation out of a small percentage of the bond funds. Over the next few years, the Conservancy will receive diminishing amounts of support funding from Propositions 12, 40 and 50 and rely more heavily on Proposition 84. If there is no new bond measure the Conservancy will reduce its staff as it finishes administering these bonds.

The Conservancy's long-term funding plan identifies a strategy for obtaining future funding for the Conservancy's operation from a variety of sources, including incoming grants, carbon revenues and other sources, as shown in Attachment 2 and described below.

What progress have we made in implementing our long-term funding plan?

The Conservancy has made significant progress implementing the long-term funding plan. We expect to meet or achieve the goals for support funding for FY 2013/14 identified in the plan.

Violation Remediation Account and Habitat Conservation Fund:

In the FY 2013/14 budget, the Conservancy received approval to use 5% of the Habitat Conservation Fund and 10% of the Violation Remediation Account for its support budget. This change has been approved for future years as well. As a result, the Conservancy will have \$200,000 in support funds from Habitat Conservation Fund this year and every year until the fund sunsets in fiscal year 2020/21. The Conservancy received \$144,000 in support funds from the Violation and Remediation Account (VRA) this year and we expect to receive at least \$50,000 in funds in future years. The actual amount of future VRA will depend on what fines are levied by the Coastal Commission.

Carbon Revenue:

The Conservancy has made significant progress towards its goals of obtaining carbon revenue from multi-benefit forest conservation projects. This year we received a \$1,000,000 payment from The Conservation Fund as a result of our revenue sharing agreement for the Garcia Forest Project. In April 2013, the Conservancy approved funding for the 19,000 acre Preservation Ranch project in Sonoma County and the acquisition was completed on May 31. As a part of that transaction, The Conservation Fund entered into a revenue sharing agreement with the Conservancy that provides for 60% of net revenues from the property to be remitted to the Conservancy. The Conservation Fund has submitted an application to the California Air Resource Board (CARB) to list the project as an Improved Forest Management U.S. Forest Offset Project, and the project is now under review at CARB.

The actual revenues generated from both these projects depend on the future carbon market, which is very uncertain. We will continue to monitor these projects and their revenue expectations, but currently we expect the revenue from these projects to achieve the long-term funding plan goals for carbon revenue.

Grants for Staff:

Conservancy staff have done an outstanding job obtaining outside grant funds to pay for our projects and our staff this year. The grants received last year included more than \$700,000 to pay for the Conservancy's operation and to support our staff in providing important technical assistance to implement projects over the next few years. We have increased the total amount of funding collected from outside grants to pay for operating expenses over the last few years. In 2009/10, we collected \$150,000 and last year we collected \$402,000. We expect to increase the recovery of these costs from outside grants again this fiscal year.

Management of Mitigation and Other Funds:

The Conservancy has continued to pursue management of in-lieu fee funds as a future source of funding for our projects and our operation. The \$190,000 identified in the long-term funding plan for management of mitigation funds this year will be taken from mitigation funds already received from Caltrans for work in the San Francisco Bay Area. The Conservancy is also working to increase the amount of mitigation funding that it manages. The Southern California Wetland Recovery Project has developed a prospectus for a regional wetland in-lieu fee program that would be managed by the Conservancy. This prospectus is currently out for public comment. In addition, the Coastal Conservancy is named in the State Water Board's once-through cooling policy as the entity to manage funds for any utilities that chose to pay a fee and defer compliance. There is the possibility that a similar structure could be used for mitigation of desalination plants although that policy is still being drafted.

Fee for Service:

In a few instances, the Conservancy is providing services to other state agencies. These "fee for service" arrangements are limited to areas where we have existing capacity so that the arrangement benefits both the Conservancy and the other agency. The Conservancy has entered into three of these agreements for a total of \$239,000 this fiscal year. That total exceeds the target of \$74,000 identified in the plan. This year, the Conservancy has a one year agreement with the Natural Resource Agency for \$150,000 to continue administration of existing Ocean Protection Council contracts. We do not expect that agreement to continue after this fiscal year. The other two agreements are with the Tahoe Conservancy to provide human resource services and an agreement with the Sierra Nevada Conservancy to provide limited legal assistance.

One Time Deposits

In April 2013, the Conservancy received \$2,453,337 from the settlement of litigation over the border fence in Tijuana. A portion of the settlement (\$481,764) was returned to the Wildlife Conservation Board and the remainder (\$1,971,573) was deposited into the Coastal Conservancy Fund. On October 23, 2013 the Conservancy will receive bids for the sale of the Victorine Ranch property and transferrable development credits in Big Sur. This property sale marks the completion of a transfer of development program in Big Sur. The minimum expected bid is \$3.9 million, the final sale price will depend on the bids received at the auction.

Expenses

Salaries and Benefits

This fiscal year, we expect to reduce salary expenses by about \$440,000 and we are looking at opportunities to reduce other operating costs. Eight positions were moved from the Conservancy to the Natural Resources Agency on July 1st, when the CNRA took over management of the Ocean Protection Council. This will reduce our salary expenses by \$544,000. The Conservancy has given up two vacant positions, starting this fiscal year, which result in an additional \$200,000 in savings. However, these savings are partially offset by the end of the 5% furloughs on July 1st, which will increase salary expenses by about \$300,000 this year. As discussed in our long-term funding plan, we are currently not filling vacant positions. Absent a new bond act, we expect that the SCC staff will continue to shrink over the next few years.

Attachment 1: Fund Descriptions

Bond Funds

Proposition 12 (2000)

The Safe Neighborhood Parks, Clean Water, Clean Air, And Coastal Protection Bond of 2000 (Proposition 12) made available a total of \$250,400,000 for appropriation by the legislature for the Coastal Conservancy. In the language of the Bond Act, funds were designated to specific purposes. The table below shows the allocations within the Bond Act and the unspent balances.

	Total in Prop 12	Uncommitted Balance
Coastal Conservancy (undesignated)	22,900,000	2,424,000
San Francisco Bay Conservancy	55,000,000	683,000
Central Coast (Santa Cruz to Santa Barbara)	25,000,000	4,000,000
Coastal Salmon	25,000,000	0
Ballona Wetlands	25,000,000	3,652,000
Santa Monica Bay	25,000,000	7,956,000
North of Gualala	15,000,000	1,139,000
Upper Newport Bay	13,000,000	0
Laguna Coast Wilderness	12,500,000	146,000
Fish and Wildlife projects	11,200,000	0
Wildlife projects north of Gualala River	10,000,000	0
Coastal Trail	5,000,000	0
Regional Beach Erosion	3,000,000	0
San Francisco Bay Area Ridge Trail	2,000,000	0
Steelhead - North San Diego Co.	800,000	0
TOTAL	250,400,000	20,000,000

Proposition 40 (2002)

The California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40) made available a total of \$240,000,000 for appropriation by the legislature for the general purposes of the Coastal Conservancy and the San Francisco Bay Conservancy.

	Total in Prop 40	Uncommitted Balance
Coastal Conservancy	200,000,000	10,000,000
San Francisco Bay Conservancy	40,000,000	6,000,000
TOTAL	240,000,000	16,000,000

Proposition 50 (2002)

The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) made available a total of \$140,000,000 for appropriation by the legislature for the general purposes of the Coastal Conservancy and the San Francisco Bay Conservancy. Ten percent of the funds in each

allocation were required to be spent on “acquisition and development of facilities to promote public access to and participation in the conservation of land, water, and wildlife resources.”

	Total in Prop 50	Uncommitted Balance
Coastal Conservancy	108,000,000	14,000,000
Coastal Conservancy – Public Access/Interp	12,000,000	400,000
San Francisco Bay Conservancy	18,000,000	1,500,000
San Francisco Bay Conservancy – Public Access/Int.	2,000,000	0
<i>TOTAL</i>	<i>140,000,000</i>	<i>15,900,000</i>

Proposition 84 (2006)

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) made available a total of \$360,000,000 for appropriation by the legislature to the Coastal Conservancy, and an additional \$90,000,000 for the Ocean Protection Council. This report does not include the Ocean Protection Council.

	Total in Prop 84	Uncommitted Balance
Coastal Conservancy	135,000,000	41,000,000
San Francisco Bay Conservancy	108,000,000	19,000,000
Monterey Bay & Watersheds	45,000,000	17,000,000
Santa Ana River Parkway	45,000,000	34,000,000
San Diego Bay & Watersheds	27,000,000	7,500,000
<i>TOTAL</i>	<i>360,000,000</i>	<i>119,500,000</i>

Annual Appropriations

Habitat Conservation Fund (Proposition 117, 1990)

Proposition 117 of 1990 created the Habitat Conservation Fund (HCF) and requires an annual commitment of funds into the HCF for thirty years. Proposition 117 did not create a new source of funding; the money transferred into HCF come from other sources within the state budget. The purpose of Proposition 117 is to protect fish, wildlife and native plant resources. Allowable uses of HCF include: acquisition of habitat necessary to protect deer and mountain lions or to protect rare, endangered, threatened or fully protected species; acquisition, enhancement or restoration of wetlands, riparian habitat or aquatic habitat for anadromous fish. The Legislature may appropriate up to \$4 million dollars a year to the Conservancy from HCF until 2020. The Conservancy currently has \$19.2 million of this funding available for projects.

Coastal Access Account

The Coastal Access Account provides funds for grants to public agencies and nonprofit organizations for development, maintenance and operation of new or existing facilities that provide public access to

the shoreline of the sea. These funds come from permit fees from the Coastal Commission and cannot be used for projects along the San Francisco Bay shoreline. The Conservancy receives \$500,000 per year for this fund. The Conservancy currently has \$960,000 of this funding available for projects.

California Beach and Coastal Enhancement Account (Whale Tail Environmental License Plate)

The California Beach and Coastal Enhancement Account was established under California Vehicle Code section 5067 within the California Environmental License Plate Fund to be used by the Coastal Commission and the Coastal Conservancy for various coastal programs. Funds are provided to the State Coastal Conservancy for coastal natural resource restoration and enhancement projects and for other projects consistent with the provisions of Division 21 of the Public Resources Code. The amount that the Conservancy receives from this fund depends on the revenues from the Whale Tail License Plates, which are divided between DMV, the general environmental license plate funds, the Coastal Commission and the Conservancy. The Conservancy typically receives \$400,000 per year in this fund. The Conservancy currently has \$430,000 of this funding available for projects.

Sea Otter Fund

In 2006, the legislature created the California Sea Otter Fund for sea otter research through a voluntary tax donation check-off box on state tax forms. The check off appeared on tax forms for the first time in 2007 and will continue as long as enough tax payers elect to participate. Funds generated from the tax check off are divided between the Coastal Conservancy and the Department of Fish and Game. The Conservancy currently has \$130,000 of this funding available for projects.

Violation Remediation Account

The Violation Remediation Account (VRA) was established to ensure that funds derived from violations of the Coastal Act are spent to implement the provisions of the Coastal Act. These funds are spent pursuant to a Memorandum of Agreement between the Coastal Conservancy and the Coastal Commission to ensure that funds are spent on priority projects that further the goals of the Coastal Act. The amount of money deposited in the VRA fluctuates depending on enforcement activity, funds deposited in the VRA are available for future appropriation to the Conservancy by the Legislature. The Conservancy currently has about \$1,400,000 of this funding available for projects.

Coastal Trust Fund

California Public Resources Code Section 31012 established the Coastal Trust Fund in the State Treasury, to receive and disburse funds paid to the Conservancy in trust. The funds within the Coastal Trust Fund include gifts, mitigation funds, in-lieu fees and other funds which have been given to the Conservancy in trust for specific purpose. Because of the inherent restrictions on these funds, these funds are not subject to appropriation by the legislature as part of the annual budget process. The Conservancy has about 50 subaccounts with a total of about \$11.3 million deposited in the Coastal Trust Fund. The Conservancy is required to obtain approval from the Department of Finance to create a new account within the Coastal Trust Fund. These funds can only be used for specific types of

projects, and the majority of the funds are set aside to satisfy mitigation or permit conditions. Below is a list of the accounts and subaccounts and their current balance.

Name	Balance
Bay Conservation and Development Commission Permits	3,810,000
Resource Enhancement Special Projects	2,950,000
Coastal Commission In-Lieu Fees	2,190,000
Carlsbad Agricultural Improvement Fees	740,000
Malibu Access Fund	680,000
El Nido Restoration Project Account	260,000
San Francisco Bay Conservancy Account	220,000
Los Penasquitos Lagoon Enhancement Fund	180,000
San Joaquin Gnatcatcher Habitat	150,000
Malibu Beach Access Account	80,000
Coastal Resource Development Fund	55,000
<i>TOTAL</i>	<i>11,315,000</i>

Some of the funds are quite recent, such as the account from Bay Conservation and Development Commission permits. However, some of these funds, such as the Malibu Access accounts, have been held in trust by the Conservancy for decades because we have been unable to implement a project that is consistent with the conditions on the money.

Reporting and Reconciling Trust Funds

When contributions to the Coastal Trust Fund are received by the Conservancy, we deposit them in the bank which transmits them to the state treasury. The Conservancy remits the funds to the State Controller’s Office, specifying the Coastal Trust Fund subaccount to receive the deposit. The State Controller sends a journal entry to the Conservancy confirming the deposit and the Conservancy posts this information onto Department of Finance’s CALSTARS database. At the end of every month, our accounting office reconciles the balances in the Coastal Trust Fund between the State Controller’s Office and CALSTARS and our internal record, the Fund Balance Summary. This reconciliation checks our records of deposits, interest and expenditures against the State Controller’s Office and the Department of Finance’s. At the end of each fiscal year, the Conservancy verifies the balances with the State Controller’s Office and CALSTARS to generate a year-end report which is submitted to the State Controller.

		FY 11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
FUNDING													
Bond Funds	2000 Park Bond (Prop.12) for Support	1,510	2,009	1,750	750	775	0	0	0	0	0	0	0
	2002 Park Bond (Prop.40) for Support	2,019	1,011	1,000	339	0	0	0	0	0	0	0	0
	2002 Water Bond (Prop.50) for Support	716	1,054	750	750	250	0	0	0	0	0	0	0
	2006 Water/Park Bond (Prop 84)for Support	1,650	2,954	3,300	4,200	4,000	3,200	2,500	1,800	0	0	0	0
	2006 Water/Park Bond (Prop 84)for Support(OP)	1,080	590	0	0	0	0	0	0	0	0	0	0
New Revenue	Environmental License Plate Fund	1,495	1,562	0	1,500	1,500	1,500	1,500	1,500	3,000	3,000	3,000	3,000
	Violation Remediation Account	0	0	144	50	50	50	50	50	50	50	50	50
	Carbon Revenue: Forests	0	1,000	0	0	0	0	750	750	750	1,000	1,500	1,500
	Management of Mitigation and Other Funds	0	0	190	200	200	200	200	200	200	200	200	200
	Grants for Conservancy Staff	471	350	350	500	500	500	500	500	500	500	500	500
	Fee for Service	0	74	74	74	74	150	150	150	150	150	150	150
	Habitat Conservation Fund (Prop 117)	0	0	200	200	200	200	200	200	200	0	0	0
	Joint Ventures	0	0	0	0	0	0	0	50	50	150	150	150
	Bay Restoration Authority	0	0	0	0	0	0	0	0	0	0	0	0
Deposits	Tijuana Settlement		1,900										
	Victorine Ranch Property Sale			3,000									
	Caspar Headlands				400								
	El Nido Property Sale					1,000							
TOTAL	8,941	12,504	10,758	8,963	8,549	5,800	5,850	5,200	4,900	5,050	5,550	5,550	
OPERATING COSTS													
	Salaries & Benefits	6,895	6,830	6,270	6,270	6,080	6,080	5,890	5,890	5,700	4,275	4,275	4,275
	Facilities & Utilities	449	450	450	450	450	450	450	450	450	450	450	450
	Other OE&E	702	542	488	488	473	473	459	459	445	343	343	343
	Contracts	1,111	1,111	650	650	500	500	500	500	300	300	300	275
	ProRata (Assume 7% of total budget)	644	621	190	550	525	525	511	511	483	376	376	374
	TOTAL	9,801	9,554	8,048	8,408	8,029	8,028	7,810	7,810	7,378	5,744	5,744	5,717
AVAILABLE RESOURCES													
	TOTAL FUND RESOURCES		12,504	10,758	8,963	8,549	5,800	5,850	5,200	4,900	5,050	5,550	5,550
	TOTAL EXPENSE		9,554	8,048	8,408	8,029	8,028	7,810	7,810	7,378	5,744	5,744	5,717
	NET		2,950	2,710	555	520	(2,228)	(1,960)	(2,610)	(2,478)	(694)	(194)	(167)
	BALANCE	3,618	6,568	9,278	9,833	10,354	8,125	6,166	3,556	1,078	384	190	23
EXPENSE ASSUMPTIONS													
	Total Staff	78	76	66	66	64	64	62	62	60	45	45	45
	\$/staff (in thousands)			95	95	95	95	95	95	95	95	95	95
	subtotal w/o prorata	9,157	8,933	7,858	7,858	7,503	7,503	7,299	7,299	6,895	5,368	5,368	5,343
	ProRata = 7% of total	644	621	190	550	525	525	511	511	483	376	376	374



JENNER HEADLANDS AND SONOMA COAST STATE PARK AT THE RUSSIAN RIVER

Sonoma County

Stephen Joseph

Sonoma County has a well-deserved reputation for being a great place for people to live and do business. It's a good place for animals and plants, too—the second-most biologically diverse county in California. The County's residents deserve credit for this, having demonstrated time and again their commitment to protecting the natural lands and farmland that surrounds their communities and accounts for much of the County's distinct character.

POPULATION: >490,000

SIZE: 1,008,544 acres (land only)

PROTECTED LANDS: 181,229 acres

CONSERVANCY PROJECTS: >120

CONSERVANCY FUNDING: >\$70 million

Tourism brings hundreds of millions of dollars annually to Sonoma County. People come to visit the world-renowned wineries, to enjoy magnificent beaches, hike and bike through wilderness landscapes, kayak and canoe on many waterways, and marvel at majestic coast redwoods. Residents too flock to these natural areas, which add immensely to the region's quality of life.

The Coastal Conservancy will continue its more than 30 years of work with the people of Sonoma County to:

- Restore and improve the health of rivers, streams, marshes, and wild lands
- Provide outdoor recreational opportunities for a growing and diverse population
- Keep farmland and timber lands in production
- Meet the challenges posed by a changing climate.

Land Protection & Restoration

The Conservancy has teamed up with the Sonoma County Agricultural Preservation & Open Space District, Sonoma Land Trust, and many other government and nonprofit organizations to protect and restore vast areas of natural lands, farm and timber lands, and recreational areas throughout the County.

Along and near San Pablo Bay, the Conservancy has supported the purchase of almost 7,000 acres of wetlands, farmland, and parkland on either side of Highway 37 and is actively involved in the restoration of thousands of additional acres.

- At the mouth of the Petaluma River, an innovative use of mud dredged from the Port of Oakland resulted in the restoration of the 322-acre **Sonoma Baylands**, a historic tidal marsh. The site is now home to a wide variety of resident and migratory birds, fish, and other wildlife.
- Just inland of Highway 37, the 1,769-acre **Tolay Lake Regional Park** offers a spectrum of outdoor recreational and environmental educational opportunities. Its purchase protected unique archeological resources and has enabled extensive restoration of wildlife habitat that is directly connected to thousands of acres of other protected lands.
- At **Sears Point**, more than 2,000 acres are being restored to wetlands and uplands habitats and similar restorations have been completed or are underway on **Hudeman Slough** and in the **Napa-Sonoma Marsh**.
- Hundreds of acres of **farmland** near the Sonoma Baylands have been protected from development and remain in agricultural production.

In **coastal Sonoma County**, the Conservancy has helped to open expansive parklands and protect vast areas of natural and resource lands.

- The highly scenic, 5,630-acre **Jenner Headlands** property just north of the Russian River contains a variety of near-pristine wildlife habitats and offers excellent opportunities for regional trails.
- Purchase of the 19,650-acre **Preservation Ranch** near Annapolis prevented its subdivision, allowing the protection of critical fish and wildlife habitat and enabling future sustainable production of timber.
- Significant additions to **Sonoma Coast State Park**—one of California's most visited State Parks—were accomplished through the acquisitions of the Black Ranch, Red Hill, and Willow Creek properties.

In **central Sonoma County**, the Conservancy has helped to protect and open spectacular natural areas within easy reach of urban areas.

- The purchase of 283 acres of natural land on the summit of **Sonoma Mountain** linked hundreds of acres of other protected lands. The property will soon be open to the public, offering views from the Pacific Ocean to the Sierra Nevada.
- A 960-acre portion of scenic **Saddle Mountain**, only 10 minutes from downtown Santa Rosa, contains valuable fish and wildlife habitat and offers excellent opportunities for outdoor recreation.
- An oak-covered hillside on the 152-acre **Montini property** serves as a scenic backdrop to the City of Sonoma's downtown plaza and will soon be open to hikers, offering spectacular views of San Francisco and San Pablo bays.



TOLAY LAKE RANCH



YOUNG RESEARCHERS AT RANCHO MARK WEST



PRINCE MEMORIAL GREENWAY, SANTA ROSA



Matt Genhart

WILLOW CREEK AND THE RUSSIAN RIVER, SONOMA COAST STATE PARK



SONOMA BAYLANDS AND SEARS POINT



JOE RODOTA TRAIL



STRAW PLANTING AT SOUTH SALMON CREEK DUNES



HUDEMAN SLOUGH

Parks & Trails

The Conservancy has worked for decades to open the County's spectacular beaches, forests, and creekside lands to the public.

- Along the coast, the Conservancy had a lead role in opening beaches and establishing part of the **California Coastal Trail** at **Sea Ranch** and is working with the County to build a section of the trail through the town of **Bodega Bay**.
- On the **Russian River**, the Conservancy helped establish **Steelhead Beach River Park** and **Cloverdale River Park**.
- In central Sonoma County, the Conservancy has supported improvements for visitors to **Hood Mountain Regional Park**, the **Rancho Mark West Nature Center**, and Santa Rosa's **Prince Memorial Greenway**. The Conservancy has also helped build the **West County** and **Joe Rodota** trails between Forestville and Santa Rosa and sections of the **Bay Area Ridge Trail** on and near **Sonoma Mountain** and other areas.
- Along San Pablo Bay, the Conservancy is filling significant gaps in the **San Francisco Bay Trail** at **Sears Point** and the **Sonoma Baylands**.

River & Creek Restoration

Along Sonoma County's many waterways, the Conservancy has long worked to improve migration routes for salmon and steelhead trout, manage floodwaters, and restore the environment of watershed lands.

- Along the **Russian River**, the Conservancy has helped to improve fish passage at the **Mumford Dam**, plan for restoration of an abandoned **gravel quarry** near Windsor, establish a **Fish Friendly Farming** program, and eradicate invasive **giant reed**. The Conservancy has also conducted extensive work to improve fish passage in three of the river's tributaries, **Austin**, **Dutch Bill**, and **Green Valley** creeks.
- The Conservancy has joined with landowners to restore gullies and creeks and improve water quality in the **Estero Americano** and to add to and improve the Sonoma Land Trust's **Estero Americano Nature Preserve**.
- The Conservancy has worked for many years to help restore the **Laguna de Santa Rosa** and enable people to enjoy the Laguna by building trails and establishing the Laguna Environmental Center.
- The Conservancy has a long history of work for the protection and restoration of lands along the **Petaluma River** that have resulted in large areas of restored marshes, protected farmland, improved water quality, and public trails.

"It has been a wonderful opportunity and pleasure to work with Sonoma's conservationists to protect the beauty and natural resources of our home county. I have also learned to deeply appreciate the work of the Coastal Conservancy as an essential partner in these efforts. Its commitment, investment, and collaborative spirit have truly made a difference."

Theodore L. Eliot Jr.
Landowner, lifelong birder, former U.S. Ambassador to Afghanistan



POND IN HOOD MOUNTAIN REGIONAL PARK

The Coastal Conservancy is a unique, non-regulatory State agency established in 1976 to protect and improve natural resources along the coast, help residents and visitors get to and enjoy coastal areas, and solve land-use problems. Conservancy projects extend along the length of California's shoreline, throughout the nine-county San Francisco Bay Area, and into the ocean. The Conservancy employs a variety of flexible powers and works in partnership with local governments, other public agencies, nonprofit organizations, and private landowners.

CONSERVANCY PROJECTS :

- Protect, restore, and improve natural areas and wildlife habitat.
- Help people get to and enjoy beaches and natural areas by building hiking and biking trails, acquiring and improving parklands, and creating campgrounds and hostels.
- Keep our waterways clean and healthy for people and wildlife.
- Help communities revitalize their waterfronts.
- Support flood-protection efforts and integrate those projects into the life of a community.
- Conserve commercial fisheries, working farmland, and forests.

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Greening Our Cities

Southern California



VOLUNTEER WORK CREW IN SWAN CANYON, CITY OF SAN DIEGO

Almost 95% of California's 37 million people live in urban environments, the densely populated cities and towns that have grown large in less than 200 years. These environments largely define California today, but there is no pure urban environment—nature never completely gives up its hold. Cities that learn to incorporate the natural environment into the fabric of their daily lives find themselves thriving with healthier residents, cleaner water and air, and increased economic opportunities. They become better places to live and do business.

The Coastal Conservancy has worked with California's cities for more than 35 years to improve the lives of their residents. It will continue this work to:

- Clean urban rivers and streams and keep pollution away from public beaches
- Build trails and bikeways that link homes to schools, businesses, parks, and natural areas
- Restore natural areas with projects that offer jobs to local residents and provide career training for youth
- Develop parks in densely populated neighborhoods to provide families with opportunities for outdoor recreation
- Assure that low-income residents have access to natural areas and help them become better acquainted with their community's and region's natural environment
- Re-integrate waterfront areas into the lives of residents
- Help communities meet the challenges posed by a changing climate.

Beaches, Parks, & Trails

The Coastal Conservancy has helped many cities develop neighborhood parks, construct trails and bikeways, build stairways and pathways to beaches, and install visitor-serving facilities at parks and playgrounds.

- **River parkways** along major waterways connect communities, provide parks, and restore habitats for wildlife. Examples include Otay River Valley Regional Park, the San Diego River Parkway, the Santa Ana River Parkway, and the Los Angeles River Greenway.
- To make **public beaches** safer and more accessible, stairways and pathways have been built in many communities including Huntington Beach, Redondo Beach, Long Beach, San Pedro, and Manhattan Beach.
- New **neighborhood parks** include Compton Creek Natural Park in Compton and Maywood Riverfront Park and the Los Angeles State Historic Park at the Cornfield on the Los Angeles River; in planning is Milton Street Park on the Ballona Creek Trail.
- **Trails and bikeways** increase mobility, reduce air pollution, and provide recreational opportunities. Examples include the Bayside Birding & Walking Trail along San Diego Bay, the Tijuana River Valley Trail System, the Ballona Creek Trail, the Hermosa Beach bike path, and the Long Beach 54th Street & Peninsula boardwalks.

Water Quality & Conservation

The Conservancy is helping urban communities reduce water pollution and is supporting innovative projects for storm water capture to reduce flooding and recharge groundwater for later use. Projects include:

- Retrofitted **storm drains** in Culver City, Los Angeles, and Manhattan Beach to keep trash from entering waterways.
- The **Dominguez Gap storm water basin** in Long Beach, which employs wetlands to manage floodwaters and improve water quality while providing habitat for wildlife and parklands for people.
- City of Los Angeles **Green Streets** initiative projects that demonstrate how rainwater can be captured on streets and lawns for reuse.

Natural Lands

Natural areas are never far removed from even the densest urban environments. The Conservancy has been a leader in protecting and restoring natural lands that are havens for wildlife and offer people a breather from the daily stresses of urban life. Projects include:

- Restoration of large areas of **coastal wetlands** including the South San Diego Bay Wetlands, the Huntington Beach Wetlands, the Bolsa Chica Wetlands, the Los Cerritos Wetlands on either side of the San Gabriel River, and the Ballona Wetlands south of Marina del Rey.
- Support for communities looking to restore and reclaim **watershed lands** such as those in Swan Canyon and along Chollas and Rose creeks in San Diego, along the Arroyo Seco in Los Angeles, and along Compton Creek in the City of Compton.
- Restoration of **coastal bluffs and dunes** including the Redondo Beach bluffs and the El Segundo dunes.



LIVING COAST DISCOVERY CENTER, CHULA VISTA



AQUARIUM OF THE PACIFIC



MAYWOOD RIVERFRONT PARK



EL SEGUNDO DUNES

Port of San Diego

SuperFugu

The City Project

stonebird



FAMILY DISCOVERY DAYS AT SAN ELIJO LAGOON



COMPTON CREEK NATURAL PARK

Jean Castellino



VOLUNTEERS AT WORK IN THE BALLONA WETLANDS



HERMOSA BEACH BIKE PATH

Shawn Kelley

Joy Kennedy

Piers & Urban Waterfronts

The Conservancy has helped restore or improve most of southern California's public piers and has long worked to revitalize the region's working waterfronts. Projects include:

- Major retrofitting and other improvements to **municipal piers** in Huntington Beach, Seal Beach, Belmont, Hermosa Beach, and Manhattan Beach.
- Revitalizing of commercial fisheries at **Driscoll's Wharf** in San Diego Bay, improved commercial and recreational uses for the **Imperial Beach** waterfront, and development of the **San Pedro Promenade**.
- **Tall ships festivals** in San Diego, Orange, and Los Angeles counties that have made thousands of visitors aware of the heritage and importance of working waterfronts

Education & Career Training

The Conservancy supports environmental education and training programs that help young people learn about the natural sciences and train for future careers. Conservancy-supported construction of visitor centers and displays in museums and aquariums have also introduced many people to the wonders of the natural world. Projects include:

- Funding for **educational facilities and programs** including the Ocean Discovery Institute's Living Lab environmental education center in San Diego, the LA Conservation Corps SEA Lab facilities, and the National Hispanic Environmental Council's environmental training institute.
- **Community programs** that bring students and families to areas where they can experience and learn about the natural environment, including National City's Ocean Connectors, San Diego's Ocean Science Explorers, and San Elijo Lagoon's Family Discovery Days.
- Construction of **visitor centers** in natural areas including the Tijuana River National Estuary Visitor Center; the Living Coast Discovery Center in Chula Vista, and the White Point Interpretive Center in San Pedro.

Climate Change

The Conservancy has been a leader in helping California's coastal communities prepare for the effects of climate change, in particular the threats posed by sea level rise and more severe storms.

- Conservancy-funded studies are helping Imperial Beach and Hermosa Beach determine how their coastal areas can **adapt to rising seas** and Los Angeles County learn how it can protect its iconic beaches.
- The Conservancy is helping to fund development of a **coastal storm model** to assess southern California's vulnerability to sea level rise and ocean storms.
- Conservancy-supported analyses of **Living Streets** programs will inform the City of Los Angeles about ways to reduce greenhouse gas emissions, capture rainwater, and reduce temperatures generated by street surfaces.



MANHATTAN BEACH PIER

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