



Memo

Date: January 29, 2015

To: Members of the State Coastal Conservancy

From: Sam Schuchat, Executive Officer
Mary Small, Deputy Executive Officer

CC: Legislative Oversight Members

RE: 2015 Strategic Plan Progress Report & Proposed Update

In December 2012, the Coastal Conservancy adopted a five-year Strategic Plan that identified specific goals and objectives to help the Conservancy prioritize its work. This is our annual progress report on implementation of that Strategic Plan. At the December 2014 meeting, staff recommended updating the Strategic Plan to include funding priorities for Proposition 1 Water Bond expenditure, to update our Climate Change objectives and to include the newly created Santa Ana River Conservancy Program. A draft update of the Strategic Plan will be presented to the Conservancy Board for comment at its March meeting. We will solicit public comments on the draft update after that meeting and bring a final version to the Conservancy Board for possible adoption at its June 25th meeting.

When the Strategic Plan was written, we did not predict the passage of Proposition 1, the water bond, which provides \$100.5 million to the Conservancy to support multi-benefit water quality, water supply, watershed protection and restoration projects that implement the California Water Action Plan. The Strategic Plan was also written before the Conservancy launched its first "Climate Ready" grant round for projects addressing the impacts of climate change. The response to the Climate Ready Program has been overwhelming and as a result we will revise the numeric objectives for Goal 7. Finally, SB1390 created the Santa Ana River Conservancy Program at the Coastal Conservancy to address the resource and recreational goals of the Santa Ana River corridor. The Strategic Plan update will include additional objectives related to implementation of the Santa Ana River Conservancy Program.

2015 Progress Report

The Conservancy created a new format for its annual report (consistent with Goal 16, Objective 16D). A draft of that report is provided as Attachment A. The report summarizes the major accomplishments of 2014 and when it is completed it will be distributed to the Board, to the Legislature and to other project partners when finalized.

This progress report highlights accomplishments under each of the goals of the Strategic Plan. A table showing specific accomplishments for each objective is provided at the end of this report, Attachment B. Our progress implementing the Strategic Plan objectives remains uneven. We have exceeded some numeric objectives, we are on track to complete several others and a few have limited progress - these will be a focus for work over the next few years.

Coastal Access Goals

Coastal Trail (Goal 1)

The Conservancy made progress implementing the objectives under Goal 1, but many of the Coastal Trail objectives are only partially complete. In 2014, the Conservancy approved funding for construction of 2.3 miles of new coastal trail in Mendocino. We will continue to work on projects to design, build, and secure rights-of-way for the Coastal Trail.

Coastal Access (Goal 2)

Last year we made significant progress on the objectives related to coastal recreational facilities and regional trails. Most of these objectives have been completed, with the exception of constructing regional trails connecting to the coast. However at the January 2015 meeting, the Conservancy will consider authorizing funds for construction of a 3.8 mile segment of the Santa Ana River Parkway Trail in San Bernardino County.

Urban Waterfront Revitalization and Low Cost Accommodations (Goal 3)

The Conservancy did not make significant progress implementing projects related to the objectives under Goal 3. However, we did participate in a workshop with the Coastal Commission on supporting low cost visitor accommodations and we are working to identify projects we can support to achieve these objectives.

Coastal Resource Conservation Goals

Protect Coastal Resource Properties (Goal 4)

The Conservancy exceeded the numeric objectives under the goal related to protection of coastal resource properties. Last year, the Conservancy helped protect a number of very important acquisitions along the coast, including:

- The **Cemex Redwoods** conservation easement (8,532-acres) near Davenport permanently protects the largest tract of privately owned property in Santa Cruz County, preserving the property's natural resources, opening the land for recreation, and allowing for future sustainable timber harvests.

- The **Blue Creek Watershed** property (4,063 acres) in Humboldt and Del Norte Counties was purchased to protect critical cold water refugia habitat for anadromous fish. The property will be managed by the Yurok Tribe as part of a larger the Blue Creek Preserve with the goal of restoring the ecological values of late-successional forest, improving habitat, protecting water quality and sequestering carbon.
- The **Pismo Preserve** (878 acres) directly upland from the City of Pismo Beach. The property will be managed for habitat conservation, public access and continued cattle grazing.
- The **Puerco Canyon** acquisition (703 acres) protected habitats in the Santa Monica Mountains that also provides important linkage between the existing parklands.

Coastal Watershed Projects (Goal 5)

There are eight objectives under the coastal watershed goal related to improving water quality, habitat, and natural resources in coastal watersheds. The Conservancy exceeded many of the objectives under this goal. We are on target to achieve the objectives related to planning for habitat enhancement but need to complete about an additional 600 acres of coastal habitat enhancement.

Working Land Stewardship (Goal 6)

Last year the Conservancy funded a few projects to support working land stewardship, although this objective will continue to be a focus for future work. One project is funding a Resource Conservation district to design large-scale rainwater catchment and storage systems for five agricultural operations in western Sonoma County. The project sites are located in the Estero Americano and Salmon Creek watersheds, when implemented the storage systems will enhance water security for agriculture by reducing extraction from streams or shallow wells and preserve over-summer aquatic habitats in these important watersheds.

Climate Resilience (Goal 7)

The Conservancy created its Climate Ready Grant program in 2013. There have been three solicitations for proposals. The first set of grants was described in last year's report. The second round will be recommended for funding in January 2015, and seeks to support projects that are implementing climate adaptation actions. The third round was made possible by a one-time appropriation into the Coastal Resilience Account in the FY 14/15 budget. We expect to recommend funding that grant round in June 2015. The response to each solicitation has consistently exceeded available funding.

Reduce Conflicts Among Competing Uses (Goal 8)

The Conservancy completed a few multi-benefit projects that resolve longstanding conflicts, including the transfer of the Pedro Point property in Pacifica.

Environmental Education (Goal 9)

The Conservancy 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 under \$50,000. Based on the success of the first Explore the Coast grants, we plan to award a second round of these grants in 2016.

San Francisco Bay Area Conservancy Goals

Identify and Prioritize Resource and Recreational Goals (Goal 10)

The Conservancy 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 and Habitat Enhancement (Goal 11)

The Conservancy is on track to achieve its objectives related to the protection and enhancement of habitats, corridors, watersheds, and other open space resources. The Conservancy approved funding for a number of acquisitions, including the 238-acre Pole Mountain property which provides a connection between protected open space areas in the Russian River watershed and the 1,831-acre UTC Coyote Ridge Property on the east ridge of Coyote Valley, south of San Jose and north of Gilroy.

Public Access and Recreation (Goal 12)

The Conservancy is making excellent progress on its San Francisco Bay Area goals related to improving public access and recreation. One highlight last year was the grant to the Midpeninsula Regional Open Space District to implement environmental restoration and public access improvements to open the top of Mount Umunhum in Santa Clara County as a spectacular new visitor destination.

Working Lands (Goal 13)

The Conservancy did not complete its objectives under Goal 13; this will be a focus next year.

Organizational Goals

The three organizational goals in the Strategic Plan describe what the Conservancy needs to achieve in order to implement the programmatic objectives of the plan. These goals do not have quantifiable objectives, but significant progress was made last year.

Sustainable Funding Strategy (Goal 14)

The Conservancy made significant progress implementing the long-term funding plan last year but significant challenges remain. The Conservancy reduced its support budget by almost 33% from \$11.8 million in FY 08/09 to \$8 million last year. Conservancy staff increased incoming grants to pay for our staff costs from \$50,000 in FY 09/10 to \$500,000 last year. However, the Conservancy failed to obtain non-bond state funding for the agency's baseline operation. The Long Term Financial Plan assumed the Coastal Conservancy would be funded like all the other

state conservancies, with funding from the Environmental License Plate Fund to cover a portion of our operations. The Coastal Conservancy is the only state conservancy that does not have non-bond state funding for its baseline support budget.

Reorganize Staff Structure (Goal 15)

The management team continues to evaluate existing staff resources and ways of shifting responsibilities to address the existing and future needs of the agency. The departure and retirement of five staff in the past few months required a great deal of re-organization within the agency. We are making some internal promotions and we will be hiring a few limited term positions early in 2015 to backfill some positions. We are still planning to gradually reduce the total staff through attrition and we have already voluntarily reduced our staff by 8 positions (in addition to positions moved to California Natural Resources Agency).

Full Transparency and Accountability (Goal 16)

In 2014, the Conservancy made significant progress on the objectives related to external communication and reports. The Conservancy produced the Southern California Wetlands Recovery Project's 15 Year Report, completed all of its County brochures and developed a template for a new annual report. We greatly expanded our Facebook presence and now have more than 800 people and organizations following our page. We had hoped to update our agency website last year but this work has been slow due to lack of in-house expertise. We are planning to complete an update this year.