



Coastal Management  
ENVIRONMENTAL QUALITY

PAT MCCRORY

*Governor*

DONALD R. VAN DER VAART

*Secretary*

BRAXTON DAVIS

*Director*

## MEMORANDUM

**To:** Coastal Resources Commission  
**From:** Michael Christenbury, DCM Wilmington District Planner  
**Date:** August 30, 2016  
**Subject:** Proposed Amendments to 15A NCAC 7L Local Planning and Management Grants

---

Included in recent revisions to the CAMA Land Use Planning Program were amendments to the 7L Planning & Management Grant Program rules, which outline the criteria for land use plan implementation grants to local governments. These amendments, which focused on separating the land use plan provisions from the planning and management grant program rules were adopted by the Commission in 2015. The next step in the comprehensive review of the CAMA Planning Program has been an assessment of the grants to local governments for planning related projects. In the past, heavy emphasis was placed on the development of land use plans. While that will still be an eligible activity under the Planning and Management Grant Program, the Division would like to see more flexibility offered to local governments in the types of projects that could be funded.

Attached you will find proposed amendments to the 15A NCAC 7L Local Planning and Management Grant requirements. The purpose of the draft rule language is to shift the primary focus of grant funding from local land use plans to a broad variety of local projects which address specific coastal issues. The draft language also allows greater flexibility for the Division of Coastal Management (DCM) to focus on specific issues or areas of interest by the CRC in awarding grant funding for local projects.

Projects that may be funded under the proposed draft language are intended to align with and further the CRC's goals of Public Access, Natural Hazards, Land Use Compatibility, Infrastructure Carrying Capacity, Habitat Enhancement, and Other Topics or Special Issues such as estuarine shoreline stabilization, abandoned vessels/marine debris, and work on coastal issues within the FEMA Community Rating System. The types of projects envisioned include expanded education and outreach efforts, special planning efforts focused on coastal resources or issues, improvements in intergovernmental coordination, targeted research studies, and the development of local ordinances directly related to coastal concerns.

At our September meeting, I will present an overview of the changes, both in focus of the program as well as process for CRC involvement. Following comments and any requested changes by the Commission, Staff will begin the rulemaking process with the intention of having amendments in place for the 2017 solicitation of projects.

**SUBCHAPTER 7L - LOCAL PLANNING AND MANAGEMENT GRANTS**

**SECTION .0100 – PURPOSE AND AUTHORITY**

**15A NCAC 07L .0101 AUTHORITY**

The rules in this Subchapter are promulgated pursuant to G.S. 113A-112 and G.S. 113A-124 by the Secretary of the Department of **Environment and Natural Resources (DENR) Environmental Quality (DEQ)** in the Secretary's capacity as executive head of the state agency designated by the Governor to administer state funds and to receive and administer federal funds granted by the National Oceanic and Atmospheric Administration under the Federal Coastal Zone Management Act.

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. September 1, 1978;  
Amended Eff. August 1, 2002; October 1, 1991.*

**15A NCAC 07L .0102 PURPOSE**

The purpose of the Rules in this Subchapter is to establish the criteria and procedures for funding the Department of Environmental Quality program of grants for local land use plans or comprehensive plans, hereinafter referred to as "the plan", and coastal planning and management projects within North Carolina's coastal area. These funds are made available to assist local governments in developing and implementing plans and management strategies for their coastal resources, as mandated by the CAMA. Funds shall be used in refining and carrying out local land use planning and management programs by local governments within the 20 counties defined by the Coastal Area Management Act in G.S. 113A-103.

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. September 1, 1978;  
Amended Eff. March 1, 2016; August 1, 2002; June 1, 1980.*

**SECTION .0200 – GENERAL STANDARDS**

- 15A NCAC 07L .0201 ELIGIBLE APPLICANTS**
- 15A NCAC 07L .0202 PRIORITIES FOR FUNDING**
- 15A NCAC 07L .0203 ELIGIBLE PROJECTS**
- 15A NCAC 07L .0204 PROJECT DURATION**
- 15A NCAC 07L .0205 CONSISTENCY WITH PLANS AND GUIDELINES**
- 15A NCAC 07L .0206 RELATION TO OTHER FUNDING**

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. September 1, 1978;  
Amended Eff. November 1, 1984; June 1, 1982; March 13, 1981; June 1, 1980;  
Repealed August 1, 2002.*

**SECTION .0300 – APPLICATION PROCESS**

- 15A NCAC 07L .0301 APPLICATION FORM**
- 15A NCAC 07L .0302 SUBMITTAL**
- 15A NCAC 07L .0303 PROCEDURE FOR PRELIMINARY APPROVAL OR DISAPPROVAL**
- 15A NCAC 07L .0304 ASSISTANCE IN COMPLETING APPLICATIONS**

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. September 1, 1978;  
Amended Eff. October 1, 1991; May 1, 1990; November 1, 1984; June 1, 1982; March 13, 1981;  
June 1, 1980;  
Repealed August 1, 2002.*

**SECTION .0400 – GRANT ADMINISTRATION**

|                           |  |
|---------------------------|--|
| <b>15A NCAC 07L .0401</b> | <b>CONTRACT AGREEMENT</b>                    |
| <b>15A NCAC 07L .0402</b> | <b>ACCOUNTABILITY</b>                        |
| <b>15A NCAC 07L .0403</b> | <b>PAYMENT</b>                               |
| <b>15A NCAC 07L .0404</b> | <b>PROGRESS REPORTS AND GRANT MONITORING</b> |
| <b>15A NCAC 07L .0405</b> | <b>PROJECT COMPLETION REPORT</b>             |

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. September 1, 1978;  
Amended Eff. March 13, 1981; June 1, 1980; September 1, 1978;  
Repealed August 1, 2002.*

SECTION .0500 - GENERAL STANDARDS

15A NCAC 07L .0501 ELIGIBLE APPLICANTS

- (a) Applications for grants for local planning and management funds may be made by the following:
- (1) Coastal Counties as defined in CAMA; and
  - (2) Municipalities within coastal counties.
- (b) Two or more eligible applicants may submit a joint application for funds to carry out jointly sponsored or regional projects.

*History Note:* Authority G.S. 113A-112; 113A-124;  
Eff. August 1, 2002.

15A NCAC 07L .0502 CONSISTENCY WITH PLANS AND RULES

*History Note:* Authority G.S. 113A-112; 113A-124;  
Eff. August 1, 2002;  
Repealed March 1, 2016.

15A NCAC 07L .0503 PRIORITIES FOR FUNDING LAND USE PLANS PLANNING AND IMPLEMENTATION MANAGEMENT PROJECTS

(a) The Department of Environmental Quality (DEQ) program of grants for coastal planning and management projects provides funding to assist local governments in the 20 counties as defined by the Coastal Area Management Act in the refining and implementing of plans and management strategies for their coastal resources. In funding local planning and management grants, the Department of Environmental Quality (DEQ) shall follow these general priorities for local planning and management grants:

- (1) The highest priority, Category I, includes projects mandated by statute, including initial and updated or amended land use plans or comprehensive plans, hereinafter referred to as the plan, local participation in projects initiated by DEQ, and select projects DEQ indicates urgently that need local attention in order to meet Coastal Resources Commission (CRC) management topics goals pursuant to 15A NCAC 07B .0702(d)(2), 15A NCAC 07B .0702(d)(2) or contained within this Subparagraph. Priority management topics shall be designated on an annual basis following consultation with the CRC and may include, but are not limited to, expanded education and outreach efforts, special planning efforts focused on coastal resources or issues, improvements in intergovernmental coordination, targeted research or studies, and the development of local ordinances directly related to coastal concerns and not in contradiction with state rules. Projects selected for funding shall further the CRC's goals for the designated topics outlined below. Examples of eligible projects and their associated priority category include:
  - (A) Those activities designated by DEQ on an annual basis, following consultation with the CRC and local governments, to be necessary to bring local plans into compliance with state rules for land use planning; or
  - (B) Adopting, amending, or updating plans to reflect changed conditions which may include necessary data collection, public participation, and policy development.
- (2) The second priority, Category II, includes projects related to carrying out the explicit goals of the Coastal Area Management Act (CAMA), for which DEQ indicates there is a high priority for local actions or projects which are coastally dependent (water-related) or projects to implement the plan such as public facilities planning or land use regulations preparation. Examples of eligible projects and their associated priority category include:
  - (A) Adopting or amending ordinances to further secure compliance with state rules in AECs pursuant to 15A NCAC 07H;
  - (B) Beach access plans and studies which may include inventory and identification of sites, design of access improvements, acquisition plans and studies, and legal studies necessary to determine the extent of public use rights;
  - (C) Erosion control plans and studies which may include mapping, erosion rate measurement, design of protection strategies for public lands, cost-benefit analysis, and relocation plans and strategies;
  - (D) Studies and planning leading to the nomination of new AECs as described in 15A NCAC 07H .0503, or locally significant environmental areas;
  - (E) Waterfront redevelopment and renewal plans and studies including feasibility studies, site design studies, and plans and studies for improving or enhancing waterfront parks and public areas which may include site design, use studies, and cost analysis;
  - (F) Preparing, adopting, or amending ordinances necessary to carry out CRC certified plans, state rules, and the state coastal zone management plan which may include regulations

- related to zoning, subdivision, stormwater management, dune protection beyond AEC standards, sanitation, building, mobile homes, historic preservation, signs, natural area protection, and environmental impact statements.
- (3) The third priority, Category III, includes projects related to improving local coastal management and land use management capabilities. Examples of eligible projects and their associated priority category include:
- (A) Initial water and sewer plans and studies;
  - (B) Land use related capital facilities programming;
  - (C) Base mapping as a management tool;
  - (D) Other planning, studies, and data acquisition supportive of coastal planning and management which may include public education or involvement on coastal issues; solid waste planning; port planning; and sport and commercial fishing studies;
  - (E) Enforcement of ordinances adopted to carry out certified plans;
  - (F) Coordination of local coastal management activities with other local management activities which may include internal coordination, and city-county coordination; or
  - (G) Other coastally related management projects.
- (1) Public Access: Maximize public access to the beaches and the public trust waters of the coastal region.
- (2) Land Use Compatibility: Ensure that development and use of resources or preservation of land balance protection of natural resources and fragile areas with economic development, avoids risks to public health safety and welfare.
- (3) Infrastructure Carrying Capacity: Ensure that public infrastructure systems are sized, located and managed so the quality and productivity of AECs and other fragile areas are protected or restored.
- (4) Natural Hazards: Conserve and maintain barrier dunes, beaches, flood plains, and other coastal features for their natural storm protection function and their natural resources giving recognition to public health, safety, and welfare issues.
- (5) Habitat Enhancement: Maintain, protect, and where possible enhance coastal habitats; for example, marsh restoration.
- (6) Other Topics or Special Issues: developed areas and working waterfronts, urban waterfront revitalization, economic growth and development, redevelopment and revitalization, recreation and tourism, historic and cultural resources, public trust rights, water use and water quality, stormwater management, erosion control, shoreline protection and management, open space, parks and recreation, storm recovery, farmland preservation and management, historic and cultural resources, stakeholder and citizen participation, and transportation.
- (b) In addition, DEQ shall take into consideration the following factors listed in order of importance to establish priorities for individual projects: ~~projects within the general priority categories:~~
- (1) project's contribution towards meeting ~~CRC~~ CRC's prioritized management topics in 15A NCAC 07B .0702(d)(2);
  - (2) the extent to which the project includes measures of environmental protection beyond Areas of Environmental Concern (AEC) standards of Subchapter 15A NCAC 07H;
  - (3) applicant's urgency of need;
  - (4) past history of applicant's implementation of planning and management grant program activities;
  - (5) feasibility of completion of project by the applicant;
  - (6) past experience with land use planning and implementation projects as well as present management and administrative capabilities;
  - (7) potential applicability of the project to other coastal area municipalities and counties; and
  - (8) geographic distribution of applicants.
- (c) Matching fund requirements are based on the North Carolina Department of Commerce's Tier designations, as outlined by the Lee Act (G.S. 105-129.3). Local government contributions for land use planning and management implementation projects shall be at least 25 percent of the project costs except for Tier 1 designated counties and their respective municipalities which shall have a local government contribution of at least 10 percent of the project costs. At least one half of the local contribution shall be cash match; the remainder may be in-kind match.
- (d) Any local government whose plan is not certified due to failure to meet the criteria listed in 15A NCAC 07B or that has not submitted the most recent Required Periodic Implementation Status Report as described in 15A NCAC 07B, shall not receive further funding under this program until these inconsistencies are corrected.

History Note: Authority G.S. 113A-112; 113A-124;  
Eff. August 1, 2002;  
Amended Eff. March 1, 2016.

*Proposed amendments September 1, 2016*

- 15A NCAC 07L .0504 ELIGIBLE PROJECTS
- 15A NCAC 07L .0505 SCOPING OF PLANNING NEEDS
- 15A NCAC 07L .0506 PUBLIC PARTICIPATION
- 15A NCAC 07L .0507 MINIMUM CAMA LAND USE PLANNING AND FUNDING REQUIREMENTS
- 15A NCAC 07L .0508 STATE TECHNICAL ASSISTANCE, REVIEW AND COMMENT ON PRELIMINARY DRAFT PLAN
- 15A NCAC 07L .0509 INTERGOVERNMENTAL COORDINATION
- 15A NCAC 07L .0510 PUBLIC HEARING AND LOCAL ADOPTION REQUIREMENTS
- 15A NCAC 07L .0511 REQUIRED PERIODIC IMPLEMENTATION STATUS REPORTS
- 15A NCAC 07L .0512 SUSTAINABLE COMMUNITIES COMPONENT OF THE PLANNING PROGRAM
- 15A NCAC 07L .0513 PROJECT DURATION
- 15A NCAC 07L .0514 RELATION TO OTHER FUNDING

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. August 1, 2002;  
Repealed March 1, 2016.*

**SECTION .0600 - APPLICATION PROCESS**

- 15A NCAC 07L .0601 APPLICATION FORM
- 15A NCAC 07L .0602 ASSISTANCE IN COMPLETING APPLICATIONS AND SUBMITTAL
- 15A NCAC 07L .0603 PROCEDURE FOR APPROVAL OR DISAPPROVAL

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. August 1, 2002;  
Repealed March 1, 2016.*

**SECTION .0700 - GRANT ADMINISTRATION**

- 15A NCAC 07L .0701 CONTRACT AGREEMENT
- 15A NCAC 07L .0702 PROGRESS REPORTS AND GRANT MONITORING
- 15A NCAC 07L .0703 PAYMENT
- 15A NCAC 07L .0704 PROJECT COMPLETION REPORT
- 15A NCAC 07L .0705 ACCOUNTABILITY

*History Note: Authority G.S. 113A-112; 113A-124;  
Eff. August 1, 2002;  
Repealed March 1, 2016.*