Meeting Date: 10/21/26
Work Order Numbers: 4848.1, 4848.4, 4848.8
Staff: N. Heda
P. Maharaj

Staff Report 54

PARTY:

California State Lands Commission

PROPOSED ACTION:

Approval of qualifying miles for Fiscal Year 2026-2027 subventions to the cities of Huntington Beach and Seal Beach, located in Orange County, and to the City of Long Beach, located in Los Angeles County.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code section 6817.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Public Resources Code section 6817 provides for subventions (defined as a grant of money) of State tidelands oil and gas revenues to cities and counties, as described below. Pursuant to Public Resources Code section 6817, the Commission is required to report to the State Controller the total revenues received by the State from the applicable tide and submerged lands, identifying the amount attributable to each qualifying city or county.

Public Resources Code section 6817, subdivision (a), provides that subventions shall be made to cities or counties that have within their boundaries active State tidelands oil and gas leases and that own or operate parks (e.g., public beaches) free of charge to the public for recreational purposes. Any city that is fronted, in whole or in part, by a state oil and gas lease shall be qualified to receive an apportionment under this section. The subvention apportionment for any given

fiscal year is based upon the physical facts existing on June 30 of the preceding fiscal year.

The subventions made to a qualifying city or county for each fiscal year are determined by a subvention distribution formula in Public Resources Code section 6817, subdivision (a). A qualifying city or county may receive 1 percent of the oil and gas revenues the State receives during a fiscal year from leases within its boundaries. The 1 percent share is limited to a maximum of $100,000 for every mile or portion of a mile of qualifying beach park frontage owned or operated by the city or county. However, the $100,000 limitation does not apply to the portion of revenues from adjacent State oil and gas leases that exceed the revenues paid to the State during Fiscal Year 1983-1984.

The qualifying miles upon which Fiscal Year 2026-2027 subventions are based are listed on Exhibit A, attached. These miles are reported to staff annually by each city. The list of leases from which the subventions are payable for the qualifying cities for Fiscal Year 2026-2027 is compiled in Exhibits B and C, attached.

The amounts paid to cities and counties shall be deposited in a special tide and submerged lands fund established by the cities or counties, to be held in trust and to be expended only for the promotion and accommodation of commerce, navigation, and fisheries, and for the protection of the lands within the boundaries of the cities and counties.

Additionally, these funds may be expended for the promotion, accommodation, establishment, improvement, operation, and maintenance of public recreational beaches and coastline for the benefit of all Californians and for the mitigation of any adverse environmental impact caused by exploration for hydrocarbons on state tide and submerged lands within city or county boundaries or caused by production or transportation of hydrocarbons produced on these tide and submerged lands.

The Legislature also declared that these purposes constitute matters of statewide interest and that the expenditure of funds for those purposes will benefit all the people of the State.

Staff recommend that the Commission approve the qualifying beaches and parks, as reported by the subject cities, and verify this qualifying mileage as the basis for subventions in Fiscal Year 2026-2027 (see Exhibit A, attached). Staff also recommend that the Commission report to the State Controller the revenue

received by the State from the applicable tide and submerged lands on the approved qualified miles for Fiscal Year 2025-2026.

The Commission, at the time of remitting Fiscal Year 2025-2026 revenues to the State Treasurer, shall report to the State Controller the total amount of revenue received from tide and submerged lands shown with respect to each city or county to which such amount is applicable.

Subventions for Fiscal Year 2025-2026 were as follows:

- City of Huntington Beach $147,056.80
- City of Seal Beach $ 19,996.79
- City of Long Beach $ 17,020.48

Total Subventions **$184,074.07**

OTHER PERTINENT INFORMATION:

1. The action is consistent with paragraphs 1(a) and 3(a) of the "Meeting Evolving Public Trust Needs" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.
2. Acceptance of qualifying miles as a basis for subventions and approval of the associated reporting of revenue are not projects as defined by the California Environmental Quality Act because they are administrative actions that will not result in direct or indirect physical changes in the environment.

   Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

EXHIBITS:

A. Cities and Counties Qualifying for Subventions and Qualifying Mileage, Fiscal Year 2026-2027

B. Subvention Leases for the Qualifying Cities and Counties, Fiscal Year 2026-2027

C. Townlot Leases Associated with PRC 91 Main Zone Units for Current Fiscal Year 2026-2027

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

1. Approve the qualifying beaches and parks, as reported by the cities, and verify their qualifying miles as a basis for subventions in Fiscal Year 2026-2027.
2. Approve the reporting of revenue received by the State from the applicable tide and submerged lands based on the approved qualified miles to the State Controller as required by Public Resources Code section 6817 for Fiscal Year 2025-2026.

EXHIBIT A

Cities and Counties Qualifying for Subventions and Qualifying Mileage Under Public Resources Code Section 6817

Fiscal Year 2026-2027

City/County	Park or Beach Owned or Operated by City or County	Footage FY 24-25	Footage FY 25-26	Total Qualifying Miles	Changes from Previous Year's Miles
City of Huntington Beach (W 4848.1)	Huntington Beach City	5,665	5,665		
	Bolsa Chica Beach	11,873	11,873		
	Sunset Beach	6,124	6,124		
	TOTAL			**5**	**No Change**

City/County	Park or Beach Owned or Operated by City or County	Footage FY 24-25	Footage FY 25-26	Total Qualifying Miles	Changes from Previous Year's Miles
City of Seal Beach (W4848.4)	Seal Beach Public Beach	8,124	8.124		
	TOTAL			**2**	**No Change**

City/County	Park or Beach Owned or Operated by City or County	Footage FY 24-25	Footage FY 25-26	Total Qualifying Miles	Changes from Previous Year's Miles
City of Long Beach (W4848.8)	Alamitos Beach Park	2,005	2,005		
	TOTAL			**1**	**No Change**

W 4848.1
W 4848.4
W 4848.8

EXHIBIT B

Subvention Leases for the Qualifying Cities and Counties Under Public Resources Code Section 6817 Fiscal Year 2026-2027

Subvention Interests (100 percent unless otherwise indicated)

City of Huntington Beach W 4848.1	City of Seal Beach W 4848.4	City of Long Beach W 4848.8
Lease 91*	Lease 186	Lease 3455
Lease 163	Lease 1482	
Lease 392	Lease 3095 (73.0%)	
Lease 425		
Lease 3413		
Lease 4736		

* See Exhibit C, Townlot Leases associated with Lease 91 Main Zone Units.

W 4848.1
W 4848.4
W 4848.8

EXHIBIT C

Townlot Leases Associated with Lease 91 Main Zone Units for Current Fiscal Year 2026-2027

400	991	1336
401	992	1342
919	993	1345
920	997	1346
976	998	1337
977	999	1338
980	1329	1339
985	1331	1340
983	1332	1343
986	1333	2515
988	1334	2516
989	1335	2517