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California State Assembly

NATURAL RESOURCES



LUZ RIVAS
CHAIR

AGENDA

Wednesday, May 5, 2021
9 a.m. -- State Capitol, Room 4202

Chief Consultant
Lawrence Lingbloom

Principal Consultant
Elizabeth MacMillan

Senior Consultant
Michael Jarred

Committee Secretary
Sue Fischbach

BILLS HEARD IN FILE ORDER

1. AB 1500 Eduardo Garcia Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022. (Urgency)

SUBJECT:

We encourage the public to provide written testimony before the hearing by visiting the committee website at <https://antr.assembly.ca.gov>. Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted.

Due to ongoing COVID-19 safety considerations, including guidance on physical distancing, seating for this hearing will be very limited for press and for the public. All are encouraged to watch the hearing from its live stream on the Assembly's website at <https://www.assembly.ca.gov/todaysevents>.

The Capitol will be open for attendance of this hearing, but the public is strongly encouraged to participate via the web portal, Remote Testimony Station, or phone. Any member of the public attending a hearing in the Capitol will need to wear a mask at all times while in the building. We encourage the public to monitor the committee's website for updates.

Date of Hearing: May 5, 2021

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 1500 (Eduardo Garcia) – As Amended April 14, 2021

SUBJECT: Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022 (Urgency)

SUMMARY: Enacts the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Act of 2022 (Act), a \$6.95 billion general obligation issuance of bonds to address the impacts of climate change, and places the Act on the June 7, 2022 Primary Election ballot.

EXISTING LAW:

- 1) Requires, except under certain circumstances, a two-thirds vote of the Legislature, and a majority vote of the people in an election, before the state may issue a general obligation bond.
- 2) Prescribes the state's responsibilities regarding the issuance and sale of general obligation bonds.
- 3) Authorizes general obligation bonds that the state pays out of general revenues and that are guaranteed by the state's full faith and credit.
- 4) Establishes the Natural Resources Agency (NRA) and declares its mission is to restore, protect, and manage the state's natural, historical, and cultural resources for current and future generations using creative approaches and solutions based on science, collaboration, and respect for all communities and interests involved.
- 5) Provides—pursuant to SB 5 (de León, Chapter 852, Statutes of 2017), which was approved by the voters in the form of Proposition 68, known as the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018—a general obligation bond of \$4 billion for resources-focused projects.
- 6) Requires the NRA to update its climate adaptation strategy, the Safeguarding California Plan (Plan), by July 1, 2017, and every three years thereafter, by coordinating adaptation activities among lead state agencies in each sector.
- 7) Establishes the Integrated Climate Adaptation and Resiliency Program (ICARP) to coordinate regional, local and, state efforts to adapt to climate change. Requires ICARP to:
 - a) Pursue an emphasis on climate equity across sectors and strategies that benefit both greenhouse gas (GHG) emissions reductions and adaptation efforts;
 - b) Require program efforts including, but not limited to, working with and coordinating local and regional efforts for climate adaptation and resilience; and,
 - c) Maintain a continued data clearinghouse on climate change and climate adaptation for the purposes of facilitating educated state and local policy decisions.

THIS BILL:

- 1) Makes legislative findings and declarations relative to the severity of impacts of climate change to communities, the economy, and California's diverse natural resources and the need for action to address the risk posed by these impacts.
- 2) Provides that agencies administering funds authorized by the Act shall prioritize projects that leverage private, federal, and local funding or produce the greatest public benefit.
- 3) Requires that projects funded by the Act include signage informing the public that the project received funding from the Act.
- 4) Defines various terms for purposes of the Act.
- 5) Provides that up to 5% of the funds allocated to a program may be used to cover the administrative costs of that program.
- 6) Requires the Department of Finance to audit the expenditure of bond funds pursuant to the Act and requires the NRA to make specified information regarding expenditures pursuant to the Act publicly available on its website.
- 7) Requires at least 25% of the funds allocated by each chapter of the Act to provide meaningful and direct benefits to vulnerable populations, under-resourced communities, or disadvantaged communities, as defined. Requires at least 10% of the funds allocated by each chapter of the Act to provide direct and meaningful benefits to severely disadvantaged communities, as defined.
- 8) Permits state agencies administering grant programs pursuant to the Act to provide advance payments of up to 25% of a grant award to a grantee to initiate projects in a timely manner.
- 9) Permits up to 10% of the funds available pursuant to each chapter of the Act to be for technical assistance and capacity building. Specifies that this 10% cap may be exceeded for projects disadvantaged communities, severely disadvantaged communities, under-resourced communities, or vulnerable populations.
- 10) Requires projects funded by the Act to demonstrate ongoing monitoring and scientific review. Specifies that up to 5% of project funds may be used for this purpose.
- 11) Prohibits any funds allocated by the Act from being used for mitigation requirements or compliance obligations imposed by law or for the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.
- 12) Requires before approving a grant or contract for funding allocated by this Act to make one or more of specified findings related to climate resiliency.
- 13) Provides that projects utilizing the services of the California Conservation Corps or a certified community conservation corps shall be given preference for the award of grant funds pursuant to the Act.
- 14) Authorizes the Legislature to enact legislation necessary to implement the Act.

- 15) Establishes the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation and Workforce Development Fund (Fund) and requires proceeds of bonds issued and sold to be deposited into the Fund. Requires the Fund to be available, upon appropriation, for the purposes of the Act.
- 16) Allocates \$1.1 billion under Chapter 2, Wildfire Prevention, Climate Risk Reduction, and Protection Against Power Shutoffs, for the prevention and reduction in the risk of wildfires as follows:
 - a) \$300 million to the Office of Emergency Services (OES) for a pre-hazard mitigation grant program to prevent wildfires and reduce the risk of wildfires to communities by increasing community hardening;
 - b) \$150 million to the Regional Fire and Forest Capacity Program to increase regional capacity to prioritize, develop, and implement projects that improve forest health and fire resilience;
 - c) \$150 million to the Department of Forestry and Fire Protection (CAL FIRE) to support various long-term forest health projects;
 - d) \$150 million to the NRA for watershed improvement projects that include the use of prescribed fire and improve water supply or water quality;
 - e) \$50 million to the Sierra Nevada Conservancy for forest health and watershed improvement;
 - f) \$30 million to the Air Resources Board to convert forest and other vegetation waste removed for wildfire mitigation to beneficial uses that maximize greenhouse gas (GHG) emission reductions;
 - g) \$70 million to the Department of Parks and Recreation (State Parks) and regional and local park agencies to plan for and implement projects to reduce the risks of fire and for the fire hardening of infrastructure for units of the state park system;
 - h) \$150 million to the Resources Agency for block grants to city, county, district, and regional park and open space entities for projects that reduce the risk of fire, flood, or drought to safeguard public lands and communities. Minimum awards for these block grants are \$150,000 for cities and districts and \$300,000 for counties and regional entities; and
 - i) \$50 million to the California Conservation Corps and certified community corps for projects that mitigate unemployment and address critical infrastructure needs or that address natural disasters or other climate impacts to communities. Specifies that at least 60% of these funds shall go to certified community conservation corps.
- 17) Allocates \$1.2 billion under Chapter 3, Protecting Coastal Lands, Bays, and Oceans from Sea Level Rise and Other Climate Risks, for the protection of coastal communities from sea level rise, restoration of coastal and ocean resources, mitigation of ocean acidification, and addressing the impacts of climate change along California's coast as follows:
 - a) \$395 million to the State Coastal Conservancy (SCC) for projects to protect, restore, and increase the resilience of beaches, bays, coastal dunes, wetlands, coastal forests, and coastal watershed resources;

- b) \$300 million to the SCC for projects consistent with the San Francisco Bay Restoration Authority Act including projects to address sea level rise, flood management, and wetland restoration;
 - c) \$100 million to the San Francisco Bay Program within the Coastal Conservancy;
 - d) \$40 million to the Santa Ana River Conservancy Program within the Coastal Conservancy;
 - e) \$100 million to the SCC for competitive grants for demonstration and pilot projects that use natural infrastructure to protect critical infrastructure that is vulnerable to sea level rise and flooding;
 - f) \$65 million to the SCC for grants to remove outdated or obsolete dams and water infrastructure;
 - g) \$30 million to the California Coastal Commission (CCC) for grants for local adaptation planning and updating local coastal programs;
 - h) \$20 million to the San Francisco Bay Conservation and Development Commission for coastal planning and projects within its jurisdiction;
 - i) \$100 million for deposit into the California Ocean Protection Trust Fund for competitive grants awarded by the Ocean Protection Council to eliminate or reduce threats to coastal and ocean ecosystems, improve the management of fisheries, or foster sustainable fisheries; and,
 - j) \$50 million to State Parks to implement projects that reduce the risks of sea level rise for units of the state park system.
- 18) Allocates \$1.75 billion under Chapter 4, Ensuring Safe Drinking Water, Drought Preparation, and Enhancing the State's Flood Protection, for the delivery of safe drinking water, drought preparation and response, and flood protection as follows:
- a) \$250 million to the Department of Water Resources (DWR) for projects that support implementation of the Sustainable Groundwater Management Act (SGMA). Requires at least 65% of these funds to be allocated to critically over drafted basins;
 - b) \$400 million to the State Water Resources Control Board (State Water Board) for grants or loans to provide clean, safe, and reliable drinking water. Requires at least \$30 million of these funds to be for developing and implementing regional or countywide drought contingency plans;
 - c) \$100 million to the State Water Board for grants or loans for projects that prevent or reduce the contamination of drinking water supplies and improve access to wastewater infrastructure;
 - d) \$430 million to the NRA for the protection and restoration of rivers, lakes, and streams to improve climate resilience, water supplies, or water quality. Requires NRA to give preference to natural infrastructure projects, to the extent feasible, when administering these funds. Requires funds to be available as follows:
 - i) For multiple benefit river and urban stream parkway projects;

- ii) Requires at least \$240 million to be allocated for capital outlay projects that provide air quality, public health, and habitat benefits to the Salton Sea and surrounding communities. Of these funds, requires \$30 million to be available to the Salton Sea Authority and \$2 million to be available for projects developed and prioritized using a participatory budgeting process;
 - iii) Requires at least \$30 million to be allocated for the Tijuana River Border Pollution Control Project;
 - iv) Requires at least \$25 million to be available to the Santa Monica Mountains Conservancy for projects within the San Fernando Valley that enhance the Los Angeles River and its tributaries;
 - v) Requires at least \$25 million to be available to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for projects that protect or enhance the Los Angeles River watershed and its tributaries;
 - vi) Requires \$15 million to be available for watershed protection, restoration, and public access projects that improve climate resilience through the Lower American River Conservancy Program at the Wildlife Conservation Board (WCB); and,
 - vii) Requires \$15 million to be available for projects in and around Clear Lake and its watershed.
- e) \$15 million to the California Environmental Protection Agency for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program;
 - f) \$200 million to the DWR for flood management projects that are components of multiple benefit flood management system improvements. Requires preference to be given to natural infrastructure projects. Requires a portion of these funds to be available as follows:
 - i) \$50 million for multiple benefit projects in urban coastal watersheds; and
 - ii) \$50 million for projects in the delta to improve existing levees.
 - g) \$35 million to the Central Valley Flood Protection Board for further development of the State Plan of Flood Control; and
 - h) \$300 million to the State Water Board for grants or loans for water recycling projects. A 50% local cost share is required for projects receiving funds.
 - i) \$25 million to be available for the implementation of the Open and Transparent Water Data Act.
- 19) Allocates \$900 million under Chapter 5, Protecting Fish, Wildlife, and Natural Areas from Climate Risks, to protect and restore natural lands to maintain biodiversity and ecosystem benefits as climate conditions change as follows:
- a) \$500 million to the WCB for the protection and restoration of California's fish and wildlife resources in response to changing climate conditions. Requires funding to not be used to offset environmental mitigation or compliance obligations;

- b) \$50 million to WCB for groundwater sustainability projects that provide habitat;
 - c) \$50 million to the Department of Fish and Wildlife (DFW) to improve climate resilience of fish and wildlife on DFW lands or through a competitive grant process; and
 - d) \$300 million to the Baldwin Hills Conservancy, California Tahoe Conservancy, Coachella Valley Mountains Conservancy, Sacramento-San Joaquin Delta Conservancy, San Diego River Conservancy, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, and Sierra Nevada Conservancy for reducing the risks of climate change impacts on communities, fish and wildlife, and natural resources. Provides that each of these conservancies receive a minimum of \$10 million.
- 20) Requires specified state conservancies to develop a climate resiliency plan (plan) that meets specified requirements by June 1, 2023.
- 21) Allocates \$300 million under Chapter 6, Protecting Farms, Ranches, and Working Lands from the Impacts of Climate Change, to protect California's agricultural resources and working lands from the impacts of climate change as follows:
- a) \$50 million to the Department of Food and Agriculture (CDFA) for grants to promote practices on farms and ranches that improve soil health or carbon sequestration, improve air or water quality, enhance groundwater recharge, or improve fish and wildlife habitat. 35% of these funds shall benefit farmers and ranchers in disadvantaged communities or severely disadvantaged communities and preference shall be given to socially disadvantaged farmers, as defined;
 - b) \$40 million to CDFA to promote on-farm water use efficiency. 35% of these funds shall benefit farmers and ranchers in disadvantaged communities or severely disadvantaged communities and preference shall be given to socially disadvantaged farmers, as defined;
 - c) \$40 million to CDFA for projects that promote the reduction of methane emissions from dairy and livestock operations. Preference shall be given to socially disadvantaged farmers, as defined;
 - d) \$20 million to CDFA for projects and activities recommended by the Invasive Species Council of California;
 - e) \$100 million to CDFA for grants that benefit small- and medium-sized farms and socially disadvantaged farmers, as defined, and increase the sustainability of agricultural infrastructure and facilities; and
 - f) \$50 million to the Department of Conservation for the protection and restoration of farmland and rangeland. 35% of these funds shall benefit farmers and ranchers in disadvantaged communities or severely disadvantaged communities.
- 22) Allocates \$640 million under Chapter 7, Responding to Extreme Heat, to address extreme heat events through investments in parks, urban green infrastructure, and community forestry projects as follows:

- a) \$400 million to State Parks for the Statewide Park Program to create and expand parks in park-poor neighborhoods. Emphasis shall be placed on projects that reduce urban heat island effect or mitigate extreme heat events. Specifies that \$50 million of these funds be available for local park creation and improvements grants in the Central Valley, Inland Empire, gateway, rural, and desert communities;
 - b) \$75 million to the NRA for urban greening projects that benefit vulnerable populations and mitigate extreme heat impacts;
 - c) \$75 million to CAL FIRE for urban forestry projects that mitigate extreme heat impacts;
 - d) \$50 million to the Department of Community Services and Development for low-income weatherization projects; and
 - e) \$40 million to the Strategic Growth Council (SGC) for projects that reduce the heat island effect and other extreme heat impacts from climate change.
- 23) Allocates \$1.06 billion under Chapter 8, Strengthening California's Regional Climate Resilience, for improving each region's climate resilience as follows:
- a) \$850 million to the SGC for reduction in the risk of climate impacts to communities, including wildfire, sea level rise, flood, and extreme heat events. Funds shall be available to regional climate networks, at least 60% of which shall be allocated based on population. The remaining funds can augment grants to the extent a regional climate network's plan addresses specified priorities (e.g., protecting vulnerable populations);
 - b) \$100 million to the SGC for the Transformative Climate Communities Program;
 - c) \$50 million to the OES for competitive grants to create climate resilience centers to provide emergency response services during disruptions (e.g., public safety power shutoff, extreme heat event, etc.) or emergency services during a disaster; and,
 - d) \$60 million to the CDFA for grants to fairgrounds to enhance their ability to serve as multirole community, staging, and evacuations centers or deploy communications and broadband infrastructure during a disaster, emergency, or public safety power shutoff.
- 24) Provides that bonds authorized pursuant to the Act shall be prepared, executed, issued, sold, paid, and redeemed consistent with the General Obligation Bond Law.
- 25) Establishes the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Finance Committee (Committee).
- 26) Provides that the Committee shall determine when to issue and sell bonds authorized pursuant to the Act.
- 27) Provides that an amount necessary to pay the principal of, and interest on, bonds issued pursuant to the Act shall be continuously appropriated from the General Fund.

- 28) Exempts the provisions of the Act from certain provisions of the General Obligation Bond Law that require bond funds to only be used to fund or provide grants or loans for capital outlay projects.
- 29) Provides that the Act shall be submitted to voters for approval at the June 7, 2022 statewide primary election.
- 30) Is an urgency statute.

FISCAL EFFECT: Unknown

COMMENTS:

1) **Author's statement:**

The impacts of climate change to our state and our communities require us to act quickly. California needs to protect itself against future climate disasters and rebuild our workforce from an ongoing pandemic that has shown us what can happen when we aren't prepared for an emergency. [This bill] seeks to make California more climate resilient by investing in various adaptation activities throughout the state, ranging from wildfire risk reduction, to drought preparation, to protection against sea-level rise. Not only will this measure help create new jobs for Californians, it will create long-term green jobs that help the state reach its climate goals. We must invest in the infrastructure necessary to protect our communities, our environment, and our economy from an evolving climate crisis.

- 2) **Adaptation/Resilience.** According to the Fourth Climate Change Assessment, California is one of the most “climate-challenged” regions of North America and must actively plan and implement strategies to prepare for and adapt to extreme events and shifts in previously “normal” averages. The report states that climate change impacts are here, including the following:
- a) Temperatures are warming, heat waves are more frequent, and precipitation has become increasingly variable.
 - b) Glaciers in the Sierra Nevada have lost an average of 70% of their area since the start of the 20th century.
 - c) The sea level along the central and southern California coast has risen more than 5.9 inches over the 20th century. Recently, even moderate tides and storms have produced extremely high sea levels—La Jolla’s all time highest sea level occurred in November 2015 under a high astronomical tide and a moderate storm.

Climate risks in California include sea level rise, changes in precipitation that increase the risk of both drought and flooding, and increases in temperatures that can affect air quality and habitat.

In 2020, wildfires burned more than 4.1 million acres. The August Complex Fire in northern California, the largest fire in California’s modern history, burned over one million acres. In total, wildfires caused 33 deaths and destroyed over 10,000 structures in 2020. The land area

burned in 2020 more than doubled the previous record, roughly 1.8 million acres, which was set in 2018. Furthermore, seven of the state's deadliest fires have occurred since 2017, with over 100 fatalities in 2017 and 2018. Increased severity and length of wildfire seasons has been attributed to the climate change impacts of reduced humidity and precipitation and increased temperatures.

A significant challenge in understanding and addressing the impacts of climate change is California's natural and historic climate experiences of drought, flooding, wildfires, and heat waves. Climate change exacerbates many of California's normal climate issues. This creates confusion about what solutions are truly addressing climate impacts versus dealing with historic issues caused by poor water management, bad land use decisions, and low-severity fire exclusion. However, there is also a benefit that California has a long history of working on some of these issues.

California has been a leader in reducing its GHG emissions. However, many other jurisdictions have not taken significant steps to reduce their GHG emissions. The level of climate impacts California will experience in the future will be the direct result of the global level of GHG emissions allowed now and in the future.

California has also been planning and taking steps to deal with the impacts of climate change for over a decade. In 2009, the NRA described adaptation as a relatively new concept in California policy and stated the term means, "efforts that respond to the impacts of climate change – adjustments in natural or human systems to actual or expected climate changes to minimize harm or take advantage of beneficial opportunities."

California's adaptation efforts can be traced back to 2008, when Governor Schwarzenegger ordered the NRA, through the Climate Action Team, to coordinate with local, regional, state, federal, public, and private entities to develop, by 2009, the state's Climate Adaptation Strategy. Governor Schwarzenegger's Executive Order S-13-08 required the strategy to summarize the best known science on climate change impacts for California, assess California's vulnerability to the identified impacts, and outline solutions that can be implemented within and across state agencies to promote resiliency. As a result, NRA drafted The 2009 California Climate Adaptation Strategy. The state's Climate Adaptation Strategy represents the work of seven sector-specific working groups led by 12 state agencies, boards, and commissions and numerous stakeholders. The state's Climate Adaptation Strategy proposes a comprehensive set of recommendations designed to inform and guide California decision makers as they begin to develop policies that will protect the state, its residents, and its resources from a range of climate change impacts. In July of 2014, NRA released an update to the 2009 California Climate Adaptation Strategy, *Safeguarding California: Reducing Climate Risk*. AB 1482 (Gordon), Chapter 603, Statutes of 2015, required updates to the plan every three years, which was done last in 2018.

California is responding to these risks through various efforts, including the recently passed parks bond (Proposition 68) and water bond (Proposition 1), which allocated significant resources to adaptation, the SCC's Climate Ready Program, and the Wildlife Conservation Board's Climate Adaptation and Resiliency Program. These programs provide funding for planning, preservation, and the creation of natural infrastructure. The use of natural infrastructure such as wetland/estuary restoration, living shorelines, and dune restoration

projects offer opportunities to make the coast more resilient, sequester more carbon, and provide important habitat and recreational benefits.

The state has required local governments to include climate impacts in their general planning. The state also provides local governments with resources and information to plan for climate impacts through the ICARP.

In addition, the CCC has been working with coastal zone local governments to update their local coastal programs to address shoreline hazards and sea level rise. This has been done through grants to local governments. The CCC has also released a Sea Level Rise Policy Guidance document that provides an overview of best available science on sea level rise for California and recommended steps for addressing sea level rise in CCC planning and regulatory actions. This will help coastal local governments to make planning decisions that take sea level rise into account and identify infrastructure and property that is at risk.

In addition to the term climate adaptation, another term that has entered into the policy lexicon is the term “climate resilience”. In 2015, the state defined a resilient community in its successful application to the National Disaster Resilience Competition administered by the U.S. Department of Housing and Urban Development: A resilient community is able to resist and rapidly recover from disasters or other shocks with minimal outside assistance. Reducing current and future risk is essential to the long-term vitality, economic well-being, and security of all communities. By identifying future risk and vulnerabilities, resilient recovery planning can maximize preparedness, save lives, and bring benefits to a community long after recovery projects are complete.

The Fourth Climate Change Assessment defined “resilience” as the “capacity of any entity – an individual, a community, an organization, or a natural system – to prepare for disruptions, to recover from shocks and stresses, and to adapt and grow from a disruptive experience. Adaptation actions contribute to increasing resilience, which is a desired outcome or state of being.”

This bill defines “climate resilience” as “the ability of an entity or system, including an individual, a community, an ecosystem or a natural system, and its component parts to absorb, accommodate, or recover from the effects of a climate event in a timely and efficient manner, including through ensuring the preservation, restoration, or improvement of its essential basic structures and functions. In the case of natural and working lands, resilience includes the preservation, restoration, or enhancement of the ability to sequester carbon.”

- 3) **AB 1500.** This bill represents what would be the largest investment the state has ever made in adapting to the impacts of climate change. While this bill makes investments in natural resources protection and restoration and in the state’s water supply system, it is substantially different from past resource and water bonds, such as Propositions 68 and 1, because almost all of the investments in this bill are focused on projects to make California more resilient to climate change. In January 2020, the Governor proposed a \$4.75 billion climate resiliency bond and the Senate passed SB 45, a \$5.51 billion climate resiliency bond, but the Governor withdrew his bond proposal due to COVID and SB 45 was never referred to an Assembly policy committee. AB 3256 (E. Garcia, 2020), a \$6.98 billion climate resiliency bond, passed this committee and the Assembly Appropriations Committee, but was then referred to the Assembly Rules Committee.

This bill contains many of the investments that were in AB 3256, but does have some important differences. One important difference is this bill earmarks 40% of the SCC's funding for the protection of coastal communities from sea level rise to the San Francisco Bay Area through the San Francisco Bay Restoration Authority Act and the San Francisco Bay Area Conservancy Program. This will leave the SCC with discretion to fund the best projects throughout California including in the north coast, central coast, Los Angeles Area, and San Diego Area.

The bill also funds more traditional park bond expenditures, such as the creation and expansion of parks and the creation of aquatic centers, which while having many important benefits, have limited climate resiliency benefits. However, before approving a grant or contract, any agency administering bond funding must make a finding that the expenditure must have climate resiliency benefits. There might be difficulty in making those findings for some of the expenditures in this bill.

This bill also has altered how conservancies are allocated the bond funding. In AB 3256, each conservancy was required to do a plan, which explained how they would spend the bond funds, and then NRA would review the plan and determine how much each conservancy should be allocated with a minimum of \$10 million to each conservancy. This bill still requires the plan, but does not give the NRA the authority to determine the allocation. Instead, the Legislature would appropriate funding to each conservancy. This will reduce the impact of the plans in determining allocations and will reduce the conservancies' ability to plan for their allocations. The author and committee *may wish to consider amending the bill* to directly allocate bond funding to each conservancy that has submitted a plan.

On April 28 2021, the Assembly Budget Committee released its updated Budget Blue Print, which proposed significant increases in investments due to a budget surplus and the \$26 billion in American Rescue Plan funding. The Budget Blue Print calls for investments in responding to climate change through wildfire prevention, drought resilience, and other adaptation spending. Spending on climate adaptation and resiliency without relying on a bond would save the state money in the long term. The LAO estimates that the state is currently spending about \$6 billion annually from the General Fund to repay bonds, representing about 4% of past annual General Fund revenues. Over \$1 billion of these annual payments is associated with debt service for natural resources-related bonds. However, it is fair to note that the need to invest in improving California's climate resiliency is immense and the state could avoid damage to people, property, and the environment by both investing now and through the longer term bond investments contained in this bill.

- 4) **Amendments.** In addition to the amendment mentioned above, the author and committee *may wish to consider* the following amendments:
 - a) Rename the "risk reduction buffer" to the "wildfire buffer" and make technical and clarifying changes to the definition;
 - b) Align the \$150 million allocation to the Regional Fire and Forest Capacity Program with AB 9 (Wood);

- c) Clarify the SCC can do natural infrastructure projects that are not demonstration and pilot projects;
- d) Increase the \$430 million allocated to NRA and its departments, boards, and conservancies for the protection and restoration of rivers, lake and streams to \$450 million and specify the Lake Tahoe Environmental Improvement Program is an eligible project;
- e) Add a \$10 million allocation to the CDFA to fund improvements and enhancements to pollinator habitat and forage;
- f) Add a \$10 million allocation to the WCB for the purpose of recovering and sustaining populations of monarch butterflies and other pollinators;
- g) Increase the \$75 million allocation to the NRA for urban greening to \$100 million;
- h) Increase the \$40 million allocation to the SGC to \$100 million; and,
- i) Other technical and clarifying amendments.

5) **Related legislation.**

AB 897 (Mullen) requires the OPR to facilitate the creation of regional climate networks and create standards for the development of a regional climate adaptation action plan to support the implementation of regional climate adaptation efforts. This bill passed out of this committee on 8-1 vote and is awaiting hearing in the Assembly Appropriations Committee.

AB 9 (Wood) establishes the Regional Forest and Fire Capacity Program within the Department of Conservation, as specified. This bill passed out of this committee on 11-0 vote and is awaiting hearing in the Assembly Appropriations Committee.

SB 45 (Portantino) would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, subject to approval by the voters in the November 8, 2022 general election, would authorize the issuance of \$5.51 billion in general obligation bonds to finance projects for wildfire prevention, safe drinking water, sea level rise, drought preparation, and flood protection. This bill is awaiting hearing in the Senate Appropriations Committee.

- 6) **Double referral.** This bill was heard by the Assembly Water, Parks, and Wildlife Committee on April 8th and passed with a vote of 9-0.

REGISTERED SUPPORT / OPPOSITION:

Support

Audubon Center At Debs Park
Azul
Bay Area Council
Big Sur Land Trust

Bloom Energy
Bolsa Chica Land Trust
California Association of Resource Conservation Districts
California Council of Land Trusts
California Municipal Utilities Association
California Trout
California Water Association
California Waterfowl Association
California Watershed Network
City of Half Moon Bay
City of Sacramento
County of Monterey
County of Sacramento
County of San Diego
County of Ventura, Second District County Supervisor Linda Parks
East Bay Regional Park District
Imperial Irrigation District
Los Angeles Neighborhood Land Trust
Metropolitan Water District of Southern California
Mojave Desert Land Trust
Nature for All
Outdoor Outreach
Parks Now
Peninsula Open Space Trust
Pogo Park
Professional Engineers in California Government
Pueblo Unido CDC
Salton Sea Authority
Santa Clara Valley Open Space Authority
Save the Bay
Sierra Club
Sonoma Land Trust
The Bay Area Council
The Nature Conservancy
The Trust for Public Land
The Wildlands Conservancy
Tree Care Industry Association
Trout Unlimited
Youth Outside

Opposition

California Central Valley Flood Control Association

Analysis Prepared by: Michael Jarred / NAT. RES. /