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California State Assembly

NATURAL RESOURCES



LUZ RIVAS
CHAIR

AGENDA

Monday, April 4, 2022
2:30 p.m. -- State Capitol, Room 447

Chief Consultant
Lawrence Lingbloom

Principal Consultant
Elizabeth MacMillan

Senior Consultant
Paige Brokaw

Committee Secretary
Martha Gutierrez

BILLS HEARD IN FILE ORDER

- | | | | |
|-----|---------|-----------------|---|
| 1. | AB 2160 | Bennett | Coastal resources: coastal development permits: fees. |
| 2. | AB 2532 | Bennett | Scoping plan: compliance and implementation: reports. |
| 3. | AB 2257 | Boerner Horvath | State lands: oil and gas leases: cost study. |
| 4. | AB 2593 | Boerner Horvath | Coastal resources: coastal development permits: blue carbon projects. |
| 5. | AB 2419 | Bryan | Environmental justice: federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee. |
| 6. | AB 2251 | Calderon | Urban forestry: statewide strategic plan: statewide map. |
| 7. | AB 2719 | Fong | California Environmental Quality Act: exemptions: highway safety improvement projects. Pulled by author |
| 8. | AB 2446 | Holden | Embodied carbon emissions: construction materials. |
| 9. | AB 2114 | Kalra | California Pocket Forest Initiative. |
| 10. | AB 2721 | Lee | Bay Area Air Quality Management District: district board: compensation. |
| 11. | AB 2362 | Mullin | Ecosystem restoration and climate adaptation projects: permitting. |
| 12. | AB 2734 | Petrie-Norris | Coastal resources: research: landslides, erosion, and inundation flooding: advanced warning system: County of Orange. |
| 13. | AB 2787 | Quirk | Microplastics in products. |
| 14. | AB 2219 | Smith | State Air Resources Board: members. |
| 15. | AB 2784 | Ting | Solid waste: thermoform plastic containers: postconsumer thermoform recycled plastic. |
| 16. | AB 2207 | McCarty | California Conservation Corps: corpsmembers: contracts: facility leases: outreach. |

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2160 (Bennett) – As Amended February 15, 2022

SUBJECT: Coastal resources: coastal development permits: fees

SUMMARY: Amends the California Coastal Act to authorize a city or county, at the request of an applicant for a coastal development permit, to waive or reduce the permit fee for specified projects.

EXISTING LAW:

Pursuant to the California Coastal Act of 1976 (Coastal Act) (Public Resources Code § 30600 et seq):

- 1) Requires any person wishing to perform or undertake any development in the coastal zone, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit.
- 2) Prohibits the California Coastal Commission (Commission) from exercising its coastal development permit review authority over any new development within the area to which the certified local coastal program, or any portion thereof, applies.
- 3) Requires a local government, if it has been delegated authority to issue coastal development permits, to recover any costs incurred from fees charged to individual permit applicants.
- 4) Authorizes the local government to elect to not levy fees.
- 5) Authorizes the Commission to waive the filing fee for an application for a coastal development permit.

THIS BILL:

- 1) Defines “applicant” as a qualified nonprofit organization or a public agency.
- 2) Defines “habitat restoration project” as a project proposed for the sole purpose of restoring or enhancing the ecological function, biodiversity, or resiliency of native habitat.
- 3) Defines “public access project” as a project with the primary purpose of creating, enhancing, expanding, or restoring public amenities that provide access to or along the coast.
- 4) Authorizes, at the request of an applicant for a coastal development permit, a city or county to waive or reduce a coastal development permit fee for a public access project or habitat restoration project.

- 5) Authorizes, if a city or county rejects a fee waiver or fee reduction request, the applicant to submit the coastal development permit application directly to the Commission.

FISCAL EFFECT: Unknown.

COMMENTS:

1) **Author's statement.**

Nonprofits perform a wide assortment of habitat restoration and public access work in communities across California. However, high Coastal Development Permitting fees can present a financial barrier to performing meaningful work in a community. This bill eases financial hurdles to allow for restoration and public access projects to be completed by non-profits working for the public's interests as determined by the Coastal Commission.

- 2) **Cutting the Green Tape.** The State of California has identified “Cutting Green Tape” as a signature initiative to increase the pace and scale of environmental restoration. Complex and overlapping permitting processes can result in fewer and smaller actions being taken at a slower pace and a greater expense. In the November 2020 stakeholder-coordinated report issued by California Landscape Stewardship Network, *Cutting Green Tape: Regulatory Efficiencies for a Resilient Environment*, sometimes, fully one-third of public funding for a restoration project goes to planning and permitting, and a project that only takes weeks to implement can take years to permit. Much like the familiar term, “red tape,” “green tape” represents the extra time, money, and effort required to get environmentally beneficial work done because of inefficiencies in our current systems.

In fact, the report recommends the “Coastal Commission explore and utilize efficiencies within their authorities to advance small- and large-scale restoration that are consistent with and/or complementary to existing and planned efficiencies authorized by [other state agencies]”.

- 3) **Commission fee authority.** Commission regulations allow for coastal development permit applicants to request the reduction or waiver of application filing fees. According to the Commission, between 2000 and 2018 there were only eight instances in which a fee reduction or waiver was sought, and only two of these eight requests came from nonprofit organizations.

In hopes of spurring use of that authority to support public benefit projects, AB 1011 (Petrie-Norris, Chapter 185, Statutes of 2019) codified that regulatory provision to authorize the Commission to give extra consideration to waiving the filing fee for nonprofits if the permit is required for a habitat restoration project or a project to provide public access to coastal resources.

- 4) **Taking one step farther.** At the request of an applicant for a coastal development permit, AB 2160 would authorize a city or county to waive or reduce a coastal development permit fee for a public access project or habitat restoration project.

If a city or county rejects a fee waiver or fee reduction request, the bill authorizes the applicant to submit the coastal development permit application directly to the Commission, which, as mentioned above, has the authority to waive or reduce the fees for certain applicants.

If AB 2160 should be enacted, and a city or county declines to waive or reduce an applicant's permit fee for a project covered by the bill when reviewing the permit application, the Commission would maintain its standard of review and defer to all of the requirements of that local government's LCP.

The process proposed by the bill would effectively enable local governments to avoid the lost cost of waived fees, allow the Commission to absorb the fees, and defer the workload of the application review to the state while adhering to the local government's LCP.

Depending on the details of their LCP, some local governments already have discretion to waive or reduce permit fees for applicants, but it's unclear which or how many currently have this authority under their LCP.

- 5) **Eligible projects.** Habitat restoration and public access projects that would be covered under the bill are consistent with those that would further some of the state's goals.

Outdoor Access for All is First Partner Jennifer Siebel Newsom's initiative to enable greater access to nature for all Californians, and provides passes to State Parks and other pathways to providing quality time in nature to Californians.

In addition, Governor Newsom's Nature Based Solutions Executive Order N-82-20 elevates the role of natural and working lands in the fight against climate change and advancing biodiversity conservation as an administration priority. As part of this Executive Order, California is committed to the goal of conserving 30% of state lands and coastal waters by 2030. The draft report, *Pathways to 30x30 California*, states:

Access to nature is critical to human health and well-being. Working to achieve 30x30 provides an opportunity to expand outdoor access and recreation for all Californians. Fostering human connections to nature can increase community support for its protection and ensure all Californians have access to its benefits.

The public access (and habitat restoration) projects have a direct nexus to the state's goals; reducing costs for them creates an incentive to permit more of those projects.

- 6) **Arguments in support. The California Coastal Protection Network, Surfrider Foundation, among other signatories, state:**

Maximizing public access and restoring sensitive coastal habitats are two central principles of the Coastal Act and priorities of our organizations. Many of our organizations are frequently involved in on-the-ground easement or restoration projects that are burdened by high fees, local opposition, and disinterested bureaucracies. These projects would directly benefit from a more streamlined permitting process and help local governments address unnecessary financial and capacity burdens. With this bill, applicants are able to apply directly to the

Coastal Commission for a permit if a local government denies a request. The Commission's permit fees are typically lower than local governments' and the Commission already has the obligation to give close consideration to fee waiver requests from NGOs. This approach would also streamline the process for those projects that may otherwise be appealed to the Commission anyway.

7) Related legislation.

AB1408 (Petrie-Norris, 2021), which was identical to AB 2160, was held in the Assembly Natural Resources Committee due to the Covid-19 pandemic and limits on how many bills policy committees could hear.

AB 1011 (Petrie-Norris, Chapter 185, Statutes of 2019) authorizes the Commission to give extra consideration to waiving the filing fee for nonprofits if the permit is required for a habitat restoration project or a project to provide public access to coastal resources.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Coastal Protection Network
Central Coast Alliance United for Sustainable Economy
Environmental Center of San Diego
Surfrider Foundation
The Wildlands Conservancy
Tolowa Dunes Stewards
West Marine Environmental Action Committee

Opposition

None on file.

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2532 (Bennett) – As Introduced February 17, 2022

SUBJECT: Scoping plan: compliance and implementation: reports

SUMMARY: Requires each state agency, board, or department (SABoD) to report annually regarding its compliance with and efforts to implement any goals and recommendations (G&Rs) identified by the Air Resources Board (ARB) in the AB 32 Scoping Plan.

EXISTING LAW:

- 1) Requires, pursuant to the California Global Warming Solutions Act [AB 32 (Núñez), Chapter 488, Statutes of 2006], ARB to adopt a statewide greenhouse gas (GHG) emissions limit equivalent to 1990 levels by 2020 and to adopt rules and regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions.
- 2) Requires ARB to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030.
- 3) Requires ARB to prepare and approve a scoping plan, on or before January 1, 2009, and at least once every five years thereafter, for achieving the maximum technologically feasible and cost-effective reductions in GHG emissions from sources or categories of sources of GHGs.
- 4) Requires all state agencies to consider and implement strategies to reduce their GHG emissions.

THIS BILL:

- 1) Requires each SABoD, on or before March 1 of each year beginning in 2023, to post on its internet website a report regarding its compliance with and efforts to implement any G&Rs related to that SABoD, if any, identified by ARB in the scoping plan.
- 2) Requires each SABoD to do all of the following in the report:
 - a) Identify all G&Rs that the SABoD is charged with or responsible, in whole or in part, for implementing.
 - b) Describe in detail the SABoD's efforts to implement each G&R.
 - c) State whether the SABoD has fully implemented each G&R.
 - d) For each G&R that the SABoD has not fully implemented, describe in detail both of the following:
 - i) Why the SABoD has not fully implemented the G&R.

- ii) The steps necessary, including a timeline, for the SABoD to fully implement the G&R.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) **Background.** AB 32 requires ARB to develop and adopt a scoping plan every five years to chart a path to meet the state's long-term GHG emissions reductions targets. The most recent scoping plan, adopted in 2017, includes specific goals or recommendations for specific agencies or groups of agencies, as well as broader goals and recommendations for which state agencies may bear some responsibility. For each recommended action in the scoping plan, ARB lists a lead agency or agencies.

Some of the actions are specific, such as "increase the Renewables Portfolio Standard to 50 percent of retail sales by 2030." For the RPS, the lead agencies are the Public Utilities Commission, the Energy Commission, and ARB. However, the scoping plan didn't need to tell us this – the RPS has its own established statutory requirements, including reporting requirements to track implementation.

Some of the actions are general, such as "(i)dentify and expand funding and financing mechanisms to support GHG reductions across all sectors." In this case, ARB identifies "state agencies and local agencies" as the lead agencies. This recommendation is so vague, it would be difficult to evaluate progress or hold any agency accountable for meeting it. Requiring every state agency to report its progress implementing this recommendation might be burdensome and not particularly useful.

- 2) **Author's statement:**

The window is closing on the time we have to address climate change, so there is new urgency to ensure we're on target to meet our climate goals. We can only do that if we have regular updates to ensure that we're doing all we can do to reduce toxic greenhouse gas emissions. This bill is aimed at providing this crucial information from the appropriate state agencies and departments.

- 3) **All you can eat reporting.** As noted above, the scope of the reporting requirement in this bill is very broad, potentially creating a blizzard of perfunctory annual reports that might not achieve the author's intent or be particularly useful. *The author and the committee may wish to consider* amending the bill to limit its application to specific actions, such a rule, regulation, order, or guideline to reduce GHG emissions, where the scoping plan identifies a specific agency that has a clearly-defined duty to implement.

REGISTERED SUPPORT / OPPOSITION:

Support

Santa Barbara Women's Political Committee

Opposition

None on file.

Analysis Prepared by: Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2257 (Boerner Horvath) – As Amended March 21, 2022

SUBJECT: State lands: oil and gas leases: cost study

SUMMARY: Requires the States Lands Commission (SLC) to develop a cost study that measures the fiscal impact of a voluntary buy-out of any lease interests remaining, in actively producing state offshore oil and gas leases in state waters.

EXISTING LAW:

- 1) Establishes SLC in the Natural Resources Agency.
- 2) Requires a person, association, or corporation to obtain a lease from SLC to extract oil, gas, geothermal, or mineral resources on lands under SLC's jurisdiction.
- 3) Authorizes SLC to lease tide and submerged lands and beds of navigable rivers and lakes for purposes of the extraction of oil and gas, as provided.
- 4) Prohibits, pursuant to the Coastal Sanctuary Act, a state agency or state officer from entering into any new lease for the extraction of oil or gas from the California Coastal Sanctuary, except as provided.
- 5) Authorizes, pursuant to the Cunningham-Shell Act of 1955, an oil, gas, geothermal, or mineral mining lessee on SLC land to, at any time, file with SLC, a quitclaim or relinquishment of all rights under the lease or any portion of the lease.

THIS BILL:

- 1) Finds and declares that a cost study that assesses the fiscal impact of buying out the remaining lease interests in the state's actively producing offshore oil and gas leases will provide the knowledge necessary for informed decision making and practical solutions to end offshore oil and gas development, which, from a climate and environmental perspective, is momentous.
- 2) Requires SLC to develop, on or before December 31, 2024, a cost study that measures the fiscal impact of a voluntary buy-out of any lease interests remaining, in actively producing state offshore oil and gas leases in state waters.
- 3) Requires the cost study to consider, including, but not limited to, all of the following factors:
 - a) Unrealized state revenues;
 - b) Reasonably anticipated lost profits;
 - c) Life of the reservoir based on proven reserves; and,
 - d) Decommissioning costs.

- 4) Requires, on or before December 31, 2024, SLC to submit the cost study to the Governor and the Legislature, and make the cost study available on its internet website.
- 5) Sunsets the requirements of this bill on December 31, 2028.
- 6) Appropriates one million dollars (\$1,000,000) from the General Fund to SLC for purposes of developing the cost study.

FISCAL EFFECT: Unknown.

COMMENTS:

1) Author's statement.

California's role as a global leader in climate protection and champion of renewable energy necessitates the need to end offshore oil and gas production, further transitioning the state towards 100 percent renewable energy. This transition must be calculated and thoughtful, using data to guide the decision making process. It is not in the best interest of the state to proceed effectively without concrete knowledge about the fiscal impact, including unrealized state revenues, anticipated lost operator profits and related workforce impacts, and costs to plug, abandon, and decommission wells, platforms, and ancillary infrastructure. AB 2257 directs the State Lands Commission to conduct a comprehensive cost analysis of a voluntary state offshore oil and gas lease-buyout strategy.

- 2) **California's oil economy.** According to the PEW Charitable Trust, California is the country's seventh-largest producer of oil. In 2019, 7 million barrels of oil came from offshore extraction in state waters, out of the 156 million barrels in total the state produced that year. Each year, the state receives \$90 million from offshore drilling leases and earns \$21.6 billion in state and local tax revenue from oil overall.
- 3) **Offshore oil and gas leases.** The SLC manages the state's sovereign public trust lands, which include approximately 120 rivers and sloughs, 40 lakes, and lands along more than 1100 miles of coastline and underlying the Pacific Ocean out 3 miles to the state federal boundary. SLC also exercises oversight authority over the state's public lands granted in trust by the Legislature to approximately 70 local jurisdictions, including the lands underlying the offshore Long Beach oil operations managed by the City of Long Beach.

Today, three state-water platforms — Platforms Eva and Emmy off Huntington Beach and Platform Esther off Seal Beach — are actively producing, while a fourth platform and an artificial island are inactive. There are 11 active leases in state waters between these platforms.

In 1955, the Legislature passed the Cunningham Shell Act (Act), which serves as the foundational law for the oil and gas leases SLC manages. This Act requires SLC to issue oil and gas leases for a term, not based on years, but "for so long as oil and gas is produced in paying quantities." Therefore, a lessee can produce oil and gas pursuant to their state lease indefinitely — as long as it is economic for them to do so. This provision is included in all of the remaining 11 actively producing offshore leases SLC manages. These leases were entered into more than 50 years ago and before the 1994 Coastal Sanctuary Act. Through the Coastal

Sanctuary Act, the Legislature placed California's offshore resources off-limits to new oil and gas leases.

The effects and challenges associated with the climate crisis require the state to dramatically change the way it produces and consumes energy. However, due to the Cunningham Shell Act, the decision to decommission or continue operations is generally confined to the operating company. Unless operators discontinue production on their own, the state would need to buy out these leases to discontinue operations and begin decommissioning procedures.

Platform Holly, a rusted structure that sits off the coast of Santa Barbara, is currently being decommissioned at great cost to the state. The platform's owner, Venoco, filed for bankruptcy in 2017, leaving California and the developer of the wells, Exxon Mobil, to foot the bill for decommissioning and staffing the platform while they plug and abandon the platform's 30 wells. Decommissioning will cost the state \$132 million and Exxon Mobil at least \$350 million. This process could take up to 18 months.

The company Amplify runs three facilities in federal waters off Southern California, platforms called Ellen, Elly, and Eureka. Ellen and Eureka host 57 different oil wells, while Elly is a processing facility. Under federal law, Amplify is responsible for the full eventual closure and decommissioning costs of these platforms. In 2020, the Bureau of Safety and Environmental Enforcement estimated that taking down these three platforms and closing up the sites would cost more than \$215 million - and with inflation that cost is likely to increase.

According to the office of State Controller Betty Yee, sponsor of this bill, the first step is to fully assess the costs to be considered as part of a buyout strategy. The author asserts:

It is not in the best interest of the State to proceed effectively without concrete knowledge about the fiscal impact, including unrealized state revenues, anticipated lost operator profits and related workforce impacts, and costs to plug, abandon, and decommission wells, platforms, and ancillary infrastructure.

AB 2257 would require the SLC to develop a cost study that measures the fiscal impact of a voluntary buy-out of any lease interests remaining, in actively producing state offshore oil and gas leases in state waters.

- 4) **Orange County oil spill.** On the evening of October 2, 2021, an oil spill was detected in Southern California, originating from an underwater pipe owned by Amplify connected to the Elly platform about 4-miles offshore near Long Beach that spilled approximately 24,696 gallons. (It was initially reported that the leak spilled more than 100,000 gallons of oil.)

A vessel's anchor likely hooked and damaged the underwater pipeline earlier in the year, resulting in an eventual tear months later that spilled tens of thousands of gallons of crude oil into the ocean off Southern California, according to federal investigators who also found the pipeline owner didn't quickly shut down operations after a safety system alerted to a possible spill.

At the November 15 Assembly Select Committee on the Orange County Oil Spill hearing, Huntington Beach Mayor Kim Carr testified that dealing with the spill has cost the city about \$500,000, and Orange County District 2 Supervisor Katrina Foley said the county had already

spent more than \$1 million on its response. They're expecting to someday recover those costs from Amplify or its insurers.

Anchor strikes on pipelines are relatively rare, but have caused problems in the past. An Associated Press review of more than 10,000 reports submitted to federal regulators found at least 17 accidents on pipelines carrying crude oil or other hazardous liquids have been linked to anchor strikes or suspected anchor strikes since 1986.

As the Orange County oil spill demonstrated, offshore oil and gas pipelines create risk for oil spills and other environmental hazards, which costs the state and local agencies cleanup costs and lost economic activity (closed fisheries, lost tourism) that cannot be recouped. The risk of oil spills increases significantly as infrastructure gets older. Those costs should be considered in the cost study proposed by this legislation.

Controller Yee writes:

California's coastal economy employs 12.3 million people annually, earning nearly \$883.5 billion and generating more than \$2 trillion in gross domestic product. The economic and environmental risks of another oil spill call for innovation to accelerate the end of offshore oil and gas development and out transition to 100% renewable energy. This transition must be calculated and thoughtful, using data to guide our decision making process.

AB 2257 would appropriate \$1 million from the General Fund to SLC to complete the cost study.

- 5) **Arguments in support.** SLC supports the bill "to acquire the knowledge necessary to accelerate the end offshore oil and gas production in state waters. The advances in clean energy development enable California to transition from fossil fuels to clean energy, a transition that will reduce the impacts of climate change. The oil spill offshore Southern California last October and the damage it inflicted renewed interest in ending offshore oil and gas production. If California wants to end offshore oil and gas development offshore California, it needs to invest in a study of the costs so that it can negotiate a buyout of the leases in the best interests of the state."
- 6) **Arguments in opposition.** The Center for Biological Diversity (CBD) is opposed unless the bill is amended to require the study to consider the additional following factors: current and future costs of maintaining the existing production operations and infrastructure, costs of upgrading and repairing the current operations and infrastructure to meet current standards, costs of regulatory oversight — including inspections, enforcement, and oil spill response — and unrecovered damages and penalties for incidents and violations, costs of the environmental, health, and economic damage caused by past and future spills, costs of the environmental, health, and climate damage caused by these operations through the life of these leases, and profits already realized through these leases. CBD additionally states that in lieu of the bill appropriating funds for SLC's study, it would expect that oil operators be held responsible for paying the entirety of all costs associated with the environmental damage that these operations have caused and continue to cause.

7) Related legislation:

SB 953 (Min) would require the State Lands Commission to terminate all remaining oil and gas leases under its jurisdiction in tidelands and submerged lands within state waters by December 31, 2023. This bill has been referred to the Senate Natural Resources & Water Committee.

AB 1423 (Stern) would require additional requirements for new or expanded oil and gas development offshore to be permitted. This bill has been referred to the Senate Natural Resources & Water Committee.

REGISTERED SUPPORT / OPPOSITION:**Support**

California State Controller, Betty Yee (sponsor)
California State Lands Commission

Opposition

California Independent Petroleum Association
Center for Biological Diversity

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2593 (Boerner Horvath) – As Introduced February 18, 2022

SUBJECT: Coastal resources: coastal development permits: blue carbon projects.

SUMMARY: Requires the California Coastal Commission (Commission) to require an applicant with a public project seeking a coastal development permit to, where feasible, build or contribute to a blue carbon project.

EXISTING LAW:

Pursuant to the California Global Warming Solutions Act of 2006 (Health and Safety Code § 38500 et seq.):

- 1) Establishes the Air Resources Board (ARB) as the state agency responsible for monitoring and regulating sources emitting greenhouse gases (GHG).
- 2) Requires ARB to approve a statewide GHG emissions limit equivalent to the statewide GHG emissions level in 1990 to be achieved by 2020 and to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030.
- 3) States that it is the policy of the state that the protection and management of natural and working lands is an important strategy in meeting the state's GHG emissions reduction goals, and that the protection and management of those lands can result in the removal of carbon from the atmosphere and the sequestration of carbon in, above, and below the ground.

Pursuant to the California Coastal Act of 1976 (Public Resources Code § 30000, et seq)

- 1) Establishes the Commission to protect regional, state, and national interests in assuring the maintenance of the long-term productivity and economic vitality of coastal resources necessary for the well-being of the people of the state, avoid long-term costs to the public and a diminished quality of life resulting from the misuse of coastal resources, and coordinate and integrate the activities of the many agencies whose activities impact the coastal zone.
- 2) Requires anyone planning (?) to perform or undertake any development in the coastal zone to obtain a coastal development permit from the Commission.

THIS BILL:

- 1) Defines “blue carbon project” as the conservation, restoration, or creation of coastal ecosystems and vegetation, including, but not limited to, seagrasses and wetlands, which capture and store carbon.
- 2) Defines “public project” as a project applied for or funded by any district, county, city and county, city, or town or the state, or any of the agencies and political subdivisions of those entities.

- 3) Requires the Commission to require an applicant with a public project seeking a coastal development permit to, where feasible, also build or contribute to a blue carbon project.
- 4) Requires the public project applicant to identify the blue carbon project's expected carbon capture as part of the permitting process.
- 5) Authorizes, when possible, existing state grant programs to be used to fund, and give funding priority to, blue carbon projects to the extent not in conflict with the grant program.
- 6) Authorizes state grant programs to include, but not be limited to, grant programs established by the Commission, the State Coastal Conservancy, and the Department of Fish and Wildlife.
- 7) States that nothing in this bill shall be construed to restrict the Commission from requiring other existing mitigation requirements for an applicant for a public project that is seeking a coastal development permit.

FISCAL EFFECT: Unknown.

COMMENTS:

1) Author's statement.

Several recent studies focusing on the importance of conserving coastal ecosystems have concluded coastal wetlands can store far greater amounts of carbon than they naturally release, which makes them one of the world's most important natural "carbon sinks." Unfortunately, coastal habitats are being lost at a rapid rate, largely due to coastal development for housing, ports, and commercial facilities. AB 2593 requires that coastal development permit applicants include in their planning and design how they plan to build or will contribute to promoting blue carbon projects, where feasible. This requirement is consistent with the California Coastal Commission's task of working with local governments to protect the shoreline when approving developments in the coastal zone consistent with the California Ocean Protection Act.

- 2) **Blue carbon.** Blue carbon refers to the carbon stored by seagrass, mangroves, tidal marshes, and other plants in coastal wetlands. These coastal ecosystems are able to sequester carbon dioxide from the earth's atmosphere through photosynthesis. As these aquatic plants grow, they accumulate and bury organic matter in the soil. Water-logged sediments are very low in oxygen, allowing the carbon drawn from plants to stay trapped in the sediment for as long as it remains undisturbed.

Seagrass, tidal marshes, and mangroves are sometimes referred to as "blue forests" in contrast to land-based forests. Blue forests equal just 0.05% of the plant biomass on land, but they can efficiently store high levels of carbon. Research indicates that coastal blue carbon habitats annually sequester carbon 10 times faster than mature tropical forests, and store 3-5 times more carbon per equivalent area.

Although seagrass makes up only 0.1% of area on the ocean floor, it accounts for approximately 10-18% of the total oceanic carbon capture. Researchers have studied how large-scale seaweed cultivation in the open ocean can act as a form of carbon sequestration. They found that nearshore seaweed forests constitute a source of blue carbon, as seaweed debris is carried by wave currents into the middle and deep ocean thereby sequestering carbon.

Because oceans cover 70% of the planet, and because more than 80% of the global carbon cycle is circulated through the ocean, ocean ecosystem restoration has the greatest blue carbon development potential. Research is ongoing, but in some cases it has been found that these types of ecosystems remove far more carbon than terrestrial forests, and can store it for millennia.

- 3) **Blue carbon in California.** In California, coastal blue carbon habitats consist of tidal salt marsh and seagrass (eelgrass). Currently, the state has about 296,500 acres of tidal salt marsh habitat and 14,800 acres of eelgrass. As habitats that sequester carbon are altered and decreased, the natural carbon stored in these environments is being released into the atmosphere, accelerating the rate of climate change. Researchers indicate that if blue carbon ecosystems continue to decline at the current rate, 30% to 40% of tidal marshes and seagrasses could be gone in the next century. California's coastal wetlands have already lost about 90% of their historical area.

Marshes sequester carbon in underground biomass due to high rates of organic sedimentation and anaerobic-dominated decomposition, a process where microorganisms break down biodegradable material in the absence of oxygen. Marshes are susceptible to eutrophication (a nutrient-induced increase in phytoplankton productivity) and pollution from oil and industrial chemicals. Introduced invasive species, sea-level rise, river damming, and decreased sedimentation are other long-term changes that affect marsh habitat, and in turn, may affect carbon sequestration potential.

AB 2593 defines blue carbon projects as the conservation, restoration, or creation of coastal ecosystems and vegetation, including, but not limited to, seagrasses and wetlands, which capture and store carbon.

- 4) **Federal Efforts.** The U.S. Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) has supported efforts to include coastal wetlands into the U.S. inventory of GHG emissions and sinks. They work collaboratively with the National Marine Fisheries Service, National Ocean Service, and Oceanic and Atmospheric Research offices, and sponsor the National Academies of Sciences, Engineering, and Medicine's project, "Developing a Research Agenda for Carbon Dioxide Removal and Reliable Sequestration." NOAA is working to make wetlands conservation and restoration profitable while reducing GHG emissions through blue carbon financial markets. This approach creates a financial incentive for restoration and conservation projects by helping to alleviate federal and state carbon taxes aimed at discouraging the use of fossil fuels.

Additionally, federal legislation was recently introduced to expand blue carbon efforts. In November 2021, U.S. Senate Oceans Caucus Co-Chairs Lisa Murkowski (R-AK) and

Sheldon Whitehouse (D-RI) reintroduced the Blue Carbon for Our Planet Act, focused on conserving, restoring, and understanding coastal blue carbon ecosystems.

- 5) **Counting GHG benefits.** While various models exist to evaluate carbon stocks and sequestration rates for different habitats, the California Ocean Science Trust has stated that more research is needed to provide clear estimates and to better understand blue carbon opportunities in California. Information gaps include understanding the differences in carbon sequestration rates for restored wetland habits versus mature blue carbon ecosystems; determining how macro-algae and kelp forests contribute to carbon export and burial; and, better mapping of existing California blue carbon habitats and field measurements of their GHG emissions.

AB 2593 would require an applicant to identify the blue carbon project's expected carbon capture as part of the permitting process.

- 6) **This bill.** AB 2593 would require the Commission to require an applicant of a public project seeking a coastal development permit to also build or contribute to a blue carbon project. The way the bill defines public project would include virtually every public project that comes before the Commission, and not all projects may have the nexus to blue carbon restoration or conservation warrant including it as a condition of the permit.

To maintain the intent of investments in blue carbon projects, the Committee may wish to limit the scope of projects to those that impacts coastal wetland, intertidal, or marine habitats or ecosystems, and to instead require a project applicant to mitigate GHG by building or contributing to a blue carbon project.

- 7) **Committee amendments.** The Committee may wish to amend the bill as follows:

SECTION 1. The Legislature finds and declares all of the following: ...

(e) ~~Public agencies, with the assistance of existing grant funds,~~ Project proponents can help lead the state's blue carbon efforts when they are developing projects in the coastal zone.

SEC. 30275. For purposes of this article, the following definitions apply:

(a) "Blue carbon project" means the ~~conservation, restoration, or creation of coastal creation or restoration of coastal wetland, intertidal, or marine habitats or ecosystems ecosystems and vegetation,~~ including, but not limited to, kelp forests, seagrasses and wetlands, ~~which capture and store carbon that capture carbon.~~

(b) "Public project" means ~~a project applied for or funded by any district, county, city and county, city, or town or the state, or any of the agencies and political subdivisions of those entities.~~

SEC. 30276.

(a) The commission shall require an applicant with a ~~public project~~ that impacts coastal wetland, intertidal, or marine habitats or ecosystems seeking a coastal development permit pursuant to Section 30600 ~~to, where feasible,~~ mitigate greenhouse gas emissions,

~~as required pursuant to 30253, by also build or contribute~~ building or contributing to a blue carbon project.

~~(b) The public project applicant, shall identify the blue carbon project's expected carbon capture as part of the permitting process~~

~~(c) When possible, existing state grant programs may be used to fund, and give funding priority to, blue carbon projects to the extent not in conflict with the grant program. State grant programs may include, but are not limited to, grant programs established by the commission, the State Coastal Conservancy, and the Department of Fish and Wildlife.~~

(d) Nothing in this section shall be construed to restrict the commission from requiring other existing mitigation requirements for an applicant with a public project that is seeking a coastal development permit.

SEC. 30253 New development shall do all of the following: ...

(d) Minimize energy consumption, mitigate greenhouse gas emissions and vehicle miles traveled.

- 8) **Related legislation:** AB 1298 (Mullin, 2020) would have appropriated an unspecified amount to the Ocean Protection Council for blue carbon projects that increase the ability of the ocean and coastal ecosystems to capture, sequester, and store carbon dioxide. This bill was held due to the COVID-19 pandemic and limits on how many bills policy committee could hear.

REGISTERED SUPPORT / OPPOSITION:

Support

Midpeninsula Regional Open Space District

Opposition

None on file.

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2419 (Bryan) – As Amended March 28, 2022

SUBJECT: Environmental justice: federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee

SUMMARY: Requires that a minimum of 40% of federal funds be allocated to projects that provide direct benefits to disadvantaged communities (DACs) and a minimum of 10% be allocated to projects that provide direct benefits to low-income households or low-income communities. Establishes the Justice40 Oversight Committee (Committee) to guide, oversee, track, and report on the state's expenditures of federal funding.

EXISTING LAW:

- 1) Federal Executive Order 14008, *Executive Order on Tackling the Climate Crisis at Home and Abroad* (Justice40 Initiative), establishes a goal to deliver 40% of the overall benefits of specified federal investments to DACs. The Justice40 Initiative:
 - a) Directs agencies to use of appropriate data, indices, and screening tools to determine whether a community is disadvantaged based on a combination of variables that may include:
 - i) Low income, high and/or persistent poverty;
 - ii) High unemployment and underemployment;
 - iii) Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities;
 - iv) Linguistic isolation;
 - v) High housing cost burden and substandard housing;
 - vi) Distressed neighborhoods;
 - vii) High transportation cost burden and/or low transportation access;
 - viii) Disproportionate environmental stressor burden and high cumulative impacts;
 - ix) Limited water and sanitation access and affordability;
 - x) Disproportionate impacts from climate change;
 - xi) High energy cost burden and low energy access;
 - xii) Jobs lost through the energy transition; and,
 - xiii) Access to healthcare.
 - b) Specifies that “covered programs” include federal programs that make covered investment benefits in one or more of the following areas:
 - i) Climate change;
 - ii) Clean energy and energy efficiency;
 - iii) Clean transportation;
 - iv) Affordable and sustainable housing;
 - v) Training and workforce development, as specified;
 - vi) Remediation and reduction of legacy pollution; and,

- vii) Critical clean water and waste infrastructure.
 - c) Requires agency heads to calculate the accrual of covered program benefits to DACs, in consultation with the Office of Management and Budget (OMB), and report specified information to OMB for each covered program within “60 days and 150 days of the issuance” of federal guidance and annually thereafter.
- 2) The federal Infrastructure Investment and Jobs Act (IIJA) includes \$550 billion in new funding for critical infrastructure projects. The IIJA includes provisions to fund:
- a) Clean drinking water and eliminate lead water lines;
 - b) Ensure access to high-speed internet;
 - c) Repair and rebuild roads and bridges, with a focus on climate change mitigation, resilience, equity, and safety;
 - d) Improve transportation options and reduce greenhouse gas (GHG) emissions associated with public transit;
 - e) Upgrade airports and ports;
 - f) Improve passenger rail service;
 - g) Establish a national network of electric vehicle chargers;
 - h) Upgrade the nation’s power infrastructure to provide clean, renewable energy;
 - i) Improve infrastructure resilience against climate change, cyber-attacks, and extreme weather events; and,
 - j) Cleanup Superfund and brownfield sites, reclaim abandoned mines, and cap orphaned oil and gas wells.
- 3) Federal Executive Order 14052, *Implementation of the Infrastructure Investment and Jobs Act*, establishes implementation priorities for the IIJA, including reiterating the commitment to direct 40% of investments to DACs and requiring effective communication with state local, tribal, and territorial governments. The order also establishes the Infrastructure Implementation Task Force to coordinate effective implementation of the IIJA and related infrastructure programs.
- 4) State law requires the California Environmental Protection Agency (CalEPA) to identify DACs based on geographic, socioeconomic, public health, and environmental hazard criteria, and may include:
- a) Areas disproportionately affected by environmental pollution and other hazards that may lead to negative health impacts or environmental degradation; and,
 - b) Areas with concentrations of people that are of low income, high unemployment, low levels of home ownership, high rent burden, sensitive populations, or low levels of educational attainment.
- 5) Requires the Department of Finance (DOF), in consultation with the Air Resources Board (ARB) and other state agencies to submit an Investment Plan to the Legislature every three years to guide the investments of Greenhouse Gas Reduction Fund (GGRF) revenues that, among other things, identifies the state’s long-term and near-term GHG emission reduction goals and targets by sector and identifies priority programmatic investments that will facilitate the achievement of GHG emissions reductions.

- 6) Establishes a framework for programs that receive funding from the GGRF that requires the investments to facilitate GHG emissions reductions and, where possible and to the extent feasible:
 - a) Maximize other economic, environmental, and public health benefits;
 - b) Foster job creation;
 - c) Complement efforts to improve air quality;
 - d) Direct investments toward DACs;
 - e) Provide opportunities for community institutions to participate in, and benefit from, GHG emission reduction efforts; and,
 - f) Lessen the impacts of climate change.
- 7) Establishes the Governor's Office of Planning and Research (OPR) as the state's comprehensive planning agency. OPR studies future research and planning needs, fosters collaboration, and delivers guidance to state partners and local communities with a focus on land use and community development, climate risk and resilience, and high road economic development.
- 8) Establishes the Strategic Growth Council (SGC) to coordinate the activities of state agencies to, among other things:
 - a) Improve air and water quality;
 - b) Protect natural resources and agricultural lands;
 - c) Promote public health and equity;
 - d) Improve transportation;
 - e) Promote water conservation;
 - f) Assist state and local entities with planning sustainable communities and meeting the state's GHG emissions reduction goals; and,
 - g) Advance the state's climate adaptation strategy.

THIS BILL establishes the California Justice40 Act (Justice40 Act), which:

- 1) Defines terms used in the Justice40 Act, including:
 - a) "Covered program" as a federal government program that makes covered investment benefits in one of the following areas:
 - i) Climate change;
 - ii) Clean energy and energy efficiency;
 - iii) Clean transportation;
 - iv) Affordable and sustainable housing;
 - v) Training and workforce development related to climate, natural disasters, environment, clean energy, clean transportation, housing, water and wastewater infrastructure, and legacy pollution reduction;
 - vi) Remediation and reduction of legacy pollution; and,

- vii) Critical clean water and waste infrastructure.
 - b) “Disadvantaged community” as a community identified as disadvantaged by CalEPA based on geographic, socioeconomic, public health, and environmental hazard criteria, as specified.
 - c) “Federal funds” as moneys received by the state under the IIJA.
 - d) “Low-income community” as a census tract with median household incomes at or below 80% of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s (HCD) list of state income limits.
 - e) “Low-income households” as households with incomes at or below 80% of the statewide median income or with median household incomes at or below the threshold designated as low income by HCD’s list of state income limits.
- 2) Requires that a minimum of 40% of federal funds be allocated to projects that provide direct benefits to DACs and a minimum of 10% be allocated to projects that provide direct benefits to low-income households or low-income communities.
 - 3) Requires that all investments of federal funds avoid substantial burdens to disadvantaged and low-income communities and low-income households, including physical or economic displacement of low-income households and small businesses, increased local exposure to toxics or other health risks, or other substantial economic, environmental, or public health burdens.
 - 4) Requires that all investments of federal funds maximize economic cobenefits by including labor and workforce standards and give preference to projects that include wage standards, targeted hire provisions for disadvantaged and under-represented workers, project labor agreements, community workforce agreements, and community benefit agreements.
 - 5) Requires a public agency administering federal funds to maximize benefits for DACs, low-income households, and low-income communities in alignment with the framework developed by ARB.
 - 6) Requires administering agencies to conduct, or participate in, outreach and engagement, and qualifying projects to demonstrate community support to improve funding accessibility and maximize participation by, and benefits to, disadvantaged communities, low-income households, and low-income communities.
 - 7) Establishes the Committee within OPR to:
 - a) Identify infrastructure deficiencies in disadvantaged and low-income communities throughout the state;
 - b) Recommend climate, clean energy, and infrastructure projects for federal funding;
 - c) Track the use of all federal funds and make the information available to the public;

- d) Develop Justice40 standards that require a public agency administering federal funds to consider a project's potential impact on goals, including, but not limited to, advancing environmental justice, reducing GHG emissions, promoting climate adaptation and resilience, meaningfully consulting with, and incorporating input from, communities, promoting registered apprenticeship and preapprenticeship programs, and creating high-road jobs.
- e) Requires state agencies administering federal funds to report and make available to the public, on an annual basis, activities and progress towards implementing the Committee's recommendations and stated program goals, and the use of federal funds for "these projects," including the total amount dispersed, the receiving entity, and the project funded.
- f) Specifies that the Committee consist of 13 members, as follows:
 - i) The Secretary for Environmental Protection or designee.
 - ii) The Secretary of the Natural Resources Agency or designee.
 - iii) The Executive Director of the SGC.
 - iv) Seven members appointed by the Governor:
 - (1) A representative of the Native American tribal community;
 - (2) A representative of a local or regional group that works on environmental issues affecting "frontline communities;"
 - (3) A representative of a local or regional group that works on transportation equity;
 - (4) A representative of an environmental justice organization;
 - (5) A representative of an equity or racial justice focused organization that works with a disadvantaged community;
 - (6) A representative of a public sector labor union or other labor organization; and,
 - (7) A representative from the State Building and Construction Trade Council of California.
 - v) One member appointed by the Speaker of the Assembly.
 - vi) One member appointed by the Senate Rules Committee.
- g) Requires the Committee to work with CalEPA, the Transportation Agency, and other appropriate entities in implementing the bill.
- 8) Requires a public agency administering federal funds to coordinate with SGC's Community Assistance for Climate Equity Program to assist communities with applying for and accessing federal funds for infrastructure projects.

- 9) By December 31, 2024, requires the Committee to submit an interim report to the Legislature, the federal Council on Environmental Quality, and the White House Environmental Justice Advisory Council that identifies infrastructure deficiencies in DACs, recommends infrastructure projects, provides agency guidelines on additional Justice40 climate and labor standards, and reports on the expenditure of federal funds.
- 10) By December 31, 2027, requires the Committee to submit a final report to the Legislature, the federal Council on Environmental Quality, and the White House Environmental Justice Advisory Council on the expenditure of the deferral funds and an evaluation of state agencies' success in meeting Justice40 standards provided in the interim report.
- 11) Specifies that the reports be published on OPR's website.
- 12) Sunsets the bill's provisions on January 1, 2031 or January 1 of the year following the date of the submission of the final report, whichever is earlier.

FISCAL EFFECT: Unknown

COMMENTS:

1) **Author's statement:**

President Biden's Justice40 Initiative is a remarkable federal goal for 40% of federal Infrastructure dollars to go to disadvantaged communities. States will ultimately determine if these investments are implemented equitably. Without deliberate attention to ensure high-road outcomes, these investments run the risk of repeating inequitable infrastructure development and inadvertently funding a race-to-the-bottom approach that hurts vulnerable Californians and undermines labor and climate goals. By implementing this Committee, the communities that are most vulnerable to the health hazards of development but which are in need of investment will have leaders making sure that the harmful choices of the past are not repeated, and that the investment of the State's future is not unduly bore on those same communities' backs.

As a global leader on climate policy, California is in the position to model best practices. When President Biden announced the Justice 40 Initiative, and Governor Newsom accepted the call, the responsibility then fell on the Legislature to craft a framework that will allow us to invest the resources we need in the communities that have been starving for them for far too long.

- 2) **Justice40 Initiative.** The federal Justice40 Initiative is a "whole-of-government" effort to require federal agencies to work with states and local communities to implement President Biden's goal to deliver at least 40% of the overall benefits from federal investments in climate and clean energy to DACs. On July 20, 2021, OMB, the Council on Environmental Quality, and the White House Office of Domestic Climate Policy issued interim guidance for federal agencies on implementing the Justice40 Initiative, launched the Justice40 Pilot Program, and established accountability and transparency tools. The interim guidance document instructs agencies on defining DACs, types of programs covered by the guidance, how to calculate benefits to DACs, stakeholder engagement, and reporting. The Administration indicates that it is planning to issue a Climate and Economic Justice

Screening Tool to provide additional information to agencies about DACs and inform their work on the Justice40 Initiative.

The Justice40 Pilot Program identifies 21 priority programs that are to immediately begin increasing benefits to DACs. The goal of the Pilot Program is to provide a model for other agencies to inform their work to achieve the goals of the Justice40 Initiative. The programs include, in part, the Department of Homeland Security Flood Mitigation Assistance program, the Environmental Protection Agency Drinking Water State Revolving Fund, the Department of Housing and Urban Development Lead Hazard Reduction and Healthy Homes Grants, and the Department of Agriculture Rural Energy for America Program.

- 3) **The federal Infrastructure Investment and Jobs Act.** The IIJA, also known as The Bipartisan Infrastructure Deal, allocated \$550 billion for infrastructure projects. According to the White House:

[The] Bipartisan Infrastructure Deal will rebuild America's roads, bridges and rails, expand access to clean drinking water, ensure every American has access to high-speed internet, tackle the climate crisis, advance environmental justice, and invest in communities that have too often been left behind. The legislation will help ease inflationary pressures and strengthen supply chains by making long overdue improvements for our nation's ports, airports, rail, and roads. It will drive the creation of good-paying union jobs and grow the economy sustainably and equitably so that everyone gets ahead for decades to come. Combined with the President's Build Back Framework, it will add on average 1.5 million jobs per year for the next 10 years.

Among the IIJA's spending priorities, it will invest: \$55 billion to expand access to safe drinking water and remove lead pipes, including in Tribal Nations and DACs; \$65 billion to provide reliable, high-speed internet through broadband infrastructure; \$110 billion to repair roads, bridges, and support major, transformational projects; \$39 billion for public transit; \$17 billion in port infrastructure and waterways; \$25 billion in airports to address repair and maintenance backlogs, reduce congestion and emissions, and drive electrification and other low-carbon technologies; \$66 billion in additional rail funding; 47.5 billion for a national network of electric vehicle chargers; \$65 billion in clean energy transmission infrastructure; \$50 billion to improve climate resilience; and, \$21 billion to clean up Superfund and brownfield sites.

- 4) **Building the high road.** Optimizing climate policy outcomes while supporting the creation of, and access to, family-supporting jobs is known as a "high-road" approach to economic development. A high-road economy supports businesses that compete on the basis of the quality of their products and services by investing in their workforces; these businesses pay the wages and benefits necessary to attract and retain skilled workers, who in turn perform high-quality work. Building the high road requires interventions on both the demand side and the supply side of the labor market. Supply includes the workers and the institutions that train them, while demand refers to the high-road jobs and the firms or institutions that offer them. Both the Justice40 Initiative and this bill are intended to support the creation of high-road jobs.

- 5) **Defining disadvantaged.** There are a number of ways to define what makes a community disadvantaged. In general, DAC refers to communities that disproportionately face a combination of environmental, economic, and health burdens, but developing specific definitions for programs is challenging. Federally, different agencies have varying definitions, depending on the focus of the agency. Similarly, California has different definitions of disadvantaged. For most programs within CalEPA, statute generally relies on CalEPA's CalEnviroScreen mapping tool that identifies communities by census tract that are most affected by multiple sources of pollution, and where people are especially vulnerable to the effects of pollution. Department of Water Resources and State Water Resources Control Board programs rely on a definition based solely on household income. This bill uses the CalEnviroScreen tool to define disadvantaged. The author and sponsors should continue to work with stakeholders and the federal government to ensure that the definition in the bill does not conflict with the definition used by federal agencies to implement the IJA.
- 6) **This bill.** This bill is intended to provide guidance and accountability as the state allocates Justice40 Initiative funding. This bill requires that 40% of the funding be awarded to projects that provide a direct benefit to DACs and an additional 10% be awarded to projects that provide direct benefits to low-income households and low-income communities. This bill also establishes requirements for investments of federal funds regarding their impacts to DACs and maximizing cobenefits, and requires administering state agencies to conduct outreach and engagement when allocating federal funding. The author and Legislature should continue to engage with the federal government and stakeholders to ensure that the bill's requirements are aligned with federal rules and guidelines as they are finalized.

This bill also creates the Committee, which is intended to provide additional guidance to the state and track and report state expenditures of the federal funds. The Committee is comprised of both state and non-state members and is housed within OPR. The bill grants the Committee broad authority over state agencies, including establishing state agency requirements.

This committee may wish to amend the bill to establish the Committee at SGC, given its jurisdiction over the coordination of state agency activities, including environmental, climate adaptation, community, and transportation projects.

This bill grants authority to the Committee to require public agencies to take specified actions and to oversee and track the expenditures of federal funds awarded to the state. *This committee may wish to amend the bill* to clarify the Committee's role as advisory and move the responsibility for financial tracking and reporting to the SGC.

The Committee established by this bill includes representatives from a broad range of stakeholder groups. If the Committee is moved to SGC, *this committee may wish to amend the bill* to remove the members of SGC from the list of Committee members. *This committee may also wish to amend the bill* to include representation from low-income communities and to allow the Governor to appoint additional members to represent California's varied populations and regions. *This committee may wish* to make related technical and clarifying amendments to the bill.

- 7) **Double referral.** This bill was also referred to the Environmental Safety and Toxic Materials Committee.

REGISTERED SUPPORT / OPPOSITION:**Support**

350 Bay Area Action
350 Conejo/San Fernando Valley
350 Ventura County Climate Hub
Active San Gabriel Valley
Advancement Project
Asian Pacific Environmental Network (cosponsor)
Black Women for Wellness
CA Coalition for Clean Air
California Calls
California Environmental Voters
CEJA Action
Center for Climate Change & Health
Center for Community Action and Environmental Justice
Center for Environmental Health
Center on Race, Poverty & the Environment
Central Valley Partnership
Climate Action Campaign
Climate Equity Policy Center
Climate Reality Project, San Fernando Valley
Climateplan
Coalition for A California Green New Deal (cosponsor)
Communities for A Better Environment
Community Water Center
Courage California
Del Paso Heights Growers' Alliance
Emerald Cities Collaborative
Environmental Defense Fund
Esperanza Community Housing Corporation
Green for All
Greenlining Institute (cosponsor)
I Am Green, INC.
Idle No More SF Bay
Indivisible California Green Team
Inglewood; City of
Jobs With Justice San Francisco
Latino Coalition for A Healthy California
Let's Green CA!
Liberty Hill Foundation
Little Manila Rising
Long Beach Alliance for Clean Energy
Los Angeles Alliance for A New Economy
Move LA

Natural Resources Defense Council
Nextgen California
Pacoima Beautiful
PODER
Policylink
Public Advocates INC.
Richmond Our Power Coalition
Rising Sun Center for Opportunity
Romero Institute
San Diego Green New Deal Alliance
San Diego 350
SCOPE (cosponsor)
Sierra Club California
Strategic Concepts in Organizing and Policy Education
The Climate Center
The Greenlining Institute
Union of Concerned Scientists
UPTE Local 9
Vote Solar

Opposition

Association of California Water Agencies

Analysis Prepared by: Elizabeth MacMillan / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2251 (Calderon) – As Amended March 21, 2022

SUBJECT: Urban forestry: statewide strategic plan: statewide map.

SUMMARY: Requires the Department of Forestry and Fire Protection (CAL FIRE) to develop a statewide strategic plan to achieve a 10% increase of tree canopy cover in urban areas by 2035.

EXISTING LAW, pursuant to the California Urban Forestry Act of 1978 (Public Resources Code § 4799.06-4799.12):

- 1) Finds and declares that trees are a vital resource in the urban environment and as an important psychological link with nature for the urban dweller; trees are a valuable economic asset in our cities; trees provide shade and humidity; trees help reduce noise, provide habitat for songbirds and other wildlife; and, trees planted in urban settings play a significant role in meeting the state's greenhouse gas emission reduction targets by sequestering carbon as well as reducing energy consumption.
- 2) Requires CAL FIRE to implement a program in urban forestry to encourage better tree management and planting in urban areas to increase integrated, multiple benefit projects by assisting urban areas.
- 3) Requires CAL FIRE to encourage demonstration projects that maximize the benefits of urban forests in conjunction with state and local agency programs to improve carbon sequestration, water conservation, energy conservation, stormwater capture and reuse, urban forest maintenance, urban parks and river parkways, school construction and improvements, school greening or sun-safe schoolyards, air quality, water quality, flood management, urban revitalization, solid waste prevention, and other projects.
- 4) Requires CAL FIRE to establish local or regional targets for urban tree canopy, with emphasis on disadvantaged communities that tend to be most vulnerable to the urban heat island effect. These targets shall include urban forest diversity, tree species' adaptability to anticipated climate change impacts, and other relevant factors.
- 5) Authorizes the director of CAL FIRE to enter into agreements and contracts with a public or private organization, including a local agency that has urban forestry-related jurisdictional responsibilities and an established and operating urban forestry program. The director shall consult with those agencies when carrying out this chapter in their respective areas.
- 6) Authorizes the director of CAL FIRE to make grants to provide assistance of 25 - 90% of costs for projects meeting guidelines upon recommendation by the director.

THIS BILL:

- 1) Requires, on or before June 1, 2024, CAL FIRE to develop and publish a publicly accessible statewide map of urban forests in urban areas on its internet website.
- 2) Requires each city, county, city and county, special district, or other relevant local governmental entity of an urban area to provide all available relevant data relating to urban forests located within the jurisdiction of the local government to CAL FIRE for the development of the map.
- 3) Sunsets these provisions on January 1, 2025.
- 4) Requires CAL FIRE to develop a statewide strategic plan, in consultation with nonprofit organizations and cities, counties, or other local governments of urban areas, to achieve a 10% increase of tree canopy cover in urban areas by 2035.
- 5) Requires the statewide strategic plan to include recommendations for all of the following:
 - a) State and local policies necessary to achieve the goal of increasing tree canopy cover in urban areas by 10% by 2035.
 - b) Local resources needed for the maintenance and upkeep of urban forests.
 - c) Drought mitigation and water consumption of urban forests based on local climate and water resource availability.
 - d) Sustainable tree canopy expansion within disadvantaged communities and low-income communities.
 - e) Measures to reduce or eliminate net loss of any existing tree canopy.
- 6) Requires the statewide strategic plan to be completed and submitted to the Legislature and the Natural Resources Agency on or before June 30, 2025.

FISCAL EFFECT: Unknown.

COMMENTS:**1) Author's statement.**

The prevalence of extreme heat in our state's urban centers, which has been intensified by climate change, underscores the need for a statewide blueprint to better inform existing urban forestry efforts. AB 2251 aims to address this through the development of a statewide strategic plan to achieve a 10% increase of tree canopy cover in urban areas by 2035. These measures will ensure that the state is ready to act with urgency to propel the growth and protection of tree canopy cover in our warming cities.

- 2) **Urban Forestry.** An urban forest is comprised of trees and other vegetation in and around our communities, including the trees in our yards and along residential streets, in parking lots and along commercial thoroughfares, on school grounds and in parks and open spaces.

Trees provide energy conservation, reduce urban heat island effects, reduce storm-water runoff, improve local air quality, support public and mental health benefits, provide wildlife

habitat, and increase property values. Trees not only improve but are imperative to the quality of life in our urban environments.

Climate change, pollution, drought, arboreal disease, and other factors strain our urban forests. Extreme weather and emerging tree pests such as the Polyphagous Shot Hole Borer and Kuroshio Shot Hole Borer threaten the gains California has made in increasing the urban canopy. Investments in maintaining and protecting our current urban forests and developing new urban forests can help combat those threats and further the state's goals for urban forestry.

- 3) **The California Urban Forestry Act of 1978.** The CAL FIRE Urban & Community Forestry Program (Program), pursuant to the California Urban Forestry Act, works to optimize the benefits of trees and related vegetation through multiple objective projects. CAL FIRE has seven Regional Urban Foresters throughout the state to provide expert urban forestry support to communities, non-profit groups, and other municipal governments to create and maintain sustainable urban forests. These specialists also administer and provide technical support for grants that are offered for activities such as tree planting, municipal tree inventories and management plans, urban forest educational efforts, and innovative urban forestry projects. California currently has 1,256 square miles of urban forest canopy.

Under the Program, CAL FIRE also provides urban forestry grants to help communities to advance their urban forestry efforts. Eligible applicants for the urban forestry grants include cities, counties and qualifying districts, which includes, but is not limited to school, park, recreation, water, and local taxing districts. Non-profit organizations are not eligible for this grant type but may be partners in such projects.

Projects are prioritized if they meet the Air Resources Board's criteria for being located within disadvantaged communities identified pursuant to AB 1550 (Gomez, Chapter 369, Statutes of 2016). AB 1550 requires that at least 25% of Greenhouse Gas Reduction Fund (GGRF) investments go to projects within and for the benefit of disadvantaged communities and at least an additional 10% for low-income households or communities.

The Program was funded at \$30 million in fiscal year 2021 through the General Fund. The Program has received GGRF funds in the past 5 years as well. The Governor's proposed budget includes \$20 million in FY 2022/23 and \$10 million for FY 2023/24.

- 4) **Tree canopy.** Tree canopy is the layer of tree leaves, branches, and stems that provide tree coverage of the ground. By 2030, CAL FIRE will seek to significantly increase California's urban tree canopy, targeting disadvantaged and low-income communities and low-canopy areas. To achieve that, the Program has specified targets for increasing tree canopy, and the associated grant program guidelines specifically state: "Any management plan must set a tree canopy cover goal for the jurisdiction. The goal must, at minimum, maintain the current tree canopy cover level."

Furthermore, the California Wildfire and Forest Resilience Task Force (SB 456, Laird, Chapter 387, statutes of 2021) is required to, among other things, address the protection and expansion of urban canopy and forestry, and provide recommendations for including a comprehensive program, with regional targets, to significantly increase California's urban tree canopy, targeting disadvantaged and low-income communities and low-canopy areas.

The Task Force expects to have a draft report on statewide tree canopy cover distribution published by UC Davis Information Center for the Environment for partner review with engagement from Cal Poly San Louis Obispo, The Nature Conservancy, and the California Urban Forestry Advisory Committee by 2023.

Urbanized areas constitute approximately 5% of the state's total area. According to the report *The Structure, Function and Value of Urban Forests in California Communities*, "California's UTC [or urban tree canopy] covered 15% of the urban area and contained 173.2 million trees, five per city resident. UTC per capita was lowest among U.S. states (90.8 m²), indicating ample opportunity for tree planting."

The Natural Resources Agency/California Environmental Protection Agency's May 2018 report, *California Forest Carbon Plan*, suggests increasing the total UTC statewide by 10% above current levels, targeting disadvantaged and low-income communities and low-canopy areas, with a preference for planting species and varieties that provide substantial carbon storage and are resilient to climate-linked stressors.

Consistent with that recommendation, this bill would require CAL FIRE to develop a statewide strategic plan, in consultation with nonprofit organizations and cities, counties, or other local governments of urban areas, to achieve a 10% increase of tree canopy cover in urban areas by 2035.

The 10% increase would be based on urban forestry data this bill requires each city, county, city and county, special district, or other relevant local governmental entity of an urban area provide to CAL FIRE.

As it relates to achieving the current state goals, as well as the proposed goal under this bill, it is more important to focus on existing trees through maintenance and care, than to plant new trees as tree growth is elemental to building a tree canopy, and it takes years for seedlings to grow into mature trees. A component of this goal could include a net-zero loss of existing tree canopy.

- 5) **Committee amendments.** Obtaining data from urban jurisdictions about their tree canopy can help CAL FIRE to develop a statewide strategic plan to achieve a 10% increase of tree canopy cover, but creating a map and posting that map online will require staff and fiscal resources and that could instead be spent on the strategic plan. Therefore, the committee may wish to amend the bill to strike Sec. 4799.10.1 requiring the creation and online posting of an urban forest map, and instead amend Sec. 4799.10.2 to authorize CAL FIRE to require local governments to provide all available relevant data relating to urban forests located within their jurisdiction.

6) Related legislation:

AB 2114 (Kalra, 2022) proposes to establish the California Pocket Forest Initiative at CAL FIRE. This bill is scheduled to be heard before the Assembly Natural Resources Committee on April 4.

AB 2649 (C. Garcia, 2022) would establish annual targets for natural carbon sequestration starting in 2030 by requiring the removal of 60 million metric tons (MMT) of carbon dioxide equivalent per year, increasing to 75 MMT annually in 2035. Defines "natural carbon

sequestration” as "the removal and storage of atmospheric carbon dioxide equivalents by vegetation and soils on natural, working, and urban lands." This bill is scheduled to be heard before the Assembly Natural Resources Committee on April 18.

AB 347 (Caballero, Chapter 104, Statutes of 2021) requires moneys transferred to the California Community and Neighborhood Tree Voluntary Tax Contribution Fund to be continuously appropriated and allocated to CAL FIRE to the grant program for urban forest management activities under the California Urban Forestry Act of 1978.

AB 1530 (Gonzalez Fletcher, Chapter 720, Statutes of 2017) requires CAL FIRE to update the California Urban Forestry Act to reflect its current funding mix, establish local or regional targets for urban tree canopy, and provide more focus on the maintenance of urban forests.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file.

Opposition

None on file.

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2446 (Holden) – As Introduced February 17, 2022

SUBJECT: Embodied carbon emissions: construction materials

SUMMARY: Requires the California Energy Commission (CEC) to develop a framework for measuring and reducing the carbon intensity of the construction of new buildings by 80% by 2045.

EXISTING LAW:

- 1) Requires the CEC to prepare a biennial integrated energy policy report (IEPR), which contains an integrated assessment of major energy trends and issues facing California's electricity, natural gas, and transportation fuel sectors, as well as policy recommendations to conserve resources, protect the environment, ensure reliable, secure, and diverse energy supplies, enhance the state's economy, and protect public health and safety.
- 2) Requires the Air Resources Board (ARB), pursuant to California Global Warming Solutions Act of 2006), to adopt a statewide greenhouse gas (GHG) emissions limit equivalent to 1990 levels by 2020 and adopt regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions. AB 32 authorizes ARB to permit the use of market-based compliance mechanisms to comply with GHG reduction regulations, once specified conditions are met.
- 3) Requires ARB, by July 1, 2023, to develop a comprehensive strategy for the state's cement sector to achieve net-zero GHG emissions as soon as possible, but no later than December 31, 2025.
- 4) Requires, under the Buy Clean California Act (BCCA) the Department of General Services (DGS), in consultation with ARB, to establish and publish the maximum acceptable Global Warming Potential (GWP) limit for four eligible materials: structural steel, concrete reinforcing steel, flat glass, and mineral wool board insulation. Requires these eligible materials to have a GWP that does not exceed the limit set by DGS when used in public works projects.
- 5) Requires ARB, by July 1, 2023, to develop a comprehensive strategy for the state's cement sector to achieve net-zero GHG emissions no later than December 31, 2045.
- 6) Requires the Natural Resources Agency (NRA) to, among other duties, create the California Carbon Sequestration and Climate Resilience Project Registry, in order to maintain a list of eligible but unfunded projects, which then may be funded by public or private entities in order to mitigate California's GHG emissions and improve climate resilience.

THIS BILL:

- 1) Requires the CEC, in consultation with the ARB, to develop a framework for measuring and reducing the carbon intensity of the construction of new buildings, including residential

buildings by 80% by 2045. Establishes interim goals of 20% below 2020 levels by 2030 and 40% below 2020 levels by 2035.

- 2) Requires that the framework be developed in coordination and consultation with other state agencies and experts in academia, industry, and public health.
- 3) Requires the framework to include:
 - a) A life-cycle assessment, as defined in the International Organization for Standardization (ISO) 14040 series of standards, as specified, to determine the carbon intensity of the construction of new residential and nonresidential buildings, including the carbon intensity of the materials used, the energy used in construction, and the waste generated.
 - b) A requirement for the submission, by an entity undertaking the construction of a project with a minimum size of five new residential units or a nonresidential building of an unspecified number of square feet, of an Environmental Product Declaration (EPD), Type III, as defined by ISO Standard 14025, or similarly robust life-cycle assessment methods, as specified.
- 4) Specifies that the framework may include a tracking and reporting mechanism that would facilitate the achievement of the goals of the bill and would track the transactions of credits among private entities.
- 5) Except for a fee to reimburse administrative costs, prohibits the CEC from charging participants in the reporting system.
- 6) Requires CEC to:
 - a) Prioritize actions that leverage state and federal incentives, where applicable, to reduce costs of implementing GHG emissions reduction technologies, processes, and materials used in construction-related projects for the construction industry, homeowners, and developers and to increase economic value for the state.
 - b) Evaluate measures to support market demand and financial incentives to encourage the production and use of materials used in construction-related projects with low GHG intensity, including consideration of:
 - i) Measures to expedite the adoption for use in projects undertaken by state agencies, including the Department of Transportation and the Department of General Services; and,
 - ii) Measures to provide financial support and incentives for research, development, and demonstration of technologies to mitigate GHG emissions from the manufacture of materials used in construction-related projects, with the objective of accelerating commercial availability of those technologies.

FISCAL EFFECT: Unknown

COMMENTS:**1) Author's statement:**

It is no surprise that housing is an issue in California, and it is our duty as the state to provide solutions to guide key sectors to becoming more sustainable. My hope is to work together across sectors to reach our carbon emission goals and to secure better practices for the people and the planet.

- 2) Embodied carbon.** The term “embodied carbon” refers to the GHG emissions arising from the manufacturing, transportation, installation, maintenance, and disposal of building materials. The majority of a building’s total embodied carbon is released upfront at the beginning of a building’s life. Unlike with operational carbon, there is no chance to decrease embodied carbon with updates in efficiency after the building is constructed.

In California, according to the latest GHG Emission Inventory from ARB, residential and commercial buildings account for 10.5% of the state’s total GHG emissions. However, residential and commercial buildings are responsible for roughly 25% of California’s GHG emissions when accounting for fossil fuels consumed onsite and electricity demand. It is unclear what the exact breakdown is between embodied and operating emissions, but due to California’s mild climate, increasing renewable electricity supply, and relatively efficient building stock, our state’s operational emissions may be a smaller percentage of total building energy use, compared to the embodied carbon in new construction.

- 3) Reducing building emissions.** Achieving net zero GHG emissions – when GHG emissions are either zero or are offset by equivalent atmospheric GHG removal – is an important goal to reduce GHG emissions and minimize the effects of climate change. Net zero GHG emissions is also often used interchangeably with carbon neutrality; however, net zero GHG emissions includes GHGs other than those that contain carbon, such as nitrous oxide. Constructing buildings to be net zero will substantially reduce the state’s GHG emissions.

Buildings can also sequester carbon. Building materials, depending on how they are manufactured, can be considered to sequester carbon. For example, the carbon that comprises wood (roughly 50% by weight) is from the carbon dioxide (CO₂) the tree absorbed from the air. California policies typically consider a 100-year time horizon for the sequestration to be considered permanent. Thus, if atmospheric CO₂ could—reliably and accountably—be made stored in building as wood for at least a century, those could potentially be counted as sequestered. Given California’s stated goal of net zero GHG emissions by 2045, there is a need for GHG emissions to be balanced by atmospheric GHG removal.

- 4) Buy Clean California Act.** The Buy Clean California Act is an innovative program that establishes limits on embodied carbon emissions and construction materials procured by the state for public construction projects. By January 1, 2022, the law requires DGS to publish acceptable maximum GWP limits for structural steel, concrete reinforcing steel (rebar), flat glass, and mineral wool board insulation. In order to determine and compare the GWPs of different products and materials, DGS relies on EPDs.
- 5) Environmental product declarations and life cycle assessments.** An EPD is a widely-accepted, verified report of the ways in which product affects the environment throughout its life cycle. It provides information about a product’s impact upon the environment, such as

GWP, air emissions, ozone depletion, and water emissions. EPDs allow purchasers to have comparable, objective, and third-party verified data to better understand a product's environmental impacts so they can make more informed product selections.

Life cycle analyses attempt to quantify the environmental impacts associated with a given product. The analyses can vary depending on the assumptions made and the extent of the life cycle considered. For life cycle analyses of building materials, assessments are usually either cradle-to-gate or cradle-to-grave. Cradle-to-gate analyses consider the emissions associated from extraction up until arrival at the project site, while cradle-to-grave continue further to consider any emissions associated with the product's use within the project and building and, ultimately, its end of life.

- 6) **Integrated Energy Policy Report (IEPR).** State law requires the CEC to prepare a biennial integrated energy report. IEPR contains an integrated assessment of major energy trends and issues facing California's electricity, natural gas, and transportation fuel sectors. The report provides policy recommendations to conserve resources, protect the environment, ensure reliable, secure, and diverse energy supplies, enhance the state's economy, and protect public health and safety.

The 2021 IEPR reported that in new building projects, on average, up to 50% of total GHG emissions, considered over a 30-year building life, are from the embodied carbon associated with the initial construction, and nearly 70% of the total are from just six materials — concrete, steel, flat glass, insulation, masonry, and wood products. There are, however, significant variations in estimations of the contribution of embodied carbon to the lifetime emissions from a building that warrant further analysis for California. The IEPR states:

There is enormous potential for innovation and use of low-carbon products in the built environment. Further research and development are needed, as well as collaboration with other jurisdictions, to develop best practices for reducing embodied carbon in buildings. Also, city planners, designers, and architects could benefit from greater clarity around low-carbon label claims and material-neutral embodied carbon standards.

7) **Suggested amendments.**

- a) According to the author's office, this bill is intended to authorize CEC to include a system of credits that may be traded among private entities. *The author may wish to amend the bill* to clarify this intent.
- b) *The committee may wish to amend the bill* to make a number of technical and clarifying amendments.

- 8) **Related legislation.** AB 1297 (Cortese) requires the CEC, as part of the 2023 IEPR, to include considerations of embodied carbon and carbon sequestration in buildings, as specified and requires ARB to develop an accounting protocol to quantify embodied carbon and carbon sequestration in building materials. This bill also incorporates projects using these materials into an existing registry of carbon sequestration projects, where appropriate, directs public agencies to prefer the use of California-made and low-embodied carbon materials (where feasible and as specified), and directs OPR to evaluate the use of these materials to qualify as an acceptable mitigation measure for impacts related to GHG

emissions under CEQA. This bill passed out of the Senate Environmental Quality Committee on March 25th with a vote of 5-2 and is awaiting hearing in the Senate Natural Resources and Water Committee.

REGISTERED SUPPORT / OPPOSITION:**Support**

BamCore, LLC
Buro Happold Consulting Engineers INC
Carbon Cure
Climate Reality Project, San Fernando Valley
Ecobuilder Network
Independent Energy Producers Association
Mighty Buildings
One Way Ventures
OpenAir
The Climate Project
US Green Building Council
US Green Building Council, Los Angeles
WAP Sustainability

Opposition

Building Owners and Managers Association of California
California Apartment Association
California Building Industry Association
California Building Officials
California Business Properties Association
NAIOP California

Analysis Prepared by: Elizabeth MacMillan / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2114 (Kalra) – As Amended March 28, 2022

SUBJECT: California Pocket Forest Initiative.

SUMMARY: Establishes the California Pocket Forest Initiative (Initiative) at the Department of Forestry and Fire Protection (CAL FIRE).

EXISTING LAW:

Pursuant California Global Warming Solutions Act of 2006 (Health and Safety Code § 38500 et seq.):

- 1) Establishes the Air Resources Board (ARB) as the state agency responsible for monitoring and regulating sources emitting greenhouse gases (GHG).
- 2) Requires ARB to approve a statewide GHG emissions limit equivalent to the statewide GHG emissions level in 1990 to be achieved by 2020 (AB 32, Nuñez, Chapter 488, Statutes of 2006) and to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030. (SB 32, Pavley, Chapter 249, Statutes of 2015)
- 3) States that it is the policy of the state that the protection and management of natural and working lands is an important strategy in meeting the state's GHG emissions reduction goals, and that the protection and management of those lands can result in the removal of carbon from the atmosphere and the sequestration of carbon in, above, and below the ground.

Pursuant to the California Urban Forestry Act of 1978 (Public Resources Code (PRC) § 4799.06-4799.12)

- 1) Finds and declares that trees are a vital resource in the urban environment and as an important psychological link with nature for the urban dweller; trees are a valuable economic asset in our cities; trees provide shade and humidity; trees help reduce noise, provide habitat for songbirds and other wildlife; and, trees planted in urban settings play a significant role in meeting the state's greenhouse gas emission reduction targets by sequestering carbon as well as reducing energy consumption.
- 2) Requires CAL FIRE to implement a program in urban forestry to encourage better tree management and planting in urban areas to increase integrated, multiple benefit projects by assisting urban areas.
- 3) Requires CAL FIRE to encourage demonstration projects that maximize the benefits of urban forests in conjunction with state and local agency programs to improve carbon sequestration, water conservation, energy conservation, stormwater capture and reuse, urban forest maintenance, urban parks and river parkways, school construction and improvements, school greening or sun-safe schoolyards, air quality, water quality, flood management, urban revitalization, solid waste prevention, and other projects.

- 4) Requires CAL FIRE to establish local or regional targets for urban tree canopy, with emphasis on disadvantaged communities that tend to be most vulnerable to the urban heat island effect. Requires those targets to include urban forest diversity, tree species' adaptability to anticipated climate change impacts, and other relevant factors.
- 5) Authorizes the director of CAL FIRE to enter into agreements and contracts with a public or private organization including a local agency that has urban forestry-related jurisdictional responsibilities and an established and operating urban forestry program.
- 6) Authorizes the director of CAL FIRE to make grants to provide assistance of 25 to 90 percent of costs for projects meeting guidelines upon recommendation by the director.

THIS BILL:

- 1) Defines "Miyawaki method" as a method of planting that first analyzes and improves a plot's soil conditions, then densely plants the plot with species of native main tree species, subspecies, shrubs, and ground-covering herbs.
- 2) Defines "pocket forest" as a small plot of urban land that has been planted according to the Miyawaki method.
- 3) Requires CAL FIRE to coordinate implementation of the Initiative in conjunction with the California Urban Forest Act of 1978. Requires CAL FIRE to do all of the following:
 - a) Adjust the Miyawaki method to be compatible with California's unique ecological features and challenges, as necessary;
 - b) Create guidelines that determine the native plant species that are appropriate for each pocket forest. Requires the guidelines to emphasize the use of drought-resistant native plant species;
 - c) Provide grants to cities, counties, districts, nonprofit organizations, and public schools to create pocket forests on public land;
 - d) Prioritize disadvantaged communities and communities that lack publicly accessible green space;
 - e) Provide resources to grant recipients to help them source the necessary seeds and seed-grown saplings for their project; and,
 - f) Offer grade-appropriate urban forestry and ecology curriculum for public schools that are approved for pocket forest grants.
- 4) Requires grant applications submitted to CAL FIRE to contain both of the following:
 - a) A description of the land that will be planted with a pocket forest; and,
 - b) Any additional information that CAL FIRE deems necessary.

- 5) Requires an entity that receives a grant to do both of the following:
 - a) Have a well-defined project with meaningful partnerships for implementation and a plan for long-term maintenance of the pocket forest; and,
 - b) Follow CAL FIRE's advice and guidance when establishing and maintaining their pocket forest.

FISCAL EFFECT: Unknown.

COMMENTS:

1) **Author's statement.**

The environmental, societal, and health benefits of natural green spaces are numerous and well-documented. Unfortunately, urban communities often lose out on these benefits. While many install street trees and low-biodiversity parks, they often struggle to facilitate larger, more biodiverse forestry projects. This is especially true for low-income and otherwise disadvantaged communities.

Small, high biodiversity pocket forests overcome these challenges by providing an impactful forestry solution designed specifically for the urban landscape. By establishing the California Pocket Forest Initiative, AB 2114 will make grants for pocket forest creation readily available to urban Californians. In turn, it will also serve as a much-needed beacon for the equitable, community-orientated environmentalist movement.

- 2) **Urban Forestry.** An urban forest is comprised of trees and other vegetation in and around our communities, including the trees in our yards and along residential streets, in parking lots and along commercial thoroughfares, on school grounds and in parks and open spaces.

Trees provide energy conservation, reduce urban heat island effects, reduce storm-water runoff, improve local air quality, support public and mental health benefits, provide wildlife habitat, and increase property values. Trees not only improve but are imperative to the quality of life in our urban environments.

Climate change, pollution, drought, arboreal disease, and other factors strain our urban forests. Extreme weather and emerging tree pests such as the Polyphagous Shot Hole Borer and Kuroshio Shot Hole Borer threaten the gains California has made in increasing the urban canopy. Investments in maintaining and protecting our current urban forests and developing new urban forests can help combat those threats and further the state's goals for urban forestry.

- 3) **The California Urban Forestry Act of 1978.** The CAL FIRE Urban & Community Forestry Program (Program), pursuant to the California Urban Forestry Act, works to optimize the benefits of trees and related vegetation through multiple objective projects. CAL FIRE has seven Regional Urban Foresters throughout the state to provide expert urban forestry support to communities, non-profit groups, and other municipal governments to create and maintain sustainable urban forests. These specialists also administer and provide technical support for

grants that are offered for activities such as tree planting, municipal tree inventories and management plans, urban forest educational efforts, and innovative urban forestry projects. California currently has 1,256 square miles of urban forest canopy.

Under the Program, CAL FIRE also provides urban forestry grants to help communities to advance their urban forestry efforts. Eligible applicants for the urban forestry grants include cities, counties, and qualifying districts, which includes, but is not limited to school, park, recreation, water, and local taxing districts. Non-profit organizations are not eligible for this grant type but may be partners in such projects.

Projects are prioritized if they meet the ARB criteria for being located within disadvantaged communities identified pursuant to AB 1550 (Gomez, Chapter 369, Statutes of 2016). AB 1550 requires that at least 25% of Greenhouse Gas Reduction Fund investments that go to projects within and for the benefit of disadvantaged communities and at least an additional 10% for low-income households or communities.

The Program was funded at \$30 million in fiscal year 2021 through the General Fund. The Program has received GGRF finds in the past 5 years as well. The Governor's proposed budget includes \$20 million in FY 2022/23 and \$10 million for FY 2023/24.

- 4) **Miyawaki method.** Doctor Akira Miyawaki, botanist and professor, invented the method in 1980. Miyawaki observed the trees which traditionally grew around temples, shrines, and cemeteries in Japan were native species, relics of the primary forest, and at the same time he calculated that only 0.06% of contemporary Japanese forests were indigenous forests. Contemporary forests, created according to forestry principles, are not, in his view, the most resilient nor the best suited vegetation for the geobioclimatic conditions in Japan, neither are they the most suited to address climate change. Leaning on potential natural vegetation, he developed, tested, and refined a method of ecological engineering today known as the "Miyawaki method" to restore native forests from seeds of native trees on very degraded soils, which were deforested and without humus. Using ecological theories and the results of his experiments, he was able to restore, sometimes over large areas, protective forests.

The essential principle of the Miyawaki method is using species of trees that would occur naturally in that area and that work together to create a diverse, multi-layered forest community. This creates a resilient and thriving forest ecosystem with species that complement each other, restoring "native forests by native trees". The selection of species to plant in a given area was originally linked to the theory of potential natural vegetation (PNV), in other words the vegetation that would occur in a specific area without further human interference.

It works like this: the soil of a future forest site is analyzed and then improved, using locally available sustainable amendments—for example, rice husks from a nearby mill. About 50 to 100 local plant species are selected and planted as seedlings in a random mix like you would find growing naturally in the wild. The seedlings are planted very densely—20,000 to 30,000 per hectares as opposed to 1,000 per hectare in commercial forestry. For a period of two to three years, the site is monitored, watered, and weeded, to give the nascent forest every chance to establish itself.

During this early period, the plantings compete with each other for space and access to light and water—a battle that encourages much faster growth. Once stabilized, the forest is left to flourish on its own without further interference.

There has been particular focus on planting Miyawaki forests in urban environments as there are significant benefits to tree planting in towns and cities, and this method maximizes the space available. Urban forests reduce local temperatures (-1.3°C in one study), improve air quality by reducing pollutants, sequester carbon, and improve the wellbeing of residents, as well as creating a natural oasis for invertebrates and birds.

- 5) **Grant program.** This bill would require CAL FIRE to create guidelines for planting pocket forests and provide grants to cities, counties, districts, nonprofit organizations, and public schools to create pocket forests on public land.

Because the bill requires CAL FIRE to coordinate implementation of the Initiative in conjunction with the California Urban Forest Act of 1978, the grants under this bill would be provided under the current Urban Forestry Grant program (authorized pursuant to PRC § 4799.12) for pocket forests.

- 6) **Arguments in support.** California ReLeaf writes, “This initiative will support additional urban tree canopy and biodiverse natural habitats by the creation of small pocket forests within urban areas – where 95% of the population lives in California ... We also appreciate the recognition that the Miyawaki Method will be adjusted as needed to be compatible with California’s unique ecological features and challenges.”

- 7) **Related legislation.**

AB 2251 (Calderon) would require CAL FIRE to develop a statewide strategic plan, in consultation with nonprofit organizations and cities, counties, or other local governments of urban areas, to achieve a 10-percent increase of tree canopy cover in urban areas by 2035. This bill is scheduled to be heard in the Assembly Natural Resources Committee on April 4.

AB 2649 (C. Garcia) would set annual targets for natural carbon sequestration starting in 2030 by requiring the removal of 60 million metric tons (MMT) of carbon dioxide equivalent per year, increasing to 75 MMT annually in 2035. Defines “natural carbon sequestration” as “the removal and storage of atmospheric carbon dioxide equivalents by vegetation and soils on natural, working, and urban lands.” This bill is scheduled to be heard in the Assembly Natural Resources Committee on April 18.

AB 347 (Caballero, Chapter 104, Statutes of 2021) requires moneys transferred to the California Community and Neighborhood Tree Voluntary Tax Contribution Fund to be continuously appropriated and allocated to CAL FIRE to the grant program for urban forest management activities under the California Urban Forestry Act of 1978.

AB 1530 (Gonzalez Fletcher, Chapter 720, Statutes of 2017) requires CAL FIRE to update the California Urban Forestry Act to reflect its current funding mix, establish local or regional targets for urban tree canopy, and provide more focus on the maintenance of urban forests.

REGISTERED SUPPORT / OPPOSITION:

Support

A Cleaner Greener East LA
Active San Gabriel Valley
Amigos de los Rios
Avenal Historical Society & Museum
Benicia Tree Foundation
Butte Environmental Council
California Institute for Biodiversity
California Native Plant Society Yerba Buena Chapter
California Releaf
California Urban Forests Council
Center for Regenerative Agriculture
Climate Action Now!
Climate Resolve
Defenders of Wildlife
Del Paso Heights Growers' Alliance
Golden Gate Audubon Society
Los Angeles Neighborhood Land Trust
North East Trees
Our City Forest
ReLeaf Petaluma
San Francisco Bay Physicians for Social Responsibility
Santa Clara Valley Open Space Authority
Sustainable Claremont
The Huntington Beach Tree Society
Tree Davis
Tree Partners Foundation
Urban Ecos
Woodland Tree Foundation
Your Children's Trees

Opposition

None on file.

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2721 (Lee) – As Amended March 10, 2022

SUBJECT: Bay Area Air Quality Management District: district board: compensation

SUMMARY: Doubles the daily compensation that a member of the Bay Area Air Quality Management District (BAAQMD) board may receive for attending meetings, from \$100 to \$200. Authorizes BAAQMD board members to receive compensation for active transportation travel to meetings, within the existing total compensation limit of \$6,000 per year.

EXISTING LAW:

- 1) Provides the Air Resources Board (ARB) with primary responsibility for control of mobile source air pollution and provides that local air districts have primary responsibility for controlling air pollution from all sources, other than emissions from mobile sources, and establishes certain powers, duties, and requirements for those districts.
- 2) Creates certain air districts, including districts that cover a single county, as well as unified and regional districts that cover multiple counties.
- 3) Establishes the BAAQMD to regulate air emissions in the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara and portions of the Counties of Solano and Sonoma.
- 4) Establishes a 24-member board to govern the BAAQMD and prescribes the membership of the board.
- 5) Requires BAAQMD board members receive actual and necessary expenses incurred in the performance of board duties and authorizes compensation not to exceed \$100 per day for attending meetings of the board or committees of the board or while on official business of the district, not to exceed \$6,000 per year.

THIS BILL:

- 1) Increases maximum daily compensation for BAAQMD board members attending meetings from \$100/day to \$100/meeting, up to \$200/day.
- 2) Authorizes BAAQMD board members to receive compensation for “active transportation travel” (i.e., walking or biking) to meetings. (Compensation for active transportation is not subject to the \$200 daily limit, but is subject to the \$6,000 annual limit.)

FISCAL EFFECT: Unknown

COMMENTS:

- 1) **Background.** Bay Area employers with more than 50 employees are currently required to offer a commute benefits program, overseen by BAAQMD and the Metropolitan Transportation Commission (MTC). Under the program, employers must offer employees

one of the following benefits: employer carpool or transit, subsidy for use of transit, active transportation subsidy, or an employer benefit that similarly reduces vehicle miles traveled (VMT). Because BAAQMD board members are not employees they are not covered, however the Government Code does provide local officials the ability to be reimbursed for documented expenses to attend meetings, such as IRS mileage for driving, tolls, transit, etc. According to BAAQMD, because expenses related to walking or biking are not clearly documented, the Government Code doesn't cover them, thus walkers and bikers (on our Board) are left out of commute benefits and Government Code reimbursement provisions.

According to BAAQMD, compensation for active transportation would likely be based on a combination of intrinsic factors such as the social cost of carbon, reduced VMT, etc. In the end, it would be less than an IRS mileage rate, but would at least acknowledge that there's a benefit to reduced driving. And, perhaps a display of leadership from our Board on the issue.

2) Author's statement:

Currently, BAAQMD board members can only be reimbursed up to \$100 per day for attending one or multiple meetings. This amount has remained unchanged for over 30 years despite rising inflation and the increased cost of living. Under existing law, board members can only be compensated for certain types of transportation to and from meetings such as driving a personal vehicle, using a taxi or ride share service, or using transit such as buses, trains, and ferries.

AB 2721 allows these meetings to be more efficient, by changing compensation from \$100/day to \$100/meeting without changing the annual compensation limit. It also allows the Board to create a compensation schedule that encourages members to take active transportation methods to meetings, such as walking or bicycling.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

Analysis Prepared by: Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2362 (Mullin) – As Introduced February 16, 2022

SUBJECT: Ecosystem restoration and climate adaptation projects: permitting

SUMMARY: Requires the California Natural Resources Agency (CNRA) to establish an interagency working group to accelerate and streamline permitting for ecosystem restoration and climate adaptation projects.

EXISTING LAW:

- 1) Requires CNRA, by July 1, 2017, and every 3 years thereafter, to update the state's climate adaptation strategy to identify vulnerabilities to climate change by sectors and priority actions needed to reduce the risks in those sectors.
- 2) Requires CNRA to explore, and authorizes CNRA to implement, options within CNRA's jurisdiction to establish a more coordinated and efficient regulatory review and permitting process for coastal adaptation projects that use natural infrastructure.

THIS BILL:

- 1) Requires, on or before July 1, 2023, CNRA, in consultation with the State Water Resources Control Board (State Water Board), the Department of Food and Agriculture (CDFA), and the California Environmental Protection Agency (CalEPA), to establish an interagency working group to accelerate and streamline permitting for ecosystem restoration and climate adaptation projects.
- 2) Requires the interagency working group to develop resources for ecosystem restoration and climate adaptation permit applicants and permittees that include, but are not limited to, all of the following:
 - a) A unified, online permit application process for existing and proposed projects that includes all appropriate state agencies with regulatory authority over ecosystem restoration and climate adaptation projects;
 - b) Pre-application consultations that include permit analysts from all appropriate agencies with regulatory authority over proposed ecosystem restoration and climate adaptation projects, and jointly prepared written guidance for meeting regulatory permit requirements;
 - c) Coordination between agencies for each ecosystem restoration and climate adaptation project to resolve conflicting or redundant permit requirements; and,
 - d) Inclusion of appropriate local and regional authorities in the interagency working group's permit consultation and coordination efforts.
- 3) Requires, on or before July 1, 2024, and on or before July 1 of each year thereafter, CNRA, in coordination with the State Water Board, CDFA, and CalEPA to submit a report to the relevant policy committees of the Legislature that includes all of the following:

- a) The number of ecosystem restoration and climate adaptation project permit applicants and permittees assisted by the interagency working group;
 - b) The number, location, and goals of the ecosystem restoration and climate adaptation projects for which the interagency group provided assistance;
 - c) Steps taken to resolve policy issues that may otherwise limit the scope or pace of permitting for ecosystem restoration and climate adaptation projects; and,
 - d) Recommendations for further improvements to increase interagency coordination and the scope and pace of permitting for ecosystem restoration and climate mitigation projects.
- 4) Requires CNRA to post a copy of the report on its internet website within 30 days of completion of the report.

FISCAL EFFECT: Unknown.

COMMENTS:

1) Author's statement.

California is one of the most climate-challenged regions of North America and must actively implement strategies to prepare for, and adapt to, climate events. Ecological restoration and nature-based climate adaptation are essential to the state's ability to withstand climate change impacts such as rising sea levels, drought, extreme heat, and wildfires. However, the permit process for such projects can be convoluted and time-consuming, often requiring approval from multiple agencies with potentially redundant or conflicting requirements. This process can be a substantial barrier to implementing much-needed measures in a rapidly evolving climate reality.

AB 2362 would address this issue by streamlining the permitting process for nature-based climate adaptation projects. AB 2362 draws from recommendations from The California Landscape Stewardship Network's "Cutting Green Tape" Report and an existing framework for permit streamlining currently implemented at a regional level in the San Francisco Bay Area. AB 2362 would establish an interagency working group to create an online application platform including all relevant agencies, offer consultations to applicants, and identify redundant or conflicting permit requirements. In doing so, AB 2362 would accelerate the state's ability to restore valuable ecosystems and increase our resilience to the impacts of climate change.

- 2) Ecological restoration.** As CNRA eloquently puts it, California's ecosystems form the bedrock of the state's wellbeing and prosperity. Many of these ecosystems—which are vitally important to the state's water supply, agriculture, wildlife, and economy—are in dire health.

Many of California's natural systems have been damaged or destroyed. The Central California Coast alone has suffered a 92% loss of its tidal wetlands, including ecologically priceless estuaries. An estimated 7 million acres of vernal pools existed at the time of Spanish contact; less than 13% remain today. Climate change and habitat loss are also threatening our biological diversity and driving catastrophic wildfires, historic drought, flooding, extreme heat, coastal erosion, and sea level rise. Not surprisingly, the same forces that threaten plant and animal species also threaten human lives and livelihoods.

The state needs to build resilience by reconnecting watersheds to the ocean and rivers to floodplains, restoring wetlands, protecting critical habitats, and more. The state is prioritizing restoration projects that do all of these things, while also promoting multiple benefits such as flood control, wildlife habitat, and climate adaptation.

- 3) **Cutting the Green Tape.** The state has identified “Cutting Green Tape” as a signature initiative to increase the pace and scale of environmental restoration. Complex and overlapping permitting processes can result in fewer and smaller actions being taken at a slower pace and a greater expense. In the November 2020 stakeholder-coordinated report issued by California Landscape Stewardship Network, *Cutting Green Tape: Regulatory Efficiencies for a Resilient Environment*, sometimes, fully one-third of public funding for a restoration project goes to planning and permitting, and a project that only takes weeks to implement can take years to permit. Much like the familiar term, “red tape,” “green tape” represents the extra time, money, and effort required to get environmentally beneficial work done because of inefficiencies in our current systems.

Inspired by that report, AB 2362 would require CNRA, in consultation with other specified state agencies, to establish an interagency working group to accelerate and streamline permitting for ecosystem restoration and climate adaptation projects.

- 4) **Making the scope more manageable.** ‘Ecosystem restoration’ and ‘climate adaptation’ project categories both represent a very broad swath of potential projects. Ecosystem restoration can be across a wide variety of topographies and sensitive habitats, from wetlands to forests, from deserts to coasts. Climate adaptation projects are another whole category of projects, many of which may not be compatible with ecosystem restoration. The impacts of climate change will necessitate projects to protect our drinking water supplies from salt water intrusion, plant and nurture more urban forests to quell extreme heat, build hard-scapes like seawalls to prevent coastal erosion from sea level rise, etc. – many of which don’t go hand in hand with ecosystem restoration.

Therefore, which types of eligible projects, and how they are defined will greatly impact the scope of the bill and the practicality of implementation across the relevant state agencies and departments.

Under the bill, ‘ecosystem restoration’ essentially includes any/all ecosystem restoration project, and all of the departments, agencies, offices, boards, and commissions that involves, which also means each of those agencies, boards, etc. will need to have dedicated staff, or likely multiple staff, participating in the interagency working group. This could amount to millions of dollars in state cost, and result in the unintended consequence of increased bureaucracy that ultimately stymies environmental progress.

To add focus to the bill, the committee may wish to amend the bill to clarify the scope of eligible projects as those that restore or conserve ecosystems and that have the ancillary benefit of providing climate resiliency to those ecosystems.

- 5) **Committee amendments.** In addition to tailoring the scope of the bill, the committee may wish to additionally concentrate the goals of the bill. As introduced, the bill requires CNRA to create the interagency work group to: create a new, online permit application hub; provide pre-application consultations to permittees that include permit analysts from all appropriate agencies with regulatory authority; coordinate between agencies for each ecosystem

restoration and climate adaptation project to resolve conflicting or redundant permit requirements; and, coordinate local agencies in the aforementioned consultation.

The ambitions of this bill are both impressive and warranted; permitting requirements can be onerous, duplicative, and inconsistent from agency to agency. Reforming the permitting processes for environmentally beneficial projects is critical to the state's environmental protection goals as well as the climate resiliency we will need to prevail. However, the magnitude of permitting reform is large and complicated, is going to take many steps to figure out. CNRA is currently implementing six of the Cutting the Green Tape report's recommendations based on the agency's staff resources, financial resources, and workload.

To maintain the author's intent to implement recommendations from the Cutting the Green Tape report, but also prevent too many new requirements overwhelming the agency's earnest efforts to streamline environmental restoration permitting, the committee may wish to amend the bill to reduce the mandated efforts on CNRA and limit the workload to consultative services and a permitting portal as follows:

71161.

(a) On or before July 1, 2023, the agency, ~~in consultation with the State Water Resources Control Board, the Department of Food and Agriculture, and the California Environmental Protection Agency, shall establish an interagency working group to accelerate and streamline permitting for ecosystem restoration and climate adaptation projects.~~

(b) ~~The interagency working group shall develop resources for ecosystem restoration and climate adaptation permit applicants and permittees that include, but are not limited to, all of the following:~~

(1) ~~A unified, online permit application process for existing and proposed projects that includes all appropriate state agencies with regulatory authority over ecosystem restoration and climate adaptation projects.~~

(2) shall evaluate existing interagency collaborations functioning at the regional scale, to gain applicant and agency staff perspective on process and outcome efficiencies in issuing permits. The agency shall provide voluntary pre-application consultations at the request of a permit applicant that include permit analysts from all appropriate agencies with regulatory authority over proposed ecosystem restoration and climate adaptation projects, and jointly prepared written guidance for meeting regulatory permit requirements that enables the most efficient permit application process for agency staff and permit applicants. The new statewide pre-application consultation process shall incorporate lessons learned from the evaluation process, and revised accordingly.

(3) (b) The agency shall coordinate Coordination between the departments, commissions, and agencies with permitting authority jurisdiction over a qualifying proposed project to resolve conflicting or redundant permit requirements.

(c) The agency shall develop and administer an online permit portal that allows applicants to submit and track permit application status for qualifying projects across all relevant coordinating agencies. The agency shall maintain and update the portal with feedback from permit applicants.

(d) For purposes of this section, “project” means an environmentally beneficial project undertaken for the primary purpose of ecosystem restoration and habitat, conservation enhancement, or preservation, which project may also provide climate resiliency benefits and have incidental public benefits, such as public access and recreation. This section shall not apply to a project that includes construction activities, except for construction activities solely related to ecosystem restoration and habitat conservation, enhancement or preservation.

~~(4) Inclusion of appropriate local and regional authorities in the interagency working group’s permit consultation and coordination efforts.~~

~~(c) (1) Notwithstanding Section 10231.5 of the Government Code, on or before July 1, 2024, and on or before July 1 of each year thereafter, the agency, in coordination with the State Water Resources Control Board, the Department of Food and Agriculture, and California the Environmental Protection Agency, shall submit a report to the relevant policy committees of the Legislature that includes all of the following:~~

~~(A) The number of ecosystem restoration and climate adaptation project permit applicants and permittees assisted by the interagency working group.~~

~~(B) The number, location, and goals of the ecosystem restoration and climate adaptation projects for which the interagency group provided assistance.~~

~~(C) Steps taken to resolve policy issues that may otherwise limit the scope or pace of permitting for ecosystem restoration and climate adaptation projects.~~

~~(D) Recommendations for further improvements to increase interagency coordination and the scope and pace of permitting for ecosystem restoration and climate mitigation projects.~~

~~(2) The agency shall post a copy of the report required pursuant to paragraph (1) on its internet website within 30 days of completion of the report.~~

6) **Related legislation.**

AB 2160 (Bennett) would amend the California Coastal Act to authorize a city or county, at the request of an applicant for a coastal development permit, to waive or reduce the permit fee for specified projects. This bill is scheduled to be heard in the Assembly Natural Resources Committee on April 4.

AB 72 (Petrie-Norris, Chapter 369, Statutes of 2021) requires CNRA to establish a more coordinated and efficient regulatory review and permitting process of coastal adaptation projects that use natural infrastructure. Requires CNRA to submit a report to the Legislature with suggestions and recommendations for improving and expediting the coordination between appropriate agencies in their regulatory review and permitting process for coastal adaptation projects that use natural infrastructure by July 1, 2023.

SB 1301 (Bealle, 2018) would have required the Office of Planning and Research to develop a joint multiagency preapplication for supplemental consultation and a model fee-for-service agreement, in consultation with a state agency with the power to issue a permit that would

authorize a dam safety project or authorize a flood risk reduction project and any interested potential project applicants. This bill was vetoed by Governor Brown.

REGISTERED SUPPORT / OPPOSITION:

Support

Midpeninsula Regional Open Space District

Opposition

None on file.

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2734 (Petrie-Norris) – As Amended March 30, 2022

SUBJECT: Coastal resources: research: landslides, erosion, and inundation flooding: advanced warning system: County of Orange.

SUMMARY: Establishes the County of Orange Coastal Erosion Research Program to conduct research on coastal bluff erosion and failure.

EXISTING LAW:

- 1) Establishes the Climate Ready Program in the State Coastal Conservancy (Conservancy) to address the impacts and potential impacts of climate change on resources within the Conservancy's jurisdiction. (Public Resources Code (PRC) § 31113)
- 2) Authorizes the Conservancy to undertake projects within its jurisdiction, including projects related to beach and bluff erosion and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. (PRC § 31200, et seq)
- 3) Requires, upon appropriation by the Legislature, the Scripps Institution of Oceanography at the University of California, San Diego (Scripps Institute), to conduct research on coastal cliff landslides and erosion in the County of San Diego and to report to the Legislature recommendations for developing a coastal cliff landslide and erosion early warning system based on available research. (Education Code § 92685)

THIS BILL:

- 1) Requires, upon appropriation of necessary funds by the Legislature, the Scripps Institute to conduct research on coastal cliff landslides, flooding, and erosion in Orange County.
- 2) Provides that Orange County study locations will be selected following assessment of technical suitability, permitting issues, and regional support.
- 3) Requires, as a condition of receiving funds, the research to involve, but not be limited to, the following:
 - a) Developing a routine seasonal regional coastal mapping program that will support coastal hazard research and track regional beach and cliff erosion. Monitoring will also include higher frequency surveys at select locations.
 - b) Conducting real-time measurements of land deformation, to identify and analyze conditions that precede catastrophic bluff failure, on the following potential study locations in Orange County:
 - i) Cyprus Shores;
 - ii) Heisler Park/Main Beach;
 - iii) Treasure Island Park/Aliso County Park;
 - iv) Dana Point Headland; and,

- v) Crystal Cove State Beach;
- c) Conducting measurements of beach sand levels and wave conditions, to identify and analyze conditions that cause erosion hot spots and coastal inundation flooding, on the following potential study locations in Orange County:
 - i) Huntington State Beach;
 - ii) Newport Beach;
 - iii) Dana Point;
 - iv) Capistrano Beach;
 - v) Cyprus Shores;
 - vi) Santa Ana Watershed Basin; and,
 - vii) Laguna Beach
- 4) Requires the specified research to be completed no later than January 1, 2027.
- 5) Requires, no later than March 15, 2027, the Scripps Institute to provide a report to the Legislature with recommendations for establishing advanced coastal cliff landslide, erosion, and inundation flood warning systems based on available research.
- 6) Sunsets the reporting requirement on March 15, 2030.
- 7) States that the Regents of the University of California and its employees, acting in good faith, are not be civilly liable for any harm resulting from measurements, predictions, or warnings regarding bluff failure, cliff landslides, or erosion contained in the report or from the research related to the recommendations. Provides specified limited liability.

FISCAL EFFECT: Unknown.

COMMENTS:

1) Author's statement:

Sea level rise and erosion are critical threats to California's coastal communities and economy. AB 2734 directs the Scripps Institution of Oceanography to conduct research on coastal landslides, erosion, and flooding in Orange County, and to develop recommendations for advanced warning systems. This will give our coastal communities the information they need to prevent injuries, fatalities, and damage to homes, businesses, critical infrastructure, and natural resources.

- 2) Cliff erosion.** In January 2002, the Department of Boating and Waterways submitted to the Legislature the report, *California Beach Restoration Study*, which acknowledged that the great majority of the coast of California consists of actively eroding sea cliffs. Results from this study showed that the great majority -- 72% -- of the coast of California consists of actively eroding sea cliffs. Earlier studies (US Army Corps of Engineers, 1971) indicated that about 950 miles, or 86%, of California's coast are eroding based on a large-scale regional analysis.

Since then, more recent science has kept pace with the impacts of climate change, and we know sea level rise, higher storm surges, and other impacts of climate change are likely to

exacerbate coastal erosion. A 2017 study from the US Geological Survey published in the *Journal of Geophysical Research–Earth Surface* predicts that with limited human intervention, 31% to 67% of Southern California erosion caused by sea-level rise will shrink nearly all the beaches, which are a crucial feature of the economy and the first line of defense against coastal-storm impacts for coastal residents and businesses. Further projections suggest that up to two-thirds of Southern California beaches may become completely eroded by 2100.

Eroding cliffs threaten extensive cliff top development throughout the state, including homes, businesses, highways, railways, wastewater, oil, natural gas, and nuclear facilities, universities, several critical military bases, and numerous state beaches and parks.

A 2018 report by the Scripps Institute identified locations in California at highest risk of cliff failure by 2050. The highest risk sites were spread across the state, but included several Southern California locations: San Onofre State Beach, Daly City, Point Reyes National Seashore, and Palos Verdes. In these areas, ocean waves, rainstorms and other factors eroded coastal bluffs by up to 12 feet per year during the study period. Coastal erosion and bluff collapse have resulted in multiple fatalities and injuries in San Diego County. In August 2019, three people were fatally crushed when a bluff collapsed at an Encinitas beach. Bluff collapses in 1995 and 2008 resulted in three deaths and one injury.

While research suggests that coastal erosion rates will increase as the sea level rises, variation in cliff geology, beach protection, exposure to weather, and other factors complicate the prediction of future erosion rates. The 2018 Scripps Institute study also determined that historical cliff erosion rates do not always provide a good prediction of future rates, and cliffs with high erosion rates in recent times were often preceded by time periods with very erosion. These are key findings, because models predicting future cliff retreat are often based on projecting the historical rates. Existing cliff erosion studies are often small scale, use a variety of techniques, and often rely on lower quality data sources, providing a patchwork across the state. According to Scripps Institute researcher Dr. Adam Young, understanding the processes that drive cliff failures, triggering mechanisms, magnitude of erosion, and timing of collapse is essential for coastal management and building resilient and safe communities.

- 3) **Coastal erosion in Orange County.** South Orange County has been experiencing severe coastal erosion for years, causing beaches to narrow. Gradual, long-term bluff erosion along the central portion of Huntington Cliffs, which span approximately 8,000 feet of coastline between Bolsa Chica State Park and Huntington Beach, has resulted in facilities losses at Huntington Beach Blufftop Park. Parking lot facilities are currently threatened, and continued erosion may eventually impact the Pacific Coast Highway. Public safety issues and lost recreational opportunities resulting from damaged park structures and a persistently-narrow beach are major concerns to the city.

Similarly, beach erosion along San Clemente's shoreline has become the source of increasing public concern during the last two decades. Continuing erosion has subjected both public and private development to damage from coastal storms. The railroad corridor passing through the San Clemente area lies between the sea cliffs and the ocean. Ongoing beach erosion threatens this right-of-way, which has been designated as a Strategic Rail Corridor by the US Department of Defense. To protect the railroad tracks during high storm waves and high tide

conditions, the Orange County Transportation Authority performs periodic maintenance along an existing rip-rap revetment. Costs to maintain this under-designed revetment have averaged \$200,000 to \$300,000 every three years.

4) **Keeping it local.** The state of California's *Sea-Level Rise Guidance*, 2018 update, states:

Local circumstances and associated sea-level rise impacts should be assessed to inform adaptation decisions that will protect communities and the environment. The interplay between sea-level rise and conditions such as contaminated soil, groundwater, or stormwater systems as well as beach and cliff erosion can vary significantly along the coast and should be evaluated at a local level. The diversity of shoreline types, natural conditions, community characteristics, services, assets, land ownership, and local priorities may warrant different approaches to planning and adaptation, particularly when making decisions for new development versus maintenance or replacement of existing assets necessary for public health and safety.

Results of an analysis of sediment contributions from bluff erosion in two different coastal areas highlight the importance of considering solutions to beach erosion on a regional, rather than statewide, basis. In the Oceanside littoral cell (the area of the coastline where sand enters the ocean, flows down the coast, and then is removed from the system), cliff and bluff erosion historically contributed 11% of the littoral budget (total sand). In contrast, bluff erosion historically contributed only 0.4% of the natural sediment budget in the Santa Barbara littoral cell.

While the overall long-term statewide rate of coastal migration is a function of the rate of sea level rise, there are significant local or regional differences in erosion rates. These rates vary as a function of both the resistance to erosion of the materials making up the cliffs and the physical forces acting to wear away the cliffs (Benumof and Griggs, 1999; Benumof et. al., 2000). The hardness, or degree of consolidation of the cliff rock, and the presence of internal weaknesses such as joints or faults, all directly affect the resistance of the material to both slope failure and wave action. The wave energy reaching any particular stretch of cliffs, the presence or absence of a protective beach, the tidal range or sea level fluctuation, the climate, including rainfall, runoff, and the frequency of El Niño events or damaging storms, as well as groundwater flow, all influence the rate and scale of sea cliff retreat.

Furthermore, this Legislature has recognized the value in district bills for coastal erosion. Last year, the Legislature enacted AB 66 (Boerner Horvath, Chapter 456, Statutes of 2021) to outline enhanced coastal monitoring to better understand the timing of bluff failures and help inform recommendations towards the development of a potential early landslide warning system.

5) **This bill:** AB 2734 would require the Scripps Institute, upon appropriation by the Legislature, to conduct research on coastal cliff landslides and erosion in Orange County.

6) Related legislation:

AB 66 (Boerner Horvath, Chapter 456, Statutes of 2021) requires the Scripps Institute to conduct research on coastal erosion in San Diego County and report back to the Legislature on the feasibility of a bluff collapse early warning system, among other things.

SB 1 (Atkins, Chapter 236, Statutes of 2021) establishes the California Sea Level Rise State and Regional Support Collaborative at the Ocean Protection Council to help coordinate and fund state efforts to prepare for sea level rise associated with climate change, and provides up to \$100 million in state funding annually to address sea level rise, among other things.

SB 627 (Bates, 2021) would have authorized by-right construction of sea walls and other hard shorelines structures statewide. This bill was held in the Senate Natural Resources Committee.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file.

Opposition

None on file.

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2787 (Quirk) – As Introduced February 18, 2022

SUBJECT: Microplastics in products

SUMMARY: Prohibits the sale, distribution, or offering products containing intentionally added microplastic.

EXISTING LAW:

- 1) Establishes the Plastic Microbeads Nuisance Prevention Law, which prohibits the sale or distribution for promotional purposes of any personal care products containing plastic microbeads that are used to exfoliate or cleanse in a rinse-off product. Defines “plastic microbead” as an intentionally added solid plastic particle measuring 5 millimeters (mm) or less in every dimension.
- 2) Requires the State Water Resources Control Board (SWRCB) to:
 - a) Adopt a definition of microplastics for drinking water;
 - b) Adopt a standard methodology to be used in the testing of drinking water for microplastics;
 - c) Adopt requirements for four years of testing and reporting of microplastics in drinking water, including public disclosure;
 - d) If appropriate, consider issuing a notification level or other guidance to aid consumer interpretations of the results of the testing; and,
 - e) Accredited qualified laboratories in California to analyze microplastics.
- 3) Requires the Ocean Protection Council (OPC), to the extent funding is available, to adopt and implement a Statewide Microplastics Strategy (Strategy) related to microplastic materials that pose an emerging concern to ocean health. Requires OPC to work with SWRCB, the Office of Environmental Health Hazard Assessment, and other interested entities in developing the Strategy. Establishes that the goal of the Strategy is to increase understanding of the scale and risks of microplastic materials on the marine environment and identify propose solutions to address the impacts of microplastic materials to the extent feasible.
- 4) Establishes the Preproduction Plastic Debris Program, which requires SWRCB and regional water quality control boards to develop a program that requires plastic manufacturing, handling, and transportation facilities to implement best management practices to control discharges of preproduction plastic pellets. The program includes inspections, stakeholder outreach efforts, and enforcement activities.

THIS BILL:

- 1) Defines terms used in the bill, including:

- a) “Intentionally added microplastic” as microplastic that a manufacturer has intentionally added to a product and that has a functional or technical effect.
 - b) “Microbead” as a microplastic used in a mixture as an abrasive to exfoliate, polish, or clean.
 - c) “Microplastic” as a solid polymer material containing particles to which chemical additives or other substances may have been added and 1% by weight by weight or more of the particles have either of the following:
 - i) Dimensions of five mm or less; or,
 - ii) Fibers that are three nanometers (nm) to 15 mm in length and have a length to diameter ration of greater than three.
 - d) “Person” as an individual, business, or other entity.
- 2) Prohibits a person from selling, distributing, or offering for promotional purposes in the state the following products, as specified, if the product containers intentionally added microplastic:
- a) Beginning January 1, 2027, rinse-off cosmetic products not subject to regulation pursuant to the Microbeads Nuisance Prevention Law;
 - b) Beginning January 1, 2029, leave-on cosmetic products;
 - c) Beginning January 1, 2028, detergents containing microbeads, encapsulated fragrance, or other microplastics; and,
 - d) Beginning January 1, 2028, waxes and polishes.
- 3) Exempts the following from the bill’s requirements:
- a) A product consisting, in whole or in part, of a substance or mixture containing microplastic where the microplastic is contained by technical means throughout the whole lifecycle to prevent releases of microplastic to the environment and any microplastic-containing wastes arising are incinerated or disposed of as hazardous waste;
 - b) A product consisting, in whole or in part, of a substance or mixture containing microplastics where the physical properties of the microplastics are permanently modified when the substance or mixture is used so that the polymers no longer fall within the definition of microplastic; and,
 - c) A products consisting, in whole or in part, of a substance or mixture containing microplastics where the microplastic is permanently incorporated into a solid matrix when used.
- 4) Specifies that a person who violates, or threatens to violate, the bill’s requirements may be enjoined by any court of competent jurisdiction.

- 5) Specifies that a person who violates the bill's requirements is liable for a civil penalty up to \$2,500 per day for each violation, in addition to any other penalty established by law. Specifies that the civil penalty may be assessed and recovered in a civil action brought in any court of competent jurisdiction. Requires the court to consider the when assessing a civil penalty. Specifies that actions may be brought by the Attorney General, a district attorney, a city attorney, or a city prosecutor, as specified. Penalties collected shall be paid to the entity that brought the action.

FISCAL EFFECT: Unknown

COMMENTS:

1) Author's statement:

Microplastics are an extremely persistent and ubiquitous environmental contaminant. They have been found in air, water, and soil around the world and studies have found that over 180 species ingest microplastics—including humans. The California legislature has taken significant steps to curb microplastic pollution, including AB 888 (Bloom), Chapter 594, Statutes of 2015, which banned the sale of rinse-off personal care products that contained microbeads (microplastics that are used as scrubbing agents).

However, microplastics are still widely used in many consumer products including cosmetics, detergents, and cleaning products. Continued, non-essential use of microplastics in products allows microplastics to be flushed down the drain and released into California's precious marine resources. In February 2022, the Ocean Protection Council adopted the Statewide Microplastics Strategy, which recommended expanding AB 888 to ban microplastics in additional products. This bill directly acts on that recommendation to prohibit the sale of cosmetics, detergents, and certain cleaning products to prevent further microplastic pollution.

- 2) **Ocean plastic pollution.** An estimated 11 million metric tons of plastic waste enters the earth's oceans every year. Without intervention, this is estimated to triple by 2040. Plastics are estimated to comprise 85% of all marine debris and 90% of all floating debris. Ocean plastic predominantly enters the ocean from river runoff. The largest contributors are rivers primarily located in Southeast Asia. While some have used this information to place the blame on those countries, a significant portion of the plastic pollution is generated in the United States and exported to those countries as mixed plastic scrap for recycling. The material is sorted and the material with value is recycled while the rest burned for energy generation or discarded. In countries with inadequate waste management systems, waste plastic finds its way into waterways that flow to the ocean.

There are two general categories of microplastics: primary microplastics are manufactured at a small size for use in manufacturing or personal care products; and, secondary microplastics, which result from the breakdown of larger plastics. Microplastics are comprised of a variety of polymer types, sizes, shapes, and associated chemicals, with irregular shapes and fibers found increasingly in the marine environment. These plastic pieces are confused with small fish, plankton, or krill and ingested by birds and marine animals. More than 600 marine animal species have been negatively affected by ingesting plastic worldwide. Microplastic

exposures have been shown to cause adverse effects, including tissue inflammation, impaired growth, developmental anomalies, and reproductive difficulties in toxicity studies.

In addition to the physical impacts of plastic pollution, hydrophobic chemicals present in the ocean in trace amounts (e.g., from contaminated runoff and oil and chemical spills) bind to plastic particles where they enter and accumulate in the food chain.

- 3) **Microplastics are ubiquitous.** Microplastic pollution is not confined to the marine environment. They have been found everywhere that scientists have looked for them. They are present in dust, both household and outside, waterways, drinking water, and soil. Microplastics have been found at the tops of mountains and in snow in the Arctic. They are in drinking water and the foods we eat. Samples of human blood, lung tissue, and placental tissue contain microplastic.

In spite of their ubiquitous nature and known human exposure, there is very little known about microplastics' impacts on the environment and human health.

- 4) **Suggested amendment.** The *committee may wish to amend the bill* to correct a drafting error in the definition of “microplastic;” specify that “microplastic” does not include naturally-occurring polymers; and, clarify that “intentionally added microplastic” includes microplastics added for decorative purposes.
- 5) **Double referral.** This bill was also referred to the Environmental Safety and Toxic Materials Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Sanitation Agencies
 California Coastkeeper Alliance
 Californians Against Waste
 Climate Reality Project, San Fernando Valley
 East Bay Municipal Utility District
 Heal the Bay
 Los Angeles County Sanitation Districts
 Northern California Recycling Association
 Plastic Oceans International
 Plastic Pollution Coalition
 Save Our Shores
 Seventh Generation Advisors
 The 5 Gyres Institute
 The Center for Oceanic Awareness, Research, and Education
 Upstream
 WaterReuse Association
 Wishtoyo Chumash Foundation
 Zero Waste USA

Opposition

American Chemistry Council
American Cleaning Institute
California Chamber of Commerce
California Life Sciences Association
California Manufacturers & Technology Association
Fragrance Creators Association
Household and Commercial Products Association
Personal Care Products Council
Plastics Industry Association

Analysis Prepared by: Elizabeth MacMillan / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2219 (Smith) – As Introduced February 15, 2022

SUBJECT: State Air Resources Board: members

SUMMARY: Requires, on and after January 1, 2025, the “environmental justice” member of the Air Resources Board (ARB) appointed by the Senate Rules Committee to represent a small business that employs fewer than 50 full-time employees.

EXISTING LAW:

- 1) Establishes ARB with primary duties to control motor vehicle emissions, coordinate activities of air districts for the purposes of the federal Clean Air Act, and implement the California Global Warming Solutions Act (AB 32).
- 2) Provides for appointment of 14 voting members, as follows:
 - a) Twelve members appointed by the Governor on the basis of interest and ability in the field of air pollution control, understanding of the needs of the general public in connection with air pollution problems, and additional specific qualifications. These members serve at the pleasure of the Governor and are subject to confirmation by the Senate.
 - b) Two members, one each appointed by the Senate Committee on Rules and the Speaker of the Assembly. These two “environmental justice” members must work directly with communities in the state that are most significantly burdened by, and vulnerable to, high levels of pollution, including communities with diverse racial and ethnic populations and low-income populations.
 - c) Members serve part-time, with the exception of the Chair, who is appointed by the Governor and serves full-time.
- 3) Establishes the following specific qualifications for the 12 Governor-appointed board members:
 - a) One with training and experience in automotive engineering or a closely related field.
 - b) One with training and experience in science, agriculture, or law.
 - c) One who is a physician and surgeon, or health effects expert.
 - d) One with experience in air pollution control, or meeting the qualifications of one of the three categories listed above.
 - e) Two public members.

- f) One board member from each of the following air districts:
- i) South Coast Air Quality Management District (SCAQMD);
 - ii) Bay Area Quality Management District (BAAQMD);
 - iii) San Joaquin Valley Air Pollution Control District (SJVAPCD);
 - iv) San Diego County Air Pollution Control District (SDAPCD);
 - v) A district in the Sacramento federal nonattainment area; and,
 - vi) Any other district.

FISCAL EFFECT: Unknown

COMMENTS:

1) Author's statement:

Many of the regulations imposed by ARB have far reaching effects on numerous business industries, especially small businesses that might not have the financial capability or know how to implement these regulations. Businesses with less than 50 full-time employees make up a large percentage of the work force. At the beginning of 2021 roughly a third of the workforce was employed in these type of small businesses.

It is therefore necessary that ARB acknowledges the responsibility it has the people and industries that it regulates. ARB members must fully understand the economic impact of the regulations that they propose for adoption. Ensuring that at least one member is an owner of a small business will help facilitate this understanding and will hopefully moderate ARB's decision making.

- 2) Background.** ARB has resources for small businesses wanting to participate in its regulatory processes. ARB publicly announces any new regulations on their website and allows for 45 days of public comment, either electronically or via regular mail, before the board meets for a public hearing prior to voting to adopt the policy. This public comment period is open to any member of the community, including small business owners. All public comments on pending ARB policies are posted publicly on ARB's website. In addition, ARB holds public hearings subsequent to the 45 day comment period for any new pending air quality regulation policy, where any members of the public, including small business owners, may voice concerns and questions before the board member prior to a board vote.

In addition, ARB is federally mandated to house an Ombudsman Office where small and large businesses, trade associations, and individual community members have a resource for help on any aspect of the ARB regulatory process. Among its provisions, the Ombudsman's mission to the public includes education on California's air quality management system, guidance on air quality rules and regulations, assisting small businesses in compliance with those regulations, and providing help toward solutions when there is an air quality compliance problem. ARB is currently required to include an additional impact report specifically concerning small businesses in every new regulation package.

- 3) ARB already has small business owners on its board.** It's not clear why the author has chosen to require the Senate Rules Committee "environmental justice" appointee, of all the ARB board members, to represent a small business. However, at least three of ARB's current

14 board members appear to either own or represent a small business, including Dean Florez, who is the Senate Rules Committee appointee.

- 4) **Prior legislation.** The Legislature has made several revisions to ARB's board in recent years, adding a voting member from a Sacramento region air district, adding two voting members appointed by the Legislature, and adding two legislators as ex-officio members. In addition, prior to the addition of legislative appointees, this committee passed bills to require one of the members represent a small business:

AB 2328 (Niello) in 2010, required at least one of the members appointed by the Governor be a small business owner. AB 2328 was held in the Senate Appropriations Committee.

AB 135 (Hagman) in 2011, also required at least one of the members appointed by the Governor be a small business owner, with a 2017 sunset. AB 135 was vetoed by Governor Brown, who issued the following message:

This bill requires that one member of the governing board of (ARB) be an owner of a small business, as defined, within the past five years.

I agree that persons with business experience should be on the Air Board. In fact, four sitting members have such experience.

But, whether the Air Board should have one member, as provided in this bill, or four, is best left to the discretion of the Governor.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

Analysis Prepared by: Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2784 (Ting) – As Introduced February 18, 2022

SUBJECT: Solid waste: thermoform plastic containers: postconsumer thermoform recycled plastic

SUMMARY: Establishes minimum recycled content requirements for thermoform plastic containers (thermoforms).

EXISTING LAW:

- 1) Under the Integrated Waste Management Act of 1989 (IWMA), establishes a state recycling goal of 75% of solid waste generated to be diverted from landfill disposal through source reduction, recycling, and composting. Requires each state agency and each large state facility to divert at least 50% of all solid waste through source reduction, recycling, and composting activities.
- 2) Under the California Beverage Container Recycling and Little Reduction Act (Bottle Bill):
 - a) Requires that each new glass container manufactured in the state contain a minimum of 35% postfilled (recycled food container cullet) glass. Requires every glass food, drink, or beverage container manufacturer in the state to report the amount of tons of new glass and the tons of postfilled glass used in the manufacturing of those containers to CalRecycle every month.
 - b) Requires, between January 1, 2022, and December 31, 2024, the total number of plastic beverage containers subject to the consumer redemption value (CRV) for sale in the state to, on average, contain no less than 10% postconsumer recycled plastic per year. Increases that amount to 25% between January 1, 2025, and December 31, 2029; and 50% on and after January 1, 2030.
- 3) Establishes the Rigid Plastic Packaging Container (RPPC) law, which requires that specified plastic containers that are made of plastic, capable of at least one closure, and hold a product sold in California meet one of the following compliance options:
 - a) Contain a minimum of 25% postconsumer recycled content;
 - b) Be source reduced by at least 10%, as specified;
 - c) Be routinely reused or refilled at least 5 times;
 - d) Achieve a 45% recycling rate; or,
 - e) The product manufacturer consumes sufficient California-generated postconsumer recycled content equivalent to achieving an overall 25% postconsumer recycling rate.

THIS BILL:

- 1) Defines terms used in the bill, including:
 - a) “Producer” as:
 - i) A person who manufactures thermoform plastic containers (thermoforms) in the state under that person’s own name or brand and who sells or offers for sale the thermoform in the state;
 - ii) If there is no person who meets this requirement, a person who imports the thermoform as the owner or licensee of a trademark or brand under which the thermoform is sold or distributed in the state; or,
 - iii) If there is not person who meets the above two requirements, a person or company who offers for sale, sells, or distributes the thermoform in the state.
 - iv) Producer does not include a person or company that produces, harvests, and packages an agricultural commodity on the site where the agricultural commodity was grown or raised.
 - b) “Thermoform plastic container” as a plastic container, such as a clamshell, cup, tub, lid, box, tray, egg carton, or similar rigid, nonbottle packaging, formed from sheets of extruded resin and used to package items such as fresh produce, baked goods, nuts, and deli items.
 - i) Thermoform plastic container does not include:
 - ii) A lid or seal of a different material type from plastic;
 - iii) Thermoforms that are medical devices, medical products that are required to be sterile, prescription medicine, and packaging used for those products;
 - iv) A refillable thermoform that ordinarily would be returned to the manufacturer to be refilled and resold;
 - v) A plastic beverage container subject to the Bottle Bill;
 - vi) A thermoform that is designed to be composted and is eligible to be labeled “compostable,” or,
 - vii) A thermoform of a resin type for which the total amount of the resin type sold in California annually is either:
 - (1) Less than 1,000,000 pounds for a resin type other than expanded polystyrene; or,
 - (2) Less than 50,000 pounds of expanded polystyrene.
 - c) “Postconsumer thermoform recycled plastic” means plastic produced from the recovery, separation, collection, and reprocessing of thermoforms that would otherwise be disposed of or processed as waste after consumer use.
- 2) Requires that the total thermoforms sold by a producer in the state to, on average, contain the following minimum amount of postconsumer recycled plastic per year:
 - a) On and after January 1, 2025, no less than 10% postconsumer recycled plastic per year;

- b) On and after January 1, 2028, either:
 - i) No less than 20% postconsumer thermoform recycled plastic per year if the recycling rate for each resin type of thermoform plastic container is equal to or exceeds 50% for calendar year 2026; or,
 - ii) No less than 25% postconsumer thermoform recycled plastic per year if the recycling rate for each resin type of thermoform plastic container is less than 50% for calendar year 2026.
- c) On and after July 1, 2030, either:
 - i) No less than 20% postconsumer thermoform recycled plastic per year if the recycling rate for each resin type of thermoform container is equal to or greater than 75% for calendar year 2029; or,
 - ii) No less than 30% postconsumer thermoform recycled plastic per year if the recycling rate for each resin type of thermoform container is less than 75% for calendar year 2029.
- 3) Commencing January 1, 2025, subjects a producer that does not meet the above-described minimum content requirements to an annual administrative penalty and, commencing March 1, 2026, requires the administrative penalty be collected annually. Allows the administrative penalties be paid to the Department of Resources Recycling and Recovery (CalRecycle) in quarterly installments or pursuant to a CalRecycle-approved alternative payment schedule, not to exceed 12 months. Authorizes CalRecycle to grant a one-time extension, at the discretion of the director of CalRecycle, of up to an additional 12 months if needed due to unforeseen circumstances. Requires the penalty amount to be determined in accordance with a specified formula and based on the amount of virgin plastic and postconsumer thermoform recycled plastic used and reported by the producer.
- 4) Requires administrative penalties be deposited into the Thermoform Recycling Enhancement Penalty Account, which is created by the bill, and permits those moneys to be expended, upon appropriation, for the purpose of supporting the recycling, collection, and processing infrastructure of thermoforms in the state.
- 5) Authorizes CalRecycle to conduct audits and investigations and take enforcement actions against a producer, including enforcement action against a producer that fails to pay or underpays the assessed or audited administrative penalty after notice and hearing.
- 6) Allows for a reduction of the administrative penalties if all the following apply:
 - a) CalRecycle considers granting a reduction based the following:
 - i) Anomalous market conditions;
 - ii) Disruption in, or lack of supply of, recycled plastic due to an unforeseen circumstance or event;
 - iii) If the recycling rate is 60% or higher, lack of available supply due to purchases from industries outside of the packaging industry; or,

- iv) Other factors that have prevented a producer from meeting the requirements.
 - b) The producer submits a corrective action plan to CalRecycle that details the reasons the producer will fail to meet, or has failed to meet, the requirement and the steps the producer will take to comply with the requirements within the next reporting year. Authorizes CalRecycle to approve the corrective action plan, and to reduce the administrative penalties after the corrective action plan is approved and implemented.
- 7) Requires a producer to annually report to CalRecycle, under penalty of perjury and in a form and manner prescribed by CalRecycle, the amount in pounds and by resin type of virgin plastic and postconsumer thermoform recycled plastic used to manufacture its thermoforms sold or offered for sale in the state in the previous calendar year. Requires CalRecycle to post this information on its website.
- 8) Requires importers and manufacturers of thermoforms whose annual total sales exceed 100,000 pounds of thermoforms for all resin types except expanded polystyrene (EPS) or 5,000 pounds of EPS equivalent and who first sell the container in or into the state to do all of the following:
- a) Register and pay a registration fee to CalRecycle for the reasonable regulatory costs related to implementing and enforcing the bill's requirements in relation to the importer's or manufacturer's activities;
 - b) Annually report to CalRecycle thermoform sales for the previous calendar year;
 - c) Report to CalRecycle the amounts of all thermoforms sold in or imported into the state as specified; and,
 - d) Maintain records of all sales and information regarding the source of any postconsumer resin for verification purposes, as required by CalRecycle.
- 9) Requires entities that purchase more than 100,000 pounds of thermoform for all resin types other than EPS or 5,000 pounds of EPS equivalent in any calendar year to maintain records of purchases, and:
- a) Have an average postconsumer content that meets or exceeds the applicable minimum content requirements; or,
 - b) Demonstrate with proof of export documentation that the average postconsumer content of thermoforms purchased in the calendar year that were not exported out of the state have an average postconsumer content that meets or exceeds the applicable minimum content requirements.
- 10) Requires entities that export from the state more than 100,000 pounds of thermoform for all resin types other than EPS or 5,000 pounds of EPS equivalent, in any calendar year, to report to CalRecycle the total pounds of thermoforms exported by resin type.
- 11) Exempts specified actions from being considered a violation of the Cartwright Act and the Unfair Practices Act.

FISCAL EFFECT: Unknown; however, according to the Senate Appropriations Committee analysis of a similar bill last year, AB 478 (Ting), CalRecycle estimated one-time costs of

\$539,000 (special fund) to develop regulations and reporting mechanisms for plastic thermoform producers, as well as ongoing costs of \$660,000 annually for a position to assist with data analysis and corrective action plans. Additional resources would be required for auditing.

COMMENTS:

1) **Author's statement:**

Since shipping recyclables overseas is no longer a viable option, California must develop its own markets for recycled content materials. Thermoform containers, or clamshells, have a low collection rate and are infrequently recycled. As the state is making strides towards increasing minimum recycled content in plastic bottles, thermoforms must do the same. This bill encourages efficient use of recyclable plastics and moves California towards a closed loop recycling system for polyethylene terephthalate (PET) bottles and PET thermoforms. AB 478 sets a minimum recycled content standard for thermoform containers used in food and beverage applications in California.

- 2) **California's waste management goals.** An estimated 35 million tons of waste are disposed of in California's landfills annually. CalRecycle is tasked with diverting at least 75% of solid waste from landfills statewide by 2020. Local governments have been required to divert 50% of the waste generated within the jurisdiction from landfill disposal since 2000. AB 341 (Chesbro), Chapter 476, Statutes of 2011, requires commercial waste generators, including multi-family dwellings, to arrange for recycling services for the material they generate and requires local governments to implement commercial solid waste recycling programs designed to divert solid waste generated by businesses out of the landfill. A follow up bill, AB 1826 (Chesbro), Chapter 727, Statutes of 2014, requires generators of organic waste (i.e., food waste and yard waste) to arrange for recycling services for that material to keep the material out of the landfill. California's recent recycling rate, which reached 50% in 2014, dropped to 42% in 2020.
- 3) **Ocean plastic pollution.** Plastics are estimated to comprise 60-80% of all marine debris and 90% of all floating debris. By 2050, by weight there will be more plastic than fish in the ocean if we keep producing, and failing to properly manage, plastics at predicted rates, according to *The New Plastics Economy: Rethinking the Future of Plastics*, by the World Economic Forum.

Ocean plastic predominantly enters the ocean from river runoff. The largest contributors are rivers primarily located in Southeast Asia. While some have used this information to place the blame on those countries, a significant portion of the plastic pollution is generated in the United States and exported to those countries as mixed plastic scrap for recycling. The material is sorted and the material with value is recycled while the rest burned for energy generation or discarded. In countries with inadequate waste management systems, waste plastic finds its way into waterways that flow to the ocean.

Most plastic marine debris exists as small plastic particles due to excessive ultraviolet radiation exposure and subsequent photo-degradation. EPS breaks down more rapidly into these smaller particles than rigid plastics. These plastic pieces are confused with small fish, plankton, or krill and ingested by birds and marine animals. More than 600 marine animal species have been negatively affected by ingesting plastic worldwide.

In addition to the physical impacts of plastic pollution, hydrophobic chemicals present in the ocean in trace amounts (e.g., from contaminated runoff and oil and chemical spills) bind to plastic particles where they enter and accumulate in the food chain.

Ocean plastic pollution doesn't only threaten ocean ecosystems; it also impacts the people that rely on them. Plastic debris on beaches and snorkeling spots discourages tourism to those areas, damaging local economies. Globally, 820 million people rely on fishing for income. Plastics not only impact the quality of the fish, but also causes lower yields.

- 4) **Climate impacts.** Plastic production contributes to climate change and the associated impacts. According to a 2019 report by the Center for Environmental Law, by 2030 plastic greenhouse gas (GHG) emissions could reach 1.34 gigatons per year – equivalent to nearly 300 500-megawatt coal-fired power plants. Nearly all plastic begins as fossil fuel, and GHGs are emitted at each stage of the production lifecycle: fossil fuel extraction and transport; plastic refining and manufacture; and end-of-life management. Even microplastics in the ocean has climate impacts, by impeding the ocean's ability to absorb and sequester carbon dioxide.
- 5) **Environmental justice impacts.** Plastic production and use disproportionately impact disadvantaged communities throughout the world. Oil extraction and refining result in habitat destruction, polluted runoff, waste, and oil spills that directly impact indigenous and disadvantaged communities. Refineries emit toxic air contaminants, including benzene, formaldehyde, hydrogen sulfide, sulfur dioxide, and sulfuric acid. Oil drilling and refining disproportionately impact low-income communities of color. In the Los Angeles area, more than 580,000 people live within 5 blocks of an active oil or gas well. Every step in the production of plastic, from extraction to manufacturing, impacts air and water quality and human health.
- 6) **Recycling markets.** In spite of generating the most plastic waste in the world, the United States has not developed significant processing or markets for recycled plastic. Approximately 50% of plastic waste collected for recycling in the United States is exported; in 2016, 88% of that material was exported to countries that lack the infrastructure to properly manage it. After sorting out the material with value, the rest, an estimated 0.15 to 0.99 million metric tons of plastic is exported by the United States for recycling. In most cases, the material is shipped to countries that lack the infrastructure to safely manage solid waste and the material that is not recycled ends up in the environment through open disposal or open burning contributing to ocean plastic pollution and toxic air and GHG emissions.

China, historically the largest importer of recycled plastic, enacted Operation Green Fence in 2013, under which it increased inspections of imported bales of recyclables and returned bales that did not meet specified requirements at the exporters' expense. In 2017, China established Operation National Sword, which included additional inspections of imported recycled materials and a filing with the World Trade Organization (WTO) indicating its intent to ban the import of 24 types of scrap, including mixed paper and paperboard, PET, polyethylene (PE), polyvinyl chloride (PVC), and polystyrene (PS) beginning January 1, 2018. In November 2017, China announced that imports of recycled materials that are not banned would be required to include no more than 0.5% contamination. In January 2019, China announced that it would be expanding its ban even further – to encompass 32 types of

scraps for recycling and reuse, including post-consumer plastics such as shampoo and soda bottles.

Following China's actions, other Southeast Asian countries have enacted policies limiting or banning the importation of recycled materials, primarily plastic and mixed paper. These policies create serious challenges for US waste management systems that need markets for plastics collected for recycling.

- 7) **Thermoforms.** Thermoforms include a wide range of plastic packaging created by heating sheets of plastic and then formed into a specific shape in a mold. Common thermoforms include plastic “clamshell” trays used for take-out food, plastic egg cartons, and bakery trays. Most thermoforms are PET, but can be made from a wide range of plastic resins, including polypropylene (PP), and PS, including EPS. In California, thermoforms have included relatively high quantities of recycled content; however, the source of PET has been PET bottles, not thermoforms. While providing an important market for recycled bottle plastic, this is recycled once and then discarded. Under AB 793 (Ting), Chapter 115, Statutes of 2020, bottle manufacturers are required to include recycled content to ensure that bottles are recycled back into bottles. This bill takes the next step to require that thermoforms are recycled back into thermoforms.

In jurisdictions that accept thermoforms in curbside recycling, only thermoforms made out of PET are usually accepted. The majority of PET thermoforms collected are baled with other PET, primarily bottles, even though bottles and thermoforms generally cannot be recycled together. As a result, recyclers separate the thermoforms from the bottles and the thermoforms are discarded.

- 8) **This bill.** This bill is intended to create demand for recycled thermoforms in California to ensure that PET thermoforms that are collected are recycled and to encourage the collection and recycling of non-PET thermoforms. This bill would also benefit California's plastic processors, who provide economic benefits and green jobs within the state.

This bill establishes different requirements and penalties for EPS. This is due to the nature of how EPS plastics are formed. This is due to the lightweight nature of EPS; on average, one pound of EPS produces 20 times the volume of one pound of other resin types. The bill's requirements and penalties reflect this difference in environmental impact between EPS and other types of plastic thermoforms.

Recycling plastic, like thermoforms, reduces demand for virgin plastic, which provides significant environmental benefits, including GHG reductions, and reduces the amount of plastic entering the environment.

- 9) **Previous legislation.**

AB 478 (Ting) established minimum recycled content requirements for thermoform plastic containers, as specified. This bill also redefined “commingled rate” for purposes of California's Bottle Bill program and require the Department of Resources Recycling and Recovery (CalRecycle) to exclude thermoform plastic for purposes of calculating the commingled rate for each type of plastic container. This bill was held in the Senate Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Californians Against Waste
Monterey Bay Aquarium Foundation
rPlanet Earth

Opposition

Agricultural Council of California
American Chemistry Council
California Apple Commission
California Blueberry Association
California Blueberry Commission
California Cotton Ginners and Growers Association
California Farm Bureau
California Fresh Fruit Association
California Strawberry Commission
Tekni-Plex, INC
Western Agricultural Processors Association
Western Growers Association

Analysis Prepared by: Elizabeth MacMillan / NAT. RES. /

Date of Hearing: April 4, 2022

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 2207 (McCarty) – As Amended March 21, 2022

SUBJECT: California Conservation Corps: corpsmembers: contracts: facility leases: outreach

SUMMARY: Authorizes the director of the California Conservation Corps (CCC) to enter into any contracts that the director determines is consistent with the CCC's mission and necessary for the maintenance, service, and improvement of real property used by the CCC as a long-term base of program operations, and to lease facilities.

EXISTING LAW:

- 1) Establishes the CCC in the Natural Resources Agency (NRA) and requires the CCC to implement and administer the conservation corps program. (Public Resources Code §1400, et seq)
- 2) Directs CCC program activities, including the management of environmentally important lands and water, public works projects, facilitating public use of resources, assistance in emergency operations, assistance in fire prevention and suppression, energy conservation, and environmental restoration.
- 3) Requires all state projects, except those under the jurisdiction of the Department of Water Resources, the Department of Parks and Recreation (State Parks), the Department of Corrections and Rehabilitation (CDCR), the Department of Transportation (CalTrans), the High-Speed Rail Authority, or the Military Department, to be under the sole charge and direct control of the Department of General Services (DGS). (Public Services Code § 10107)

THIS BILL:

- 1) States the intent of the Legislature that the CCC conduct outreach to underrepresented groups for CCC membership, including, but not limited to, women and nonbinary youth, foster and transitional age youth, homeless youth, youth with disabilities, lesbian, gay, bisexual, transgender, and plus (LGBT+) youth, tribal youth, justice-impacted youth, and youth of color. It is further the intent of the Legislature that the CCC embed within its training and education curriculum concepts of environmental justice, cultural competency, and values of diversity, equity, and access in order to better develop a diverse cadre of natural resource conservation practitioners.
- 2) Authorizes the director of the CCC to enter into any contracts including, but not limited to, those for professional services such as construction and design, valued up to \$929,000 that the director determines is both of the following:
 - a) Consistent with the CCC's mission; and,
 - b) Necessary for the maintenance, service, and improvement of real property used by the CCC as a long-term base of program operations.

- 3) Authorizes the director to lease facilities, if the director has determined both of the following:
 - a) The lease is needed for CCC's purposes.
 - b) The lease is entered with any of the following entities:
 - i) A California Native American tribe or federally recognized tribe;
 - ii) A federal, state, or local public agency; or,
 - iii) A local or statewide private organization, or a person, firm, partnership, or corporation, concerned with the objectives of the CCC's program.
- 4) States the intent of the Legislature that this bill achieve all of the following:
 - a) Provide flexibility and opportunities for state agencies to hire current and former members of the CCC;
 - b) Meet the employment needs of state agencies and members of the CCC; and,
 - c) Assist state agencies in their progress towards a workforce reflective of the state's diverse population.
- 5) Requires a corpsmember to receive hiring priority at a state agency if the corpsmember meets both of the following criteria:
 - a) The corpsmember completed a minimum of 850 hours of satisfactory service on activities eligible towards attainment of the CCC's "Brad Duncan Scholarship;" and,
 - b) The corpsmember meets the minimum qualification standards stated in the vacancy announcement for the state agency position for which they are applying.

FISCAL EFFECT: Unknown.

COMMENTS:

1) Author's statement.

The Corps' programs help many young adults gain valuable work and educational skills while helping preserve our environment. AB 2207 will allow the CCC to serve more people, provide new employment opportunities to members, and attract new partners. It will also help the organization expand its operations even further by giving it the authority to buy and renovate facilities – saving the state money.

- 2) California Conservation Corps.** The CCC, established by Governor Jerry Brown during his first term in 1976, is the oldest and largest state conservation corps program in the country. It's modeled after the 1930s Civilian Conservation Corps. The CCC's motto is "Hard work, low pay, miserable conditions ... and more!" The CCC has provided more than 74 million hours of natural resource work, such as trail restoration, tree planting, habitat restoration, and more than 11.3 million hour of work on emergency response – fires, floods, and earthquakes — since 1976.

Although the CCC was originally conceived as a labor source for trail maintenance and restoration, it has since evolved to a workforce development program. Corpsmembers now learn skills such as, forestry management, energy auditing and installation, emergency services management, and firefighting. Many corpsmembers also receive their high school diplomas and industry certifications at the conclusion of their service. The CCC is designed as a one-year program, with the possibility of extension to up to three years pending performance of the member. More than 120,000 young people have participated in the CCC over the last 40 years. There are more than 1,623 corpsmember positions available at 26 centers statewide; nine of the centers are residential with 600 beds for the corpsmembers assigned to them.

- 3) **Expanding corpsmember outreach.** Corpsmembers must be California residents between the ages of 18 and 25 (or age 29 if military veterans).

AB 864 (McCarty, Chapter 659, Statutes of 2017), allowed the director of the CCC to select applicants who are on probation, post release community supervision, or mandatory supervision. Those applicants affected by the passage of AB 864 make up less than 1% of the total active corps membership. AB 278 (McCarty, Chapter 571, statutes of 2019) further allows the director to consider those applicants who are on parole.

Currently, the corpsmembers are approximately 76% men and 24% women. This bill seeks to further diversify the demographics of the CCC by encouraging additional outreach to underrepresented communities.

In furtherance of the CCC's mission to reach marginalized young people, this bill states the intent of the Legislature that the CCC conduct outreach to underrepresented groups for corps membership, including, but not limited to, women and nonbinary youth, foster and transitional age youth, homeless youth, youth with disabilities, LGBT+ youth, tribal youth, justice-impacted youth, and youth of color.

- 4) **Expanding corps' projects.** Under current law, DGS has authority to approve many state projects. Over time, the Legislature has exempted the various departments from DGS project oversight, including the Department of Water Resources, the Department of Transportation, the Department of Parks and Recreation, and others. As such, these departments are allowed to manage their own construction and maintenance projects without reliance and prior authorization from DGS. Justification for such delegation is typically associated with temporal and financial savings as well as by the unique nature of the departments' facilities, facility needs, and resources.

Similar to other exempted state entities, the CCC has unique facilities and facility needs that are distinct from the typical office-building-based state department. The CCC operates from a diverse array of mixed-use facilities located in a variety of settings throughout the state. Over the past several years, the CCC has acquired the resources and management personnel that are necessary to contract for and oversee design, repair, maintenance, and improvement projects. For example, the CCC has increased the number of facility maintenance mechanics who can complete or oversee projects at their assigned locations while simultaneously expanding its facility maintenance staff. These personnel and those they support in the field are far more familiar with the CCC's unique needs and capabilities, yet, the CCC is still

required to seek services and approvals from DGS. Such reliance on DGS can delay the CCC from securing services and/or facilities, and uniformly increases the cost of projects.

The CCC's efforts to update its existing facilities, and occupy new facilities, has been hampered by its obligation to rely on the DGS to approve and manage all design and construction projects, despite the CCC currently having sufficient resources, but not the authority, to oversee professional firms. The CCC has project management resources necessary to handle many of the services currently provided by DGS, and, in so doing, save the state money, be more responsive to the CCC's operational needs, and provide valuable training opportunities to its corpsmembers.

This bill would authorize the director to enter into any contracts for professional services, such as construction and design that is necessary for the maintenance, service, and improvement of real property used by the corps as a long-term base of program operations with our DGS approval, thus expediting the CCC's ability to start its own projects. The bill caps the value of those capital outlay projects at \$929,000 due to project cost thresholds set by the Department of Finance.

- 5) **State employment for corpsmembers.** The CCC provides critical job skills training to its corpsmembers that includes both formal (instructional) and informal (on-the-job) training. Corpsmembers routinely work closely with – and receive on-the-job training from – supervisors at agencies like CAL FIRE, U.S. Forest Service, Caltrans, State Parks, and the National Park Service. Additionally, supervisors at private companies oversee corpsmembers working on electrical, construction, and specialized CCC projects. The skills they earn from working on CCC projects transfer directly to a range of career pathways, including firefighting, trails, energy, construction, corps leadership, and more. The CCC also provides specialized job skills training in supply management, landscaping, automotive maintenance, or chain saw work. The CCC even has a culinary program that provides corpsmembers with a pathway to careers with commercial kitchens, catering companies, hotels, and restaurants.

Moreover, the CCC facilitates potential employment for corpsmembers with the state through the CalCareer portal, which provides corpsmembers access to civil service examinations, apply for vacancies at 150 departments, and to track application statuses and save their resumes all in one place.

This bill states Legislative intent to provide flexibility and opportunities for state agencies to hire current and former members of the corps; meet the employment needs of state agencies and members of the corps; and, assist state agencies in their progress towards a workforce reflective of the state's diverse population.

To achieve that, the bill would prioritize corpsmembers for state hiring priority if the corpsmember has completed a minimum of 850 hours of satisfactory service on activities eligible towards attainment of the CCC's "Brad Duncan Scholarship;" and, meets the minimum qualification standards stated in the vacancy announcement for the state agency position for which they are applying.

Currently, there is a similar program administered at the federal level for the Public Land Corps which serves a similar purpose to the corps. The Public Land Corps program provides the opportunity for young people between the ages of 16 and 30 years to work on conservation projects on public lands.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

Analysis Prepared by: Paige Brokaw / NAT. RES. /