



ENVIRONMENTAL QUALITY POLICY COMMITTEE

Friday, June 5, 2020

1:30 p.m. – 4:30 p.m.

To join the meeting, please register here:

<https://zoom.us/join/zoom/register/tJcrdOisqD0qGNHAasx3vVIVMAhHUGLVqsdX>

Once you register, you will immediately receive a link to join the meeting.

AGENDA

I. Welcome and Introductions

Speakers: Chair, Allan Bernstein, Mayor, City of Tustin

Vice Chair, Chris Rodgers, Councilmember, City of Santa Rosa

II. Public Comment

III. General Briefing

IV. Governor's May Revision Budget Update

Informational

Speaker: Derek Dolfie, Legislative Representative, League of California Cities

V. COVID-19 Update

Informational

Speaker: Derek Dolfie, Legislative Representative, League of California Cities

VI. Legislative Agenda (Attachment A)

Action

1. SB 45 (Allen) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020

Speaker: Senator Ben Allen (Confirmed - 2pm)

2. AB 3256 (E. Garcia) Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020

Speaker: Assembly Member Eduardo Garcia (Confirmed - 3pm)

VII. Legislator Perspective on Disaster and Community Resiliency

Informational

Speaker: Senator Henry Stern (Invited)

VIII. Legislative and Regulatory Update (Attachment B)

Informational

Speaker: Derek Dolfie, Legislative Representative, League of California Cities

Next Meeting (tent.): Annual Conference, Long Beach, October 7

Staff will notify committee members after August 17 if the policy committee will be meeting in October.

NOTE: Policy committee members should be aware that lunch is served at these meetings. The state's Fair Political Practices Commission takes the position that the value of the lunch should be reported on city officials' statement of economic interests form. Because of the service you provide at these meetings, the League takes the position that the value of the lunch should be reported as income (in return for your service to the committee) as opposed to a gift (note that this is not income for state or federal income tax purposes—just Political Reform Act reporting purposes). If you would prefer not to have to report the value of the lunches as income, we will let you know the amount so you may reimburse the League.

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:

1. Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (**Note:** If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or
2. A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.

A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

Informational Items: Any agenda item listed for information purposes may be acted upon by the Policy Committee if the Chair determines such action is warranted and conforms with current League policy. If the committee wishes to revise League policy or adopt new policy for an item listed as informational, committees are encouraged to delay action until the next meeting to allow for preparation of a full analysis of the item.

ENVIRONMENTAL QUALITY COMMITTEE
Legislative Agenda
June 2020

Staff: Derek Dolfie, Legislative Representative, (916) 658-8218
Caroline Cirrincione, Legislative Policy Analyst, (916) 658-8250

1. **SB 45 (Allen) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020** (As Amended 01/23/20)

Bill Summary:

SB 45 would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which would authorize the sale of \$5.51 billion in general obligation bonds, upon approval by voters at the November 3, 2020 statewide general election. Bond funds would be used for projects related to wildfire prevention, safe drinking water, drought preparation, and flood protection.

Bill Description:

Funding Breakdown by Chapter:

<u>Chapter</u>	<u>Allocation</u>
Ch. 2 Wildfire Prevention and Community Resilience from Climate Impacts	\$2,200,000,000
Ch. 3 Ensuring Safe Drinking Water and Protecting Water Supply and Water Quality from Climate Risks	\$1,470,000,000
Ch. 4 Protecting Fish and Wildlife From Climate Risks	\$620,000,000
Ch. 5 Protecting Agricultural Lands from Climate Risks	\$190,000,000
Ch. 6 Protecting Coastal Lands, Bays, and Oceans from Climate Risks	\$970,000,000
Ch. 7 Climate Resilience, Workforce Development, and Education	\$60,000,000
Total:	\$5,510,000,000

Ch. 2 Wildfire Prevention and Community Resilience from Climate Impacts – \$2,200,000,000

- *The goals in administering this funding is:*
 - The reduction in the risk of wildfire threat to lives, properties, and natural habitats.
- *Major allocations related to local government:*
 - \$175,000,000 available to the Office of Emergency Services for a pre-hazard mitigation grant program;
 - \$280,000,000 to the Natural Resources Agency for projects to reduce the risk of wildfire spreading into populated areas;
 - \$75,000,000 available to the Department of Forestry and Fire Protection to enhance California’s fire prevention, fuel management, and fire response:
 - Of this, \$20,000,000 will be available for grants to assist local agencies for equipment for wildland firefighting, fire prevention, and fuel management.

- \$300,000,000 to the Natural Resources Agency for the implementation of the Regional Fire and Forest Capacity Program;
- \$225,000,000 to the Natural Resources Agency for the protection of habitats to ensure the long-term ecological health of these natural systems; to reduce risk of extreme wildfires, floods, and other climate impacts; and to improve water supply and water quality, carbon sequestration, community access, and other public benefit;
 - Of this, \$50,000,000 will be allocated to incentivize new projects that convert forest and other vegetation waste removed for wildfire mitigation to beneficial uses.
- \$395,000,000 available for the reduction of climate impacts on disadvantaged communities and vulnerable populations;
- \$240,000,000 will be made available to the Strategic Growth Council to fund the development and implementation of regional and sub-regional climate metrics and strategies to improve the resilience of local communities to the impacts of climate change;
 - Of this, \$40,000,000 will be allocated through grants to local governments to develop or update general plans and zoning ordinances to facilitate timely investment in projects that address flood and fire resilience, sea level rise, climate adaptation, and environmental justice objectives.

Ch. 3 Ensuring Safe Drinking Water and Protecting Water Supply and Water Quality from Climate Risks – \$1,470,000,000

- *The goals in administering this funding is:*
 - Protecting California’s water supply and water quality.
- *Major allocations related to local government:*
 - \$190,000,000 for grants to provide safe drinking water, protect drinking water sources, and promote public health;
 - \$130,000,000 to the Department of Water Resources for competitive grants for projects that develop and implement groundwater plans and projects;
 - \$250,000,000 for the protection and restoration of rivers, lakes, and streams to improve climate resilience, water supplies, water quality, and other benefits;
 - \$240,000,000 available for the protection and restoration of urban streams and river parkways to improve climate resilience, water supplies, water quality, and other benefits;
 - \$140,000,000 for flood management projects that are components of multi-benefit flood management system improvements that reduce risks to public safety and provide improvement to wildlife habitat; and
 - \$80,000,000 available as matching grants to groundwater sustainability agencies for the purchase of monitoring equipment and construction of monitoring wells.

Ch. 4 Protecting Fish and Wildlife from Climate Risks – \$620,000,000

- *Major allocations related to local government:*
 - \$600,000,000 to the Wildlife Conservation Board for the protection of California’s fish and wildlife resources in response to changing climate conditions; and
 - \$20,000,000 to the Department of Fish and Wildlife to improve the climate resilience of fish and wildlife habitat.

Ch. 5 Protecting Agricultural Lands from Climate Risks – \$190,000,000

- *Major allocations related to local government:*
 - \$100,000,000 to the Department of Food and Agriculture to improve the climate resilience of agricultural lands and ecosystem health;
 - \$45,000,000 for grants to promote practices on farms and ranches that improve soil health, carbon sequestration, water quality, enhanced groundwater recharge and surface water supplies, and provide fish and wildlife habitat;
 - \$45,000,000 available for grants for multi-benefit projects that improve groundwater management, water quality, surface water use efficiency, drought and flood tolerance, on-farm water use efficiency, or water supply and water quality conditions for fish and wildlife; and
 - \$90,000,000 available to the Department of Conservation for the protection and restoration of farmland and rangelands that improve climate.

Ch. 6 Protecting Coastal Lands, Bays, and Oceans from Climate Risk – \$970,000,000

- *The goals in administering this funding is:*
 - The protection and restoration of coastal and ocean resources from the impacts of sea level rise, ocean acidification, and other impacts of climate change.
- *Major allocations related to local government:*
 - \$700,000,000 available for projects identified by the State Coastal Conservancy;
 - \$30,000,000 to restore and protect coastal habitat, dunes, wetlands, uplands, and estuary conditions, or forest habitat associated with estuarine and designated wildlife areas including coastal conservation aquaculture for native California marine plants and wildlife in designated areas; and
 - \$100,000,000 for the restoration of coastal land for public uses on surplus land for formerly fossil-fueled power plants.
 - \$50,000,000 will be deposited into the California Ocean Protection Trust Fund for grants to increase resilience from the impacts of climate change; and
 - \$100,000,000 to the State Coastal Conservancy for grants to remove or upgrade outdated or obsolete dams and water infrastructure.

Ch. 7 Climate Resilience, Workforce Development, and Education – \$60,000,000

- *The goals in administering this funding is to support:*
 - Climate resilience and natural disaster prevention and restoration projects and programs that promote workforce development, disaster volunteering and preparedness, education, and career pathway opportunities for careers in fire prevention and management, watershed and forest restoration, forestry, prescribed fire, forest and vegetation management, invasive plant management, park and open-space operations and management, fisheries management, nature-based recreation and tourism, sustainable forest products industries, sustainable agriculture, and disaster response and preparedness.

**Total:
\$5,510,000,000**

Background:**League Bond History:**

Proposition 68 (SB 5), California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018

SB 5 (De León) was a \$4 billion bond proposal which placed Proposition 68 on the ballot in 2018. Most notably, Proposition 68 provided local governments with critical funding for local park improvements. The League supported both SB 5 and the ballot measure because they included a component that provided per capita grants to cities and counties for local parks. The League also supported SB 5/Proposition 68's allocations for water-related needs such as maintenance and construction for water supply, sewer, storm water, flood control, and beach erosion.

Fiscal Impact:**State Debt Service:**

If this measure passes and the voters approved this bond, it would cost the State of California approximately \$8.99 billion including principal and interest costs (\$5.51 billion in principal and \$3.48 billion in interest), with average annual debt service payments of \$300 million (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 3.5 percent (the rate secured by the Treasurer for new 30-year bonds at the most recent sale).

According to the State Treasurers Office, as of October 2019, Moody's Investors Service raised the state's general obligation rating to 'Aa2' from 'Aa3,' citing the state's continued expansion of the economy. In August of 2019, Fitch ratings raised the state's general obligation rating to 'AA' from 'AA-.' Fitch announced the upgrade reflects the state's improved fiscal management better able to withstand economic and revenue cyclicity.

Additionally, as of July 2015, Standard & Poor's Ratings Services raised the State of California's general obligation rating to 'AA-' from 'A+,' citing improved fiscal sustainability in the state. While these ratings reflect the state's strong fiscal stability over the last several years, COVID-19 has dramatically altered the state's fiscal health. These considerations are being examined by the Department of Finance and Legislative Analyst's Office to better understand the breadth and depth of the current economic recession.

Existing League Policy:**2020 League Strategic Goal Number Four:**

Strengthen community and disaster preparedness, public safety, and resiliency. Improve community resiliency to disasters and environmental threats, and strengthen infrastructure stability and control, through expanding partnerships, including state and federal agencies, and securing additional resources and support for climate change adaptation, planning, preparedness, response, recovery, and sustainability in our cities.

Climate Change:

The League recognizes that climate change is both immediate and long term, with the potential for profound environmental, social and economic impacts to the planet and to California.

Water Quality:

The League supports efforts to provide safe and affordable drinking water across the state.

The League believes that there must be a genuine partnership between state and local agencies in addressing flood control issues.

Fish and Wildlife:

Protection, maintenance, and restoration of fish and wildlife habitat and resources and their beneficial uses including recreational and commercial uses, should be supported. Where feasible, enhancement of fish and wildlife habitats should be provided.

Flood Management:

The League believes that flood protection and management is a statewide issue, involving flood infrastructure issues related to levees, urban/suburban/ rural creeks, streams and rivers, and alluvial fans.

Natural Disaster Preparation:

The League supports additional funding for local agencies to recoup the costs associated with fire safety in the community and timely mutual aid reimbursement for disaster response services in other jurisdictions. The League also supports additional funding for local agencies to preposition “emergency response” personnel and equipment as well as coordinate notification systems with local and state agencies.

The League supports measures that provide resources for local governments to coordinate services to assist displaced residents and communities recover from wildfires, earthquakes and other natural disasters.

Support and Opposition (As of 01/28/20):

Support

- Agriculture & Land-Based Training Association
- Allstate
- American Rivers
- Arroyos & Foothills Conservancy
- Bear Yuba Land Trust
- California Association of Local Conservation Corps
- California Association of Professional Scientists
- California Association of Recreation & Park Districts
- California Coastkeeper Alliance
- California Council of Land Trusts
- California Farmer Justice Collaborative
- California Food & Farming Network
- California Habitat Conservation Planning Coalition
- California Invasive Plant Council
- California Outdoor Recreation Partnership
- California Park & Recreation Society
- California State Parks Foundation
- California Trout
- California Waterfowl Association
- Citizens for Los Angeles Wildlife
- City of Santa Monica
- Clean Water Action
- Climate Resolve
- Climateplan
- Committee on Clean Water, Natural Resources, & Parks
- Community Nature Connection
- County of Santa Clara
- Defenders of Wildlife
- Ducks Unlimited
- East Bay Regional Park District
- Eastern Sierra Land Trust
- Endangered Habitats League
- Environment California
- Escondido Creek Conservancy
- Friends of Harbors, Beaches & Parks
- Friends of Joshua Tree
- Friends of the LA River
- Hills for Everyone
- John Muir Land Trust
- Laguna Greenbelt, Inc.
- Local Government Commission
- Los Angeles Neighborhood Land Trust
- Madrone Audubon Society

- Mammoth Lakes Trails & Public Access Foundation
- Midpeninsula Regional Open Space District
- Mountains Recreation & Conservation Authority
- Ocean Conservancy
- Outdoor Afro
- Outdoor Industry Association
- Pacific Forest Trust
- Paula Lane Action Network, Sonoma County
- Peninsula Open Space Trust
- Pesticide Action Network North America
- Placer Land Trust
- Planning & Conservation League
- Rails to Trails Conservancy
- Santa Clara County Open Space Authority
- Santa Clara Valley Open Space Authority
- Santa Cruz County Flood Control & Water Conservation District
- Save The Bay
- Save the Redwoods League
- Sempervirens Fund
- Sierra Business Council
- Sierra Foothill Conservancy
- Sierra Nevada Alliance
- Sonoma County Agricultural Preservation & Open Space District
- Sonoma County Regional Parks
- Sonoma County Water Agency
- Surfrider Foundation
- Sustainable Conservation
- Tahoe City Public Utility District
- Tahoe Mountain Sports
- The Nature Conservancy
- The Trust for Public Land
- The Wilderness Society
- Truckee Donner Land Trust
- Watershed Conservation Authority
- Westfield State University
- Wildlands Conservancy
- Wildlife Corridor Working Group

Opposition

None on File.

Staff Comments:

In light of COVID-19, the May revision of the Governor's proposed budget eliminated the proposed \$1 billion climate catalyst fund and \$4.75 billion climate adaptation bond. With the onset of a COVID-19 recession, the ambitious "climate budget" the Governor proposed in January is all but gone. It is unclear to staff if the Governor has an appetite for a bond measure right now, given his withdrawal of his own bond measure in the May Budget Revision.

SB 45 would ensure continued state investment into critical projects that will address climate change, resiliency, and adaptation while also stimulating economic recovery, creating local green jobs within California communities.

Additionally, due to legislative deadlines to place measures on the November 2020 ballot, the deadline for the Legislature to pass a bond measure and have the Governor sign it is June 25. Thus the Legislature will need to move quickly to place this bond on the ballot. Having a firm position on the bond now will give staff the ability to engage in final discussions on the bond proposal.

Lastly, staff would like to remind the committee that action item before the committee is the policy vehicle – SB 45 – not the ballot measure. The League Board of Directors needs only a simple majority to support policy vehicles, such as SB 45, but requires a two-thirds vote to support a ballot measure. If SB 45 qualifies for the ballot, the League will have a separate process to take a position on the ballot measure.

Staff Recommendation:

League staff recommends the committee **support** SB 45 (Allen).

Committee Recommendation:

2. AB 3256 (E. Garcia) Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020 (As Amended 05/18/20)

Bill Summary:

This bill proposes a \$6.98 billion general obligation bond, which would be subject to voter approval in the November 3, 2020, statewide general election. This measure would provide state investments to improve climate resiliency, address current and future climate change impacts, and save state and local governments billions in preventing or reducing climate change related damage that would otherwise occur. AB 3256 seeks to invest in projects that will address wildfire prevention, protect coastal lands, bays, and oceans, reduce flood risk, provide safe drinking water, protect wildlife and biodiversity, and address climate resiliency at a regional level. Such investments will, in turn, stimulate economic recovery amid the COVID-19 pandemic, kick starting projects that will generate jobs statewide. This bond would be the state’s largest investment in adapting to the impacts of climate change.

Bill Description:

Funding Breakdown by Chapter:

<u>Chapter</u>	<u>Allocation</u>
Ch. 2 Wildfire Prevention and Climate Risk Reduction	\$1,625,000,000
Ch. 3 Protection of Coastal Lands, Bays, and Oceans from Seal Level Rise and other Climate Risks	\$1,100,000,000
Ch. 4 Protecting California’s Water Supply During Drought, Enhancing the State’s Flood Protection, and Ensuring Safe Drinking Water	\$1,355,000,000
Ch. 5 Protecting Fish, Wildlife, Natural Areas, Working Lands, and Agriculture from Climate Risks	\$1,300,000,000
Ch. 6 Strengthening California’s Regional Climate Resilience	\$1,600,000,000
Total:	\$6,980,000,000

Ch. 2 Wildfire Prevention and Climate Risk Reduction – \$1,625,000,000

- *The goals in administering this funding is:*
 - The creation of risk reduction buffer between communities and the wildland;
 - The creation of strong local fire safe planning and risk reduction work to improve community fire resiliency;
 - The improvement of forest and other habitat health to reduce the risk of fire, reduce fire intensity, and restore historic ecosystem function while improving water supply and water quality; and
 - The creation of cost-effective efforts to complete community and structure hardening projects that target entire neighborhoods or communities.
- *Major allocations related to local government:*
 - \$500,000,000 available to the Office of Emergency Services, in coordination and conjunction with the Department of Forestry and Fire Protection, for a pre-hazard mitigation grant program;

- The grant program will be allocated to assist local and state agencies to leverage additional funds, including matching grants from federal agencies;
- \$1,025,000,000 available to the Natural Resources Agency for projects and grants to improve local fire prevention capacity, improve forest health and resiliency, and reduce the risk of wildfire spreading into populated areas from wildlands;
- \$300,000,000 available to the Regional Fire and Forest Capacity Program to increase regional capacity to prioritize, develop, and implement projects that improve forest health and fire resilience, facilitate greenhouse gas emissions reductions, and increase carbon sequestration in forests throughout California;
- \$300,000,000 available to forests and other habitats for watershed improvement projects that include the use of prescribed fire and improve water supply or water quality; and
 - The Natural Resources Agency shall require a contribution of matching funds or in-kind work, as determined appropriate, from beneficiaries of the watershed, which may include, but not limited to, water districts, public utilities, local agencies, or private users.

Ch. 3 Protection of Coastal Lands, Bays, and Oceans from Sea Level Rise and other Climate Risks – \$1,100,000,000

- The goals in administering this funding is:
 - To provide funding for projects that slow the impacts of sea level rise, especially in combination with storm surges, with nature-based solutions;
 - Increase the ability of the ocean and coastal systems to capture and store carbon dioxide; and
 - Support sustainable fisheries.
- Major allocations related to local government:
 - \$600,000,000 available to the State Coastal Conservancy, the California Coastal Commission, and the San Francisco Bay Conservation and Development Commission. This money will be allocated as follows:
 - \$300,000,000 will be available to the State Coastal Conservancy for projects to protect, restore, and increase the resilience of beaches, bays, coastal dunes, wetlands, coastal forests, and coastal watershed resources;
 - \$150,000,000 will be available to the State Coastal Conservancy for competitive grants for demonstration and pilot projects that use natural infrastructure to protect critical infrastructure that is vulnerable to sea level rise and flooding;
 - \$100,000,000 will be available to the State Coastal Conservancy for grants to remove outdated or obsolete dams and water infrastructure;
 - \$30,000,000 available to the California Coastal Commission for grants for local adaptation planning and updating local coastal programs;
 - \$20,000,000 shall be available to the San Francisco Bay Conservation and Development Commission for coastal planning and projects within its jurisdiction;
 - \$200,000,000 available to the Ocean Protection Council as follows:
 - \$100,000,000 available for deposit into the California Ocean Protection Trust Fund for competitive grants;
- \$250,000,000 available to the Natural Resources Agency or the Ocean Protection Council for competitive grants to restore or enhance coastal and ocean ecosystems;

Ch. 4 Protecting California’s Water Supply during Drought, Enhancing the State’s Flood Protection, and Ensuring Safe Drinking Water – \$1,355,000,000

- *The goals in administering this funding is to:*
 - Ensure access to safe drinking water and water supply in multiyear droughts; and
 - Provide for protection from flood risks, especially risks that are magnified by sea level rise, storm surges, and increased intensity atmospheric rivers.
- Major allocations related to local government:
 - \$395,000,000 available to the Department of Water Resources in collaboration with the water board for competitive grants for projects that support sustainable groundwater management implementation;
 - \$360,000,000 to the water board for competitive grants or loans to help provide clean, safe, and reliable drinking water to all Californians;
 - \$400,000,000 available to the Natural Resources Agency for the protection and restoration of rivers, lakes, and streams to improve climate resilience, water supplies, water quality, and other benefits;
 - \$150,000,000 for flood management projects that are components of multiple benefit flood management system improvements that reduce risks to public safety and provide improvement to wildlife habitat; and
 - \$50,000,000 shall be allocated for multi-benefit flood management projects in urban coastal watersheds.

Ch. 5 Protecting Fish, Wildlife, Natural Areas, Working Lands, and Agriculture from Climate Risks – \$1,300,000,000

- *The goals in administering this funding is to:*
 - Restore natural lands to better maintain ecosystem benefits as climate conditions change;
 - Enhance fish and wildlife corridors and habitat linkages to enhance the ability of wildlife to adapt to changing climate conditions; and
 - Protect our farms, ranches, and working lands from changing climate conditions.
- *Major allocations related to local government:*
 - \$400,000,000 available to the Wildlife Conservation Board for the protection of California’s fish and wildlife resources in response to changing climate conditions, as well as for restoration and stewardship projects that restore or manage land or habitat to improve its resilience to climate impacts and natural disasters;
 - \$100,000,000 available to the Wildlife Conservation Board for groundwater sustainability projects that provide wildlife habitat;
 - \$100,000,000 available to the Department of Fish and Wildlife to improve the climate resilience of fish and wildlife habitat;
 - \$200,000,000 available, upon appropriation by the Legislature, for purposes of protecting California’s agricultural resources, open spaces, and lands from climate resilience;
 - \$150,000,000 to the Department of Food and Agriculture for improvements in climate resilience of agricultural lands and ecosystem health; and
 - \$50,000,000 available to the Department of Conservation for projects for the protection, restoration, and enhancement of farmland and rangeland, including, but not limited to, the acquisition of fee titles or easements, that improve climate resilience, open-space soil health, atmospheric carbon removal, soil carbon sequestration, erosion control, watershed restoration, conservation projects, water quality, water retention, and provide multiple benefits.

Ch. 6 Strengthening California's Regional Climate Resilience – \$1,600,000,000

- *This funding will be allocated for the purpose of strengthening California's climate resilience based on projects tailored to its unique regions.*
- \$1,300,000,000 will be available to the Strategic Growth Council:
 - This funding is to reduce the risk of climate impacts to communities, including, but not limited to, wildfire, sea level rise, and extreme heat events;
 - The goal of these funds is to encourage the development and implementation of multiple-benefit, cross-sector projects that respond to the region's greatest climate vulnerabilities;
 - At least 60 percent of funds shall be available to regional climate networks based on the percentage of the state's population included in the jurisdiction of the network's regional climate adaptation action plan, but not less than two million dollars (\$2,000,000) per network;
- *Major allocations related to local government:*
 - \$200,000,000 available to the Strategic Growth Council for a competitive grant program to reduce the urban heat island impact;
 - \$100,000,000 to the Department of Food and Agriculture for grants to fairgrounds operated by the network of California fairs for modifications or upgrades that:
 - Enhance the ability of those facilities to serve as multirole community, staging, and evacuation centers to provide community resilience benefits during a disaster, state of emergency, local emergency, or public safety power shutoff event; and
 - Deploy communications and broadband infrastructure at those facilities to improve their capability to serve as a multirole community, staging, and evacuation centers and enhance local telecommunications service.

Total:

\$6,980,000,000

Background:

League Bond History:

Proposition 68 (SB 5), California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018

SB 5 (De León) was a \$4 billion bond proposal which placed Proposition 68 on the ballot in 2018. Most notably, Proposition 68 provided local governments with critical funding for local park improvements. The League supported both SB 5 and the ballot measure because they included a component that provided per capita grants to cities and counties for local parks. The League also supported SB 5/Proposition 68's allocations for water-related needs such as maintenance and construction for water supply, sewer, storm water, flood control, and beach erosion.

Fiscal Impact:

State Debt Service:

If this measure passes, and the voters approved this bond, the total costs to the state remains unknown, but including principle and interest, it will well exceed the \$6.98 billion detailed in this measure.

According to the State Treasurers Office, as of October 2019, Moody's Investors Service raised the state's general obligation rating to 'Aa2' from 'Aa3,' citing the state's continued expansion of the economy. In August of 2019, Fitch ratings raised the state's general obligation rating to 'AA' from

'AA-.' Fitch announced the upgrade reflects the state's improved fiscal management better able to withstand economic and revenue cyclicalities.

Additionally, as of July 2015, Standard & Poor's Ratings Services raised the State of California's general obligation rating to 'AA-' from 'A+', citing improved fiscal sustainability in the state. While these ratings reflect the state's strong fiscal stability over the last several years, COVID-19 has dramatically altered the state's fiscal health. These considerations are being evaluated by the Department of Finance and Legislative Analyst's Office to better understand the breadth and depth of the current economic recession.

Existing League Policy:

Strategic Goal Number Four:

Strengthen community and disaster preparedness, public safety, and resiliency. Improve community resiliency to disasters and environmental threats, and strengthen infrastructure stability and control, through expanding partnerships, including state and federal agencies, and securing additional resources and support for climate change adaptation, planning, preparedness, response, recovery, and sustainability in our cities.

Climate Change:

The League recognizes that climate change is both immediate and long term, with the potential for profound environmental, social and economic impacts to the planet and to California.

Water Quality:

The League supports efforts to provide safe and affordable drinking water across the state.

The League believes that there must be a genuine partnership between state and local agencies in addressing flood control issues.

Fish and Wildlife:

Protection, maintenance, and restoration of fish and wildlife habitat and resources and their beneficial uses including recreational and commercial uses, should be supported. Where feasible, enhancement of fish and wildlife habitats should be provided.

Flood Management:

The League believes that flood protection and management is a statewide issue, involving flood infrastructure issues related to levees, urban/suburban/ rural creeks, streams and rivers, and alluvial fans.

Natural Disaster Preparation:

The League supports additional funding for local agencies to recoup the costs associated with fire safety in the community and timely mutual aid reimbursement for disaster response services in other jurisdictions. The League also supports additional funding for local agencies to preposition "emergency response" personnel and equipment as well as coordinate notification systems with local and state agencies.

The League supports measures that provide resources for local governments to coordinate services to assist displaced residents and communities recover from wildfires, earthquakes and other natural disasters.

Support and Opposition (As of 05/11/20):

Support

- American Forest Foundation
- Big Sur Land Trust
- Bioenergy Association of California
- Bolsa Chica Land Trust
- California Association of Resource Conservation Districts
- California Climate & Agriculture Network
- California Native Plant Society
- California Outdoor Recreation Partners
- California Park & Recreation Society
- California State Parks Foundation
- California Trout
- California Urban Forests Council
- Climate Resolve
- Corporation for Education Network Initiatives in California
- East Bay Regional Park District
- Mayor Eric Garcetti, City of Los Angeles
- Mojave Desert Land Trust
- North Coast Resource Partnership
- Peninsula Open Space Trust
- Professional Engineers in California Government
- Sacramento Area Flood Control Agency
- Salinas Valley Basin Groundwater Sustainability Agency
- Salton Sea Authority
- Santa Clara Valley Open Space Authority
- Save the Bay
- Sierra Business Council
- Silicon Valley Leadership Group
- Sonoma County Water Agency
- Sonoma Land Trust
- The Nature Conservancy
- Together Bay Area
- Trout Unlimited
- Watershed Conservation Authority

Opposition

None on File.

Staff Comments:

In light of COVID-19, the May revision of the Governor's proposed budget eliminated the proposed \$1 billion climate catalyst fund and \$4.75 billion climate adaptation bond. With the onset of a COVID-19 recession, the ambitious "climate budget" the Governor proposed in January is all but gone. It is unclear to staff if the Governor has an appetite for a bond measure right now, given his withdrawal of his own bond measure in the May Budget Revision.

AB 3256 would ensure continued state investment into critical projects that will address climate change, resiliency, and adaptation while also stimulating economic recovery, creating local green jobs within California communities.

Additionally, due to legislative deadlines to place measures on the November 2020 ballot, the deadline for the Legislature to pass a bond measure and have the Governor sign it is June 25. Thus the Legislature will need to move quickly to place this bond on the ballot. Having a firm position on the bond now will give staff the ability to engage in final discussions on the bond proposal.

Lastly, staff would like to remind the committee that action item before the committee is the policy vehicle – AB 3256 – not the ballot measure. The League Board of Directors needs only a simple majority to support policy vehicles, such as AB 3256, but requires a two-thirds vote to support a ballot measure. If AB 3256 qualifies for the ballot, the League will have a separate process to take a position on the ballot measure.

Staff Recommendation:

League staff recommends the committee **support** AB 3256 (E. Garcia).

Committee Recommendation:

**Environmental Quality Policy Committee
Legislative and Regulatory Update
June 2020**

Bills of Interest:

California Environmental Quality Act (CEQA):

SB 950 (Jackson) California Environmental Quality Act. Housing and Land Use.

This measure would make numerous changes to CEQA, including changes to tolling agreements, the CEQA initiative process, and what information is included in the “administrative record.”

League Position: Oppose Unless Amended

Climate Change:

AB 3256 (E. Garcia) Climate Risks. Bond Measure.

This measure is the vehicle for the Assembly’s climate resiliency bond measure. This measure would enact the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Bond Act of 2020. If approved by the voters, would authorize a \$6.980 billion bond for a wildfire prevention, safe drinking water, climate resilience, drought preparation, and flood protection program. The Legislature has until June 25 to place this bond measure on the November 2020 ballot.

League Position: Watch

SB 45 (Allen) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.

This measure is the vehicle for the Senate’s climate resiliency bond measure. This measure would authorize the issuance of \$5.51 billion in bonds for wildfire prevention, safe drinking water, drought preparation, and flood protection programs. The Legislature has until June 25 to place this bond measure on the November 2020 ballot.

League Position: Watch

Emergency/Disaster Preparedness and Response:

AB 2178 (Levine) Emergency Services.

This measure would amend the California Emergency Services Act to additionally include deenergization, defined as a planned public safety power shutoff, within those conditions constituting a state of emergency and a local emergency. Similar to SB 862 (Dodd).

League Position: Pending

SB 378 (Wiener) Electrical Corporations. Deenergization Events. Procedures. Allocation of Costs. Reports.

This measure would require electrical corporations, such as Pacific Gas and Electric; Southern California Edison; and San Diego Gas and Electric; to collect more data on their electrical corporation equipment and ensure that costs accrued by local governments and customers during a utility-initiated power shutoff are recovered in a timely manner. This measure also establishes a civil penalty imposed on electrical corporations during a de-energization event as determined by the California Public Utilities Commission (CPUC). Electrical corporations must also notify cities and counties as early as possible of any utility-initiated power shutoff, and provide all specific local information.

League Position: Support

SB 862 (Dodd) Planned Power Outage. Public Safety.

This measure would do the following:

- Amend the California Emergency Services Act to additionally include a deenergization event within a sudden and severe energy shortage constituting a state of emergency and a local emergency;
- Require an electrical corporation, as a part of its wildfire mitigation plan, to include protocols that deal specifically with access and functional need individuals, including those individuals who are enrolled in the California Alternative Rates for Energy program;
- Require an electrical corporation to coordinate with local governments in its service territory to identify sites within those jurisdictions where community resource centers can be established and operated during a deenergization event and the level of services that will be available at those centers;
- Require the electrical corporation to perform additional duties in coordination with local governments, including performing any necessary electrical upgrades to ensure that a mobile backup generator can be located at, and provide the necessary electricity for, the community resource center during a deenergization event; and is similar to AB 2178 (Levine).

League Position: Pending

SB 1099 (Dodd) Emergency Backup Generators. Critical Facilities. Exemption.

This measure would allow critical facilities to continue to operate existing emergency backup generators during utility-initiated power shutoffs, or other losses of power, without being out of compliance or subject to penalties from local air districts. This bill has current amendments pending that alter the nature of the bill. League staff will review these amendments once they are in print and reevaluate our position.

League Position: Watch

Energy and Utilities:

SB 1215 (Stern) Mircogrids.

This measure would make a number of changes to who can build and operate a mircogrid. Additionally, this bill would direct Cal OES to develop a database of critical infrastructure to determine if they are in high fire threat areas.

League Position: Watch

SB 1312 (McGuire) Electrical Corporations. Deenergization.

This measure would create a framework to shorten and decrease utility initiated power shutoff events and to ultimately reduce their use. This measure also requires Investor Owned Utilities (IOUs) to take both short and long-term steps to harden their infrastructure and reduce the impacts of PSPS events on Californians. In doing so, it requires IOUs to prioritize public health and safety as well as uphold the belief that Californians today should have the right to reliable electrical service.

League Position: Support