

Date of Hearing: August 31, 2017

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE
Eduardo Garcia, Chair
SB 5 (De León) – As Amended July 18, 2017

SENATE VOTE: 31-9

SUBJECT: California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018

SUMMARY: This bill proposes the Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act (Act) of 2018, subject to voter approval in the November 2018 election. The bill proposes the issuance of \$3.832 billion in general obligation bonds to implement its provisions. Specifically, **this bill:**

- 1) Contains numerous findings recognizing the importance of California's parks and the corresponding lack of access to those parks by many, especially, those in urban and disadvantaged communities. Demand for local parks has exceeded available funding by a ratio of 8:1.
- 2) Recognizes, through a series of findings, the importance of parks economically and in improving public health.
- 3) Recognizes, through a series of findings, the importance of innovative partnerships and outreach to diverse populations.
- 4) Contains multiple definitions including those of disadvantaged and severely disadvantaged communities.
- 5) Authorizes up to 10% funding for planning and monitoring necessary for the successful application of a grant.
- 6) Requires, throughout most of the proposed bond, that at least 20% of the funds available to each chapter be allocated for projects serving severely disadvantaged communities.
- 7) Provides that up to 10% of the funds in each chapter may be allocated for technical assistance to disadvantaged communities.
- 8) Allows up to 5% of the funds in each chapter may be used for community access projects that include transportation, multilingual translation, workforce development, communication, and other activities.
- 9) Requires each state agency that disburses grants to develop, through a public process, guidelines, monitoring, and reporting requirements.
- 10) Requires auditing by the Department of Finance.

- 11) Creates a preference for grants that use the services of the California Conservation Corps or local conservation corps or other nonprofit entities that provide job training to veterans, foster care recipients, farmworkers, and others.
- 12) Prohibits the use of grant funds to fulfill any mitigation requirements imposed by law.
- 13) Imposes reporting requirements on state agencies that disburse funds.
- 14) Provides for 25% advance payments to recipients who serve a disadvantaged community under specified conditions.
- 15) Prioritizes grant funding, to the extent practicable, to prevent unintended increases in the cost of housing due to investments from this act.

Pursuant to Chapter 2 of the bill:

- 16) Provides that \$800,000,000 is available for the creation and expansion of safe neighborhood parks in park-poor neighborhoods in accordance with the Statewide Park Development and Community Revitalization Act of 2008's competitive grant program. (AB 31 [De leon], Chapter 623, Statutes of 2008).
- 17) Provides not less than 20% of these funds are for improvements at existing parks that will lead to increased visitor usage and enhanced user experiences.
- 18) Provides \$48 million for underserved park communities in the central valley, Inland Empire, gateway, and desert communities.

Pursuant to Chapter 3:

- 19) Provides \$200 million for per capita grants to local governments for local park rehabilitation and improvement grants.
- 20) Provides for \$15 million grants to cities and districts in urbanized counties.
- 21) Provides for \$20 million in grants to regional park districts and counties.
- 22) Provides for \$5 million for projects in units of the state parks system that are managed by nonprofits, and that not less than half that sum shall be available to nonprofits that operate a unit in the Inland Empire State Park Program.
- 23) Provides for \$40 million in grants to local jurisdictions whose voters have passed local measures improving local or regional park infrastructure. The money is to be awarded proportionally based on population, with a minimum of \$250,000 per grant.

Pursuant to Chapter 4:

- 24) Authorizes \$205 million for restoration and preservation of existing state park facilities. Of these funds, \$10 million shall be available for enterprise projects that generate revenue, and

\$5 million shall be available for grants to local agencies that operate a unit of the state parks system to address urgent restoration needs.

- 25) Provides \$50 million for lower cost coastal accommodation grants to public agencies and nonprofit organizations.
- 26) Provides \$5 million to the Division of Fairs and Expositions within the Department of Food and Agriculture for improvements to county fairgrounds.

Pursuant to Chapter 5:

- 27) Provides for \$30 million to the California Natural Resources Agency for trails and greenways investments.
- 28) Provides up to 25% pursuant to this chapter, for innovative transportation programs that provide new and expanded access to outdoor experiences to disadvantaged youth.

Pursuant to Chapter 6:

- 29) Provides for \$20 million for competitive grants to rural areas.

Pursuant to Chapter 7:

- 30) Provides for \$142 million for grants for the California River Parkway Act. Of these funds, \$50 million is available to the Santa Monica Mountains Conservancy, \$25 million is available to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, \$3 million is available to the Santa Ana River Program of the Coastal Conservancy, \$20 million is available for the Lower American River Program at the Wildlife Conservation Board, \$3 million is available to the Guadalupe River (upon enactment of subsequent legislation), \$3 million is available to the Russian River (upon enactment of subsequent legislation), and the remainder is available to other rivers.

Pursuant to Chapter 8:

- 31) Provides \$402,000,000 to the state conservancies, the Wildlife Conservation Board, and the Salton Sea Authority, as follows:
 - a) \$30 million to the Salton Sea Authority for capital projects to provide habitat and air quality benefits, with a minimum of \$10 million for New River-related projects.
 - b) \$3 million for Baldwin Hills Conservancy.
 - c) \$27 million for California Tahoe Conservancy.
 - d) \$7 million for Coachella Valley Mountains Conservancy.
 - e) \$12 million for Sacramento-San Joaquin Delta Conservancy.
 - f) \$12 million for San Diego River Conservancy.
 - g) \$30 million for San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

- h) \$30 million for Santa Monica Mountains Conservancy.
- i) \$6 million for San Joaquin River Conservancy.
- j) \$30 million for Sierra Nevada Conservancy.
- k) \$50 million to the State Coastal Conservancy for the San Francisco Bay Restoration Authority Act.
- l) \$165 million to Wildlife Conservation Board, with \$55 million of this for natural community conservation plans, or regional conservation investment strategies; and up to \$25 million for the UC Natural Reserve System.

Pursuant to Chapter 9:

- 32) Provides \$150 million for ocean, bay, and coastal protection with \$40 million for the Ocean Protection Council, \$60 million for Coastal Conservancy, and \$50 million for lower cost coastal accommodations. Of the \$60 million for the conservancy, 30% is available for the San Francisco Bay Area Conservancy Program.

Pursuant to Chapter 10:

- 33) Provides \$503 million for various climate adaptation and resiliency projects.
- 34) Provides \$223 million to the Wildlife Conservation Board for wildlife corridors, habitat protection for endangered species, habitat connectivity, and public access or trails.
- 35) Provides that not less than \$30 million of these funds is available for habitat along the Pacific Flyway.
- 36) Provides that not less than \$35 million of these funds is available for stream restoration to benefit fisheries and wildlife.
- 37) Provides that \$100 million shall be available to improve wildlife and fish passage, with \$30 million available to the State Coastal Conservancy for restoration of southern California steelhead habitat.
- 38) Provides that not less than \$50 million shall be available for upper water projects in the Sierra Nevada that improve water retention and supply.
- 39) Provides not less than \$80 million to assist coastal communities with climate change adaptation.
- 40) Provides that 30% of this funding shall be available to the San Francisco Bay Area Conservancy Program.
- 41) Provides that 12% of this funding shall be available to the State Coastal Conservancy for a program at West Coyote Hills, provided subsequent legislation is enacted.

- 42) Provides \$40 million for climate projects on farms and ranches to sequester carbon, improve habitat, reduce development pressures, increase water retention and absorption, among other activities.
- 43) Provides \$15 million for the Department of Food and Agriculture for grants to promote farm practices that increase carbon soil sequestration and other activities.
- 44) Provides \$25 million for grants by the Department of Conservation for easements on working lands.
- 45) Provides \$50 million to the California Department of Forestry and Fire Protection (CalFIRE) for carbon projects on forestlands, including projects that reduce fire risk. Of this, 30% of the funds are available for the urban forestry program, with a provision that the program expand into previously underserved communities to achieve geographic balance. Of this amount, 50% shall be allocated directly to the Sierra Nevada Conservancy to administer projects within its jurisdiction.
- 46) Provides \$40 million to the California Conservation Corps for projects to rehabilitate state and local parks, restore watersheds, reduce fuel loading in watersheds and other activities. Provides that half these funds go to similar programs of certified local community conservation corps.
- 47) Provides \$70 million to the California Natural Resources Agency for grants to local governments, tribes, and nonprofits, for a number of activities related to recognition of natural, cultural, and historic sites in the state and to provide wildlife dependent recreational opportunities.

Pursuant to Chapter 11:

- 48) Provides that \$550 million is available for clean drinking water and drought programs, based on allocation of \$175 million to each of four programs approved by the voters in Proposition 1:
 - a) Safe Drinking Water, including access to clean water and reductions of contamination.
 - b) Integrated Regional Water Planning.
 - c) Water Recycling.
 - d) Groundwater Cleanup, Storage, and Contamination Prevention.

Pursuant to Chapter 11.5:

- 49) Provides that \$750 million shall be available for flood protection and repair. Of these funds, \$250 million shall be available for flood protection, levee improvements and other projects. A local match is required.
- 50) Provides \$100 million for levee repairs and restoration in the Sacramento-San Joaquin Delta.

- 51) Provides \$350 million for prevention of damages from stormwater, mudslides, and flash floods including \$250 million to the California Natural Resources Agency for competitive, multi-benefit projects in urbanized areas.
- 52) Provides \$50 million to the Department of Water Resources, in coordination with the Wildlife Conservation Board and Central Valley Flood Protection Board, for multi-benefit flood projects.
- 53) Prohibits the use of these funds for design, construction, or maintenance of Delta conveyance facilities.

Pursuant to Chapters 12 and 13:

- 54) Provides for a transfer of \$10 million (General Fund) annually to the Department of Parks and Recreation (DPR) for the term of the bond, including the life of the principle and interest payment periods, for the operation and maintenance of projects funded by this Act.
- 55) Provides for advance payment under specified conditions for grants that have been awarded for integrated regional water management plans.
- 56) Contains general fiscal provisions that govern the sale of general obligation bonds.

EXISTING LAW:

- 1) Creates the Department of Parks and Recreation which operates the state park system and provides grants to local and regional entities that operate local parks.
- 2) Authorizes, pursuant to Section One of Article XVI of the California Constitution and the state's General Obligation Bond Law, the issuance of general obligation bonds. The Constitution allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. Voters also can place bonds on the ballot by initiative.
- 3) Creates the California Natural Resources Agency (with multiple departments, boards, and commissions) including the Wildlife Conservation Board, nine state conservancies, the Salton Sea Authority, the Ocean Protection Council, and others.
- 4) Provides funding, through previous propositions, for multiple flood, parks, water conservation, water supply and storage investment programs, including:
 - a) The California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40), a legislative ballot measure approved by the voters in 2002, authorized \$2.6 billion in bond expenditures for parks and other resource-related purposes.
 - b) The Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12), a legislative ballot measure approved by the voters in 2000, authorized expenditures of \$2.1 billion for parks and other resource-related purposes.

- c) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 (Proposition 84), an initiative measure approved by the voters in 2006, authorized bond expenditures of \$5.4 billion, of which approximately \$875 million was for parks.
- 5) Authorizes general obligation bonds which the state pays out of general revenues and that are guaranteed by the state's full faith and credit.

FISCAL EFFECT: Unknown

COMMENTS:

Background: Park and water bonds have been a primary source of state funding for the acquisition and improvement of parks, open space, and wildlife areas in California; and for many water conservation, water recycling, flood management, and water supply needs. Past bond acts have funded a variety of state, regional, and local parks, recreation, conservation, and water-related projects. Bond acts have included funding for support of California's 280-unit state park system, for local and regional parks, for projects to provide public access to the coast and other public lands, and to fund wildlife habitat conservation needs. Bonds have also provided funding for state conservancies and for river restoration projects.

Prior Bond Act History. Since 2000, California voters have approved three park bonds. The last legislatively crafted park bond was Proposition 40, which was approved by the voters fourteen years ago in 2002. The six park and/or water-related bonds approved by the voters since 2000 are:

- 1) Proposition 12 (2000-Legislative) Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Act. Total \$2.1 billion, including \$780 million for local, regional parks primarily through block grants, and \$400 million for state parks deferred maintenance and acquisition.
- 2) Proposition 13 (2000-Legislative) Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act. Total \$1.97 billion. Proposition 13 was primarily a water bond.
- 3) Proposition 40 (2002-Legislative) California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act. Total \$2.6 billion, including \$964 million for local, regional parks through both block grants and competitive grant awards, and \$250 million for state parks deferred maintenance and acquisition.
- 4) Proposition 50 (2002-Initiative) Water Quality, Supply, and Safe Drinking Water Projects Act. Total of \$3.4 billion. Proposition 50 was primarily a water bond.
- 5) Proposition 84 (2006-Initiative) Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act. Total of \$5.4 billion, including \$457 million for safe neighborhood parks in park-poor and disadvantaged communities and nature centers, and \$400 million for state parks deferred maintenance and acquisition.

Proposition 84 was primarily a water and flood control bond, but also included funding for watershed and ecosystem restoration, and for habitat conservation.

- 6) Proposition 1 (2014-Legislative) Water Quality, Supply, and Infrastructure Improvement Act. Total of \$7.12 billion. Proposition 1 was primarily a water bond but also included funding for watersheds and ecosystem restoration. Issues for Consideration—Related Legislation.

Assessing Unmet Needs for Park and Natural Resource Investments. To measure the national need for public outdoor recreation facilities and parkland acquisitions at the state and local level, the National Park Service annually, as part of the Land and Water Conservation Fund program, requests each state partner to estimate the total cost of desired outdoor recreation facility development and parklands acquisition projects that cannot be met with available levels of funding. The 2012 report found there was a \$3.6 billion total in unmet needs for state and local parks in California in 2011, and \$4.9 billion in 2012. These include:

- 1) **State Parks.** The DPR has estimated the state's backlog of deferred maintenance at state parks alone is over \$1.2 billion.
- 2) **Local and Regional Parks.** The California Park & Recreation Society conducted a survey of local and regional park districts to assess unmet need. Forty-five out of 500 agencies responded to the survey (a 15% to 20% sampling) and estimated a total unmet need of \$1.8 billion for local parks.
- 3) **Park-Poor and Disadvantaged Communities.** The DPR awarded \$360 million in competitive grants for safe neighborhood parks in park-poor communities through Proposition 84 and the AB 31 (De León) Statewide Park Program. The DPR reported that they received applications for over \$3 billion in funds for the program.
- 4) **Rural Communities.** While many park-poor communities are located in heavily populated urban areas, many rural communities also are park-poor and economically disadvantaged. As an example, the DPR in 2009 released a report called the Central Valley Vision, which assessed unmet park and recreation needs in the Central Valley. The report found that compared to other California regions, the Central Valley lacks parks for residents and visitors. Major trends, including population growth projected for the region, pointed to the need for significant investment in improving park and recreation access. Projected costs to implement the Central Valley Vision plan were \$272 million over 20 years.

Related Legislation: AB 18, introduced by Assemblyman Eduardo Garcia, provides \$3.77 billion for parks and open space. The focus and intent of much of the bond is to provide direct investment to bring parks and open space to all communities in the state, from the rural north to the desert east to coastal communities and to the urban south. No part of the state is lost in this bond and the focus is on bringing parks and open space to communities, many of which are park-poor and do not have the funding necessary to make needed improvements.

AB 18 differs from SB 5 in that it focuses entirely on parks and open space rather than further investments in water and flood. As discussed above, as recently as 2014, a water bond was

passed that provided over \$7 billion for water-related investments. Much of this funding has not been expended.

Issues for Consideration. There are several issues to consider regarding SB 5:

- 1) **How well will rural, tribal, and other communities compete for funding under this bond?** In AB 18, communities not included in other pots have access to a per-capita funding pot totaling \$425 million. This ensures that no community, whether defined as disadvantaged or not, is left behind. SB 5 proposes \$200 million for this purpose.
- 2) **How well does this bond do at funding the state's Salton Sea obligations?** Recently, the California Resources Agency determined that the 10-year capital investment to support the state's obligations under the 2003 Quantification Settlement Agreement is in the range of \$280 to \$400. The state has invested less than \$100 million to date.
- 3) **What is the highest priority for the bond?** As discussed, the most recent water bond passed in 2014, and much of this funding has not been expended. In addition, several bills are being considered in this session related to water conservation, water recycling, and cleanup of polluted water in rural areas. When considering a water bond, should any one of these policies come to fruition, the content of a water bond might be amended to assist with the implementation of any number of policy goals. In addition, certain water programs, such as the Integrated Regional Water Management program, still have funding from previous bonds, and are in the first round of multiple expenditures. It may be possible to hold off on additional funding at this time.
- 4) **In regional watersheds and conservancies, how is equity addressed?** For example in SB 5, nearly double the funding is allocated to the upper Los Angeles River. According to the Senate Natural Resources Committee analysis of SB 5, "...funding for the Los Angeles River would be determined later. This is a decision that will be made by leadership in both houses."

Supporting Arguments: According to the Senate Natural Resources Committee, in a previous version of the bond (but conceptually similar):

There are three major reasons that underscore the importance of this proposed bond. First, voters have not approved a statewide general obligation bond for parks. Since then, the state park system has been significantly reformed although the backlog of deferred maintenance and the need to expand access and equity to disadvantaged communities is still largely unresolved. This bond has its largest funding category in providing park access to all communities in California. Funds for this program are currently inadequate to meet the need. There was an 8:1 ratio of grant application requests compared to available grant dollars awarded under the Statewide Park Development and Community Revitalization Act of 2008 (AB 31 Program).

At least 38% of the state's population lives in areas with less than 3 acres of parkland per 1,000 persons, which is a recognized standard for adequate parks. About 9 million Californians do not have a park within half mile of their home.

This bond focuses on the continuing need to increase park access to residents in underserved communities, creating new trails and greenways to provide active transportation corridors for commuting, and expanding transportation opportunities to larger parks.

The bond also would provide funding to many of the other needs that the public and nonprofit organizations have identified as needs at the local, regional, and state level that face significant funding shortages and could be very useful in helping with any number of festering resource issues including climate change.

These goals are consistent with the findings of the Parks Forward Commission which highlighted the need to prioritize protection of natural and cultural resources for future generations, expand access to parks for underserved communities and younger generations, and to address state park deferred maintenance.

Second, the proposed allocations for water and flood reflect the urgent need to continue California's commitment to provide clean drinking water to all communities in the state, as well as to continue to focus resources on groundwater cleanup and stormwater management. These programs will contribute greatly to creating space below ground for future storage projects as well as continuing the progress California is making in collecting and re-using stormwater.

Third, and fresh in the minds of everyone who has been paying attention, California's flood and dam infrastructure needs significant assistance. While repairs to the damaged spillway at Lake Oroville are funded by the state water contractors, the recent rains highlighted the needs to enhance levees particularly around urban areas, in the Delta, and to continue the state's work to build setback levees which give rivers more space during heavy flows.

Opposing Arguments: Opponents argue that this bond increases the state debt obligations and that other local taxes, including a Los Angeles parcel tax, have been passed to pay for some of the bond categories.

Committee Amendments: As discussed above, there are areas of this bond that may be adjusted as we move forward and as discussions continue on the respective bonds. Full reconciliation with AB 18 may not be possible but addressing the state's mandates and communities statewide should be priorities as we move forward.

The committee suggests the following amendments:

1. Amendment 1: Increase Salton Sea Funding in Chapter 8 from \$30 million to \$280 million to fully fund this state obligation.
2. Amendment 2: Increase per capita funding in Chapter 3 from \$200 million to \$240 million.

3. Amendment 3: Decrease Chapter 11, Integrated Regional Water Management Program by \$125 million.
 - Technical and conforming amendments to reconcile these changes to the total amounts in the bond.

REGISTERED SUPPORT / OPPOSITION:

Support

7th Generation Advisors
American River Natural History Association
Association of Professional Landscape Designers
Azul
Bay Area Ridge Trail Council
Big Sur Land Trust
Bike San Gabriel Valley
Bolsa Chica Land Trust
California Association of Local Conservation Corps
California Association of Recreation and Park Districts (CARPD)
California Association of Resource Conservation Districts
California Bicycle Coalition
California Climate and Agriculture Network
California Greenworks
California League of Conservation Voters
California Park & Recreation Society (CPRS)
California ReLeaf
California Tahoe Alliance
California Trout
California Walks
California Waterfowl
Carbon Cycle Institute
Citizen Film
City and County of San Francisco
City of Chino
City of Davis
City of Poway
City of Santa Monica
Climate Resolve
Community Conservation Solutions
Community Nature Connection
Conservation Corp of Long Beach
East Bay Regional Park District
Environmental Defense Center
Environmental Defense Fund
Environmental Working Group
Friends of Los Angeles River

Grasslands Water District
Heal the Bay
Hills for Everyone
Humane Society
Kounkuey Design Initiative
Laguna Greenbelt Inc.
Land Trust of Santa Cruz County
Livermore Area Recreation and Park District
Los Angeles Neighborhood Initiative
Lutheran Office of Public Policy
Midpeninsula Regional Open Space District
Mojave Desert Land Trust
Mono Lake Committee
Mountains Restoration Trust
Move LA
Napa County Regional Park and Open Space District
National Parks Conservation Association
Natural Resources Defense Council
Nature Conservancy, The
Ocean Conservancy
Open Space Authority Santa Clara Valley
Orange County Water District
Pacoima Beautiful
Palos Verdes Peninsula Conservancy
Park and Recreation Commission, City of Corona
Peninsula Open Space Trust
Pesticide Action Network
Planning and Conservation League
Pogo Park
Policy Link
Public Health Advocates
River LA
Sacramento County Board of Supervisors (as amended 5/26/17)
San Diego Humane Society
San Francisco Parks Alliance
San Francisco Recreation and Park District
San Francisco Recreation and Parks
Santa Clara County Parks
Santa Clara Valley Open Space Authority
Save the Bay
Save the Redwoods League
Sonoma County Agricultural Preservation and Open Space District
Sonoma County Regional Parks
State Park Partners Coalition (SPPC)
Surfrider Foundation
Town of Moraga Parks and Recreation Department (June 28, 2017)
Transform

Trust for Public Land, The
Wholly H2O
Wishtoyo Chumash Foundation
Individual (1)

Opposition

Valley Industry and Commerce Association

Analysis Prepared by: Catherine Freeman / W., P., & W. / (916) 319-2096