

File No.: 17-0181

Agenda Date: 3/28/2017

Item No.: *7.1.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT:

Recommended Position on State Legislation: *AB 18 (Garcia) California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018, SB 3 (Beall) Affordable Housing Bond Act of 2018, *SB 5 (De Leon) California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018, SB 231 (Hertzberg) Local Government: Storm Water Management and other legislation which may require urgent consideration for a position by the Board.

REASON FOR SUPPLEMENTAL MEMORANDUM:

This report conveys additional information received after the initial report was released, consistent with Executive Limitations Policy EL-7-10-5.

RECOMMENDATION:

- A. *Adopt a position of "Support if Amend" on: AB 18 (Garcia) California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018.
- B. Adopt a position of "Support" on: SB 3 (Beall) Affordable Housing Bond Act of 2018.
- C. *Adopt a position of "Support if Amend" on: SB 5 (De Leon) California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018.
- D. Adopt a position of "Support" on: SB 231 (Hertzberg) Local Government: Storm Water Management.

SUMMARY:

***AB 18 (E. Garcia) California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018 (A-2/23/17)**

Position Recommendation: Support if Amended

Priority Recommendation: 1

AB 18 (E. Garcia) is a \$3 billion water and parks bond, which if passed by a two-thirds vote of the Legislature, will be placed on the June 2018 statewide ballot. This measure would authorize bond expenditures across 9 funding categories as follows:

(1) \$900 million for investments in environmental and social equity;

(2) \$525 million for investments in protecting, enhancing, and accessing California's local and regional outdoor spaces (for which \$110 million is for competitive grants to regional park districts, counties, and special districts for regional trails, regional sports complexes, low-cost accommodations in park facilities, and interpretative facilities that serve youth and communities of color);

(3) \$330 million for restoration and preservation of existing state park facilities and units, to preserve and increase public access, and to protect natural, cultural and historic resources in the parks;

(4) \$45 million for competitive grants to local agencies, conservancies, tribes, and nonprofit organizations for non-motorized access to parks, waterways, and other natural environments;

(5) \$40 million for competitive grants to cities, counties and districts in non-urbanized areas for rural recreation, tourism, and economic enrichment investment;

(6) \$70 million for rivers and creeks including \$5 million for the Guadalupe River and its headwaters or contributing tributaries, including Los Gatos Creek, as well as an addition \$165 million for appropriation by the Legislature;

(7) \$145 million for state conservancies enumerated in Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, including \$25 million to the State Coastal Conservancy;

(8) \$180 million for ocean, bay, and coastal protection, including \$40 million for the San Francisco Bay Area Conservancy Program and an additional \$95 million to the State Coastal Conservancy; and

(9) \$600 million for climate adaptation and resiliency projects that improve a community's ability to adapt to climate change.

It has been 15 years since California last approved a bond dedicated to parks and park lands. Since 2000, the state has enacted three bond acts for the development and enhancement of state and local parks and recreational facilities:

- Proposition 12 in 2000, totaling \$2.1 billion, included \$780 million for local, regional parks, primarily through block grant awards, and \$400 million for state parks to address deferred maintenance and acquisition priorities.
- Proposition 40 in 2002, totaling \$2.4 billion, included \$946 million for local, regional parks through both block grants and competitive grant awards, and \$250 million for State Parks to address deferred maintenance and acquisition priorities.
- Proposition 84 in 2006, totaling \$5.4 billion, which primarily was a water and flood control bond, but which included \$457 million for funding park-poor disadvantaged communities and nature center investments, and \$400 million for state parks to address deferred maintenance and acquisition priorities.

Importance to the District

AB 18 (E. Garcia) is a \$3 billion parks and water bond, which provides substantial funding toward land conservation, parks and trails, and habitat resiliency programs. Presently, the legislation authorizes \$5 million in bond funding river recreation and restoration along the Guadalupe River and its headwaters or contributing tributaries, including Los Gatos Creek, which would serve to protect valuable habitat, species, and water quality within those

watersheds.

During the 2016 legislative session, the District adopted a “Support if Amended” position on AB 2444 (E. Garcia) and requested amendments allocating \$25 million to the Los Gatos Creek and Upper Guadalupe Watersheds and \$30 million to establish a Guadalupe River Conservancy. The bill was amended to include \$10 million in bond expenditures only for the Guadalupe River watersheds. We also requested language that would identify disadvantaged communities based on regional median income instead of the statewide median. While initially these amendments were accepted, later they were dropped from the final version of AB 2444, and are absent in AB 18 due to the author prioritizing disadvantaged communities in the Central Valley.

AB 18 and SB 5 are very similar, except that SB 5 includes \$1 billion in supplemental funding for water related programs established by Proposition 1 and includes \$500 million for flood protection. It is expected that these two measures will be merged later in the legislative process.

If the District partners with regional open space or conservation agencies to purchase lands within local watersheds, it is possible AB 18 funded programs could benefit the District. For example, the District could seek mitigation credits for listed species and habitat found within lands procured with AB 18 funds, which could help advance District projects.

Staff recommends that the Board adopt a position of “Support if Amended” on AB 18.

Amendments Recommended

- Increase the authorization of \$5 million for the Guadalupe River watershed to \$10 million, which is the negotiated amount included in the final version of AB 2444 (E. Garcia, 2016).
- Seek supplemental funding for Proposition 1 grant programs comparable to the funding included in SB 5 (De León).
- Seek funding for flood protection comparable to the February 23, 2017 amendments to SB 5 (De León) with aim to qualify project funding for Coyote Creek.
- Seek funding for the state Flood Control Subventions Program.
- Seek funding for the retrofitting or reconstruction of dams to which the California Department of Water Resources Division of Dam Safety has assigned a seismic restriction limiting storage capacity.

Pros

- Authorizes \$5 million in bond expenditures for the Guadalupe River watershed in Santa Clara County.
- Provides needed investment in parks, recreation facilities, and protection of California's natural and historical resources.

Cons

- This legislation does not authorize bond expenditures for projects under Proposition 1 (2014), such as, recycled water, groundwater, water quality, and integrated watershed funding.
- This legislation does not include funding for flood protection included in the February 23, 2017 version of SB 5 (De León).

***SB 5 (De León) California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018 (A-3/15/17)**

Position Recommendation: Support if Amended

Priority Recommendation: 1

SB 5 (De León) is a \$3 billion water and parks bond, which if passed by a two-thirds vote of the Legislature, will be placed on the June 2018 statewide ballot. This bill authorizes \$500 million in bond expenditures for flood protection. Additionally, it allocates \$1 billion to supplement water related programs established by Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. This bond proposal also would authorize \$1.5 billion in funding for parks.

SB 5 authorizes \$500 million in bond expenditures for flood protection, specifically \$300 million for flood protection, \$100 million for levee repairs and restoration in the Sacramento-San Joaquin Delta, and \$100 million for stormwater, mudslide, and other flash flood related protections.

SB 5 also authorizes a total of \$1 billion in bond expenditures, allocating \$250 million to each of four different programs established by Proposition 1 (2014), including: (1) water quality, (2) groundwater protection, (3) integrated watershed funding, and (4) recycled water programs.

Finally, SB 5 authorizes \$1.5 billion for parks, allocated as follows: (1) \$600 million for safe neighborhood parks in park-poor communities, (2) \$400 million for habitat resiliency, resource enhancement, and innovation, (3) \$125 million for river parkways programs, and allocates 60% of this to the Santa Monica Mountains Conservancy, (4) \$120 million for state conservancies, (5) \$100 million for State Parks, (6) \$80 million for oceans and coastal programs, (7) \$30 million for local park rehabilitation, (8) \$25 million for trails programs, and (9) \$20 million for rural parks.

Importance to the District

Presently, SB 5 authorizes bond expenditures in the amounts of \$100 million for levee repairs and restoration in the Sacramento-San Joaquin Delta and \$250 million for recycled water programs established pursuant to Proposition 1 (2014).

AB 18 (E. Garcia), the competing bond measure detailed above, allocates \$5 million in river recreation and restoration funding for the Guadalupe River watershed, while SB 5 includes language that would appropriate an unspecified amount for the same purpose.

Like AB 18, SB 5's program funding includes competitive grants for local land conservation that the District, in partnership with local open space and conservation agencies, might use as mitigation credits for listed species and habitat.

It is expected that AB 18 and SB 5 will be merged into a single measure later in the legislative process. Staff will work towards a consolidation of the bills that favors the District.

Staff recommends that the Board adopt a position of "Support if Amended" on SB 5.

Amendments Recommended

- Ensure that qualification criteria for flood protection funding included in the bond does not exclude projects in Santa Clara County with the aim to qualify project funding for Coyote Creek and other projects important to the District.
- Seek funding for the state Flood Control Subventions Program.
- Seek funding for retrofitting dams to which the California Department of Water Resources Division of Dam Safety has assigned a seismic restriction limiting storage capacity.
- Seek language similar to AB 18 authorizing \$10 million in bond expenditures for the Guadalupe River watershed.

Pros

- This legislation authorizes \$500 million in bonds for flood protection, including \$300 million for flood protection located anywhere in the state, \$100 million for levees in the Delta, and \$100 million for storm water, mudslide, and other flash-flood-related investments.
- This legislation authorizes \$1 billion in bonds for water related programs established by Proposition 1 (2014), including \$250 million for recycled water.

Cons

- This legislation, while indicating an appropriation for the Guadalupe River watershed, it does not yet specify a dollar amount.
- The flood protection funding is modest considering statewide and local needs.

- This legislation does not authorize bonds for dams with seismic restrictions that limit storage capacity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None

UNCLASSIFIED MANAGER:

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