



Santa Clara Valley Water District

File No.: 24-0675

Agenda Date: 7/9/2024

Item No.: *4.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt Recommended Positions on State Legislation: AB 2813 (Aguiar-Curry) Government Investment Act, *Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, and Other Legislation Which May Require Urgent Consideration for a Position by the Board.

RECOMMENDATION:

- A. Adopt a position of "Support" on: AB 2813 (Aguiar-Curry) Government Investment Act; and
- *B. Adopt a position of "Support" on: Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

SUMMARY:

AB 2813 (Aguiar-Curry) Government Investment Act (Amended-06/26/24)

Position Recommendation: Support

Priority Recommendation: 2

AB 2813 would enact statutory provisions to guide the implementation of ACA 1 (Aguiar-Curry, 2023). AB 2813 would go into effect only if California voters pass ACA 1 in the statewide General Election on November 5, 2024. ACA 1 proposes to the California voters an amendment to the California Constitution to enable general obligation bonds, used for affordable housing and public infrastructure, to be enacted with a 55 percent vote threshold, versus the current two-thirds vote threshold now required. ACA 1 would apply to general obligation bonds proposed by a city, a county, or a special district, including Valley Water.

AB 2813 would define "affordable housing" as including, but not limited to, rental housing, ownership housing, interim housing, and affordable housing programs such as downpayment assistance, first-time homebuyer programs, and owner-occupied affordable housing rehabilitation programs. The bill also requires a local government to ensure that projects funded with ACA 1 bonded indebtedness have an estimated useful life of at least fifteen years, with exceptions for facilities and equipment for emergency response, which must have an estimated useful life of a minimum of five years.

AB 2813 would require a local government to appoint a citizens' oversight committee within 60 days of the certification of an election approving ACA 1 bonded indebtedness. The citizens' oversight committee would be provided administrative as well as technical assistance and resources from the governing board of the local government. This assistance would be provided without expending proceeds derived from the ACA 1 bonded indebtedness. AB 2813 specifies that, notwithstanding any other provision of law, ACA 1 bonded indebtedness in combination with the existing bonded indebtedness of a local government shall not exceed the applicable statutory limit on the maximum amount of bonded indebtedness that a local government may incur.

Importance to Valley Water

ACA 1, if approved by the voters, would enable general obligation bonds proposed by the Valley Water Board pursuant to the District Act to pass with a 55 percent vote threshold. The change from a two-thirds to a 55 percent vote threshold increases the likelihood that general obligation bonds would be enacted. These bonds, that would be passed pursuant to ACA 1, would adhere to the implementation guidance in AB 2813.

Notably, AB 2813 expands the definition of "affordable housing" to include interim housing. This change is crucial to help address encampments of unsheltered individuals located along waterways in Santa Clara County. Interim housing stands as the primary first step to getting an unsheltered person into housing and services, regardless of whether it is constructed by a city, the County of Santa Clara, or Valley Water. Due to the critical need for interim housing in Santa Clara County and the serious harm to water quality and to species caused by encampments, AB 2813's inclusion of interim housing in the definition of "affordable housing" for the purposes of ACA 1 implementation is a critical change that may help provide much needed general obligation bond funding to address the human and environmental tragedy of homelessness in Santa Clara County.

Staff recommends a position of "Support" on AB 2813.

Pros

- Adds interim housing to the definition of "affordable housing".
- Provides a framework for how to operate citizens' oversight committees.

Cons

- Exempts some costs of the citizens' oversight committee from being paid for with bond proceeds.

***Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.**

Position Recommendation: Support

Santa Clara Valley Water District (Valley Water) had previously adopted a position of "Support if Amended" on SB 867 (Allen), commonly referred to as the vehicle for the climate bond on the

November ballot. After the June 28, 2024, amendments Valley Water went to a position of “Support” based on the opportunities created for grant funding. SB 867 was passed by the legislature on July 3 and was signed by the Acting Governor, Senate President Pro Tempore Mike McGuire immediately thereafter. By adopting a position on this bond at the July 9 meeting, the Board ensures Valley Water will have ample time to inform the public of the potential benefits the bond funding could provide to the region.

Proposition 4 would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$10 billion pursuant to the State General Obligation Bond Law.

Chapter Totals		
Chapter 1	Definitions	
Chapter 2	Safe Drinking Water, Drought Resilience	\$3.8 billion
Chapter 3	Wildfire and Forest Resilience	\$1.5 billion
Chapter 4	Sea Level Rise and Coastal Resilience	\$1.2 billion
Chapter 5	Extreme Heat Mitigation	\$450 million
Chapter 6	Protect Biodiversity and Access to Nature	\$1.2 billion
Chapter 7	Climate Smart, Sustainable, and Resilient Agriculture, Ranches and Working Lands	\$300 million
Chapter 8	Park Creation and Outdoor Recreation	\$700 million
Chapter 9	Clean Air	\$850 million
Total		\$10 billion

Chapter 2. Authorizes \$3.8 billion for Safe Drinking Water, Drought, Flood, and Water Resilience.

Of the funds made available, Valley Water may benefit from or be able to apply for grants from the following programs:

- \$610 million to the State Water Resources Control Board (Water Board) for improving Water Quality.
- \$386.25 million to the Department of Water Resources (DWR) for projects related to groundwater storage, banking, conjunctive use, and recharge; \$386.25 to the Water Board for water reuse and recycling.
- \$75 million to the California Water Commission for the Water Storage Investment Program.
- \$75 million to the California Natural Resources Agency (CNRA) and DWR for

conveyance projects or repairs to existing conveyance.

- \$75 million for water conservation.
- \$150 million to DWR for the State Flood Control Subventions Program.
- \$480 million to DWR for dam safety.
- \$110 to Water Board for multi-benefit stormwater management projects.
- \$650 million for watershed resilience and to protect and restore rivers, lakes, and streams.
- \$100 million to DWR for Integrated Water Management to improve water management on a watershed basis.
- \$335 million for projects that protect and restore river parkways, urban river streams, and watersheds. Projects shall improve climate resilience, water supplies, or water quality.
- \$50 million to DWR for the Riverine Stewardship Program.
- \$25 million to DWR for the Urban Stream Restoration Program.
- \$25 million to the State Coastal Conservancy (SCC) for the Coyote River Valley Conservation Program.
- \$150 million to the Wildlife Conservation Board.
 - \$100 million for the Streamflow Enhancement and Restoration Program.
 - \$50 million Habitat Enhancement and Restoration.

Chapter 3. Authorizes \$1.5 billion for Wildfire and Forest Resilience

Of the funds made available, Valley Water may be able to apply for grants from the following programs - \$135 million to the Office of Emergency Services for a pre-hazard mitigation grant program.

Chapter 4. Authorizes \$1.2 billion for Climate Resilience

Of the funds made available, Valley Water may be able to apply for grants from the following programs:

- \$415 million to SCC for coastal resilience projects and programs.
 - \$85 million for projects consistent with the San Francisco Bay Authority Act and San Francisco Bay Area Conservancy Program.
- \$350 million to SCC for the purpose of coastal and combined flood management

projects and activities for developed shoreline areas, including areas with critical infrastructure such as transportation and port infrastructure at risk of current flooding and flooding due to sea level rise.

- \$75 million to implement the California Sea Level Rise Mitigation and Adaptation Act of 2021.
- \$75 million to SCC for grants or expenditures to remove outdated or obsolete dams and for related water infrastructure.

Chapter 5. Authorizes \$450 million for Extreme Heat Mitigation

Of the funds made available, Valley Water may be able to apply for grants from the following programs - \$50 million to the Office of Planning and Research's (OPR) Adaptation Planning Grant Program for regional climate resilience planning and demonstration projects; \$100 million to CNRA for competitive grants for urban greening.

Chapter 6. Authorizes \$1.2 billion for Protect Biodiversity and Accelerating Nature-Based Climate Solutions

Of the funds made available, Valley Water may be able to apply for grants from the following programs - \$870 million to the Wildlife Conservation Board for existing grant programs to protect and enhance fish and wildlife habitat and achieve the state's biodiversity and conservation goals.

Chapter 7. Authorizes \$300 million for Climate Smart, Sustainable, and Resilient Farms, Ranches and Working Lands

Of the funds made available, Valley Water may benefit from or may be able to apply for grants from the following program - \$40 million for the State Water Efficiency and Enhancement Program (SWEET) to promote on-farm water use efficiency and reduce emissions of greenhouse gases.

Chapter 8. Authorizes \$700 million for Park Creation and Outdoor Access

Of the funds made available, Valley Water may benefit from or may be able to apply for grants from the following programs:

- \$200 million for Department of Parks for park-poor neighborhoods.
- \$200 million for the California Natural Resources Agency for projects to reduce the impacts of climate change, create, protect, and expand outdoor recreation opportunities

for disadvantaged communities.

Chapter 9. Authorizes \$850 million for Clean Air

Of the funds made available, Valley Water may benefit from or may be able to apply for grants from the \$50 million for the State Energy Resources line 25 Conservation and Development Commission Long-Duration Energy Storage Program, for grid reliability, and distributed energy backup assistance.

Importance to Valley Water

This bond measure would create numerous grant funding opportunities for Valley Water that address water supply, flood protection, sea level rise, climate resilience, habitat and species improvements, and wildfire danger. The bond measure could potentially benefit numerous Valley Water projects, such as, the Anderson Dam Seismic Retrofit Project, South San Francisco Bay Shoreline Project, the Purified Water Project, and many others.

Valley Water's top priorities are included as follows:

- Dam Safety - \$480 million
- State Flood Control Subventions - \$150 million
- Recycled Water - \$386.25 million
- Groundwater Storage, Banking, Conjunctive Use, and Recharge - \$386.25 million
- Coastal Resiliency Projects - \$415 million
 - SF Bay Area Coastal Resiliency - \$85 million
- Coastal and Combined Flood Management Projects - \$350 million
- California Sea Level Rise Mitigation and Adaptation Act - \$75 million

Staff recommends the Board adopt a position of "Support" on Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

Pros

- Provides potential funding opportunities for numerous Valley Water programs including dam safety, State Flood Control Subventions, drinking water quality, groundwater, recycled water, conservation, urban flood control, sea level rise protection, and environmental restoration and protection.

Cons

- The funding for water supply and flood risk reduction is low for a \$10 billion bond

measure.

- Increases state budget pressures for bond payments.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no Environmental Justice impacts associated with this item. *The Board's position does not enact the legislation discussed above. If the enactment of state legislation necessitates an action by the Board, any associated Environmental Justice impacts will be assessed when the Board considers the action.

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:

*Original Board Agenda Memo

*Supplemental Board Agenda Memo

UNCLASSIFIED MANAGER:

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