

(b) No Change Alternative:

If the regulation change is not adopted, the Lassics lupine (*Lupinus constancei*) and coast yellow leptosiphon (*Leptosiphon croceus*) will have no formal State legal status, the positions they held prior to the filing of petitions to list these species. The no change alternative is inconsistent with the Commission's determinations at its April 19, 2018 meeting that listing the species as endangered is warranted pursuant to Fish and Game Code Section 2075.5.

(c) Consideration of Alternatives:

In view of information currently possessed, no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying out the purposes for which the regulation is proposed, would be as effective and less burdensome to affected private persons than the proposed regulation, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

IX. Impact of Regulatory Action:

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and the following initial determinations relative to the required statutory categories have been made:

(a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

While the statutes of the California Endangered Species Act (CESA) do not specifically prohibit the consideration of economic impact in determining if listing is warranted, the Attorney General's Office has consistently advised the Commission that it should not consider economic impact in making a finding on listing. This is founded in the concept that CESA was drafted in the image of the federal Endangered Species Act. The federal act specifically prohibits consideration of economic impact during the listing process.

Listing under CESA is a two-stage process. During the first stage, the Commission must make a finding on whether or not the petitioned action is warranted. By statute, once the Commission has made a finding that the petitioned action is warranted, it must initiate a rulemaking process to make a corresponding regulatory change. To accomplish this second stage, the Commission follows the statutes of the Administrative Procedure Act (APA).

The provisions of the APA, specifically sections 11346.3 and 11346.5 of the Government Code, require an analysis of the economic impact of the proposed regulatory action. While Section 11346.3 requires an analysis of economic impact on businesses and private persons, it also contains a subdivision (a) which provides that agencies shall satisfy economic assessment requirements only to the extent that the requirements do not conflict with other State laws. In this regard, the provisions of CESA leading to a finding are in apparent conflict with Section 11346.3 of the

Government Code, which is activated by the rulemaking component of CESA.

Since the finding portion of CESA is silent to consideration of economic impact, it is possible that subdivision (a) of Section 11346.3 of the Government Code does not exclude the requirement for economic impact analysis. While the Commission does not believe this is the case, an abbreviated analysis of the likely economic impact of the proposed regulation change on businesses and private individuals is provided. The intent of this analysis is to provide disclosure, the basic premise of the APA process. The Commission believes that this analysis fully meets the intent and language of both statutory programs.

Designation of Lassics lupine and coast yellow leptosiphon as endangered will subject them to the provisions of CESA. CESA prohibits take and possession except as may be permitted by the Department, the Native Plant Protection Act, or the California Desert Native Plants Act.

Endangered status for Lassics lupine and coast yellow leptosiphon is not expected to result in any significant adverse economic effect on small business or significant cost to private persons or entities undertaking activities subject to the California Environmental Quality Act (CEQA). CEQA requires local governments and private applicants undertaking projects subject to CEQA to consider de facto endangered species to be subject to the same requirements under CEQA as though they were already listed by the Commission in Section 670.2 (Section 15380 of the CEQA Guidelines). Lassics lupine and coast yellow leptosiphon have been recognized as rare plants in California for several decades, qualifying them for protection under CEQA Guidelines Section 15380.

Required mitigation as a result of lead agency actions under CEQA, whether or not the species is listed by the Commission, may increase the cost of a project. Such costs may include, but are not limited to, purchasing off-site habitat, development and implementation of management plans, establishing new populations, installation of protective devices such as fencing, protection of additional habitat, and long-term monitoring of mitigation sites. Lead agencies may also require additional actions should the mitigation measures fail, resulting in added expenditures by the proponent. If the mitigation measures required by the CEQA lead agency do not minimize and fully mitigate to the standards of CESA, listing could increase business costs by requiring measures beyond those required by CEQA.

Although compliance with CESA could result in some additional costs for projects that affect State-listed species, the distributions of Lassics lupine and coast yellow leptosiphon are very restricted. Furthermore, Lassics lupine only occurs on land that is under federal jurisdiction. It is unlikely that there will be many

significant actions affecting the species that will be subject to the application of CESA or CEQA. Coast yellow leptosiphon is restricted to one small population on a single sea bluff. Therefore, designating Lassics lupine and coast yellow leptosiphon as endangered is unlikely to have any significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

- (b) Impact on the Creation or Elimination of Jobs within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California, and Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State's Environment:

The Commission does not anticipate that there will be any impacts on the creation or elimination of jobs, the creation of new business, the elimination of existing businesses or the expansion of businesses in California as a result of the designation of Lassics lupine and coast yellow leptosiphon as endangered. The entire distribution of Lassics lupine is limited to two small and remote populations located entirely on federal land managed by the U.S. Forest Service. Coast yellow leptosiphon is restricted to one small population on a single sea bluff. Because of these localized distributions, adding Lassics lupine and coast yellow leptosiphon to the list of endangered species under CESA is unlikely to affect the creation or elimination of jobs or businesses within the State as a whole.

The Commission does not anticipate benefits to the health and welfare of California residents or to worker safety.

The Commission anticipates benefits to the State's environment by the protection of Lassics lupine and coast yellow leptosiphon.

- (c) Cost Impacts on a Representative Private Person or Business:

Designation of Lassics lupine and coast yellow leptosiphon as endangered is unlikely to have any cost impacts on a representative private person or business. The entire distribution of Lassics lupine is limited to two small and remote populations located entirely on federal land managed by the U.S. Forest Service. Because Lassics lupine only occurs on land that is under federal jurisdiction and coast yellow leptosiphon is restricted to one small population on a single sea bluff, it is unlikely that there will be any actions affecting the species that will be subject to the application of CESA or CEQA, or that will result in any cost impacts on a representative private person or business.

Furthermore, designation of threatened or endangered status, per se, would not necessarily result in any significant cost to private persons or entities undertaking

activities that were subject to CEQA. CEQA presently requires private applicants undertaking projects subject to CEQA to consider *de facto* endangered (or threatened) and rare species to be subject to the same protections under CEQA as though they are already listed by the Commission in Section 670.2, Title 14, California Code of Regulations. (CEQA Guidelines, Section 15380)

Any added costs should be more than offset by savings that would be realized through the informal consultation process available to private applicants under CESA. The process would allow conflicts to be resolved at an early stage in project planning and development, thereby avoiding conflicts later in the CEQA review process, which would be more costly and difficult to resolve.

- (d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: None.
- (e) Nondiscretionary Costs/Savings to Local Agencies: None.
- (f) Programs mandated on Local Agencies or School Districts: None.
- (g) Costs Imposed on Any Local Agency or School District that is Required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4, Government Code: None.
- (h) Effect on Housing Costs: None

UPDATED Informative Digest/Policy Statement Overview

Section 670.2, Title 14, California Code of Regulations, provides a list, established by the California Fish and Game Commission (Commission), of plants designated as endangered, threatened or rare in California. The Commission has the authority to add or remove species from this list if it finds that the action is warranted.

As required by Fish and Game Code Section 2075.5, subdivision (e)(2), the Commission must initiate proceedings in accordance with the Administrative Procedure Act to amend Section 670.2 to add Lassics lupine (*Lupinus constancei*) and coast yellow leptosiphon (*Leptosiphon croceus*) to the list of endangered plants.

In making the recommendation to list Lassics lupine pursuant to the California Endangered Species Act, the California Department of Fish and Wildlife (Department) identified the following primary threats: (1) predation and herbivory; (2) climate change; (3) vegetation encroachment; (4) the vulnerability of small populations; and (5) fire. More detail about the current status of Lassics lupine can be found in the Report to the Fish and Game Commission, "Status Review of Lassics lupine (*Lupinus constancei*)" (Department of Fish and Wildlife, January 2018).

In making the recommendation to list coast yellow leptosiphon pursuant to the California Endangered Species Act, the Department identified the following primary threats: 1) recent and ongoing development and land-use changes; 2) impacts from invasive plant species; 3) erosion; 4) human activities such as trampling; and 5) the vulnerability of small populations. More detail about the current status of coast yellow leptosiphon can be found in the Report to the Fish and Game Commission, "Status Review of Coast Yellow Leptosiphon (*Leptosiphon croceus*)" (Department of Fish and Wildlife, December 2017).

The proposed regulation will benefit the environment by protecting Lassics lupine and coast yellow leptosiphon as endangered plants.

Commission staff has searched the California Code of Regulations and has found that the proposed regulation is neither inconsistent nor incompatible with existing State regulations. No other State entity has the authority to list threatened and endangered species.

UPDATE

At its October 17, 2018 meeting, the Commission adopted the amendment to Section 670.2, Title 14, California Code of Regulations. There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action.