

## **Greenhouse Gas Reduction Fund: Expenditure Record**

Wildlife Conservation Board  
Climate Adaptation and Resiliency Program

**Authorizing legislation:** Item 3640-101-3228 of the Budget Act of 2024, as amended by Senate Bill No.108 (Chapter 35, Statutes of 2024) appropriates to the Wildlife Conservation Board \$70,000,000 for the protection of California’s fish and wildlife resources in response to changing climate conditions and the highly variable habitat needs of fish and wildlife, as well as for restoration and stewardship projects that restore or manage the land to improve its resilience to climate impacts and natural disasters.

### **Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.**

#### **Agency that will administer funding:**

- Wildlife Conservation Board (WCB).

#### **Amount of proposed expenditure and appropriation reference:**

- The total expenditure is \$70 million, per Section 3640-101-3228 of the Budget Act of 2024 (Chapter 35, Statutes of 2024).

#### **Estimated amount of expenditures for administering agency administrative costs**

- Administering agency administrative costs are estimated to be not more than \$3.5 million or 5 percent.

#### **If applicable, identify laws or regulations that govern how funds will be used**

Relevant statutes to include:

- Assembly Bill (AB) 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32.
- The Wildlife Conservation Law of 1947 established the authority for the program and provides direction on how the funds will be allocated to recipients, including requirements for project eligibility and program implementation.
- The Budget Act of 2024 SB 108 provides direction on the types of projects that should be funded.

### **Continuation of existing Expenditure Record**

- This is an update to an existing Expenditure Record. The Expenditure Record elements being updated include the following:
  - Amount of proposed expenditure and appropriation reference;
  - Type of projects that will be eligible for funding;
  - Percentage of total funding that will be expended for projects that benefit disadvantaged and low-income communities and low-income households, per CARB guidance.

### **Project Type(s)**

- Climate adaptation and resiliency

### **Describe the projects and/or measures that will be eligible for funding**

#### **Acquisition**

Acquisitions, in the form of conservation easement, water rights, and fee purchases, must be from willing sellers and at a price that does not exceed the fair market value. Fair market value is established by an appraisal prepared by a licensed real estate appraiser and approved by the Department of General Services (DGS). A completed appraisal, approved by DGS' Real Property Services Section, is not required at the time of application submission. Proposed acquisitions should have basic title analysis including analysis of the legal access before WCB evaluates the opportunity. In addition, all conservation easements must conform to statutory requirements and WCB guidelines and minimum standards. Conservation easements may also be required to contain language at the request of the California Department of Fish and Wildlife (CDFW) or WCB's staff and/or voting members.

Land acquisition projects:

- Protect land from development through fee title purchase or conservation easements.
- Preserve natural habitats, open space, land connectivity and/or reduce barriers between habitat areas.
- Protect land to the benefit of threatened and endangered species, including projects within natural community conservation plans or habitat conservation plans.

#### **Implementation**

Implementation grants shall fund construction of restoration and enhancement projects and/or projects that will enhance public access. They are intended to support high priority "shovel ready" projects that have advanced to the stage where planning, land tenure, and design plans have been completed. Implementation applications must include intermediate or advanced design plans (e.g., design plans at ~65% level of development or higher). Implementation projects may include development of final design plans and permitting as project activities. Implementation projects must have completed the California Environmental Quality Act (CEQA) compliance prior to consideration for funding at a Board meeting.

Implementation projects:

- Restore degraded ecosystems to improve resilience to climate impacts
- Enhance natural landscapes to mitigate natural disasters such as floods or wildfires.
- Control or eradicate invasive plants and species.

**Scientific Studies**

Grants may be given for scientific studies such as:

- Projects that develop regional conservation investment strategies that include climate resilience elements
- Projects that develop plans for the acquisition, development, rehabilitation, restoration, protection, and expansion of wildlife corridors and open space.

**Intended recipients**

- Non-profit organizations
- Land Conservancies
- Local and Tribal Governments
- Park and open space districts
- Universities and Research Institutions
- Private landowners
- Resource Conservation Districts
- Local Governments

**Program structure and process for selecting projects for funding**

Competitive continuous solicitation, evaluation, and selection of projects according to program guidelines.

**Application Evaluation Process**

All eligible and complete full applications will be evaluated and scored by technical reviewers, which will include representatives from WCB, CDFW, and others as appropriate. Full proposal evaluation may also include a site visit. Table 1 presents a suite of review criteria that are meant to be broadly representative of the types of criteria upon which applications will be evaluated.

**Table 1. Basic Review Criteria (criteria may vary)**

<b>Criteria</b>	<b>Criteria Description</b>
Project Outcomes - Significance of the Benefits	The extent to which a project provides multiple tangible benefits and the application provides sufficient analysis and documentation to demonstrate significance and a high likelihood that the benefits will be realized.
Consistency with and Implementation of Regional, State, and Federal Plans	Extent to which a project meets the WCB Strategic Plan goals and objectives and is included in a Conceptual Area Protection Plan, Habitat Conservation Plan, or Natural Community Conservation Plan (for acquisitions) or supports, or is supported by, the State Wildlife Action Plan and other existing local, regional, State, or federal conservation plan.
Durability of Investment/Climate Change Considerations	The extent to which a project is expected to deliver enduring benefits and how enduring climate change benefits will be measured.
Approach and Feasibility	The extent to which an application narrative is sufficiently detailed to clearly show that the approach is well designed and appropriate for meeting the objectives of the project, and adequately described to assure methods and technologies are appropriate and understood.
Monitoring and Reporting	The extent to which an application demonstrates a clear and reasonable approach to monitoring, assessing, and reporting the effectiveness of the project. Strong restoration project applications will include monitoring pre-, during, and post-project.
Project Team Qualifications	The extent to which an application demonstrates that the project team, and any partnership as appropriate, has the appropriate experience, facilities/equipment, and capacity to successfully perform the proposed tasks.
Schedule and Deliverables	The extent to which an application demonstrates a logical sequence and timing of project tasks, with reasonable milestones and appropriate deliverables consistent with fund liquidation deadlines, and that aligns with the tasks in the project narrative.
Project Readiness	The extent to which an application demonstrates that legal access to the property, environmental compliance, permitting, planning, acquisition due diligence, engineering design, or other necessary preparations for the project as a whole are sufficient for prompt project implementation.
Budget	The extent to which a proposed budget and justification are appropriate to the work proposed, cost effective, and sufficiently detailed to describe project costs and are consistent with the tasks shown in the project narrative and schedule.
Cost Share	The extent to which a project provides secured federal, State, private, or local cost share. All fund sources must be identified.

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Community Support and Collaboration	The extent to which an application demonstrates that the project has broad- based public and institutional support at the local, regional, or larger scale and that the local community and other stakeholders are engaged in project delivery. Applicants should seek project support from a diverse group of stakeholders including agricultural, industrial, and timber interests. Applicants should demonstrate engagement with tribes. Applicants should identify if the project is within or benefits a disadvantaged community.
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WCB is committed to funding no less than 40% of GGRF funds to projects that are located within or near, and provide benefits to disadvantaged, low-income communities, California Native American tribes, or tribes that have a non-profit, and demonstrate that the project will meaningfully address an important community need. In addition, when evaluating projects, points will be awarded for projects that that meet these requirements.

**Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.**

**How the expenditure is consistent with the Investment Plan and the Scoping Plan**

- AB 1532 (Chapter 807, Statutes of 2012) requires that monies from the Fund be appropriated in a manner that is consistent with the three-year Investment Plan. The “Cap and-Trade Auction Proceeds Fourth Investment Plan: Fiscal Years 2022-23 through 2024-25” recommends support for targets and goals for natural and working lands, including forest health (CARB Goal - Treat one million acres of forest and wildlands annually by 2025), restoration of wetlands and riparian areas (CARB Goal - Increase the acreage of coastal wetlands 20 percent by 2030 and 50 percent by 2040), and conserving land (CARB Goal - Conserve at least 30 percent of California’s land and coastal waters by 2030). Additionally, California’s eight natural and working landscapes—including forests, shrublands and chaparral, wetlands, croplands, grasslands, developed lands, sparsely vegetated lands, and seagrasses and seaweeds—provide life-sustaining resources including clean air, water, and food. While natural and working lands have the potential to sequester carbon, they can also be a source of GHG emissions, particularly from carbon loss associated with wildfires and degradation of wetlands. Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan.
- California’s 2022 Climate Change Scoping Plan identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32 and related statutes.

**Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

**Describe how expenditures will facilitate the achievement of GHG emission reductions in the State**

- Expenditures will achieve net GHG benefits by funding forest health projects that enhance carbon sequestration and avoid GHG emissions through: preventing spread of disease to healthy forests by selectively removing infected trees; restoring impacted landscapes through reforestation; and utilizing removed trees for wood products or biomass energy; reduce GHG releases by reduction in wildfire emissions. A net GHG benefit occurs because of reduced tree mortality, biomass utilization, and improved tree growth.
- Protect existing natural and working lands threatened by conversion to more carbon-intensive land uses.
- Restoration or enhancement of habitats that directly and measurably enhance resilience to climate change for wildlife. Far fewer GHG emissions will be generated by increasing resilience, which assures that those habitats will continue to maintain vegetative communities that sequester carbon.
- Development of plans and tools to be used by land managers to improve long-term management of habitats and working landscapes to provide resilience to climate change. Benefits include habitat stability, resistance to natural disasters such as flooding and wildfire, or protection from sea level rise, all of which provide reduced GHG emissions or sequestration.

**Explain when GHG emission reductions and/or co benefits are expected to occur and how they will be maintained**

- Carbon sequestration and net GHG emission reduction benefits and other co-benefits are expected to begin within one to three years of project implementation. The GHG emission reductions will maintain benefits for at least 25 years. GHG reductions and associated co-benefits are expected to continue for the life of the project.  
Project proponents are expected to implement best management practices. These may vary depending on type of restoration or enhancement action, landscape characteristics, and planned use of the area, and will play an important role in ensuring long-term sustainability of the restored sites.

**Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

**Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency**

- Land acquisitions will protect habitats most resilient to climate change, but in addition may provide any of the following co-benefits:
  - Support of biodiversity and maintenance of wildlife habitat for state and federally listed species
  - Maintenance of refugia and migration corridors for wildlife
  - Preservation of cultural resources
  - Maintenance of existing employment opportunities
  - Enhancement of recreational opportunities and tourism revenue
  - Groundwater recharge
  - Water conservation
  - Soil retention
  - Flood control
- Implementation tools for land managers can take many forms and the specific co-benefits achieved will vary depending on the activities employed. Despite the variation, all such projects are expected to result in healthier, more resilient lands that provide numerous co-benefits including:
  - Avoiding or reducing the impacts from high-severity wildfire.
  - Maintaining or improving water quality.
  - Support of biodiversity and wildlife habitats.
  - Maintenance and improvement of air quality.
  - Creation of new and maintenance of existing employment opportunities.
  - Employment and/or contracting opportunities for disadvantaged communities.

**How the project will support other objectives of AB 32 and related statutes**

- The Climate Adaptation and Resiliency Program will fund projects that facilitate reductions of GHG emissions. In addition, projects funded will mitigate the risks of climate change, direct investment towards the State's most disadvantaged communities, and maximize environmental, economic, and public health benefits.
- Healthy forest projects will improve air quality by reducing wildfire emissions and reducing short-lived climate pollutants.
- Climate adaptation and resiliency.
- Projects will contribute to the State's climate adaptation strategy by implementing wetlands or mountain meadow restoration/enhancement projects designed to reduce GHG emissions; support investments to the environment, and the economy from climate change impacts to



maximize their environmental, economic, and public health benefits. Projects also support a better understanding of strategies to reduce climate change impacts and risks.

- Directs public and private investment towards the most disadvantaged communities in California.
- Projects would reduce short-lived climate pollutants and complement the State's efforts to improve air quality/ public health.
- The projects also complement the State's efforts to promote transition to clean technologies for water efficiency, improve air quality, as well as climate adaptation and resiliency.

**Percentage of total funding that will be expended for projects that are located in and benefit priority populations<sup>1</sup> per CARB guidance**

- The goal is to allocate 40% of investments to projects located in priority populations, with 10% designated for disadvantaged communities and 30% for low-income communities.
- Consideration for projects that benefit priority populations will be a component of the competitive selection process. Projects will be evaluated in accordance with CARB's guidance for potential benefits to priority populations.

**Describe the benefits to priority populations per CARB guidance**

- Project evaluations will be consistent with criteria in the 2024 Funding Guidelines; expenditures will support projects that may provide benefits for low-income households and disadvantaged communities as identified by CalEPA through direct improvements, business opportunities, or employment opportunities.
- Project applicants are required to assess community needs by considering the factors in CalEnviroScreen 4.0 that identify census tract to be identified as priority populations, reporting on needs identified from public outreach, or referencing documents that show community support.
- Funding applications will include a checklist identifying applicable benefits to priority populations that a project will deliver and common needs of priority populations that the project will address.

**Explain strategies the administering agency will use to maximize benefits to disadvantaged communities**

- WCB will prioritize projects that meet multiple priority populations/ disadvantaged community benefit criteria and demonstrate that the project will meaningfully address an important community need. This will help maximize benefits and support efforts to meet, or exceed statutory requirements for expenditures that benefit priority populations. In evaluating projects, points will be awarded for projects that are located within and provide benefits to disadvantaged and low-income communities and demonstrate that the project will meaningfully address an important community need. This will help maximize benefits and

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<sup>1</sup> Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B Funding Guidelines for more information on the definitions of priority populations.

support efforts to meet or exceed statutory requirements for expenditures that benefit disadvantaged and low-income communities.

**Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens**

- WCB will consult directly with communities through various means including workshops and public comments to identify potential burdens as necessary. WCB will make programmatic adjustments to eligibility criteria, and ultimately funding decisions, as necessary to avoid potential substantial burdens to disadvantaged and low-income communities

**Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

**How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance**

WCB will require project fund recipients to maintain records and submit quarterly status reports. In addition, the Program will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the CDFW guidelines and the grant agreement.

**Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion**

- WCB will coordinate with CARB to estimate GHG co-benefits, using CARB standardized methodologies. Staff will review documentation prepared by project proponents to ensure consistency with approved methodologies.
- WCB will collect data on the number of acres and projects that provide climate adaptation for wildlife.
- WCB will collect data on project success in achieving co-benefits, such as acres of habitat protecting essential habitat for species of fish and wildlife; acres of working landscapes protected, and number of easements providing public access opportunities, especially as they relate to disadvantaged communities and low-income communities.

WCB will provide regular updates on expenditures, project status, and benefits in reports prepared according to CARB's Funding Guidelines. At a minimum, the reports will include expenditure amounts, number of conservation easements and acreages of climate resilient habitats protected, status of projects that provide technical assistance to land managers or improve rural-urban coordination, and quantification of other applicable co benefits. Reports will also include information on project outcomes for 30 percent of projects over three years.

**Type of information that will be collected to document results, consistent with CARB guidance**

- To determine GHG reductions, WCB will collect data on project location, baseline GHG emissions, acres restored, expected project life, funds expended, and other data consistent with CARB guidance.
- WCB will collect data on project successes in achieving co-benefits, such as providing essential habitat for species of fish and wildlife; protecting and improving water quality through filtration and pollution reduction; enhanced water storage through the replenishment of groundwater aquifers; and adaptation to climate change.

To determine job creation benefits, WCB will compile data from funding recipients, on jobs provided, both the quality and quantity, consistent with CARB Guidance.

**How the administering agency will report on program status**

- WCB will report to CARB consistent with CARB guidance. The administering agency will provide regular updates on the program, including expenditure amounts, GHG emission reductions, and other benefits, as applicable (e.g., jobs supported, vouchers issued, units retrofitted). Reports will also include information on project outcomes for 100 percent of operational projects over 3 years.