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TO: Greenhouse Gas Reduction Fund Program

FROM: Wade Crowfoot  
Secretary  
California Natural Resources Agency

Charlton H. Bonham  
Director  
California Department of Fish and Wildlife

DATE: September 27, 2024

SUBJECT: GREENHOUSE GAS REDUCTION FUND:  
California Department of Fish and Wildlife

EXPENDITURE RECORD (FOR FISCAL YEAR 2024-25):  
Wetlands and Watershed Restoration Program

This Attestation Memorandum documents that California Natural Resources Agency and California Department of Fish and Wildlife completed the attached Expenditure Record on September 26, 2024, for the Wetlands and Mountain Meadows Restoration Grant Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to the California Air Resources Board's (CARB) for public posting on the CARB website at: [www.arb.ca.gov/caclimateinvestments](http://www.arb.ca.gov/caclimateinvestments). Questions on this Attestation Memorandum or Expenditure Record may be directed to Basil Ibewiro at (916) 216-8481 or by email to [Basil.Ibewiro@wildlife.ca.gov](mailto:Basil.Ibewiro@wildlife.ca.gov).

Charlton H. Bonham  
Director  
California Department of Fish and Wildlife

Wade Crowfoot  
Secretary  
California Natural Resources Agency

Attachment: Expenditure Record for the Wetlands and Mountain Meadows Restoration Grant Program

## Greenhouse Gas Reduction Fund: Expenditure Record

California Department of Fish and Wildlife  
Wetlands and Mountain Meadows Restoration Grant Program  
September 18, 2024

**Authorizing legislation:** Item 3600-101-3228 of the Budget Act of 2024, as amended by Assembly Bill 107 (Chapter 22, Statutes of 2024) appropriates to Department of Fish and Wildlife \$17,200,000 to support programs and activities that advance multibenefit and nature-based solutions.

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

**Agency that will administer funding:**

- California Department of Fish and Wildlife (CDFW).

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

- The total expenditure is \$17,200,000 million per Sections 3600-101-3228 of the Budget Act of 2024 (Chapter 22, Statutes of 2024).

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

- CDFW's anticipated administrative costs will not exceed 5 percent or \$860,000.

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

- 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 (Committee on Budget and Fiscal Review, 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 Budget Act of 2024, as amended by AB 107 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 that will fund similar types of projects as in the existing Expenditure Record for FY 2018-2019. The Expenditure Record elements being updated include the following:
  - Amount of proposed expenditure and appropriation reference.

## **Project Type**

- Wetlands and Mountain Meadows restoration or enhancement.

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

### Wetlands and Mountain Meadows restoration

- Wetlands restoration or enhancement projects that demonstrate net greenhouse gas (GHG) emission reductions through increased carbon sequestration, integrate water conservation, flood protection and community safety, habitat restoration and connectivity for fish and wildlife, and enhance climate change readiness of wetlands across the State.
- Mountain meadows habitat restoration or enhancement projects that provide net GHG emission reductions through increased carbon sequestration, increased local water storage, facilitate more predictable and dependable stream flow, and provision of water conservation buffering in drought years.

## **Intended recipients**

- Public agencies
- Non-profit organizations
- Local and Tribal Governments

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

- Competitive solicitation, evaluation, and selection of projects according to program guidelines. Evaluation of project proposals will be based on the merits of applications submitted and the proposed use of funds, including the extent to which projects result in net GHG benefits and investment benefits to priority populations.

**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 wetland and mountain meadow restoration to achieve state climate goals and carbon neutrality while preserving habitats and biodiversity. Additionally, wetlands and meadows advance equity and environmental justice. "About half of California Climate Investments funding for wetland and meadow restoration has benefited priority populations." Investments in these wetlands and mountain meadows improve public health by improving water quality, reducing air pollutant emissions, and providing outdoor recreational opportunities such as hunting, fishing, hiking, and birdwatching. Therefore, these expenditures are consistent with the priorities outlined in the Investment Plan.
- The 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. The plan recognizes wetlands as "essential to California's communities as they serve as hotspots for biodiversity, contain considerable carbon in the soil, are critical to the state's water supply, and protect upland areas from flooding due to sea level rise and storms." "Climate smart strategies to restore and protect wetlands can reduce emissions while simultaneously improving the climate resilience of surrounding areas and improving the water quality and yield for the state" In order to meet these goals, the Scoping Plan identifies the need to implement activities related to land protection; enhanced carbon sequestration; innovative biomass utilization and prioritizing wetland and watershed restoration efforts around climate vulnerable communities.
- The Plan identifies implementation activities such as restoration or enhancement of wetlands and mountain meadows as needed, for meeting the state's long-term climate goals for the natural and working lands sector to achieve carbon neutrality and build resilience to the impacts of climate change.

**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**

- The expenditures will facilitate GHG emission reductions by funding projects that restore or enhance wetlands or mountain meadows to achieve net GHG benefits and provide other co-benefits through activities that increase the amount of carbon in the soils, sediments, and plants.
- The projects will achieve GHG benefits by increasing the amount of carbon sequestered in plants, soils, and sediments.

**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**

- Projects that restore or enhance wetlands or mountain meadows provide numerous co-benefits that include, but are not limited to:
  - Protect and improve water quality through filtration and pollution reduction; enhance water storage through the replenishment of groundwater aquifers.
  - Adjacent communities especially priority populations, directly benefit from decreased flood risk and increased recreation opportunities and may benefit from jobs and businesses created by restoration activities.
  - Improve flood protection for local communities, provide more predictable and dependable stream flow, and provide water conservation buffering in drought years.
  - Improve biodiversity by providing essential habitat for many species of fish and wildlife, some of which are endangered or threatened.
  - Create and enhance opportunities for recreational, subsistence, and commercial fishing and/or hunting.
  - Increase ecosystem resilience to the impacts of climate change.

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

- 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. They'll 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**

- In consultation with CDFW, CARB has established minimum investment targets to priority populations for the Wetlands and Mountain Meadows restoration program. 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 in 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 tracts to be identified as priority populations, reporting on needs identified from public outreach, or referencing documents that show community support.
- Funding application 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**

- CDFW 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.
- To help maximize benefits to priority populations, CDFW will coordinate with other entities to host workshops and listening sessions to provide program information and solicit feedback on program framework, including the types of projects that would be funded.
- Projects that meet disadvantaged community benefit criteria and demonstrate that the project will meaningfully address an important community need will receive additional scoring points.

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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.

**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**

- CDFW does not anticipate program activities will create substantial burdens to disadvantaged communities and low-income communities. However, CDFW conducts extensive outreach for the grant solicitation through various means including workshops and public comments on program guidelines to identify potential burdens. If CDFW becomes aware of any potential for substantial burdens, programmatic adjustments will be made to the eligibility criteria, and ultimately funding decisions, as necessary to avoid potential substantial burdens to disadvantaged and low-income communities.
- To maximize benefits to disadvantaged communities and low-income communities, additional points will be awarded to projects that meet the criteria for providing direct, meaningful, and benefits to a disadvantaged community and meaningfully address an important community need established in CARB's Funding Guidelines.



**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**

- CDFW 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**

- Project proponents will coordinate with CDFW to calculate the expected and achieved GHG emission reductions and co-benefits from projects using the CARB-approved method and/or tool that is available at the [California Climate Investments resources webpage](#).
- CDFW will coordinate with CARB to estimate GHG emission reductions and co-benefits, using CARB standardized methodologies. CDFW staff will review calculations prepared by project proponents to ensure consistency with approved methodologies.
- The Program will continue to work closely with CARB to refine GHG emission reduction methodologies and estimates for wetland or mountain meadow projects to ensure that projects with net GHG benefits are prioritized.

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

- To determine GHG reductions, CDFW will collect data on project location, baseline GHG emissions and carbon conditions, acres restored or enhanced, GHG flux as a result of the project, expected project life, funds expended, and other data consistent with CARB Guidance.
- CDFW 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, CDFW 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**

- CDFW will report to CARB consistent with CARB guidance. CDFW will provide regular updates on the program, including expenditure amounts, GHG emission reductions, and other benefits, as applicable (e.g., acres restored or enhanced, jobs supported). Reports will also include information on project outcomes for at least 25 percent of operational projects over 3 years.