



TO: Greenhouse Gas Reduction Fund Program

FROM: Wade Crowfoot, Secretary for Natural Resources
California Natural Resources Agency

Amy Hutzel, Executive Officer
State Coastal Conservancy

DATE: December 15, 2022

SUBJECT: GREENHOUSE GAS REDUCTION FUND, STATE COASTAL
CONSERVANCY EXPENDITURE RECORD FOR FISCAL
YEAR 2022-23, CLIMATE READY PROGRAM, NATURE BASED SEA
LEVEL RISE PROJECTS

This Attestation Memorandum documents that State Coastal Conservancy completed the attached Expenditure Record on December 15, 2022, for Climate Ready Program - Nature Based Sea Level Rise. 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 CARB for public posting on the CARB website at: www.arb.ca.gov/caclimateinvestments. Questions on this Attestation Memorandum or Expenditure Record may be directed to Mary Small, mary.small@scc.ca.gov, 510-286-4181.

Signed,

Amy Hutzel

Amy Hutzel
Executive Officer
State Coastal Conservancy

Bryan Cash

Wade Crowfoot
Secretary for Natural Resources
California Natural Resources Agency
Bryan Cash

Assistant Secretary for Admin.

Attachment: Expenditure Record

1515 Clay Street, 10th Floor
Oakland, California 94612-1401
scc.ca.gov
510-286-1015

Greenhouse Gas Reduction Fund: Expenditure Record

State Coastal Conservancy
Climate Ready Program - Nature Based Sea Level Rise

Authorizing legislation: Item 3760-101-3228 of the Budget Act of 2022, as amended by AB 178 (Chapter 45, Statutes of 2022) appropriates to State Coastal Conservancy \$80 million for the Climate Ready Program for purposes of funding nature-based projects to address sea level rise.

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

Agency that will administer funding

- State Coastal Conservancy

Amount of proposed expenditure and appropriation reference

- The total expenditure is \$80 million, per Section 3760-101-3288 of the Budget Act of 2022 (Chapter 45, Statutes of 2022)

Estimated amount of expenditures for administering agency administrative costs

- The total expenditure includes \$4 million for State Operations costs.
 - Administering agency administrative costs are estimated to be approximately 5 percent.
-

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

- 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.
- 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.
- AB 398 (E. Garcia, Chapter 135, Statutes of 2017) prioritized climate adaptation and resiliency for expenditures from the Greenhouse Gas Reduction Fund.
- SB 1066 (Lieu, Chapter 611, Statutes of 2012) authorizes the SCC to undertake projects that reduce greenhouse gas emissions and to address the impacts and potential impacts of climate change.
- Senate Bill 576 (SB 576) (Umberg, Chapter 374, Statutes of 2019) directs the State Coastal Conservancy to administer the Climate Ready Program, to address the impacts of climate change on resources within the conservancy's jurisdiction and to prioritize natural infrastructure and multi-benefit projects.
- The Budget Act of 2022, as amended by AB 178, appropriates to State Coastal Conservancy \$80 million for the Climate Ready Program for purposes of funding nature-based projects to address sea level rise.

***Continuation of
existing
Expenditure
Record***

- This is a new program that does not have an existing Expenditure Record.
-

Project type(s)

- Nature Based Sea Level Rise Adaptation
-

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

- Planning, Site Design, Environmental Review
 - Land conservation
 - Wetlands and watershed restoration
 - Habitat Restoration
-

Intended recipients

- Government agencies
 - Non-profit organizations
 - Tribes
-

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

- Ongoing project solicitation, evaluation, and selection of projects according to existing SCC [Project Selection Criteria](#) and the SCC's Strategic Plan.
 - Targeted outreach for technical assistance that benefits disadvantaged communities vulnerable to sea level rise.
-

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 “integration of nature-based climate solutions into community adaptation plans and infrastructure investments”. Under the Natural and Working Lands sector, land conservation and wetland restoration are identified as investment priorities. 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. The recommended actions include restoration of wetlands “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.”
-

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 facilitate GHG reductions by planning for relocation of development (managed retreat) and natural shoreline infrastructure projects that restore wetlands and coastal habitats and protect coastal development. Expenditures will facilitate GHG emission reductions by increasing resilience to rising sea level that will reduce future flooding and need for cleanup and rebuilding. GHG emissions are avoided by increasing resilience and thereby reducing flooding and the resultant remediation and rebuilding of flooded areas.

Expenditures may also achieve GHG emission reductions by funding projects that accomplish one or more of the following:

- protect existing natural 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.
- 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

The SCC expects to fund planning and project implementation to increase coastal resilience and adapt to sea level rise. The project benefits will occur in the long-term.

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

- Climate adaptation projects result in multiple co-benefits such as restoration of endangered species habitat, reducing flooding, protecting land from development, improving water quality, and creating jobs.

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

- Projects will support the objectives of AB 32 by maximizing additional environmental and economic co-benefits for California; complementing the State's efforts to improve air quality; and directing public investment toward the most disadvantaged communities in California.
- Projects will support the priorities in AB 398 by promoting climate adaptation and resiliency.

Percentage of total funding that will be expended for projects that are located in and benefit priority populations¹ per CARB guidance

- The administering agency has established a target to expend at least 25% of total project funds for investments in and benefiting disadvantaged communities (DACs), 5% of the total project funds for projects that provide benefit to low-income communities or households, and 5% of the total project funds to projects that benefit low-income communities within one half mile surrounding DACs.

¹ 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 for more information on the definitions of priority populations.

Describe the benefits to priority populations per CARB guidance

Projects located in priority population communities will provide one or more of the following benefits per CARB guidance:

- Includes components that, when executed, improve the ability of priority populations to respond to climate risk (e.g., emergency access).
- Directly engages priority populations in developing actionable plans that increases community resilience;
- Develops plan that includes components that, when executed, reduce direct risk to priority populations from climate hazards such as sea level rise, wave impacts, or erosion.

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

Projects that meet disadvantaged community benefit criteria, demonstrate that the project will meaningfully address an important community need, and are led by community based organizations will be prioritized.

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

- The SCC will incorporate community feedback, input, and consultations into project management decisions
- The SCC will proactively manage projects to address potential unforeseen impacts.
- The SCC will work with grantees to minimize the reporting requirements and provide meaningful support to reduce the burdens on disadvantaged 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 35800) 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

- The SCC will require funding recipients to maintain records and submit status reports consistent with CARB guidance. In addition, the SCC will require progress reports to accompany each invoice and will audit the completed project before releasing final payment. Grantees are paid in arrears once they have completed the progress report and required reporting.
 - Completed SCC grant projects will be monitored by SCC project managers.
-

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

SCC will work with CARB to estimate GHG co-benefits, using standard methodologies. Staff will review documentation prepared by project proponents to ensure consistency with approved methodologies.

SCC will collect data on the number of acres and projects that provide climate adaptation for wildlife. SCC will collect data on project success in achieving co-benefits, such as acres of habitat protecting essential habitat for species of fish and wildlife.

SCC 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 increase resilience to sea level rise.

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

- SCC will compile data related to investments, including information such as: project location, GHG emission reductions, co-benefits such as number of jobs created and other benefits to communities.

How the administering agency will report on program status

- SCC will report to CARB consistent with CARB guidance. SCC will provide regular updates on the program, including expenditure amounts, GHG emission reductions, and other benefits, as applicable. Reports will also include information on project outcomes for a portion of operational projects over a time period chosen in accordance with CARB guidance.
-