



DATE: April 16, 2019  
TO: Greenhouse Gas Reduction Fund (GGRF) Program File  
FROM: Sam Schuchat, Executive Officer, State Coastal Conservancy *SS*  
SUBJECT: GREENHOUSE GAS REDUCTION FUND: State Coastal Conservancy  
EXPENDITURE RECORD FOR FISCAL YEAR 2018-2019  
Climate Ready Program

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This Attestation Memorandum documents that State Coastal Conservancy completed the attached Expenditure Record on April 12, 2019 for the Climate Ready 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 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 Mary Small, Deputy Executive Officer, State Coastal Conservancy, [mary.small@scc.ca.gov](mailto:mary.small@scc.ca.gov) and 510-286-4181.

Attachment  
cc:

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**Greenhouse Gas Reduction Fund: Expenditure Record**

State Coastal Conservancy  
Climate Ready Program

**Authorizing legislation:** Item 3760-101-3228 of the Budget Act of 2018, as amended by Senate Bill 856 (Chapter 30, Statutes of 2018) appropriates to the State Coastal Conservancy \$3 million for the Climate Ready Program.

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

<input type="checkbox"/> Agency that will administer funding	<ul style="list-style-type: none"><li>▪ State Coastal Conservancy (SCC)</li></ul>
<input type="checkbox"/> Amount of proposed expenditure and appropriation reference	<ul style="list-style-type: none"><li>▪ The total expenditure is \$3 million, per Item 3760-101-3228 of the Budget Act of 2018 (Chapter 30, Statutes of 2018).</li></ul>
<input type="checkbox"/> Estimated amount of expenditures for administering agency administrative costs	<ul style="list-style-type: none"><li>▪ The total expenditure includes \$150,000 for State Operations costs. Administering agency administrative costs will not exceed \$150,000 or 5% percent.</li></ul>
<input type="checkbox"/> If applicable, identify laws or regulations that govern how funds will be used	<ul style="list-style-type: none"><li>▪ 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.</li><li>▪ 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.</li><li>▪ AB 398 (E. Garcia, Chapter 135, Statutes of 2017) prioritized climate adaptation and resiliency for expenditures from the Greenhouse Gas Reduction Fund.</li><li>▪ The Budget Act of 2018, as amended by SB 856 provides direction on the types of projects that should be funded.</li></ul>
<input type="checkbox"/> Continuation of existing	<ul style="list-style-type: none"><li>▪ This is a new Expenditure Record. SCC received a prior year appropriation and submitted a combined expenditure record with BCDC and CCC.</li></ul>

State Coastal Conservancy Expenditure Record for Climate Ready Program

Expenditure Record	
<input type="checkbox"/> Project type(s)	<ul style="list-style-type: none"> <li>Planning</li> <li>Climate adaptation and resiliency</li> </ul>
<input type="checkbox"/> Describe the projects and/or measures that will be eligible for funding	<ul style="list-style-type: none"> <li>SCC will make grants to support planning and implementation of projects that increase resilience to sea level rise. Projects could include managed retreat, natural shoreline infrastructure, and/or habitat enhancement.</li> </ul>
<input type="checkbox"/> Intended recipients	<ul style="list-style-type: none"> <li>Public agencies</li> <li>Non-profit organizations</li> <li>Federally recognized Tribes</li> </ul>
<input type="checkbox"/> Program structure and process for selecting projects for funding	<ul style="list-style-type: none"> <li>Competitive solicitation, evaluation, and selection of projects according to existing SCC <u>Project Selection Criteria</u> and the SCC's <u>Climate Ready Programmatic Priorities</u>.</li> </ul>

**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.**

<input type="checkbox"/> How the expenditure is consistent with the Investment Plan and the Scoping Plan	<ul style="list-style-type: none"> <li>California's 2017 Climate Change Scoping Plan<sup>1</sup> identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32. The plan recommends policies that ensure "the advancement of land use and natural resource management objectives for GHG mitigation, climate adaptation, and other co-benefits". The plan also recommends including natural and working lands as part of the state's climate solution through "[r]ehabilitating and strengthening wetlands and tidal environments, and incorporating natural landscapes into urban environments." It calls for "keeping natural and working lands intact and at high levels of ecological function (including resilient carbon sequestration)." The plan also recommends strengthening the individual activities of programs such as the SCC Climate Ready Program</li> <li>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 Second Investment Plan:</li> </ul>
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<sup>1</sup> [https://www.arb.ca.gov/cc/scopingplan/scoping\\_plan\\_2017.pdf](https://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf)

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Fiscal Years 2016-17 through 2018-19”<sup>2</sup> identifies that “wetlands in California not only sequester carbon, they are the first line of defense against sea-level rise and storm surge”. Investments in wetlands can improve water quality, provide recreational opportunities, and provide direct economic benefit to the local community.

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**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.**

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| <input type="checkbox"/> Describe how expenditures will facilitate the achievement of GHG emission reductions in the State             | <ul style="list-style-type: none"><li>▪ 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 protects 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.</li></ul> |
| <hr/>  |  |
| <input type="checkbox"/> Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained | <ul style="list-style-type: none"><li>▪ The SCC expects to fund planning with this grant round that will be part of a long-term effort to increase coastal resilience and adapt to sea level rise. The project benefits will occur in the long-term.</li></ul>   |
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**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.**

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| <input type="checkbox"/> Expected co-benefits, particularly environmental, economic, public health and | <ul style="list-style-type: none"><li>▪ Climate adaptation projects result in multiple co-benefits such as reducing the impacts of climate change on public health, preventing loss of property or disruption of critical infrastructure, helping conserve natural resources, improving water quality, and creating jobs.</li></ul> |
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<sup>2</sup> <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/16-17-updated-final-second-investment-planii.pdf>

State Coastal Conservancy Expenditure Record for Climate Ready Program

safety, and climate resiliency	
<input type="checkbox"/> How the project will support other objectives of AB 32 and related statutes	<ul style="list-style-type: none"> <li>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.</li> <li>Projects will support the priorities in AB 398 by promoting climate adaptation and resiliency.</li> </ul>
<input type="checkbox"/> Percentage of total funding that will be expended for projects that are located in and benefit priority populations <sup>3</sup> per CARB guidance	<ul style="list-style-type: none"> <li>The SCC has established a target to expend at least 35 percent of the total project funds received under this fiscal year appropriation to fund projects that provide benefits to disadvantaged or low-income communities or low-income households. We expect this amount to include 10 percent of total project funds for investments in and benefiting residents of disadvantaged communities and 25 percent in and benefiting residents of low-income communities or low-income households.</li> </ul>
<input type="checkbox"/> Describe the benefits to priority populations per CARB guidance	<p>Projects located in priority population communities will provide one or more of the following benefits per CARB guidance:</p> <ul style="list-style-type: none"> <li>Directly engages priority populations in developing actionable plans that increases community resilience;</li> <li>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.</li> <li>Includes components that, when executed, improve the ability of priority populations to respond to climate risk (e.g., emergency access).</li> </ul>
<input type="checkbox"/> Explain strategies the administering agency will use to maximize benefits to disadvantaged communities	<ul style="list-style-type: none"> <li>Projects that meet disadvantaged community benefit criteria and demonstrate that the project will meaningfully address an important community need will receive additional points in scoring.</li> </ul>

<sup>3</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 for more information on the definitions of priority populations.

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| <input type="checkbox"/> 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 | <ul style="list-style-type: none"> <li>▪ The SCC will incorporate community feedback, input, and consultations into project management decisions</li> <li>▪ The SCC will proactively manage projects to address potential unforeseen impacts.</li> <li>▪ The SCC will work with grantees to minimize the reporting requirements and provide meaningful support to reduce the burdens on disadvantaged communities.</li> </ul> |
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**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.**

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| <input type="checkbox"/> How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance | <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Completed SCC grant projects will be monitored by SCC project managers.</li> </ul> |
| <input type="checkbox"/> Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion.        | <ul style="list-style-type: none"> <li>▪ When feasible and appropriate to the specific project, GHG emission reductions will be estimated based on project-specific inputs using CARB methodologies.</li> </ul>   |
| <input type="checkbox"/> Type of information that will be collected to document results,   | <ul style="list-style-type: none"> <li>▪ 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 disadvantaged and low-income communities.</li> </ul>  |



State Coastal Conservancy Expenditure Record for Climate Ready Program

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consistent with CARB guidance	
<input type="checkbox"/> How the administering agency will report on program status	<input type="checkbox"/> 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.

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