

AMENDED IN ASSEMBLY JUNE 23, 2016
AMENDED IN ASSEMBLY JUNE 1, 2016
AMENDED IN ASSEMBLY APRIL 26, 2016
AMENDED IN ASSEMBLY APRIL 13, 2016
AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2444

Introduced by Assembly Member Eduardo Garcia
(Coauthor: Assembly Member Levine)

February 19, 2016

An act to add Chapter 14 (commencing with Section 5880) to Division 5 of the Public Resources Code, relating to a parks, water, climate, and coastal protection and outdoor access for all program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2444, as amended, Eduardo Garcia. California Parks, Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2016.

Under existing law, programs have been established pursuant to bond acts for, among other things, the development and enhancement of state and local parks and recreational facilities.

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This bill would enact the California Parks, Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2016, which, if approved by the voters, would authorize the issuance of bonds in the amount of ~~\$2,985,000,000~~ \$3,120,000,000 pursuant to the State General Obligation Bond Law to finance a parks, water, climate, and coastal protection and outdoor access for all program.

The bill would provide for the submission of these provisions to the voters at the November 8, 2016, statewide general election.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 14 (commencing with Section 5880) is
2 added to Division 5 of the Public Resources Code, to read:

3

4 CHAPTER 14. CALIFORNIA PARKS, WATER, CLIMATE, AND
5 COASTAL PROTECTION AND OUTDOOR ACCESS FOR ALL ACT OF
6 2016

7

8 Article 1. General Provisions

9

10 5880. (a) The people of California find and declare all of the
11 following:

12 (1) From California's beautiful rivers, streams, coastal
13 shorelines, and other waterways, to our federal, state, local, and
14 regional parks and outdoor settings, to our vast network of trails
15 connecting people with natural landscapes, Californians value the
16 rich diversity of outdoor experiences afforded to this state and its
17 citizens.

18 (2) Demand for local parks has exceeded available funding by
19 a factor of 8 to 1, with particularly high demand in urban,
20 disadvantaged communities.

21 (3) Many Californians across the state lack access to safe parks,
22 trails, and recreation areas, which limits their ability to experience
23 the outdoors, improve their physical and emotional health, exercise,
24 and connect with their communities.

1 (4) Investments to create and improve parks and recreation
2 areas, and to create trail networks that provide access from
3 neighborhoods to parks and recreational opportunities, will help
4 ensure all Californians have access to safe places to exercise and
5 enjoy recreational activities.

6 (5) The California Center for Public Health Advocacy estimates
7 that inactivity and obesity cost California over forty billion dollars
8 (\$40,000,000,000) annually, through increased health care costs
9 and lost productivity due to obesity-related illnesses, and that even
10 modest increases in physical activity would result in significant
11 savings. Investments in infrastructure improvements such as biking
12 and walking trails and pathways, whether in urban or natural areas,
13 are cost-effective ways to promote physical activity.

14 (6) Continued investments in the state's parks, trails, and natural
15 resources, and greening urban areas will help mitigate the effects
16 of climate change, making cities more livable, and will protect
17 California's natural resources for future generations.

18 (7) California's outdoor recreation economy represents an
19 eighty-seven-billion-dollar (\$87,000,000,000) industry, providing
20 over 700,000 jobs and billions of dollars in local and state revenues.

21 (8) California's state, local, and regional park system
22 infrastructure and national park system infrastructure is aging and
23 a significant infusion of capital is required to protect this
24 investment.

25 (9) There has been a historic underinvestment in parks, trails,
26 and outdoor infrastructure in disadvantaged areas and many
27 communities throughout California.

28 (10) Tourism is a growing industry in California and remains
29 an economic driver for the more rural parts of the state.

30 (b) It is the intent of the people of California that all of the
31 following shall occur in the implementation of this chapter:

32 (1) The investment of public funds pursuant to this chapter will
33 result in public benefits that address the most critical statewide
34 needs and priorities for public funding.

35 (2) In the appropriation and expenditure of funding authorized
36 by this chapter, priority will be given to projects that leverage
37 private, federal, or local funding or produce the greatest public
38 benefit.

39 (3) To the extent practicable, a project that receives moneys
40 pursuant to this chapter will include signage informing the public

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1 that the project received funds from the California Parks, Water,
2 Climate, and Coastal Protection and Outdoor Access For All Act
3 of 2016.

4 (4) To the extent practicable, when developing program
5 guidelines for urban recreation projects and habitat protection or
6 restoration projects, administering entities are encouraged to give
7 favorable consideration to projects that provide urban recreation
8 and protect or restore natural resources. Additionally, the entities
9 may pool funding for these projects.

10 5880.01. The following definitions govern the construction of
11 this chapter:

12 (a) “Committee” means the California Parks, Water, Climate,
13 Coastal Protection, and Outdoor Access For All Finance Committee
14 created by Section 5889.02.

15 (b) “Department” means the Department of Parks and
16 Recreation.

17 (c) “Disadvantaged community” has the same meaning set forth
18 in subdivision (g) of Section 75005.

19 (d) “Fund” means the California Parks, Water, Climate, and
20 Coastal Protection and Outdoor Access For All Fund, created by
21 Section 5880.08.

22 (e) “Interpretation” includes, but is not limited to, a
23 visitor-serving amenity that enhances the ability to understand and
24 appreciate the significance and value of natural, historical, and
25 cultural resources and that may utilize educational materials in
26 multiple languages, digital information, and the expertise of a
27 naturalist or other skilled specialist.

28 (f) “Preservation” means rehabilitation, stabilization, restoration,
29 development, and reconstruction, or any combination of those
30 activities.

31 (g) “Protection” means those actions necessary to prevent harm
32 or damage to persons, property, or natural, cultural, and historic
33 resources, actions to improve access to public open-space areas,
34 or actions to allow the continued use and enjoyment of property
35 or natural, cultural, and historic resources, and includes acquisition,
36 development, restoration, preservation, and interpretation.

37 (h) “Restoration” means the improvement of physical structures
38 or facilities and, in the case of natural systems and landscape
39 features, includes, but is not limited to, projects for the control of
40 erosion, the control and elimination of exotic species, removal of

1 waste and debris, prescribed burning, fuel hazard reduction, fencing
2 out threats to existing or restored natural resources, road
3 elimination, and other plant and wildlife habitat improvement to
4 increase the natural system value of the property. Restoration
5 projects shall include the planning, monitoring, and reporting
6 necessary to ensure successful implementation of the project
7 objectives.

8 (i) “Severely disadvantaged community” has the same meaning
9 set forth in subdivision (g) of Section 75005.

10 5880.02. An amount that equals not more than 5 percent of the
11 funds allocated for a grant program pursuant to this chapter may
12 be used to pay the administrative costs of that program.

13 5880.03. (a) Except as provided in subdivision (b), up to 10
14 percent of funds allocated for each program funded by this chapter
15 may be expended for planning and monitoring necessary for the
16 successful design, selection, and implementation of the projects
17 authorized under that program. This section shall not otherwise
18 restrict funds ordinarily used by an agency for “preliminary plans,”
19 “working drawings,” and “construction” as defined in the annual
20 Budget Act for a capital outlay project or grant project. Planning
21 may include feasibility studies for environmental site cleanup that
22 would further the purpose of a project that is eligible for funding
23 under this chapter.

24 (b) Funds used for planning projects that benefit disadvantaged
25 communities may exceed 10 percent of the funds allocated if the
26 state agency administering the moneys determines that there is a
27 need for the additional funding.

28 5880.04. (a) At least ~~10~~ 20 percent of the funds available
29 pursuant to each article of this chapter shall be allocated for projects
30 serving severely disadvantaged communities.

31 (b) Except as provided in subdivision (c), up to 10 percent of
32 the funds available pursuant to each article of this chapter may be
33 allocated for technical assistance to disadvantaged communities.
34 The agency administering the moneys shall operate a
35 multidisciplinary technical assistance program for ~~small~~
36 disadvantaged communities.

37 (c) Funds used for providing technical assistance to
38 disadvantaged communities may exceed 10 percent of the funds
39 allocated if the state agency administering the moneys determines
40 that there is a need for the additional funding.

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1 5880.05. Before disbursing grants pursuant to this chapter,
2 each state agency that receives funding to administer a competitive
3 grant program under this chapter shall do the following:

4 (a) Develop and adopt project solicitation and evaluation
5 guidelines. The guidelines shall include monitoring and reporting
6 requirements and may include a limitation on the dollar amount
7 of grants to be awarded. If the state agency has previously
8 developed and adopted project solicitation and evaluation
9 guidelines that comply with the requirements of this subdivision,
10 it may use those guidelines.

11 (b) Conduct three public meetings to consider public comments
12 before finalizing the guidelines. The state agency shall publish the
13 draft solicitation and evaluation guidelines on its Internet Web site
14 at least 30 days before the public meetings. One meeting shall be
15 conducted at a location in northern California, one meeting shall
16 be conducted at a location in the central valley of California, and
17 one meeting shall be conducted at a location in southern California.

18 (c) Submit the guidelines to the Secretary of the Natural
19 Resources Agency. The Secretary of the Natural Resources Agency
20 shall verify that the guidelines are consistent with applicable
21 statutes and for all the purposes enumerated in this chapter. The
22 Secretary of the Natural Resources Agency shall post an electronic
23 form of the guidelines submitted by state agencies and the
24 subsequent verifications on the Natural Resources Agency's
25 Internet Web site.

26 (d) Upon adoption, transmit copies of the guidelines to the fiscal
27 committees and the appropriate policy committees of the
28 Legislature.

29 5880.06. (a) The Department of Finance shall provide for an
30 independent audit of expenditures pursuant to this chapter. The
31 Secretary of the Natural Resources Agency shall publish a list of
32 all program and project expenditures pursuant to this chapter not
33 less than annually, in written form, and shall post an electronic
34 form of the list on the agency's Internet Web site.

35 (b) If an audit, required by statute, of any entity that receives
36 funding authorized by this chapter is conducted pursuant to state
37 law and reveals any impropriety, the California State Auditor or
38 the Controller may conduct a full audit of any or all of the activities
39 of that entity.

1 (c) The state agency issuing any grant with funding authorized
2 by this chapter shall require adequate reporting of the expenditures
3 of the funding from the grant.

4 5880.07. A project whose application includes the use of
5 services of the California Conservation Corps or certified
6 community conservation corps, as defined in Section 14507.5,
7 shall be given preference for receipt of a grant under this chapter
8 whenever feasible.

9 5880.075. A project that includes water efficiencies, stormwater
10 capture, or carbon sequestration features in the project design may
11 be given priority for grant funding under this ~~chapter~~. *chapter*
12 *whenever feasible*.

13 5880.08. (a) The proceeds of bonds issued and sold pursuant
14 to this chapter shall be deposited in the California Parks, Water,
15 Climate, and Coastal Protection and Outdoor Access For All Fund,
16 which is hereby created in the State Treasury.

17 (b) Proceeds of bonds issued and sold pursuant to this chapter
18 shall be allocated according to the following schedule:

19 (1) Nine hundred ninety-five million dollars (\$995,000,000) for
20 purposes of Article 2 (commencing with Section 5881).

21 ~~(2) Nine hundred ninety-five million dollars (\$995,000,000)~~
22 *One billion fifty-five million dollars (\$1,055,000,000)* for purposes
23 of Article 3 (commencing with Section 5882), Article 4
24 (commencing with Section 5883), Article 5 (commencing with
25 Section 5884), and Article 6 (commencing with Section 5885).

26 ~~(3) Nine hundred ninety-five million dollars (\$995,000,000)~~
27 *One billion seventy million dollars (\$1,070,000,000)* for purposes
28 of Article 7 (commencing with Section 5886), Article 7.5
29 (commencing with Section 5887), and Article 8 (commencing with
30 Section 5888).

31 5880.09. The Legislature may enact legislation necessary to
32 implement programs funded by this chapter.

33
34 Article 2. Investments in Environmental and Social Equity,
35 Enhancing California's Disadvantaged Communities
36

37 5881. (a) Pursuant to Section 5880.08, the sum of nine hundred
38 ninety-five million dollars (\$995,000,000) shall be available to the
39 department, upon appropriation by the Legislature, for the creation
40 and expansion of safe neighborhood parks in park-poor

1 neighborhoods in accordance with the Statewide Park Development
2 and Community Revitalization Act of 2008's competitive grant
3 program described in Chapter 3.3 (commencing with Section 5640).

4 (b) When developing or revising criteria or guidelines for the
5 grant program, the department may consider the population
6 densities of an applicant in relation to countywide populations,
7 comparative income levels, and other poverty-related factors that
8 are relative to regionwide statistics.

9

10 Article 3. Investments in Protecting, Enhancing, and Accessing
11 California's Local and Regional Outdoor Spaces
12

13 5882. For purposes of this article, "district" means any regional
14 park district, regional park and open-space district, or regional
15 open-space district formed pursuant to Article 3 (commencing
16 with Section 5500) of Chapter 3, any recreation and park district
17 formed pursuant to Chapter 4 (commencing with Section 5780),
18 or any authority formed pursuant to Division 26 (commencing
19 with Section 35100). With respect to any community or
20 unincorporated region that is not included within a district, and in
21 which no city or county provides parks or recreational areas or
22 facilities, "district" also means any other ~~entity~~ *entity, including,*
23 *but not limited to, a district operating multiple-use park lands*
24 *pursuant to Division 20 (commencing with Section 71660) of the*
25 *Water Code*, that is authorized by statute to operate and manage
26 parks or recreational areas or facilities, employs a full-time park
27 and recreation director, offers year-round park and recreation
28 services on land and facilities owned by the entity, and allocates
29 a substantial portion of its annual operating budget to parks or
30 recreation areas or facilities.

31 5882.01. (a) Pursuant to Section 5880.08, the sum of four
32 hundred fifty million dollars (\$450,000,000) shall be available to
33 the department, upon appropriation by the Legislature, for local
34 park rehabilitation and improvement grants to local governments
35 on a per capita basis. Grant recipients shall be encouraged to utilize
36 awards to rehabilitate existing infrastructure and to address
37 deficiencies in neighborhoods lacking access to the outdoors.

38 (b) Pursuant to Section 5880.08, the sum of thirty-five million
39 dollars (\$35,000,000) shall be available to the department, upon
40 appropriation by the Legislature, for grants to cities and districts

1 *in urbanized counties providing park and recreation services within*
2 *jurisdictions of 200,000 or less in population. For purposes of this*
3 *subdivision, “urbanized county” means a county with a population*
4 *for 500,000 or greater. An entity eligible to receive funds under*
5 *this subdivision shall also be eligible to receive funds available*
6 *under subdivision (a).*

7 ~~(b)~~

8 (c) Unless the entity has been identified as a disadvantaged
9 community, an entity that receives an award pursuant to this section
10 shall be required to provide a match of 20 percent as a local share.

11 5882.02. (a) (1) The department shall allocate 60 percent of
12 the funds available pursuant to subdivision (a) of Section 5882.01
13 to cities and districts, other than a regional park district, regional
14 park and open-space district, open-space authority, or regional
15 open-space district. Each city’s and district’s allocation shall be
16 in the same ratio as the city’s or district’s population is to the
17 combined total of the state’s population that is included in
18 incorporated and unincorporated areas within the county, except
19 that each city or district shall be entitled to a minimum allocation
20 of two hundred fifty thousand dollars (\$250,000). If the boundary
21 of a city overlaps the boundary of a district, the population in the
22 overlapping area shall be attributed to each jurisdiction in
23 proportion to the extent to which each operates and manages parks
24 and recreational areas and facilities for that population. If the
25 boundary of a city overlaps the boundary of a district, and in the
26 area of overlap the city does not operate and manage parks and
27 recreational areas and facilities, all grant funds for that area shall
28 be allocated to the district.

29 (2) On or before April 1, 2018, a city and a district that are
30 subject to paragraph (1), and whose boundaries overlap, shall
31 collaboratively develop and submit to the department a specific
32 plan for allocating the grant funds in accordance with the formula
33 specified in paragraph (1). If, by that date, the plan has not been
34 developed and submitted to the department, the director shall
35 determine the allocation of the grant funds between the affected
36 jurisdiction.

37 (b) (1) The department shall allocate 40 percent of the funds
38 available pursuant to subdivision (a) of Section 5882.01 to counties
39 and regional park districts, regional park and open-space districts,
40 open-space authorities formed pursuant to Division 26

1 (commencing with Section 35100), and regional open-space
2 districts formed pursuant to Article 3 (commencing with Section
3 5500) of Chapter 3.

4 (2) Each county's allocation under paragraph (1) shall be in the
5 same ratio that the county's population is to the total state
6 population, except that each county shall be entitled to a minimum
7 allocation of five hundred thousand dollars (\$500,000).

8 (3) In any county that embraces all or part of the territory of a
9 regional park district, regional park and open-space district,
10 open-space authority, or regional open-space district, and whose
11 board of directors is not the county board of supervisors, the
12 amount allocated to the county shall be apportioned between that
13 district and the county in proportion to the population of the county
14 that is included within the territory of the district and the population
15 of the county that is outside the territory of the district.

16 (c) For the purpose of making the calculations required by this
17 section, population shall be determined by the department, in
18 cooperation with the Department of Finance, on the basis of the
19 most recent verifiable census data and other verifiable population
20 data that the department may require to be furnished by the
21 applicant city, county, or district.

22 (d) The Legislature intends all recipients of funds pursuant to
23 subdivision (a) of Section 5882.01 to use those funds to supplement
24 local revenues in existence on the effective date of the act adding
25 this chapter. To receive an allocation pursuant to subdivision (a)
26 of Section 5882.01, the recipient shall not reduce the amount of
27 funding otherwise available to be spent on parks or other projects
28 eligible for funds under this chapter in its jurisdiction. A one-time
29 allocation of other funding that has been expended for parks or
30 other projects, but which is not available on an ongoing basis, shall
31 not be considered when calculating a recipient's annual
32 expenditures. For purposes of this subdivision, the Controller may
33 request fiscal data from recipients for the preceding three fiscal
34 years. Each recipient shall furnish the data to the Controller no
35 later than 120 days after receiving the request from the Controller.

36 5882.04. (a) The director of the department shall prepare and
37 adopt criteria and procedures for evaluating applications for grants
38 allocated pursuant to subdivision (a) of Section 5882.01. The
39 application shall be accompanied by certification that the project
40 is consistent with the park and recreation element of the applicable

1 city or county general plan or the district park recreation plan, as
2 the case may be.

3 (b) To utilize available grant funds as effectively as possible,
4 overlapping and adjoining jurisdictions and applicants with similar
5 objectives are encouraged to combine projects and submit a joint
6 application. A recipient may allocate all or a portion of its per
7 capita share for a regional or state project.

8 (e)

9 5882.05. (a) The director of the department shall annually
10 forward a statement of the total amount to be appropriated each
11 fiscal year for projects approved for grants pursuant to this article
12 to the Director of Finance for inclusion in the annual Budget Act.
13 A list of eligible jurisdictions and the amount of grant funds to be
14 allocated to each jurisdiction shall also be made available by the
15 department.

16 (d)

17 (b) Funds appropriated pursuant to this article shall be
18 encumbered by the recipient within three years from the date the
19 appropriation is effective. Regardless of the date of encumbrance
20 of the granted funds, the recipient is expected to complete all
21 funded projects within eight years of the effective date of the
22 appropriation.

23 5882.06. Pursuant to Section 5880.08, the sum of one hundred
24 twenty million dollars (\$120,000,000) shall be available to the
25 department, upon appropriation by the Legislature, for grants to
26 regional park districts, counties, regional open-space districts,
27 open-space authorities formed pursuant to Division 26
28 (commencing with Section 35100), and eligible nonprofit
29 organizations on a competitive grant basis to expand, rehabilitate,
30 or restore parks and park facilities, including trails, that facilitate
31 new or enhanced use and enhanced user experiences.

32

33 Article 4. Restoring California's Natural, Historic, and Cultural
34 Legacy

35

36 5883. (a) Pursuant to Section 5880.08, the sum of three
37 hundred—~~twenty-five~~ *fifty* million dollars—~~(\$325,000,000)~~
38 *(\$350,000,000)* shall be available to the department, upon
39 appropriation by the Legislature, for restoration and preservation
40 of existing state park facilities and units to preserve and increase

1 public access to those facilities and units and to protect the natural,
2 cultural, and historic resources of those facilities and ~~units as~~
3 ~~follows:~~ *units. Not less than 80 percent of these funds shall be*
4 *available for capital improvements that address the department's*
5 *backlog of deferred maintenance or that enhance park access and*
6 *user experiences.*

7 ~~(a) Not less than 80 percent shall be available for capital~~
8 ~~improvements that address the department's backlog of deferred~~
9 ~~maintenance or that enhance park access and user experiences.~~

10 (b) ~~The~~ *Of the total amount available pursuant to this section,*
11 *the sum of twenty million dollars (\$20,000,000) shall be available*
12 *for enterprise projects that facilitate new or enhanced park use and*
13 *user experiences and increase revenue generation to support*
14 *operations of the department.*

15 (c) ~~The~~ *Of the total amount available pursuant to this section,*
16 *the sum of twenty million dollars (\$20,000,000) shall be available*
17 *to the department for grants to local agencies that operate a unit*
18 *of the state park system. system to address an urgent need for the*
19 *restoration of aging infrastructure that, without restoration, would*
20 *compromise the continued operation of the unit. Unless a local*
21 *agency has been identified as a disadvantaged community, a local*
22 *agency that receives a grant pursuant to this subdivision shall be*
23 *required to provide a match of not less than 25 percent.*

24 (d) ~~The sum of five million dollars (\$5,000,000) shall be~~
25 ~~available for the planning, development, and implementation of~~
26 ~~climate adaptation projects within units of the state park system.~~
27 ~~Priority shall be given to projects that use natural systems and~~
28 ~~landscape features.~~

29 (d) *Of the total amount available pursuant to this section, the*
30 *sum of seventy million dollars (\$70,000,000) shall be available to*
31 *the department according to the following schedule and subject*
32 *to Section 5883.02 to address major infrastructure rehabilitation*
33 *to improve tourism and visitor experiences and to promote the*
34 *health and safety of units within the state park system:*

35 (1) *Ten million dollars (\$10,000,000) to implement a Central*
36 *Valley State Park Program. In order to be eligible under this*
37 *paragraph, a park shall be located in a county within the central*
38 *valley from the County of Sacramento south to the base of the*
39 *Tehachapi Mountain Range.*

1 (2) Ten million dollars (\$10,000,000) to implement a Central
2 Coast State Park Program. In order to be eligible under this
3 paragraph, a park shall be located in the County of Ventura.

4 (3) Fifteen million dollars (\$15,000,000) to implement an East
5 Bay State Park Program.

6 (4) Ten million dollars (\$10,000,000) to implement a High
7 Desert-Coachella Valley State Park Program.

8 (5) Ten million dollars (\$10,000,000) to implement an Inland
9 Empire State Park Program.

10 (6) Fifteen million dollars (\$15,000,000) to implement a San
11 Diego State Park Program. Priority may be given to projects
12 bordering a national estuary.

13 (e) Of the total amount available pursuant to this section, the
14 sum of fifty million dollars (\$50,000,000) shall be available to the
15 department for direct distribution to the twelve districts within the
16 department to address historic underinvestments in units of the
17 state park system.

18 5883.01. The department, in expending the funding available
19 under this article, shall endeavor, where practical, to partner with
20 cities, counties, nonprofit organizations, and nongovernmental
21 organizations to maximize leveraging opportunities to enhance
22 tourism, visitation, and visitor experiences.

23 5883.02. The funding available pursuant to subdivision (d) of
24 Section 5883 shall be allocated based on regional populations
25 and the demand for infrastructure repair and improvements.

26
27 **Article 5. Trails and Waterfront Greenway Investment**

28
29 5884. (a) Pursuant to Section 5880.08, the sum of fifty million
30 dollars (\$50,000,000) shall be available to the Natural Resources
31 Agency, upon appropriation by the Legislature, for competitive
32 grants to local agencies, state conservancies, federally recognized
33 Native American tribes, nonfederally recognized California Native
34 American tribes listed on the California Tribal Consultation List
35 maintained by the Native American Heritage Commission, and
36 nonprofit organizations to provide nonmotorized infrastructure
37 development and enhancements that promote new or alternate
38 access to parks, waterways, outdoor recreational pursuits, and
39 forested or other natural environments to encourage health-related

1 commuting and opportunities for Californians to reconnect with
2 nature.

3 (b) Of the amount made available pursuant to this section, up
4 to 25 percent may be made available to communities for innovative
5 transportation programs that provide new and expanded outdoor
6 experiences to disadvantaged youth.

7 (c) Alignment, development, and improvement of nonmotorized
8 infrastructure and trails that lead to safer interconnectivity between
9 parks, waterways, and natural areas may be encouraged.

10 (d) The Natural Resources Agency is encouraged, when
11 designing guidelines, for grants awarded under this article, to utilize
12 existing program guidelines including, if applicable, guidelines
13 that have been established for the California Recreational Trails
14 Act (Article 6 (commencing with Section 5070) of ~~Chapter 1~~) and
15 the ~~Active Transportation Program (Chapter 8 (commencing with~~
16 ~~Section 2380) of Division 3 of the Streets and Highway Code).~~
17 *Chapter 1*).

18 *5884.01. Unless the entity has been identified as a*
19 *disadvantaged community, an entity that receives an award under*
20 *this article shall be required to provide a match of 20 percent.*

21

22 Article 6. Rural Recreation, Tourism, and Economic Enrichment
23 Investment
24

25 5885. (a) Pursuant to Section 5880.08, the sum of fifty million
26 dollars (\$50,000,000) shall be available to the department, upon
27 appropriation by the Legislature, to administer a competitive grant
28 program for cities, counties, and districts in nonurbanized areas,
29 that are eligible for a grant under the Roberti-Z'berg-Harris Urban
30 Open-Space and Recreation Program Act (Chapter 3.2
31 (commencing with Section 5620)). Notwithstanding subdivisions
32 (c) and (e) of Section 5621 and for the purposes of this section,
33 the definition of nonurbanized area shall be updated by the
34 department to reflect current population levels. A nonurbanized
35 area shall include counties with populations of less than 500,000
36 people and low population densities per square mile, as determined
37 by the department. In awarding the grants, the department may
38 consider the following factors:

39 (1) Whether the project would provide new recreational
40 opportunities in rural communities that have demonstrated

1 deficiencies and lack of outdoor infrastructure in support of
2 economic and health-related goals.

3 (2) Whether the project proposes to acquire and develop lands
4 to enhance residential recreation while promoting the quality of
5 tourism experiences and the economic vitality of the community.
6 These enhancements may include accessibility for individuals with
7 disabilities, trails, bikeways, regional or destination-oriented
8 recreational amenities, and visitor centers.

9 (3) Whether the project includes collaboration between public
10 and nonprofit organizations, including, but not limited to, nonprofit
11 land trusts, to facilitate public access to privately-owned lands for
12 regional trail development for wildlife viewing, recreation, or
13 outdoor experiences for youth.

14 (b) Unless the entity has been identified as a disadvantaged
15 community, an entity that receives an award under this article shall
16 be required to provide a match of 20 percent.

17 (c) In addition to entities described in subdivision (a), an
18 irrigation district exercising powers authorized under Section 22185
19 of the Water Code is eligible for a grant under this article.

20

21 Article 7. California Clean Water, Coastal, and Watershed
22 Cobenefit Program

23

24 5886. (a) Pursuant to Section 5880.08, the sum of two hundred
25 *ten* million dollars—(~~\$200,000,000~~) (*\$210,000,000*) shall be
26 available to the Natural Resources Agency, upon appropriation by
27 the Legislature, for grants pursuant to the California River Parkway
28 Act of 2004 (Chapter 3.8 (commencing with Section 5750)).
29 Eligible projects shall include, but are not limited to, projects that
30 protect and enhance urban creeks.

31 (b) Unless the entity has been identified as a disadvantaged
32 community, an entity that receives an award under this article shall
33 be required to provide a match of 20 percent.

34 (c) To maximize cooperation and leverage resources, the Natural
35 Resources Agency may give priority to projects that include
36 partnerships among federal, state, and local agencies and to projects
37 proposed by nonprofit organizations, including, but not limited to,
38 nonprofit land trusts.

39 (d) Not less than 50 percent of the amount made available
40 pursuant to this section shall be allocated for project grants to

1 protect and enhance an urban creek, as defined in subdivision (e)
2 of Section 7048 of the Water Code, and its tributaries, pursuant to
3 Division 22.8 (commencing with Section 32600), Division 23
4 (commencing with Section 33000), and Section 79508 of the Water
5 Code. Money allocated pursuant to this subdivision shall be equally
6 divided between projects in areas described in Division 22.8
7 (commencing with Section 32600) and projects in areas described
8 in Division 23 (commencing with Section 33000).

9 *(e) Not less than 5 percent of the amount made available*
10 *pursuant to this section shall be allocated to the Santa Ana River*
11 *Program pursuant to Chapter 4.6 (commencing with Section*
12 *31170) of Division 21.*

13

14 Article 7.5. State Conservancy Funding

15

16 5887. Pursuant to Section 5880.08, the sum of two hundred
17 ~~forty-five~~ million dollars ~~(\$250,000,000)~~ *(\$245,000,000)* shall
18 be available, upon appropriation by the Legislature, in accordance
19 with the following schedule, to fulfill the purposes of the specified
20 entity:

21 (a) Baldwin Hills Conservancy, five million dollars
22 ~~(\$5,000,000)~~.

23 (b) California Tahoe Conservancy, ~~twenty~~ *seventeen* million
24 ~~five hundred thousand~~ dollars ~~(\$20,000,000)~~ *(\$17,500,000)*.

25 (c) Coachella Mountains Conservancy, ten million dollars
26 ~~(\$10,000,000)~~.

27 (d) Sacramento-San Joaquin Delta Conservancy, fifteen million
28 dollars ~~(\$15,000,000)~~.

29 (e) Salton Sea Authority, twenty-five million dollars
30 ~~(\$25,000,000)~~.

31 (f) San Diego River Conservancy, fifteen million dollars
32 ~~(\$15,000,000)~~.

33 (g) San Gabriel and Lower Los Angeles Rivers and Mountains
34 Conservancy, ~~twenty~~ *twenty-five* million dollars ~~(\$20,000,000)~~
35 ~~(\$25,000,000)~~.

36 (h) San Joaquin River Conservancy, ~~fifteen~~ *ten* million dollars
37 ~~(\$15,000,000)~~ *(\$10,000,000)*.

38 (i) Santa Monica Mountains Conservancy, twenty million dollars
39 ~~(\$20,000,000)~~.

1 (j) Sierra Nevada Conservancy, ~~twenty-five~~ *twenty-two* million
2 *five hundred thousand* dollars ~~(\$25,000,000)~~ *(\$22,500,000)*.

3 (k) State Coastal Conservancy, eighty million dollars
4 (\$80,000,000). Of this amount, not less than 40 percent shall go
5 toward the San Francisco Bay Area Conservancy Program (Chapter
6 4.5 (commencing with Section 31160) of Division 21).

7 5887.02. The Legislature shall strive to consider population
8 size, land mass, and natural resource significance as factors when
9 determining the amount of any other funds to be made available
10 to an entity listed in Section 5887.

11 5887.03. A receiving entity in Section 5887 shall develop and
12 adopt a strategic master plan that identifies priorities and specific
13 criteria for selecting projects for funding. The strategic plan shall
14 include strategies for providing public access to conserved lands
15 wherever feasible and be consistent with project goals and
16 objectives.

17 5887.04. *Conservancies, in expending the funding available*
18 *under this article, shall endeavor, where practical, to partner with*
19 *cities, counties, nonprofit organizations, and nongovernmental*
20 *organizations to acquire open space and create urban greenway*
21 *corridors.*

22

23 Article 8. Climate Preparedness and Habitat Resiliency

24

25 5888. Pursuant to Section 5880.08, the sum of ~~five hundred~~
26 ~~forty-five million dollars (\$545,000,000)~~ *six hundred fifteen million*
27 *dollars (\$615,000,000)* shall be ~~available~~ *available, upon*
28 *appropriation by the Legislature*, to plan, develop, and implement
29 climate adaptation and resiliency projects that improve a
30 community's ability to adapt to the unavoidable impacts of climate
31 change. Projects shall improve and protect coastal and rural
32 economies, agricultural viability, wildlife corridors, or habitat,
33 develop future recreational opportunities, or enhance drought
34 tolerance and water retention, in accordance with the following
35 schedule:

36 (a) (1) Three hundred *forty* million dollars ~~(\$300,000,000)~~
37 *(\$340,000,000)* shall be available to the Wildlife Conservation
38 Board for grants for any of the following:

39 (1)

1 (A) Projects for the acquisition, development, rehabilitation,
2 restoration, protection, and expansion of wildlife corridors and
3 open space, including projects to improve connectivity and reduce
4 barriers between habitat areas. *In awarding grants pursuant to this*
5 *subparagraph, special consideration may be given to projects that*
6 *protect state-designated wildlife corridors.*

7 ~~(2)~~

8 (B) Projects for the acquisition, development, rehabilitation,
9 restoration, protection, and expansion of habitat that promote the
10 recovery of threatened and endangered species.

11 ~~(3)~~

12 (C) Projects to improve climate adaptation and resilience of
13 natural systems.

14 ~~(4)~~

15 (D) Projects to protect and improve existing open-space
16 corridors and trail linkages related to utility or transportation
17 infrastructure that provide habitat connectivity and public access
18 or trails.

19 (2) *Applications submitted pursuant to this subdivision that*
20 *promote projects seeking to preserve the working character of*
21 *lands, including uninterrupted agricultural and rangeland*
22 *practices, through conservation easements, may be given additional*
23 *consideration.*

24 (3) *Of the amount subject to this subdivision, fifty-five million*
25 *dollars (\$55,000,000) shall be available for the acquisition,*
26 *development, rehabilitation, restoration, protection, and expansion*
27 *of habitat that furthers the implementation of adopted natural*
28 *community conservation plans to help resolve resource conflicts*
29 *by balancing communitywide conservation, planning, and economic*
30 *activities.*

31 (4) *Of the amount subject to this subdivision, ten million dollars*
32 *(\$10,000,000) shall be administered through the Department of*
33 *Fish and Wildlife for competitive grants to wildlife rehabilitation*
34 *facilities operated by nongovernmental entities.*

35 (b) ~~One hundred million dollars (\$100,000,000)~~ *Eighty million*
36 *dollars (\$80,000,000) shall be available for deposit into the*
37 *California Climate Resilience Account, established pursuant to*
38 *Section 31012, for projects that assist coastal communities,*
39 *including those reliant on commercial fisheries, with adaptation*
40 *to climate change, including projects that address ocean*

1 acidification, sea level rise, or the protection of habitat associated
2 with the Pacific Flyway.

3 (c) ~~Twenty-five million dollars (\$25,000,000)~~ *Fifteen million*
4 *dollars (\$15,000,000)* shall be available for projects that improve
5 agricultural and open-space soil health, to improve carbon soil
6 sequestration, erosion control, water quality, and water retention.

7 (d) ~~Fifty~~ *(1) Sixty* million dollars ~~(\$50,000,000)~~ *(\$60,000,000)*
8 shall be available for projects that reduce fire risk, improve forest
9 health, and provide feedstock for compost, energy, or alternative
10 fuels facilities. Projects may include, but are not limited to, forest
11 restoration projects that include hazardous fuel reduction, post-fire
12 watershed rehabilitation, and forest management practices that
13 promote forest resilience to wildfire, climate change, and other
14 disturbances. Unless otherwise specified by the Legislature, project
15 funds shall be equally administered by the Department of Forestry
16 and Fire Protection and by the Sierra Nevada Conservancy.

17 (2) *Of the amount subject to this subdivision, up to five million*
18 *dollars (\$5,000,000) shall be available from the Department of*
19 *Forestry and Fire Protection to the California Tahoe Conservancy*
20 *for projects consistent with this subdivision.*

21 (e) ~~Thirty~~ *Forty* million dollars ~~(\$30,000,000)~~ *(\$40,000,000)*
22 shall be available to the California Conservation Corps for projects
23 to rehabilitate or improve parks and restore watersheds, including
24 regional and community fuel load reduction projects on public
25 lands, and stream and river restoration projects. Not less than 50
26 percent of these funds shall be in the form of grants to certified
27 local community conservation corps, as defined in Section ~~14507.5.~~
28 *14507.5, including local community conservation corps that have*
29 *secured certification within the last three to five years prior to the*
30 *grant application date.*

31 (f) ~~Forty~~ *(1) Eighty* million dollars ~~(\$40,000,000)~~ *(\$80,000,000)*
32 shall be available to the Natural Resources Agency, upon
33 appropriation by the ~~Legislation;~~ *Legislature*, to award funding to
34 projects identified by local agencies, nongovernmental land
35 conservation organizations, federally recognized Native American
36 tribes, or nonfederally recognized California Native American
37 tribes listed on the California Tribal Consultation list maintained
38 by the Native American Heritage Commission for any of the
39 following:

40 (1)

1 (A) Projects that involve the restoration, protection, and
2 acquisition of natural, cultural, and historic resources within the
3 state.

4 ~~(2)~~

5 (B) Projects that ~~promote carbon sequestration through~~
6 ~~conversion of blighted or industrial properties to green spaces~~
7 ~~within the coastal zone. convert and repurpose properties formerly~~
8 ~~operating as fossil fuel power plants to create permanently~~
9 ~~protected open space, tourism, and park opportunities through fee~~
10 ~~title and conservation easements.~~

11 ~~(3)~~

12 (C) Projects that enhance water and natural resource values or
13 promote economic activity through improved recreation, tourism,
14 and natural resource investment in those areas of the state not
15 within the jurisdiction of a state conservancy.

16 (2) *Before a grant is awarded pursuant to this subdivision, a*
17 *project applicant shall demonstrate availability to the applicant*
18 *of a minimum 20 percent match from other funds. Project*
19 *applicants shall be encouraged to leverage all available local,*
20 *federal, and nongovernmental sources to maximize funding*
21 *distribution.*

22

23 Article 9. Fiscal Provisions

24

25 5889. (a) Bonds in the total amount of ~~two three billion nine~~
26 ~~one hundred eighty-five~~ *twenty* million dollars ~~(\$2,985,000,000);~~
27 ~~(\$3,120,000,000)~~, not including the amount of any refunding bonds
28 issued in accordance with Section 5889.12, may be issued and sold
29 to provide a fund to be used for carrying out the purposes expressed
30 in this chapter and to reimburse the General Obligation Bond
31 Expense Revolving Fund pursuant to Section 16724.5 of the
32 Government Code. The bonds, when sold, shall be and constitute
33 a valid and binding obligation of the State of California, and the
34 full faith and credit of the State of California is hereby pledged
35 for the punctual payment of both the principal of, and interest on,
36 the bonds as the principal and interest become due and payable.

37 (b) The Treasurer shall sell the bonds authorized by the
38 committee pursuant to this section. The bonds shall be sold upon
39 the terms and conditions specified in a resolution to be adopted

1 by the committee pursuant to Section 16731 of the Government
2 Code.

3 5889.01. The bonds authorized by this chapter shall be
4 prepared, executed, issued, sold, paid, and redeemed as provided
5 in the State General Obligation Bond Law (Chapter 4 (commencing
6 with Section 16720) of Part 3 of Division 4 of Title 2 of the
7 Government Code), and all of the provisions of that law apply to
8 the bonds and to this chapter.

9 5889.02. (a) Solely for the purpose of authorizing the issuance
10 and sale, pursuant to the State General Obligation Bond Law
11 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
12 4 of Title 2 of the Government Code), of the bonds authorized by
13 this chapter, the California Parks, Water, Climate, and Coastal
14 Protection and Outdoor Access For All Finance Committee is
15 hereby created. For purposes of this chapter, the California Parks,
16 Water, Climate, and Coastal Protection and Outdoor Access For
17 All Finance Committee is the “committee” as that term is used in
18 the State General Obligation Bond Law.

19 (b) The committee consists of the Director of Finance, the
20 Treasurer, and the Controller. Notwithstanding any other provision
21 of law, any member may designate a representative to act as that
22 member in his or her place for all purposes, as though the member
23 were personally present.

24 (c) The Treasurer shall serve as the chair of the committee.

25 (d) A majority of the committee may act for the committee.

26 5889.03. The committee shall determine whether or not it is
27 necessary or desirable to issue bonds authorized by this chapter in
28 order to carry out the actions specified in this chapter and, if so,
29 the amount of bonds to be issued and sold. Successive issues of
30 bonds may be authorized and sold to carry out those actions
31 progressively, and it is not necessary that all of the bonds
32 authorized to be issued be sold at any one time.

33 5889.04. For purposes of the State General Obligation Bond
34 Law, “board,” as defined in Section 16722 of the Government
35 Code, means the Secretary of the Natural Resources Agency.

36 5889.05. There shall be collected each year and in the same
37 manner and at the same time as other state revenue is collected,
38 in addition to the ordinary revenues of the state, a sum in an amount
39 required to pay the principal of, and interest on, the bonds each
40 year. It is the duty of all officers charged by law with any duty in

1 regard to the collection of the revenue to do and perform each and
2 every act that is necessary to collect that additional sum.

3 5889.06. Notwithstanding Section 13340 of the Government
4 Code, there is hereby appropriated from the General Fund in the
5 State Treasury, for the purposes of this chapter, an amount that
6 will equal the total of the following:

7 (a) The sum annually necessary to pay the principal of, and
8 interest on, bonds issued and sold pursuant to this chapter, as the
9 principal and interest become due and payable.

10 (b) The sum that is necessary to carry out the provisions of
11 Section 5889.09, appropriated without regard to fiscal years.

12 5889.07. The board may request the Pooled Money Investment
13 Board to make a loan from the Pooled Money Investment Account
14 in accordance with Section 16312 of the Government Code for the
15 purpose of carrying out this chapter less any amount withdrawn
16 pursuant to Section 5889.09. The amount of the request shall not
17 exceed the amount of the unsold bonds that the committee has, by
18 resolution, authorized to be sold for the purpose of carrying out
19 this chapter. The board shall execute those documents required by
20 the Pooled Money Investment Board to obtain and repay the loan.
21 Any amounts loaned shall be deposited in the fund to be allocated
22 in accordance with this chapter.

23 5889.08. Notwithstanding any other provision of this chapter,
24 or of the State General Obligation Bond Law, if the Treasurer sells
25 bonds that include a bond counsel opinion to the effect that the
26 interest on the bonds is excluded from gross income for federal
27 tax purposes under designated conditions or is otherwise entitled
28 to any federal tax advantage, the Treasurer may maintain separate
29 accounts for the bond proceeds invested and for the investment
30 earnings on those proceeds, and may use or direct the use of those
31 proceeds or earnings to pay any rebate, penalty, or other payment
32 required under federal law or take any other action with respect
33 to the investment and use of those bond proceeds, as may be
34 required or desirable under federal law in order to maintain the
35 tax-exempt status of those bonds and to obtain any other advantage
36 under federal law on behalf of the funds of this state.

37 5889.09. For the purposes of carrying out this chapter, the
38 Director of Finance may authorize the withdrawal from the General
39 Fund of an amount or amounts not to exceed the amount of the
40 unsold bonds that have been authorized by the committee to be

1 sold for the purpose of carrying out this chapter less any amount
2 borrowed pursuant to Section 5889.09. Any amounts withdrawn
3 shall be deposited in the fund. Any moneys made available under
4 this section shall be returned to the General Fund, with interest at
5 the rate earned by the moneys in the Pooled Money Investment
6 Account, from proceeds received from the sale of bonds for the
7 purpose of carrying out this chapter.

8 5889.10. All moneys deposited in the fund that are derived
9 from premium and accrued interest on bonds sold pursuant to this
10 chapter shall be reserved in the fund and shall be available for
11 transfer to the General Fund as a credit to expenditures for bond
12 interest, except that amounts derived from premiums may be
13 reserved and used to pay the cost of bond issuance prior to any
14 transfer to the General Fund.

15 5889.11. Pursuant to Chapter 4 (commencing with Section
16 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
17 the cost of bond issuance shall be paid out of the bond proceeds,
18 including premiums, if any. To the extent the cost of bond issuance
19 is not paid from premiums received from the sale of bonds, these
20 costs shall be shared proportionately by each program funded
21 through this chapter by the applicable bond sale.

22 5889.12. The bonds issued and sold pursuant to this chapter
23 may be refunded in accordance with Article 6 (commencing with
24 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
25 the Government Code, which is a part of the State General
26 Obligation Bond Law. Approval by the voters of the state for the
27 issuance of the bonds under this chapter shall include approval of
28 the issuance of any bonds issued to refund any bonds originally
29 issued under this chapter or any previously issued refunding bonds.

30 5889.13. The proceeds from the sale of bonds authorized by
31 this chapter are not “proceeds of taxes” as that term is used in
32 Article XIII B of the California Constitution, and the disbursement
33 of these proceeds is not subject to the limitations imposed by that
34 article.

35 SEC. 2. (a) Notwithstanding the requirements of Sections
36 9040, 9043, 9044, 9061, and 9082 of the Elections Code, or any
37 other law, the Secretary of State shall submit this act to the voters
38 at the November 8, 2016, statewide general election.

39 (b) The Secretary of State shall include in the ballot pamphlets
40 mailed pursuant to Section 9094 of the Elections Code the

1 information specified in Section 9084 of the Elections Code
2 regarding the bond act contained in this act. If that inclusion is not
3 possible, the Secretary of State shall publish a supplemental ballot
4 pamphlet regarding this act to be mailed with the ballot pamphlet.
5 If the supplemental ballot pamphlet cannot be mailed with the
6 ballot pamphlet, the supplemental ballot pamphlet shall be mailed
7 separately.

8 (c) Notwithstanding Section 9054 of the Elections Code or any
9 other law, the translations of the ballot title and the condensed
10 statement of the ballot title required pursuant to Section 9054 of
11 the Elections Code may be made available for public examination
12 at a later date than the start of the public examination period for
13 the ballot pamphlet, provided that the translations of the ballot title
14 and the condensed statement of the ballot title must remain
15 available for public examination for eight days.

16 (d) Notwithstanding Section 13282 of the Elections Code or
17 any other law, the public shall be permitted to examine the
18 condensed statement of the ballot title for not more than eight days.
19 Any voter may seek a writ of mandate for the purpose of requiring
20 the condensed statement of the ballot title, or portion thereof, to
21 be amended or deleted only within that eight-day period.

22 SEC. 3. This act shall take effect upon approval by the voters
23 of the California Parks, Water, Climate, and Coastal Protection
24 and Outdoor Access For All Act, as set forth in Section 1 of this
25 act.

26 SEC. 4. This act is an urgency statute necessary for the
27 immediate preservation of the public peace, health, or safety within
28 the meaning of Article IV of the Constitution and shall go into
29 immediate effect. The facts constituting the necessity are:

30 In order to fund a California parks, water, climate, and coastal
31 protection and outdoor access for all program at the earliest
32 possible date, it is necessary that this act take effect immediately.

SENATE COMMITTEE ON GOVERNANCE AND FINANCE

Senator Robert M. Hertzberg, Chair
2015 - 2016 Regular

Bill No: AB 2444
Author: Eduardo Garcia
Version: 6/23/16
Consultant: Grinnell

Hearing Date: 6/29/16
Tax Levy: No
Fiscal: Yes

CALIFORNIA PARKS, WATER, CLIMATE, AND COASTAL PROTECTION AND OUTDOOR ACCESS FOR ALL ACT OF 2016 (URGENCY)

Enacts the California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2016, which places a \$3.12 billion bond before voters at the November, 2016 election.

Background

When public agencies issue bonds, they essentially borrow money from investors, who provide cash in exchange for the agencies' commitment to repay the principal amount of the bond plus interest. Bonds are usually either revenue bonds, which repay investors out of revenue generated from the project the agency buys with bond proceeds, or general obligation bonds, which the public agency pays out of general revenues and are guaranteed by its full faith and credit.

Section One of Article XVI of the California Constitution and the state's General Obligation Bond Law guide the issuance of the state's general obligation debt. The Constitution allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. Voters also can place bonds on the ballot by initiative, as they have for parks, water projects, high-speed rail, and stem cell research, among others. Either way, general obligation bonds must be ratified by majority vote of the state's electorate. Unlike local general obligation bonds, the state's electorate doesn't automatically trigger an increased tax to repay the bonds when they approve a state general obligation bond. Article XVI of the California Constitution commits the state to repay investors from general revenues above all other claims, except payments to public education. California voters approved \$38.4 billion of general obligation bonds between 1974 and 1999, but approximately \$95 billion since 2000. Additionally, the Legislature enacted and voters approved Proposition 1, which authorized \$7.1 billion in bonds for water quality and supply infrastructure (AB 1471, Rendon, 2014).

Bond acts have standard provisions that authorize the Treasurer to sell a specified amount of bonds, and generally include several uniform provisions that:

- Establish the state's obligation to repay them, and pledge its full faith and credit to repayment,
- Set forth issuance procedures, and link the bond act to the state's General Obligation Bond Law,
- Create a finance committee with specified membership, chaired by the State Treasurer,
- Charge the committee to determine whether it is "necessary or desirable" to issue the bonds,

- Add other mechanisms necessary for the Treasurer and the Department of Finance to implement the bond act, including allowing the board to request a loan from the Pooled Money Investment Board to advance funds for bond-funded programs prior to the bond sale, among others.

In bond acts, the Legislature generally:

- Sets forth categories of projects eligible for bond funds, such as library construction or school facility modernization,
- Chooses an administrative agency to award the funds, such as the State Librarian or the State Allocation Board,
- Details the criteria to guide the administrative agency's funding in each category,
- Enacts enforcement and audit provisions, and
- Provides for an election to approve the bond act.

Should the voters approve the bond act, the Legislature then appropriates funds to the chosen agencies to fund projects consistent with the criteria, generally as part of the Budget Act. The Department of Finance then surveys agencies to determine need for bond funds based on a project's readiness, and then asks the Treasurer to sell bonds in a specified amount. After the bond sale, the Department of Finance determines which bond acts and agencies receive bond proceeds.

In recent years, the Legislature has enacted, and voters approved the following bonds for parks:

- Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Act of 2000 of \$2.1 billion (AB 18, Villaraigosa), and
- California Clean Water, Clean air, Safe neighborhood parks, and Coastal Protection Act of 2002 of \$2.6 billion (AB 1602, Keeley).

The following bond act was placed on the ballot by initiative:

- The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 of \$5.4 billion (Proposition 84).

Proposed Law

Assembly Bill 2444 enacts the California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2016, which places a \$3.12 billion bond on the November, 2016, ballot. After bonds are issued and sold, the measure allows the Legislature to appropriate funds according to the following schedule

- \$995 million to the Department of Parks and Recreation (DPR) to create and expand safe neighborhood parks in park-poor communities, in accordance with the competitive grant program in the Statewide Park Development and Community Revitalization Act of 2008 (AB 31, De León, 2008).
- \$1.055 billion for other park purposes, upon appropriation by the Legislature, as follows:
 - \$450 million to DPR for local park rehabilitation and improvement grants to local governments on a per capita basis. 60% of this allocation goes to cities and park districts using a formula provided in the bill, while 40% flows to counties,

regional park and open space districts, open space districts or authorities, and regional open space districts, pursuant to a formula set in the bill. The Director of DPR must prepare and adopt criteria and procedures for evaluating applications, which must contain a certification stating that the grant-funded project is consistent with the park and recreation element of the applicable city or county general plan.

- \$35 million for grants to cities and districts providing park and recreation services with populations of 200,000 or less, but in a county with a population of 500,000 or more. Requires a 20% local match unless the entity is a disadvantaged community.
- \$120 million for competitive grants to regional park districts, counties, open space districts, open space authorities, and nonprofit organizations to expand, rehabilitate, or restore parks and park facilities, including trails, that facilitate new or enhanced use.
- \$50 million to the Natural Resources Agency for competitive grants to local agencies, conservancies, tribes, and nonprofit organizations to promote new or alternate access to parks, waterways, outdoor recreational pursuits, and forested or other natural environments to encourage health-related commuting and opportunities for Californians to reconnect with nature. Authorizes up to 25% of funds for innovative transportation programs for disadvantaged youth. Requires a 20% match unless the entity is a disadvantaged community.
- \$50 million for competitive grants to cities, counties and districts in non-urbanized areas, as defined, and subject to specified criteria. Requires a 20% local share match, unless the entity is a disadvantaged community.
- \$350 million to DPR to restore of existing state park facilities to preserve and increase public access, and to protect natural, cultural and historic resources in the parks. At least 80% of the amount allocated must be used for capital improvements to address the DPR's deferred maintenance backlog. Further requires that of this total amount:
 - \$20 million for enterprise projects that facilitate new or enhanced park use and user experiences that generate revenue.
 - \$20 million for grants to local agencies that manage state parks to address urgent infrastructure needs. A 25% local match is required unless the local entity is a disadvantaged community.
 - \$50 million for direct distribution to the 12 districts within the DPR to address historic underinvestment in state park units.
 - \$70 million to address major infrastructure rehabilitation, improve tourism and visitor experiences, and promote health and safety in state parks, according to the following schedule:
 1. \$10 million to implement a Central Valley State Park program, only for eligible parks in counties within the central valley from Sacramento County south to the Tehachapi Mountain Range.
 2. \$10 million to implement a Central Coast State Park Program, with parks limited to those in Ventura County.
 3. \$15 million to implement an East Bay State Park Program.
 4. \$10 million to implement a High Desert-Coachella Valley State Park Program.
 5. \$10 million to implement an Inland Empire State Park Program.
 6. \$15 million to implement a San Diego State Park Program.

- \$1.070 billion for water, land conservation, climate preparedness and habitat resilience, upon appropriation by the Legislature, as follows:
 - \$210 million to the Natural Resources Agency for grants for river parkways and urban creeks. Requires a 20% match unless the entity is a disadvantaged community, that 50% of the amount made available for projects to protect and enhance the upper and lower Los Angeles River and its tributaries, and not less than 5% of funds for the Santa Ana River program of the State Coastal Conservancy.
 - \$245 million in the following amounts to:
 - Baldwin Hills Conservancy: \$5 million
 - California Tahoe Conservancy: \$17.5 million
 - Coachella Conservancy: \$10 million
 - Sacramento-San Joaquin Delta Conservancy: \$15 million
 - Salton Sea Authority: \$25 million
 - San Diego River Conservancy: \$15 million
 - San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy: \$25 million
 - San Joaquin River Conservancy: \$10 million
 - Santa Monica Mountains Conservancy: \$20 million
 - Sierra Nevada Conservancy: \$22.5 million
 - State Coastal Conservancy: \$80 million, of which 40% must be allocated to the San Francisco Bay Area program.
 - \$615 million for climate adaptation and resiliency projects to improve a community's ability to adapt to climate change, including projects to improve and protect coastal and rural economies, agricultural viability, wildlife corridors or habitat, recreational opportunities, or drought tolerance and water retention, as follows:
 - \$340 million to the Wildlife Conservation Board (WCB) for wildlife corridors and open space, for climate change adaptation, for species habitat, and for existing open space corridors and trail linkages. Of this amount, \$55 million must be available for implementation of Natural Community Conservation Plans, and \$10 million to the Department of Fish and Wildlife for competitive grants for wildlife and animal rehabilitation facilities operated by nongovernmental entities.
 - \$80 million to the California Climate Resilience Account, for projects to assist coastal communities with climate change adaptation, including sea level rise and ocean acidification, and the Pacific Flyway.
 - \$15 million for projects that improve agricultural and open-space soil health, improve carbon soil sequestration, erosion control, water quality, and water retention.
 - \$60 million for projects that reduce fire risk, improve forest health, and provide feedstock for compost, energy, or alternative fuels facilities, of which \$5 million must be allocated from the Department of Forestry and Fire Protection to the California Tahoe Conservancy.
 - \$40 million to the California Conservation Corps for park and watershed projects, of which 50% must be allocated to local certified conservation corps.
 - \$80 million to the Natural Resources Agency for projects identified by local agencies, nongovernmental land conservation organizations, and tribes for:

1. Projects for restoration, protection and acquisition of natural, cultural, and historic resources.
2. Projects that convert or repurpose coastal zone properties formerly operating as fossil fuel power plants to permanently protected open space and parks.
3. Projects that enhance water and natural resources or promote economic activity through improved recreation, tourism, or natural resource investment in areas of the state not within the jurisdiction of a state conservancy. Requires project applicants to provide a 20% match and to seek to leverage other available local, federal and nongovernmental fund sources.

Wherever feasible, the bill grants a preference for grant projects whose application includes the use of the California Conservation Corps, and a priority to projects that include water efficiencies, stormwater capture, or carbon sequestration features.

The bill allows 5% of grant funds to be spent on administration, and up to 10% for planning and monitoring necessary for the successful design, selection, and implementation of a project, but does not restrict funds ordinarily used by an agency for preliminary plans, working drawings, and construction as defined in the annual Budget Act for a capital outlay project or grant project. Planning may include feasibility studies for environmental site cleanup that would further the purpose of a project.

The measure requires at least 20% of bond funds to be allocated for projects in severely disadvantaged communities, and allows up to 10% of funds of each funding category to be allocated for technical assistance to disadvantaged communities. Agencies must operate a multidisciplinary technical assistance program for disadvantaged communities. Funds used for planning projects or technical assistance to disadvantaged communities may exceed the 10% cap if the state agency administering the programs demonstrates a need for the additional funding. AB 2444 defines a “disadvantaged community” as a community with median household income of 80% statewide average, and a “severely disadvantaged” as one with 60%, using the same definitions from Proposition 84.

Each state agency receiving funding from the Bond must:

- Develop and adopt project solicitation and evaluation guidelines, which include monitoring and reporting requirements, unless they’ve previously developed and adopted them,
- Conduct three public meetings, one each in Northern, Central, and Southern California, to consider public comments before finalizing the guidelines. The agency must publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings.
- Submit the guidelines to the Secretary of the Natural Resources Agency,

The Secretary must verify that the guidelines are consistent with applicable statutes and purposes enumerated in this bill, and post an electronic form of the guidelines submitted by state agencies and the subsequent verifications on the Natural Resources Agency’s Internet Web site. Upon adoption, the bill requires the Secretary to transmit copies of the guidelines to the fiscal

committees and the appropriate policy committees of the Legislature. The Secretary must also publish a list of all bond-funded program and project expenditures pursuant at least annually, in written form, and electronically on the agency's Internet Web site.

Additionally, the measure requires the Department of Finance to provide for an independent audit of bond expenditures. The California State Auditor or the Controller may conduct a full audit of any or all of the activities of that entity if an audit required above reveals any impropriety. Any state agency issuing a bond-funded grant must require adequate reporting of the expenditures of the funding from the grant.

The measure incorporates standard provisions in general obligation bond law either explicitly or by reference, including charging the finance committee with determining whether it's necessary and desirable to issue the bonds. The bill creates the California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Act Finance Committee, comprised of the Director of Finance, the Controller, and the Treasurer, who serves as Chair.

Additionally, AB 2444 directs the Secretary of State to submit the Act to voters at the November 8, 2016, general election notwithstanding several sections of the Elections Code. The measure makes legislative findings and declarations supporting its provisions, and defines many of its terms.

State Revenue Impact

No estimate.

Comments

1. Purpose of the bill. According to the author, "Investments to improve and to further create parks and recreation areas, as well as to create trail networks that provide access from neighborhoods to parks and recreational opportunities, will help ensure all Californians have access to safe places to exercise and enjoy recreational activities. Not only do parks and natural spaces provide a memorable outdoor experience, they also have numerous public safety, educational, and health benefits. Additionally, continued investment in the state's parks, trails, natural resources, and greening our urban areas will mitigate the effects of climate change, providing California access to its bountiful natural resources for future generations to come"

2. Sixteen tons. Debt is an essential part of almost every government, business, and personal balance sheet, as borrowers seek funds from lenders in exchange for a future commitment to repay them. However, evaluating the State's general obligation debt is difficult; both the State Treasurer and the Legislative Analyst's Office suggest there's no correct amount. Instead, experts suggest that states should look at three criteria: *affordability*, *comparability*, and *optimality*.¹

California currently has \$75 billion of general obligation and \$9.8 billion of lease revenue debt outstanding, which is *affordable*. The Governor's 2016 Five-Year Infrastructure Plan states that the General Fund spent \$5.2 billion on debt service in 2014-15, which the plan estimates will

¹ Robert Wassmer and Ronald Fisher "Debt Burdens of California State and Local Governments: Past, Present and Future." As requested and supported by the California Debt and Investment Advisory Commission. July 2011.

grow to \$5.6 billion by 2019-20, not including special funds. The Plan calculates the Debt Service Ratio, or the ratio between debt service and general fund revenues, as 4.69% in 2014-15, which falls slightly to 4.3% in 2019-2020. These totals increase to \$7.2 billion in 2014-15 and \$8.5 billion in 2019-20 when non-General Fund debt service is included, but the ratio doesn't change significantly, as the Plan estimates General Fund revenues to grow, and assumes no new general obligation bond authorizations. The State Treasurer calculates a debt service ratio of 6.84% in 2014-15, and 6.79% in 2015-16; the percentages differ because the Treasurer does not reflect offsets of federal government subsidies or transfers from special funds. While debt service percentages are reasonable, every dollar spent on debt service reduces the funding that is available for other priorities, and debt service is one of the fastest growing state costs in recent years, according to the Governor's Five-Year Infrastructure Plan. The Plan proposes only \$350 million in new general obligation bonds.

California's *comparability* to other states is less favorable, but improving. The State Treasurer's 2015 Debt Affordability Report, issued last October, contains the following chart:

| DEBT RATIOS OF 10 MOST POPULOUS STATES, RANKED BY RATIO OF DEBT TO PERSONAL INCOME | | | | |
|--|---------------------------|----------------------------------|-----------------------|--------------------------------------|
| STATE | MOODY'S/ S&P/ FITCH(a) | DEBT TO PERSONAL INCOME(b) | DEBT PER CAPITA(b) | DEBT AS A % OF STATE GDP(b)(c) |
| Texas | Aaa/AAA/AAA | 1.0% | \$406 | .71% |
| North Carolina | Aaa/AAA/AAA | 1.9% | \$739 | 1.56% |
| Michigan | Aa2/AA-/AA | 1.9% | \$758 | 1.74% |
| Florida | Aa1/AAA/AAA | 2.4% | \$973 | 2.42% |
| Pennsylvania | Aa3/AA-/AA- | 2.4% | \$1,117 | 2.21% |
| Ohio | Aa1/AA+/AA+ | 2.7% | \$1,109 | 2.27% |
| Georgia | Aaa/AAA/AAA | 2.8% | \$1,043 | 2.32% |
| California | Aa3/AA-/A+ | 5.1% | \$2,407 | 4.24% |
| New York | Aa1/AA+/AA+ | 5.7% | \$3,092 | 4.66% |
| Illinois | A3/A-/A- | 5.7% | \$2,681 | 4.79% |
| MOODY'S MEDIAN ALL STATES | | 2.5% | \$1,012 | 2.21% |
| MEDIAN FOR THE 10 MOST POPULOUS STATES | | 2.55% | \$1,076 | 2.3% |

(a) Moody's, Standard & Poor's, and Fitch Ratings as of September, 2015.
 (b) Figures as reported by Moody's in its 2015 State Debt Medians Report released June 2015. As of calendar year end 2013.
 (c) State GDP numbers have a one-year lag.

Determining *optimality* or whether government is investing in the quantity and quality of public capital desired by residents, and financing the appropriate share with debt, is more difficult. LAO recommends that the Legislature consider the Five-Year Infrastructure Plan as a starting point to developing a coordinated approach to infrastructure funding, and establish a committee to focus on statewide infrastructure.

3. The good news. Investors ultimately determine the interest rate paid on a bond when they buy one. However, ratings issued from the three major credit ratings agencies often inform investors and the public regarding the state’s creditworthiness, and assess any investment risk from investing in California general obligation bonds. These ratings change over time in response to a state’s fiscal situation and economy, among other factors. In 2014, ratings agencies Standard and Poor’s and Moody’s both raised their ratings on California bonds, and ratings agency Fitch has increased the state’s rating twice between 2012 and 2014. Agencies identified improving revenues and fiscal discipline when making the upgrade. Additionally, California sold \$2.95 billion in general obligation bonds in March, about which the Treasurer cited “extremely high demand” with “the lowest borrowing costs on 30-year bonds in the last three decades.” The Treasurer added:

“The spread between the state’s new general obligation bonds and a widely used municipal bond market benchmark was the most favorable since 2005, and these low yields allowed the state to refinance \$1.96 billion in higher-interest-paying bonds, saving California taxpayers \$398.5 million over the remaining life of the bonds. Both retail and institutional investors showed extremely strong interest in the bond offerings. Retail investors placed \$1.3 billion in orders, the most retail orders in a single offering since 2010. Overall demand was so positive that the Treasurer’s Office increased the amount of refunding bonds by more than \$500 million. Yields on the bonds ranged from 2.17% for 10-year maturities to 3.05% for the longest maturity, in 2045.”

4. The bad news. California has a distinct problem: of the \$135 billion that voters have authorized, almost \$27 billion hasn’t been issued yet. The state hasn’t yet sold several billion in transportation and resources bonds and almost \$9 billion in high speed rail bonds, plus \$7.5 billion from the recently enacted water bond. While the state has made progress reducing the amount of unissued bonds in recent years, many bond-funded projects have not yet received required approvals. The Treasurer generally sells about \$1 billion in new money bonds twice per year, so even if the Legislature enacts and the voters approve this measure, many of its purposes may have to wait several years for funding as projects funded by previously authorized bonds get up and running.

5. Related legislation. Last year, the Committee approved SB 317 (De León), which enacted the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016, which placed a \$2.45 billion bond on the November, 2016, ballot. However, the measure did not advance from the Senate Floor before the Constitutional deadline.

6. Incoming! On Tuesday, June 28th, the Committee on Natural Resources and Wildlife approved AB 2444. This Committee is hearing the measure as the Committee of second reference.

7. Urgency. To enable a housing bond appearing on the November, 2016, ballot, AB 2444 contains an urgency clause providing that its provisions take effect immediately upon enactment.

Assembly Actions

| | |
|------------------------------------|-------|
| Assembly Water, Parks and Wildlife | 11-1 |
| Assembly Appropriations | 14-2 |
| Assembly Floor | 56-18 |

Support and Opposition (6/28/16)

Support: Association of California Water Agencies; Audubon California; Azul; Bay Area Open Space Council; Big Sur Land Trust; Bolsa Chica Land Trust; Bronzan Consulting; Calcoast; California Association of Local Conservation Corps; California Association of Museum; California Association of Park & Recreation Commissioners & Board Members; California Association of Recreation and Park Districts; California Council of Land Trusts; California Center for Public Health Advocacy; California Coastal Protection Network; California League of Conservation Voters; California Native Plant Society; California Park & Recreation Society; California ReLeaf; California Special Districts Association; California State Parks Foundation; California Tahoe Alliance; California Urban Streams Partnership; California Wilderness Coalition; Carmichael Recreation and Park District; City of American Canyon Parks and Recreation Department; Children's Defense Fund; City of Chino; Consumnes Community Services District Park & Recreation Department; Defenders of Wildlife; Desert Recreation District; Desert Valley Builders Association; City of Dublin, East Bay Regional Park District; El Cerrito Recreation; El Dorado Irrigation District; Fathers & Families of San Joaquin; City of Fountain Valley; Friends of Harbors, Beaches, and Parks; Fulton-El Camino Recreation & Park District; Golden Gate National Parks Conservancy; Greater Vallejo Recreation District; The Greenlining Institute; Hesperia Recreation & Park District; Hetch Hetchy Regional Water System; Hills for Everyone; City of Imperial, John Muir Land Trust; City of Lafayette; Laguna Greenbelt, Inc; Land Paths; Land Trust of Santa Cruz County; Latino Outdoors; Livermore Area Recreation and Park District; Mammoth Lakes California; Marin Agricultural Land Trust; Marin County Parks; Midpeninsula Regional Open Space District; City of Milpitas; Mono Lake Community; City of Montebello; City of Morgan Hill, Napa County Regional Park and Open Space District; The Nature Conservancy; Orangevale Recreation & Park District; Pacific Forest Trust; Paradise Recreation & Park District; Pathways for Wildlife., Peninsula Open Space Trust, Placer County; Pleasant Hill Recreation and Park District; Policy Link; City of Portola; City of Poway, Rails to Trails Conservancy; Rancho Simi Recreation and Park District; San Francisco Parks Alliance; Santa Clara County Board of Supervisors; Santa Clara Valley Open Space Authority; Save Mount Diablo; Save the Redwoods League; City of Selma; Sierra Business Council; Sierra Club California; Sierra Institute for Community and Environment; Sierra Nevada Alliance; Sierra Water Workgroup; Solano Land Trust; Sonoma County Agricultural Preservation and Open Space District; Sonoma County Regional Parks; Sonoma County Water Agency; Sonoma Land Trust; State Park Partners Coalition; Tahoe Mountain Sports ; City of Torrance; The Trust for Public Land; TODEC Legal Center; TreePeople; City of Tustin Parks & Recreation Department; United Ways of California; City of Victorville; Watershed Conservation Authority; City of Westminster.

Opposition: Howard Jarvis TRa

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