State Ballot - Proposition 4

Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024

bmitted: September 27, 2023 Citizen initiative state statute Legislatively referred constitutional amendment Bond issue	Recommended Position Support Oppose Neutral Other – Supervisors Dave Pine and David Canepa are cosponsoring this item.
Summary	

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Contact Phone:

Proposition 4, the Climate Bond, would authorize a statewide \$10 billion water, wildfire prevention, drought preparedness, and clean air bond.

650-599-1341

Background

On July 3, 2023, Senate Bill 867 (Allen), the Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, was chaptered, narrowly meeting an extended deadline for the Legislature to place a bill on the ballot. On July 3, 2024, the Secretary of State assigned the legislative measure Proposition 4 on the ballot.

The last natural resources bond to pass with the voters' approval was Proposition 68 in 2018, which allocated funding to parks, natural resources protection, climate adaptation, water quality and supply, and flood protection.

In 2014, California voters passed Proposition 1, which allocated \$7.1 billion toward funding for water quality, supply, treatment, and storage projects. According to the California Natural Resources Agency, approximately \$40 million from Proposition 1 and \$145.4 million from Proposition 68 remain uncommitted.

Ballot Measure

The measure would authorize \$10 billion in state general obligation bonds for various climate projects. Proposition 4 requires that at least 40 percent of the total funds be allocated to projects that benefit vulnerable populations and give priority to disadvantaged communities and vulnerable populations.

Funds would be allocated to the following programs:

Drought, Flood, and Water Supply - \$3.8 billion:

☐ Yes ☐ No ☐ N/A

Approximately half these funds would support programs and infrastructure to increase water quality and supply, including water storage projects. The remaining funds would go towards flood reduction programs, dam repair, stormwater treatment, and habitat restoration.

Forest Health and Wildfire Prevention - \$1.5 billion:

Eligible programs include wildfire reduction programs, such as tree thinning, vegetation clearance, and homeowner wildfire resistance initiatives.

Sea-Level Rise and Coastal Areas - \$1.2 billion:

Most of these funds would support coastal restoration and sea-level rise resiliency for coastal areas and wetlands. The remaining funds would go towards ocean and marine habitat protection and improvements.

<u>Land Conservation and Habitat Restoration - \$1.2</u> <u>billion:</u>

These funds would protect and restore areas that support fish and wildlife habitats, including land conservation.

Energy Infrastructure - \$850 million:

Funds would support the development of coastal wind turbines and transmission infrastructure. Other eligible programs include battery storage infrastructure.

Parks - \$700 million:

Funds would support various activities that expand recreational opportunities or reduce climate change impacts on state and local parks. This includes park creation and expansion, trail construction, maintenance, education, and infrastructure upgrades.

Extreme Heat - \$450 million:

These funds would support community protection initiatives, including cooling centers, greenspaces, tree planting, and air pollution reduction.

Farms and Agriculture - \$300 million:

These funds would support various farm owner incentives, such as soil health, air pollution reduction, water conservation, farmworker transportation, and farmland conservation. Other programs this account supports include grants for community gardens and farmers' markets.

Despite a coordinated push by the California State Association of Counties (CSAC), funding to support local governments implementing organic waste (SB 1383) and advanced clean fleet requirements was not included in Proposition 3. CSAC is concerned that 2024 budget cuts will impact local SB 1383 compliance efforts. According to CSAC, without state support, the financial burden of organic waste targets will have to be shouldered elsewhere, leading to dramatic impacts on ratepayers and the cost of living in California.

Departments Impacted

Sustainability Department—The Department of Sustainability, which supports capital projects and initiatives carried out by the Department of Public Works, Project Development Unit, and Parks Department, identified the following project areas as benefitting from Prop. 4 funding:

- Stormwater management funds to support infrastructure improvements in disadvantaged communities to reduce trash loads, implement green infrastructure projects to mitigate localized flooding, and support sewer line repairs and replacement to minimize waterway bacteria.
- Coastside groundwater monitoring plans to assess the condition of aquifers. Funding could help identify future infrastructure needs to address long-term drought conditions and monitor groundwater for potential saltwater intrusion, which may impact drinking water.
- The addition of more stream gauges at flood-prone streams to provide emergency services and residents with timely information on stream levels in real-time during heavy rainfall, allowing for better preparation for road closures and flooding from stream overflows.
- Development of community resilience centers with solar panels and battery backup systems that can remain operational during power outages. Development of resilient infrastructure strategies, such as cool roofs and walls, retrofitting buildings, and installing cooling systems, such as heat pumps. Urban greening and green infrastructure in vulnerable communities throughout the County, particularly North Fair Oaks.
- Carbon sequestration assessment and mitigation efforts

- in County Parks and on working lands will help the County achieve its long-term carbon neutrality emission goal.
- Transitioning to zero-emission facilities and vehicles to increase energy efficiency and expand on-site renewable energy.

Parks Department—The Parks Department anticipates the Climate Bond could help to fund the following list of priorities:

- Reparation of creek crossing, trails, and fire roads to reduce the amount of sediment being deposited.
- Management of park-generated stormwater impacting adjacent neighborhoods.
- Reduction of fire fuel in the parks system to allow for better stewardship of county-managed forests, particularly redwood and oak woodland, improving resiliency and mitigating wildfire risk. Additional funds could advance projects from the Department's 5-year wildfire fuel management program, including expanding fuel breaks and shaded fuel breaks in Quarry Park, restoring natural forest conditions in Huddart and Wunderlich, and pursuing additional projects from the Pescadero Creek Park Climate and Habitat Resiliency Plan.
- Sediment management project funding to protect and enhance fish and wildlife resources at Pescadero Creek, an impaired watershed requiring the Department to comply with Total Maximum Daily Loads (TMDLs).
- Coyote Point Recreation Area improvements, including replacing several playgrounds, modernization of water distribution systems, and adding trails to improve access to nature in a highly developed part of the County.

Department of Emergency Management—The

Department indicates that the Climate Bond would allow for increased funding for mitigation projects, which include:

- Wildfire Resilience Programs—fuels mitigation, fire prevention capacity, and forest resilience.
- Coastal Resilience Projects and Programs—flood management, port infrastructure, and advanced climateready fisheries.
- Extreme Heat Mitigation—developing resilience centers and fairground modifications and upgrades to provide community resilience.

Agriculture, Weights & Measures—The Director notes that San Mateo County agricultural operations could benefit from Prop. 4 funding if an entity such as the San Mateo County Resource Conservation District applied for and distributed funds secured through the climate-smart agricultural and conservation activities. These include:

 Improvements for climate resilience of agricultural lands and ecosystems health with dedicated funding toward practices on farms and ranches that improve soil health or accelerate atmospheric carbon removal or soil carbon sequestration and promote on-farm water use efficiency.

- Funding of invasive species projects and activities.
- Projects for protecting, restoring, conserving, and enhancing farmland and rangeland.
- Grants that benefit small- and medium-sized farms, socially disadvantaged farmers, beginning farmers or ranchers, and veteran farmers or ranchers increase the sustainability of agricultural infrastructure and facilities that support food systems and improve market access.
 Funding to support the development and sustainability of farmers' markets, expanded city or suburban community farms or gardens, and regional farm equipment sharing.
- OneShoreline—The San Mateo County Flood and Sea Level Rise Resiliency District, known as OneShoreline, voted to support Prop. 4 at its September 23rd meeting. Should the proposition pass, OneShoreline will work with jurisdictions and community-based organizations in the County to identify projects that would be competitive for funding and that promote long-term resilience to:
 - Extreme storms through existing and new projects that promote stormwater conveyance and retention, creek restoration, creek and lagoon capacity, and tide gates at the mouth of flood-prone waterways.
 - Sea level rise (and shallow groundwater rise) through projects that build long-term shoreline resilience for developed, natural, and public access areas.
 - Coastal erosion through projects that build long-term resilience along the Pacific shoreline, including in unincorporated areas that dominate the San Mateo County coast and three cities that touch it.
 - Drought through project that 1) conserve, capture, clean, and reuse stormwater, 2) add water recycling infrastructure to existing wastewater plants, and 3) assess the feasibility of new wastewater recycling plants.

Fiscal Impact

Support of Proposition 4 will not have any direct fiscal impacts on San Mateo County. However, if the voters approve the proposition, it could result in new revenue for a long list of climate-related projects for the County.

The California Legislative Analyst's Office (LAO) predicts the climate bond would reduce local costs for natural resources and climate-related activities. Proposition 3 will provide funding for some essential local facilities and programs, such as wastewater treatment, allowing local agencies additional funding flexibility. Alternatively, the LAO theorizes that funding availability could encourage local governments to spend more money and build larger projects than they otherwise would, such as adding additional amenities to a

local park. Investments toward completing activities that reduce the risk or damage from disasters could reduce state and local costs for responding to and recovering from those events. Some of the funding that would be made available to local governments through the bond requires local cost share or loan repayments. Overall, the LAO predicts net savings for local governments.

Support

According to the author, Proposition 4 will "provide the necessary investment to help our state become more resilient to climate change. If passed by the voters, this bond will provide funding for concrete on-the-ground measures that will help reduce the severity, frequency, and impacts of climate related natural disasters including fires, drought, flood, extreme heat, and mudslides. The measure proposes to fund projects to reduce fire risk and restore already damaged areas; restore and protect impacted wetlands, watersheds, waterways, coastal resources, and fish and wildlife populations; reduce impacts in local communities and on vulnerable populations; and improve the resiliency of the state's water supplies and agricultural lands."

On August 29, 2024, the California State Association of Counties (CSAC) Board of Directors voted to approve a support position Proposition 4.

Additional supporters of the ballot proposition include:

- Midpeninsula Regional Open Space District
- The Natural Resources Defense Council
- Save the Bay
- SPUR
- Transform
- TOGETHER Bay Area
- California Environmental Voters
- 350 Bay Area Action
- OneShoreline
- Monterey County Board of Supervisors

Opposition

Republican lawmakers are the bond's leading opponents. They argue that the bond is too expensive and that the state should fund these priorities without more debt. They also believe the bond "lacks accountability or measured metrics for success."

- Howard Jarvis Taxpayers Association
- Senate GOP leader Brian Jones
- Assemblymember Jim Patterson

Status 7/3/24—Qualified for the No	vember 2024 ballot.		