

Greenhouse Gas Reduction Fund: Expenditure Record

Ocean Protection Council (OPC)
Ocean and Coastal Resilience Projects

Authorizing legislation: Section 2.00 of the Budget Act of 2024, as enacted by Assembly Bill (AB) 107 (Chapter 22, Statutes of 2024) appropriates to Ocean Protection Council \$27,500,000 for grants or expenditures for resilience projects that conserve, protect, and restore marine wildlife and healthy ocean and coastal ecosystems.

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

Agency that will administer funding:

- Ocean Protection Council

Amount of proposed expenditure and appropriation reference:

- The total expenditure is \$27,500,000, per Section 2.00 of the Budget Act of 2024, as enacted by Assembly Bill (AB) 107 (Chapter 22, Statutes of 2024)

Estimated amount of expenditures for administering agency administrative costs:

- The total expenditure does not include administrative costs. The total expenditure will support projects administered with the statutory purpose of this appropriation.

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

- AB 157 (Gabriel, Chapter 994, Statutes of 2024) authorizes certain expenditures from the Greenhouse Gas Reduction Fund appropriated by the Budget Act of 2024 for the purpose of improving climate change adaptation and resiliency, or environmental quality and public health, of disadvantaged communities or low-income households or communities.
- Funding Guidelines from the California Air Resources Board allow for program funds to be used for individual projects that contribute to the State's climate goals and provide benefits to priority populations. This includes projects that may range from construction activities, planning, equipment, and operations, and research projects.

Continuation of existing Expenditure Record:

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

Project Type(s):

- Scientific research, surveys, and monitoring to inform coastal and marine resilience, management, and adaptation
- Restoration, conservation, and protection of coastal and marine habitats
- Adaptive fisheries management
- Adaptation planning
- Tribal stewardship and land acquisition
- Community engagement in restoration and adaptation projects, coastal and ocean access, and stewardship.
- Technical assistance

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

- Project types described above that advance ocean and coastal resilience and adaptation, consistent with the 2020-2025 OPC Strategic Plan, and subsequent Strategic Plan. Projects may advance one or multiple strategic goals of the OPC Strategic Plan: safeguarding against climate change; advancing equity; enhancing biodiversity; and a sustainable blue economy.

Intended recipients

- Public agencies
- California Native American tribes
- Universities and research institutions
- Non-profit organizations
- Private entities

Program structure and process for selecting projects for funding:

- Discretionary grants and contracts based on program and interagency priorities to advance ocean and coastal resilience and restoration, aligned with the 2020-2025 OPC Strategic Plan, and subsequent Strategic Plan.
- Competitive solicitation, evaluation, and selection of projects according to program guidelines.

Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

How the expenditure is consistent with the Investment Plan and the Scoping Plan:

- AB 1532 (Chapter 807, Statutes of 2012) requires that monies from the Fund be appropriated in a manner that is consistent with the three-year Investment Plan. The “Cap and-Trade Auction Proceeds Fourth Investment Plan: Fiscal Years 2022-23 through 2024-25” recommends “integration of nature-based climate solutions into community adaptation plans and infrastructure investments”. The Plan also states “(p)lanning funds can help improve climate resilience by providing communities with the opportunity to plan for future climate risks such as sea level rise”. Therefore, the expenditures covered by this record are consistent with the Investment Plan because expenditures may include adaptation planning and nature-based climate solutions, including restoration of vulnerable coastal and ocean habitats.
- AB 398 (Chapter 135, Statutes of 2017) augments the foundational priorities with seven complementary funding priorities that provide additional direction for future investments, including but not limited to: climate adaptation and resiliency. All expenditures covered by this record are consistent with this priority to advance climate resilience of California’s coast and ocean.
- AB 157 (Chapter 994, Statutes of 2024) authorizes certain expenditures from Fund appropriated by the Budget Act of 2024 for the purpose of improving climate change adaptation and resiliency, or environmental quality and public health, of disadvantaged communities or low-income households or communities. The “Cap and-Trade Auction Proceeds Fourth Investment Plan: Fiscal Years 2022-23 through 2024-25” further prioritizes dedicated funding to advance equity, environmental justice, and community participation. The expenditures covered by this record are consistent with this priority, as dedicated funding will be provided to advance equity and environmental justice, and expenditures will include community participation to inform project design and outcomes. Expenditures will additionally advance climate change adaptation and resiliency, environmental quality, and public health.
- California’s 2022 Climate Change Scoping Plan identified key strategies and recommendations to continue reducing greenhouse gas (GHG) emissions and achieve the goals and purposes of AB 32 and related statutes. The recommended actions include restoration of wetlands “as they serve as hotspots for biodiversity, contain considerable carbon in the soil, are critical to the state’s water supply, and protect upland areas from flooding due to sea level rise and storms.” Certain expenditures covered by this record are consistent with the Climate Change Scoping Plan because they can be used for nature-based coastal adaptation projects, including but not

limited to wetlands and eelgrass habitat, that include habitat restoration in order to preserve upland lands.

Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Describe how expenditures will facilitate the achievement of GHG emission reductions in the State

- Certain expenditures will facilitate GHG reductions through coast and ocean resilience projects such as: habitat restoration and conservation or through projects that incorporate natural or green elements into traditional infrastructure. Expenditures will facilitate GHG emission reductions by reducing fossil-fuel derived pollutants (e.g., plastic) that contaminate and threaten the health of the coast and ocean, and/or increasing the resilience of habitats that sequester carbon.

Explain when GHG emission reductions and/or co benefits are expected to occur and how they will be maintained

- GHG emission facilitation will occur through climate adaptation, climate preparedness, and co-benefits by funding the development of coast and ocean restoration projects that aim to increase climate resiliency and reduce the impacts of climate change on California habitats, species, and communities. The project benefits will occur in the long-term life span of the projects that are implemented.

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency:

- Expenditures will support ocean and coastal resilience projects, including scientific research, surveys, and monitoring to inform effective coastal and marine resilience, management, and adaptation efforts; the restoration, conservation, and protection of coastal and marine habitats; tribal stewardship; and community engagement that will result in multiple co-benefits such as flood reduction, protecting public health and safety through fisheries management and improving water quality, supporting vulnerable communities, and creating jobs through workforce development and capacity building.

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

- This program will support AB 32 objectives by:
 - Maximizing additional environmental and economic co-benefits for California
 - Directing public and private investment toward the most under-resourced communities in California
 - Providing an opportunity for local, regional, and tribal governments to participate in and benefit from statewide efforts to address the impacts of climate change, specifically related to ocean and coastal habitats
 - Providing climate and coastal adaptation and resiliency benefits to communities

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

- The administering agency expects that a minimum of 25% (\$6,875,000) of the total project funds will be utilized to provide direct benefits to priority populations (including but not limited to disadvantaged communities by the California Environmental Protection Agency per SB 535; low-income communities identified by census tract household per AB 1550; and California Native American tribes) located along the coast of California and the San Francisco Bay.

1 Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B Funding Guidelines for more information on the definitions of priority populations.

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

- These expenditures will support ocean and coastal resilience, including tribal stewardship and community engagement to inform project design and outcomes, to support and benefit priority populations, and to create jobs through workforce development and capacity building.

Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens:

- The administering agency understands that disadvantaged and low-income communities, and California Native American tribes carry the burden of the impacts of climate change, yet have limited resources to prepare and adapt to climate change, or have the capacity to engage in government processes or funding programs. The program will prioritize projects that directly benefit these communities, including through workforce development and capacity building, and is exploring expanded opportunities to increase outreach and provide technical assistance to these communities to access available state funds.

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance:

- The administering agency will require all funding recipients to maintain records and submit quarterly status reports. In addition, the administering agency will work with the funding recipients to maintain progress and effective reporting. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the administering agency's guidelines and executed grant agreement terms and conditions.

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

- The administering agency will coordinate with CARB to determine how to document GHG emission reductions and/or co-benefits through qualitative and quantitative metrics, where applicable.

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

- The administering agency will collect information on outcomes for the entire funded program, consistent with CARB guidance.

How the administering agency will report on program status:

- The administering agency will provide regular updates on expenditures, project status, and benefits in reports prepared according to CARB guidance. At a minimum, the reports will include expenditure amounts, quantification of applicable co-benefits, and other metrics yet to be determined. Reports will also include information on how the project improves climate change adaptation and resiliency, or environmental quality and public health, of disadvantaged communities or low-income households or communities.