

Greenhouse Gas Reduction Fund: Expenditure Record

State Coastal Conservancy
Wild Cherry Canyon Acquisition

Authorizing legislation: Item 3760-102-3228 of the Budget Act of 2024, as amended by SB 108 (Chapter 35, Statutes of 2024) appropriates to State Coastal Conservancy \$40 million for acquisition of real property known as Wild Cherry Canyon in San Luis Obispo County, California.

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation. Agency that will administer funding:

- State Coastal Conservancy

Amount of proposed expenditure and appropriation reference:

- The total expenditure is \$40 million, per Section 113, Item 3760-102-3288 of the Budget Act of 2024 (Chapter 35, Statutes of 2024).

Estimated amount of expenditures for administering agency administrative costs

- Administering agency administrative costs are estimated to be 5% of the appropriation or \$2 million.

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

Relevant statutes to include:

- SB 108 (Budget Act of 2024) appropriated \$40,000,000 of Greenhouse Gas Reduction Funds to the Coastal Conservancy or acquisition of real property known as Wild Cherry Canyon in San Luis Obispo County in accordance with SB 846 (Dodd, Chapter 239, 2022).
- SB 846 (Dodd, Chapter 239, 2022) identified a funding program of \$150,000,000 to support a Land Conservation and Economic Development Plan developed by the Natural Resources Agency”.
- AB 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32.

Continuation of existing Expenditure Record

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

Project Type(s)

- Land conservation

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

Avoid new greenhouse gas emissions by acquiring 2,400 acres of largely undeveloped land targeted for hundreds of units of residential development and associated roads, water and utility services to prohibit such development.

Intended recipients

- State Parks
- Land Conservancies
- Local and Tribal Governments

Program structure and process for selecting projects for funding

This is a one-time land acquisition project of a real property known as Wild Cherry Canyon in San Luis Obispo County. This acquisition project is part of a larger Diablo Canyon conservation effort that was identified through the Conservancy's on-going project solicitation process, reviewed and selected based on the Conservancy's [Project Selection Criteria](#) and 2023-2027 Strategic Plan. The Wild Cherry Canyon acquisition project will be evaluated in early 2025 and proposed for Board authorization by the end of 2025.

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 "nature-based solutions to accelerate climate smart management of California's natural and working landscapes". Under the Natural and Working Lands sector, land conservation is identified as investment priority. Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan.

California's 2022 Climate Change Scoping Plan identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32 and related statutes. The recommended actions include implementing actions to accelerate natural removal of carbon and build climate resilience in land conservation. The project will result in the acquisition of 2,400 acres of largely undeveloped land and serve to provide long-term benefits including carbon sequestration by preserving oak woodlands, pine forest, and avoiding greenhouse gas emissions by prohibiting future development. 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

The project will serve to provide long-term benefits including carbon sequestration by preserving oak woodlands, pine forest, and avoiding greenhouse gas emissions by extinguishing development rights for up to 15,000 residential homes and associated road, water and utility improvements and thereby reducing VMTs.

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

The acquisition will be completed by 2028 and development of up to 15,000 residential homes and associated road, water and utility services will be eliminated in perpetuity. The project will protect existing natural and working lands threatened by conversion to more carbon-intensive land uses including grazing lands, undisturbed native coastal prairie grasslands, oak woodlands, pine forests, and riparian corridors that provide a variety of diverse wildlife habitats.

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

Due to its size, location, extensive natural resources, and proximity to public roads and community services, and the fact that much of it is located outside the coastal zone which reduces regulatory hurdles to development, the threat of the development of up to 15,000 residential homes and resulting increase in greenhouse gas emissions has made acquiring the property to prevent such development a high priority for the state. By extinguishing development rights for all residential development the project will protect water quality, air quality natural resources and wildlife ecosystems and will enhance regional climate resilience and adaptation by permanently protecting a key wildlife corridor between the San Luis Obispo Coast and nearby public and protected lands. Establishing a new park will attract visitors to the region, drive economic growth through expanded eco-tourism opportunities, and improve public health for those seeking recreation activity and open space. The project will also serve to facilitate improving climate resilience and adaptation by

permanently protecting diverse, climate-resilient habitats while protecting existing sequestration on natural lands.

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

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

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

Although this project is beneficial, it is not located in a disadvantage community and will not directly benefit priority populations. However, planned public access to the property will benefit priority populations in the region seeking access to the parks and open space for recreation including hiking, biking and low-cost camping.

Describe the benefits to priority populations per CARB guidance

Planned public access to the property will benefit priority populations in the region seeking access to the parks and open space for recreation including hiking, biking and low-cost camping.

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

Archaeological evidence suggests that Native Americans utilized the property as far back as 9,000 years ago, including the Northern Chumash that were its primary residents. The Chumash depended heavily on food from the ocean, as well as seeds and acorns gathered from the grasslands and oak groves on the property making the area a historically significant one the return of access and cultural resource protection rights for the Chumash. Returning land rights and access to thousands of acres of their ancestral coastal lands to tribes will have a significant positive impact for the tribes. Planning for public access and recreation will facilitate opening suitable areas of the property and remove regional access barriers identified in the state's 30x30 strategy.

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

- The SCC will incorporate community feedback, input, and consultations into project management decisions.
- The SCC will proactively manage the project to address potential unforeseen impacts.
- The SCC will work with the grantee and partners to minimize the reporting requirements and provide meaningful support to reduce administrative burdens.

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 38500) of the Health and Safety Code.

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

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

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

- SCC will work with CARB to estimate GHG co-benefits, using standard methodologies. Staff will review documentation prepared by project proponents to ensure consistency with approved methodologies.
- SCC will collect data on the number of acres that provide climate adaptation for wildlife. SCC will collect data on project success in achieving co-benefits, such as acres of habitat protecting essential habitat for species of fish and wildlife.
- SCC will provide regular updates on expenditures, project status, and benefits in reports prepared according to CARB's Funding Guidelines. At a minimum, the reports will include expenditure

amounts, number of conservation easements and acreages of climate resilient habitats protected, status of projects that increase resilience to sea level rise.

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

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

How the administering agency will report on program status

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