

MESSAGE FROM THE SECRETARY OF NATURAL RESOURCES



March 17, 2022

Colleagues and Partners,

California is home to what I consider the most majestic nature on the planet, with a stunning diversity of life. Our state is also home to world-renowned environmental policies that have enabled people and nature to thrive together.

The most recent report of the Intergovernmental Panel on Climate Change warns of a small and narrowing window of time to act to avoid the most catastrophic impacts of a warming planet. The report emphasizes that conserving and restoring nature is an essential part of this action.

It is clearer now than ever that nature needs us, and we need nature. Protecting our lands and waters across the globe is key to the survival of all life on this planet—including our own. In California, this means moving faster to restore natural places and the ecosystems they sustain. We call this work "Cutting Green Tape" to remove barriers and restore nature more quickly and cost-effectively.

Our Cutting Green Tape effort builds on the work of inspiring leaders, partners, and community members who are dedicated to confronting climate change and biodiversity loss. These leaders recognize that we must advance this work in ways that strengthen tribal partnerships and empower voices within marginalized communities.

We're starting to see real progress on our Cutting Green Tape efforts. Many restoration projects are happening more quickly and effectively as we empower staff and on-the-ground practitioners to implement creative ideas and drive new collaboration.

There is no time to waste. Together we can move more quickly to conserve nature and safeguard a future for us all. Please join us!

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WADE CROWFOOT, SECRETARY FOR NATURAL RESOURCES

# **Transforming Environmental Restoration**

## **Progress on the Cutting Green Tape Initiative**

### Background

The Cutting Green Tape initiative accelerates the pace and scale of habitat restoration by streamlining and improving government processes. It is a longstanding priority for restoration and conservation communities that has become more important than ever amidst climate change and global biodiversity loss.

For decades, communities, conservation organizations, and public agencies have been stymied by barriers that slow or hinder beneficial restoration activities. In 2019, the California Landscape Stewardship Network and the Administration of Governor Gavin Newsom joined together to take action and reduce or eliminate these barriers. In October 2020, Governor Newsom elevated this priority, directing state agencies through Executive Order to "implement actions to increase the pace and scale of environmental restoration and land management efforts by streamlining the State's process to approve and facilitate these projects."

The Cutting Green Tape initiative started by bringing together a wide range of agencies and practitioners through in-person workshops to identify challenges to restoration delivery and generate suggested improvements. This effort culminated in a report in November 2020 called <u>Cutting Green Tape:</u>

Regulatory Efficiencies for a Resilient Environment, which outlined a set of Cutting Green Tape recommendations. In response, California Natural Resources Secretary Wade Crowfoot issued an <u>Implementation Memorandum</u> in January 2021 that directed entities within the California Natural Resources Agency (CNRA)<sup>1</sup> to take immediate steps to cut green tape.

"Our state is known for strong laws that protect the environment from the effects of development and resource extraction. However, these very same policies designed to protect our natural resources can unintentionally slow down beneficial projects that restore essential habitat and imperiled ecosystems."

~Secretary Wade Crowfoot, California Natural Resources Agency

This report highlights progress in response to Secretary

Crowfoot's directives. It focuses on actions within CNRA and its boards, conservancies, commissions, councils, and departments to implement Cutting Green Tape, which are part of a broader set of improvements underway across other state agencies and non-state governmental partners.

<sup>&</sup>lt;sup>1</sup> Department of Forestry and Fire Protection, Department of Conservation, California Conservation Corps, Department of Fish and Wildlife, Department of Parks and Recreation, Department of Water Resources, Baldwin Hills Conservancy, Coachella Valley Mountains Conservancy, San Diego River Conservancy, San Joaquin River Conservancy, Sierra Nevada Conservancy, Tahoe Conservancy, Sacramento-San Joaquin Delta Conservancy, San Gabriel & Lower Los Angeles Rivers & Mountains Conservancy, Santa Monica Mountains Conservancy, State Coastal Conservancy, Board of Forestry, California Coastal Commission, California Energy Commission, California State Lands Commission, San Francisco Bay Conservation and Development Commission, Wildlife Conservation Board, Ocean Protection Council, Biodiversity Council, Delta Stewardship Council

### Why Cut Green Tape?

California's protection of the environment is world renowned. State laws conserve the state's air, water, land, and wildlife, protect communities, and support the ecological systems that sustain all life. However, California has reached a point where protective laws alone are insufficient to enable sustainability of the state's natural systems. Climate change and biodiversity loss require immediate and significant acceleration of conservation and restoration of natural environment.

The Newsom Administration is helping lead an international movement to expand and accelerate environmental conservation by implementing California's 30x30 initiative to conserve 30 percent of California's lands and coastal waters by 2030. Prioritized actions within 30x30 protect biodiversity, expand equitable access to nature, and mitigate and build resilience to climate change. The restoration of natural places is a critical pathway to 30x30. Cutting Green Tape and 30x30 complement existing environmental safeguards to improve our natural environment.

Two core commitments within 30x30 are to improve equity and strengthen tribal partnerships. Cutting Green Tape must similarly include processes that advance these commitments, such as meaningful government-to-government consultations and technical support for grant and loan applications. Actions such as these will help tribal governments, local partners, governments, and coalitions deliver the projects their communities need most.

The importance of Cutting Green Tape has been articulated in reports from the California Landscape Stewardship Network<sup>2</sup> and the Public Policy Institute of California<sup>3</sup>. These reports call for improved coordination and permitting for restoration projects and strengthened partnerships to deliver conservation on the ground.

## **Points of Progress**

In the fall of 2021, CNRA administered an agency-wide survey to better understand progress to Cutting Green Tape. The survey asked all boards, conservancies, commissions, councils, and departments to identify efforts to better coordinate, fund, and approve restoration projects. This survey helped identify a variety of Cutting Green Tape strategies underway, which fall into four primary areas:

- Improve **permitting and regulatory processes** to expedite approvals for environmental restoration.
- Clarify and improve the use of California Environmental Quality Act (CEQA)
  exemptions where appropriate.
- Simplify **grant and loan programs** to more quickly and cost effectively deliver projects.
- Enhance **communication**, **coordination**, **and collaboration** across public agencies and non-governmental groups to better deliver restoration.

<sup>&</sup>lt;sup>2</sup> <u>Cutting Green Tape: Regulatory Efficiencies for a Resilient Environment</u>, California Landscape Stewardship Network

<sup>&</sup>lt;sup>3</sup> <u>Advancing Ecosystem Restoration with Smarter Permitting</u>, Public Policy Institute of California

Updates in each of these areas are provided below. Additionally, an appendix is included to this memo that details important program and process improvements made by the California Department of Fish and Wildlife (CDFW).

#### Permitting and Regulatory Processes

Multiple entities within CNRA issue permits for restoration projects. By improving permitting and regulatory processes, state agencies can expedite approvals for critical environmental projects. Several entities are employing programmatic approaches to permit a set of related projects or for multiple projects that are substantially similar. This approach can significantly reduce time and resources that would otherwise be devoted to issuing individual permits at the project level. Several important improvements to streamline permitting and regulatory processes are underway, including:

- 1. The **California Tahoe Conservancy** has established the Tahoe Program Timberland Environmental Impact Report to more readily implement and fund specific forestry activities across multiple jurisdictions in the Tahoe Basin.
- 2. **CDFW** has established a new Restoration Management Permit and the ability to issue a Restoration Consistency Determination, both of which help to consolidate multiple environmental authorizations into fewer permits. CDFW's goal is to develop a single master permitting procedure for voluntary restoration projects.
- 3. CDFW and the State Water Resources Control Board (SWRCB) are jointly developing an application and permit review process for projects under the Habitat Restoration and Enhancement Act, administered by CDFW, and the 401 General Water Quality Certification Order for Small Habitat Restoration Projects, administered by SWRCB. This collaboration includes completion of the Programmatic Environmental Impact Report, which is on track to be completed in summer 2022.
- 4. The California Coastal Commission has approved programmatic permits for forest health and wildfire resilience restoration projects through Public Works Plans in San Mateo, Santa Cruz, and San Luis Obispo counties. The plans authorize projects in an approximately 230,000-acre area and allow for projects to move forward with streamlined review and without the need for additional coastal permits over the next 10 years. A similar Public Works Plan is currently being developed in Monterey County.
- 5. The **Coastal Commission** is working with **CDFW** to develop a programmatic authorization process for projects funded through CDFW's Fisheries Restoration Grant Program, which is scheduled to move forward in the first half of 2022.
- 6. State, federal, and local agency staff are working together to accelerate the **Southern California Wetlands Recovery Project (SCWRP)**. SCWRP aims to improve and expedite coastal restoration planning and permitting. The project has created a streamlined review and permitting process for restoration projects identified in the SCWRP Work Plan, including opportunities for early multi-agency input, coordinated permit review, and cooperative programmatic approvals.

#### California Environmental Quality Act (CEQA)

CEQA is a landmark state law that requires proposed projects to identify, assess and communicate their potential environmental impacts, with the goal of reducing these impacts. Within CEQA are specific categories of exemptions that can be used to release projects from the preparation of environmental documents if they are not expected to result in a significant environmental impact.<sup>4</sup> This includes Class 7 (Actions by Regulatory Agencies for Protection of Natural Resources)<sup>5</sup>, Class 8 (Actions by Regulatory Agencies for Protection of the Environment)<sup>6</sup>, and Class 33 (Small Habitat Restoration Projects)<sup>7</sup> categorical exemptions, as well as the recently passed Statutory Exemption for Restoration Projects.<sup>8</sup> These exemptions can be beneficial for increasing the pace and efficiency of restoration and conservation projects. CNRA entities are actively expanding their application of these exemptions to projects across the state:

- 1. Per the Secretary's directive, CNRA entities have reviewed and improved their procedures for using the Class 33 exemption for small (<5 acres) restoration projects. Leaders and staff are working closely with grantees and potential grant seekers to ensure broader awareness of this exemption and use it where applicable. In the past two years, more than 200 of these exemptions were used throughout California 9. The California Tahoe Conservancy, for example, recently applied this exemption for small scale restoration activities associated with habitat degradation from off-road highway vehicles.</p>
- 2. In November 2021, the Newsom Administration in cooperation with the legislature established a new <u>exemption</u> for habitat restoration projects regardless of size so long as the project is wholly beneficial, among other requirements.<sup>10</sup> CDFW has begun implementation of the <u>Statutory Exemption for Restoration Projects (SERP)</u> along with development of <u>a new website</u> for permittees and interested parties. Additionally, CDFW granted the <u>first project concurrence</u> under SERP in December 2021 for the <u>Garcia River Estuary Enhancement Project</u> in Mendocino County.
  - The California Landscape Stewardship Network report recommended amending the Class 33 exemption to remove size limits and clarifying that the construction prohibition for Class 7 and 8 exemptions does not apply to the use of mechanized equipment in the context of restoration. SERP now offers an exemption for restoration projects that cannot utilize either Class 7, 8, or 33 categorical exemptions. As SERP is implemented and prior to its sunset in 2025, CNRA will continue to evaluate whether any amendment to CEQA guidelines is warranted.
- 3. **CDFW** continues to implement the Habitat Restoration and Enhancement Act (HREA), which has proven to be an excellent tool for restoration proponents looking for a streamlined permitting process for small projects. All HREA projects must be eligible for a Class 33 categorical exemption under CEQA, which has enabled CDFW to approve 93 projects pursuant to the HREA from 2015 to 2020.<sup>11</sup>

<sup>&</sup>lt;sup>4</sup> Cal. Code Regs. Tit. 14, § 15300

<sup>&</sup>lt;sup>5</sup> Cal. Code Regs. Tit. 14, § 15307

<sup>&</sup>lt;sup>6</sup> Cal. Code Regs. Tit. 14, § 15308

<sup>&</sup>lt;sup>7</sup> Cal. Code Regs. Tit. 14, § 15333

<sup>&</sup>lt;sup>8</sup> Ca. Pub. Res. Code § 21080.56

<sup>&</sup>lt;sup>9</sup> State Clearinghouse CEQAnet Web Portal. Accessed February 7, 2022. <a href="https://ceqanet.opr.ca.gov/">https://ceqanet.opr.ca.gov/</a>.

<sup>&</sup>lt;sup>10</sup> Ca. Pub. Res. Code § 21080.56; SERP eligibility is limited to projects that deliver net environmental benefit for climate resiliency, biodiversity, and sensitive species recovery and include procedures and ongoing management for the protection of the environment. The exemption is limited to projects whose exclusive purpose is to conserve, restore, protect, or enhance, and assists in the recovery of California native fish and wildlife, and the habitat upon which they depend.

<sup>&</sup>lt;sup>11</sup> California Department of Fish and Wildlife Implementation of the Habitat Restoration and Enhancement Act

#### **Grant and Loan Programs**

One aspect of Cutting Green Tape is simplifying how projects receive state-funded grants and loans to complete restoration. CNRA and its entities manage more than 160 grant and loan funding programs from numerous sources<sup>12</sup> to enable natural resources management, conservation, and restoration work. Identifying which programs have available funding and navigating the different technical and fiscal requirements of each program can be challenging for partners seeking support for critical restoration projects.

Improvements are already underway to simplify and improve processes for delivering habitat funding:

- 1. The **CDFW** has piloted a Concept Proposal phase in its application process for the 2021 North Coast Coho Recovery Program, "as a mechanism to allow applicants to communicate basic information to CDFW about projects they are considering, and to receive detailed feedback on those projects, prior to submitting a formal application.<sup>13</sup>" More than 30 other programs across CNRA<sup>14</sup> are engaging in similar preliminary concept or pre-application consultations to help reduce both applicant and program staff time writing and reviewing grant proposals and to improve a project application's competitiveness and success in the program.
- CNRA Bonds and Grants Unit posts its grants to the California State Library's Grants.ca.gov portal and in accordance with Senate Bill 27 has begun developing a registry to connect projects that align with the state's climate and natural and working lands goals with funding opportunities from state agencies and private institutions.
- 3. The CNRA Bonds and Grants Unit is also implementing a three-step proposal evaluation process to reduce the upfront submission requirements for applicants. In Step 1, applicants respond to a series of questions and submit a subset of required documents essential for determining eligibility, feasibility, and competitiveness. Once the most competitive projects have been selected from Step 1, they receive a field visit during Step 2. The remaining paperwork and detailed project information is collected from applicants invited to Step 3. This tiered structure saves time for applicants and creates a less burdensome initial submission process.
- 4. Currently, more than 50 distinct funding processes are required for the over 150 CNRA funding programs. The CNRA Bonds and Grants Coordination Group brings together key bonds and grants staff from across the agency in a quarterly convening to share best practices, standardize processes, and improve program delivery. The group has identified a suite of funding barriers and potential solutions to help accelerate conservation and restoration projects moving forward:

<sup>12</sup> CNRA funding sources include Federal funds, the State General Fund, General Obligation Bonds, Greenhouse Gas Reduction Fund, and other special funds, fees, and commissions.

<sup>&</sup>lt;sup>13</sup> Call for Concepts – North Coast Coho Recovery Summer 2021 Solicitation

<sup>&</sup>lt;sup>14</sup> California Natural Resources Agency, Department of Conservation, Department of Forestry and Fire Protection, Department of Water Resources Coachella Valley Mountains Conservancy, Santa Monica Mountains Conservancy, Coastal Conservancy, Wildlife Conservation Board, San Diego River Conservancy, Sacramento San Joaquin Delta Conservancy, and Tahoe Conservancy

#### **Funding Barriers**

- Complex application processes.
- Grant size restrictions or inflexible spending timelines.
- Restrictive grant eligibility requirements.
- Lengthy grant review processes requiring explicit technical expertise and numerous staff hours.
- Insufficient technical assistance for grant seekers with limited technical expertise or grant writing capacity.
- Varying interpretations of funding statute across implementing agencies.
- Limited staff capacity to carry out program objectives.
- Difficulty or resistance to change longstanding processes.

#### **Potential Solutions**

- Create standard program implementation procedures, including templates for:
  - o Grant guidelines language
  - o Application materials
  - Project scoring criteria and review process
- Create flexible funding timelines to spend allocated grant funding.
- Ensure that all available or forecasted funding opportunities are shared on the California State Library's Grants Portal (Grants.ca.gov).
- Continue to expand technical assistance within funding programs.
- Create a unified method to collect grantee and grant seeker feedback to adapt and improve programs.
- Monitor and evaluate outcomes from grants and loans.
- Expand the number of devoted regulatory and permitting state staff.

#### Communication, Coordination, and Collaboration

Interagency coordination can play a significant role in streamlining the permitting and regulatory process for restoration projects. Improved communication, coordination, and collaboration will accelerate funding and permitting processes, reduce unnecessary duplication of effort, and decrease the time and cost for restoration projects. Increased coordination within CNRA and between state, federal, local, and private partners is helping to accelerate conservation and restoration. Examples include:

1. The Bay Restoration Regulatory Integration Team (BRRIT) is comprised of staff from each of the six state and federal regulatory agencies with jurisdiction over San Francisco Bay. 16 This team provides project proponents with a "one-stop shop" for complex multi-benefit habitat restoration projects, leading to more coordinated and efficient permitting. Since convening in August 2019, BRRIT has permitted four projects. Another 19 projects are in application and pre-application phases.

"Collaboration takes time, but in the end leads to enduring and meaningful solutions. The BRRIT is moving restoration in San Francisco Bay forward and is paving the way for other inter-agency collaborations that will lead to more expansive environmental restoration work throughout California."

-Amy Hutzel, Executive Director California Coastal Conservancy

<sup>&</sup>lt;sup>15</sup> Advancing Ecosystem Restoration with Smarter Permitting, Public Policy Institute of California

<sup>&</sup>lt;sup>16</sup> U.S. Army Corps of Engineers (USACE); U.S. Fish and Wildlife Service; NOAA National Marine Fisheries Service (NMFS); San Francisco Bay Regional Water Quality Control Board (SF RWQCB); California Department of Fish and Wildlife (CDFW); and San Francisco Bay Conservation and Development Commission (BCDC)

- 2. The Southern California Wetlands Recovery Project (WRP) consists of directors and staff of 18 public agencies coordinating with each other regarding the protection, restoration, and enhancement of California's coastal wetlands and watersheds between Point Conception and the Mexican border. The WRP is chaired by the Resources Agency and supported by the Coastal Conservancy. Through the WRP partnership, public agencies, scientists, and local communities work cooperatively to acquire and restore wetlands in coastal Southern California. The WRP provides a structure that allows agencies to discuss project design and approach, and coordinate funding opportunities, for the most efficient and effective expenditure of resources.
- 3. CDFW through its Habitat Restoration and Enhancement Act program is coordinating between regional staff at CDFW and SWRCB to implement collaborative review of Small Habitat Restoration Project applications and enable efficient permit approval. Additionally, CDFW expanded its Cutting Green Tape pilot program to create a full-time Cutting Green Tape Team, that will continue to develop an inter-agency framework for expanding coordination with the SWRCB in 2022.
- 4. **CDFW**'s Restoration Permitting Team also worked with the National Oceanic and Atmospheric Administration Fisheries Service to develop a new process for issuing consistency determinations for restoration projects that have received approvals pursuant to a federal programmatic biological opinion.
- 5. The **California Coastal Commission** completed and finalized the Coastal Development Permit Application <u>Guidance</u> for Aquaculture and Marine Restoration in December 2021. This guidance meets requirements of <u>Senate Bill 262</u> and helps applicants for marine aquaculture and restoration projects and other agency partners better understand the Commission's permitting process.

Efforts like these to increase state and federal agency coordination and regulatory certainty, as well as reduce duplicative information requests, costs, and the time spent obtaining a permit, are fundamental to further cutting green tape.

## **Moving Forward**

CNRA will continue to implement the Cutting Green Tape Initiative by taking additional actions to better deliver environmental restoration. The agency will continue to partner with the California Landscape Stewardship Network to convene partners and practitioners from all over the state in quarterly workshops where opportunities to accelerate environmental restoration can be explored and advanced. By working together, state agencies and partners can foster collaborative leadership throughout communities that will more quickly and cost effectively restore our environment.

For decades, California has stood at the forefront of environmental stewardship and modeled effective conservation in the United States and around the globe. Cutting Green Tape will enable California to continue to lead by example and confront climate change and biodiversity loss head-on and establish new benchmarks for restoring, conserving, and protecting our nature.