

B. Fiscal Impact Statement on State Government

On November 5, 2024, California voters approved the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 also known as the 2024 Climate Bond or Proposition 4 (Public Resources Code (PRC), Sections 90000 to 95015).

The Strategic Growth Council (SGC) was allocated \$150 million for projects to implement its Transformative Climate Communities (TCC) Program. The TCC Program develops and implements neighborhood-level transformative climate community plans that include multiple, coordinated greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities.

In 2025, through Assembly Bill 149 (Chapter 106, Statutes of 2025), the Legislature deemed implementing Proposition 4 as an emergency subject to the emergency rulemaking process. Pursuant to Public Resources Code Section 90135(e), agencies administering Proposition 4 may utilize the emergency regulation process:

“A regulation for the purpose of developing and adopting program guidelines and selection criteria needed to effectuate or implement the programs included in Chapter 2 (commencing with Section 91000) to Chapter 9 (commencing with Section 94500), inclusive, of this division may be adopted as an emergency regulation in accordance with [the APA], and for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of regulations is an emergency and shall be considered by [OAL] as necessary for the immediate preservation of the public peace, health, safety, and general welfare, and a state agency is hereby exempted from the requirement that it describe facts showing the need for immediate action.”

In order to establish regulatory clarity to support implementation and allocation of these bond funds, these emergency regulations provide grant guidelines for the 2024 Climate Bond to increase specificity on how SGC will fund eligible TCC projects. The processes established by these emergency regulations clarify the existing process of grant administration and selection at SGC and thus will not have an impact on staff time or any other fiscal impact.