

Date of Hearing: March 29, 2023

ASSEMBLY COMMITTEE ON AGRICULTURE

Robert Rivas, Chair

AB 408 (Wilson) – As Amended March 16, 2023

SUBJECT: Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024

SUMMARY: Proposes the Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024 (CSF Bond) authorizes \$3.365 billion in general obligation bonds. The CSF Bond would finance a variety of projects that focus on improving Agriculture resilience and sustainability, protecting the health of farmworkers, expanding health food access and combating hunger, improving regional food economies, supporting Sustainable Groundwater Management Act (SGMA) planning, aid in pest management and reduce food waste. Specifically, *this bill*:

- 1) Makes legislative findings that a secure, resilient, sustainable, and equitable food and farming system is essential for the economic and social well-being of the people of California. The COVID-19 public health pandemic has laid bare the vulnerabilities of this system, which is increasingly threatened by climate change. The scale of these challenges requires a comprehensive approach to achieve sustainability and resiliency, including investments in infrastructure, farms, farmworkers, distribution systems, and food access.
- 2) Defines the following:
 - a) “Committee” means the CSF Bond Finance Committee, as specified.
 - b) “Disadvantaged community” means any of the following:
 - i) A community located in a census tract in which the median household income of less than 80 percent of the area median income as determined by the Department of Housing and Community Development.
 - ii) A municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income.
 - iii) A community located in a census tract in which the household income of at least 20 percent of the population is at or below the federal poverty level based on family size.
 - c) “Food hub” means a centrally located facility with a business management structure facilitating the aggregation, storage, processing, and distribution of locally or regionally produced food products.
 - d) “Fund” means the CSF Bond Fund, as specified.

- e) “Heat-island effect” means the effect of increased temperatures in urbanized areas caused by structures, such as buildings, roads, and other infrastructure, that absorb and re-emit the sun’s heat more than natural landscapes such as farms, forests, and water bodies.
- f) “Limited resource farmer or rancher” (LRFR) has the same meaning as defined in Section 760.107 of Title 7 of the Code of Federal Regulations.
- g) “Local educational agency” means a charter school, school district, or county office of education.
- h) “Nonprofit organization” means a nonprofit corporation qualified to do business in California, as specified.
- i) “Prescribed burn” means planned fire that is used as a land management and fire prevention tool, as specified.
- j) “Priority population” means any of the following:
 - i) A community defined as a disadvantaged community, as specified.
 - ii) A low incomes community, as specified.
- k) “Producer” means a person, partnership, corporation, or otherwise legally formed farm or ranch that produces agricultural products through agricultural arts on land that the entity owns, rents, leases, sharecrops, or otherwise controls and has the documented legal right to possess. An entity that rents, leases, or otherwise acquires the right to possess property only during the harvest season for the agricultural products produced on that property is not a producer.
- l) “Resilience” means the ability of an entity or system, including an individual, community, or natural system, and its component parts to absorb, accommodate, or recover from the effects of a hazardous event in a timely and efficient manner, including through ensuring the preservation, restoration, or improvement of its essential basic structures and functions. In the case of natural and working lands, resilience includes the preservation, restoration, and enhancement of the lands’ ability to sequester carbon.
- m) “School food authorities” has the same meaning as defined in Section 49563 of the Education Code.
- n) “Small- and medium-sized farms” means farms and ranches of 500 acres or less.
- o) “Socially disadvantaged farmer or rancher” (SDFR) has the same meaning as defined in Section 512 of the Food and Agricultural Code.
- p) “State General Obligation Bond Law” means the State General Obligation Bond Law.
- q) “Technical assistance” means outreach, education, project planning assistance, project design assistance, grant application assistance, project implementation assistance, and project reporting assistance provided to project applicants.

- r) “Sustainable agriculture” means a system of management practices that increase the climate resilience of California’s agriculture sector, provide co-benefits for public health, the economy, and the environment, and can help improve the health of communities, as specified.
 - s) “Tribal government” means the government of a tribe, tribal agency, or subdivision thereof.
 - t) “Tribal organization” means any of the following:
 - i) A tribal government.
 - ii) A legally established organization of natives that is controlled, sanctioned, or chartered by a tribal government, is democratically elected by the adult members of the tribal community to be served by the legally established organization, and maximizes participation of natives in all phases of its activities.
 - iii) A nonprofit organization chartered under tribal government law or state law that is primarily led by and serves tribal communities.
 - u) “Tribal produce” means either of the following:
 - i) A member of a tribe who is involved in agricultural production or traditional tending, gathering, hunting, or fishing.
 - ii) A cultural practitioner who manages land traditionally for food, fiber, ceremonial, or other culture-based purposes.
 - v) “Tribe” means a federally recognized Native American tribe or a nonfederally recognized Native American tribe, band, nation, or other organized group or community listed on the California tribal consultation list maintained by the Native American Heritage Commission.
 - w) “Vulnerable population” means a subgroup of a population within a region or community that faces a disproportionately heightened risk of, or increased sensitivity to, impacts of climate change and that lacks adequate resources to cope with, adapt to, or recover from those impacts.
- 3) Proposes the CSF Bond that generally would finance projects improving agriculture resilience and sustainability, protecting the health of farmworkers, expanding health food access and combating hunger, improving regional food economies, supporting Sustainable Groundwater Management Act (SGMA) planning, aid in pest management and reduce food waste.
- 4) Authorizes an amount of not more than 5% of the funds allocated for a grant program to be used to pay administrative costs.
- 5) Authorizes up to 10% of the funds to be used for planning and monitoring necessary for the successful design and implementation of projects.

- 6) Allows grants to disadvantaged communities or socially disadvantaged farmers and ranchers to exceed the 10% threshold.
- 7) Prohibits grants to be used to fulfill any environmental mitigation requirements imposed by law.
- 8) Authorizes advance payments of up to 50% of a grant for projects that serve disadvantaged communities or socially disadvantaged farmers and ranchers.
- 9) Requires agencies who receive CSF Bond funds to allocated funds to SDFR, disadvantaged communities, and vulnerable populations, as specified.
- 10) Requires to be available to individual regardless of their immigration status, as specified.
- 11) Proposes the following categorical funding:
 - a) \$950 million to improve agriculture resilience and sustainability, as follows:
 - i) \$280 million for California Department of Food and Agriculture (CDFA) to make grants to improve soil health (\$75 million), water use efficiency (\$60 million), methane reduction (\$60 million), transition to organics (\$35 million), integrated pest management (\$15 million), demonstration project (up to \$45 million) and technical assistance (up to \$95 million).
 - (1) Prioritizes grants to the following individuals in order: 1) SDFR, 2) LRF, and then all other farmers and ranchers.
 - (2) Provides that projects eligible to receive grants include, but are not limited to the following:
 - (a) The construction of climate-controlled rooms and greenhouses, including, but not limited to, offices, labs, and storage spaces.
 - (b) The purchase of equipment, including, but not limited to, vacuum and other monitoring and insect release equipment.
 - (c) The purchase of vehicles, including, but not limited to, for transport for monitoring and releasing beneficial organisms, such as pickups, three-wheelers, and drones.
 - (d) The purchase of electronic equipment for computing, communications, telecommuting, and community education.
 - (e) The purchase of monitoring equipment, and data collection and mapping software, to monitor and map the habitats of pollinators and beneficial pest

predators that provide critical ecosystem services.

- ii) Implement climate smart practices for SDFR and LRFR (\$35 million grants),
 - iii) Floodplain habitat and restoration work in relation the SGMA, administered by the Wildlife Conservation Board (\$140 million).
 - iv) Implement sustainable pest management practices for SDFR and LRFR administered by the Department of Pesticide (\$5 million grants),
 - v) Prescribed grazing grants for weed control and wildfire prevention, administered by Department of Forestry and Fire Protection (\$35 million).
 - vi) \$420 million to DOC for grants to Agroecosystem improvement (\$15 Million), acquisition and improvement of Agriculture land (\$45 Million), improve land access for SDFR (\$145 million), Agrivoltaic improvements (\$20 Million), implementation of SGMA (\$60 million), and riparian habitat improvement (\$35 million).
 - vii) \$70 million to the Department of Water Resources for grant to upgrade water district and on farm water systems (\$35 Million) and support SDFR and LRFR with SMGA Implementation (\$35 Million)
- b) \$750 million to protect the health of farmworkers, as follows.
- i) \$450 million for the Strategic Growth Council to award grants through the Affordable Housing and Sustainable Communities Program for projects that include the development of multiunit affordable housing for farmworker families and households.
 - ii) \$50 million for the Department of Community Services and Development for grants to improve the energy efficiency, indoor air quality, renewable energy use, and climate resilience of farmworker housing, including single-family homes and multiunit buildings.
 - iii) \$25 million for the Division of Occupational Safety and Health for the creation of a stockpile of personal protection equipment for farmworkers use during emergencies.
 - iv) \$100 million for State Water Resources Control Board for grants to provide safe drinking water and promote public health for farmworker families for projects that include improving septic systems to prevent water contamination and projects that improve wastewater treatment facilities at risk from sea level rise or saltwater intrusion.

- v) \$25 million for the Office of Emergency Services to expand its California State Warning Center, as specified.
 - vi) \$100 million for the Department of Communities Service and Development for grants to establish farmworkers resource centers.
- c) \$750 million for sustainable healthy food access and nutrition security, as follows:
- i) \$320 million for the Department of General Services to provide funding to specified educational agencies and centers to improve or build kitchens, meal preparation, meal service, and dining infrastructure used for school nutrition programs, as specified.
 - ii) \$50 million for the State Department of Social Services to provide aid to participants in the Emergency Food Assistance Program, as specified.
 - iii) \$360 million for CDFA for grants to ensure communities and tribes are able to obtain or produce foods that are healthy, nutritious, and culturally relevant that are grown in California, as specified.
 - iv) \$20 million to the California Department of Aging to fund infrastructure that will expand senior nutrition programs, as specified.
- d) \$915 million to strengthen regional food economies, as follows:
- i) \$470 million for CDFA for grants to enhance local and regional food and fiber infrastructure, such as processing, cooling and storage facilities, and supply chain infrastructure, as specified.
 - ii) \$30 million to the California Coastal Conservancy for grants for the development, restoration, and reconstruction of fishing facilities and related infrastructure serving the commercial fishing industry in urban coastal waterfront areas.
 - iii) \$60 million to CDFA for grants to develop meat-processing facilities and expand or upgrade meat-processing facilities to increase meat-processing capacity, as specified.
 - iv) \$110 million to the State Energy Resources Conservation and Development Commission for allocation to accelerate the adoption of energy efficiency and renewable energy technologies at California food processing plants. These funds will help California food processors work towards a low-carbon future, and benefit disadvantaged communities and priority populations by reducing emissions of greenhouse gases.

- v) \$15 million for CDFA for grants to develop regional farmer training centers to provide culturally relevant assistance for farmers and ranchers.
 - vi) \$30 million for DOC for grants to develop small and underserved farmer equipment and cooperative resource programs.
 - vii) \$200 million to the Department of Resources Recycling and Recovery for grants or performance payments to support the development and implementation of projects to improve outdoor air quality through increased diversion of organics from combustion or landfill disposal.
- 12) Provides for standard provisions in general obligation bond law, either explicitly or by reference, as specified.
- 13) Specifies the CSF Bond will be on the November 5, 2024 ballot.

EXISTING LAW:

- 1) Establishes CDFA to promote and protect the agricultural industry of the state. *Food and Agriculture Code 100 et al*
- 2) Allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. *Government Code 16720 et al*
- 3) Requires bonds to be ratified by majority vote in state election. *Government Code 16720 et al*

FISCAL EFFECT: Unknown

COMMENTS: This bond will invest \$3.365 billion over five years to accelerate California's economic recovery from the COVID-19 pandemic while combating climate change, improving food security, and protecting our essential farmworkers. It aims to do this by investing in many parts of the food supply chain from field to table.

California needs many more food hubs to aggregate supply from producers, as well as food processing, meat processing and livestock slaughter facilities, cold storage, and distribution facilities – all with an eye towards building sustainable and resilient local and regional food systems. CSF Bond addresses farmworker health and safety such as safe and affordable housing, energy efficiency and renewable energy projects on farmworker homes, and personal protective equipment for wildfires.

CSF Bond invests in infrastructure to combat hunger and improve on farm climate reliance and sustainably. With an estimated 6.4 million food insecure Californians, improves food access for the most vulnerable Californians to combat hunger. Furthermore, the CSF Bond invests in diverse, organic, and regenerative cropping systems to help reduce farmers' economic vulnerabilities by expanding market opportunities. CSF Bond investments also modernize fairground infrastructure, protect groundwater resources, generate more compost, rebuild soil health and improve on-farm resilience to droughts, floods, and pest outbreaks.

According to the author, the climate crisis already adversely affects many parts of the state's food and farming system. In recent years, the COVID-19 pandemic and ongoing supply chain disruptions have laid bare the vulnerabilities of this system. California's low-income communities of color and Tribal communities bear a disproportionate impact of these challenges. Approximately 20 percent of Californians, or 7.9 million people, are food insecure. At the same time, food banks do not have the means or resources to provide for the large number of hungry Californians. The farmers and ranchers that feed us are not immune to these challenges and many are struggling to make ends meet as input costs have skyrocketed and ongoing supply chain challenges threaten the viability of agricultural operations, particularly for small-scale farms and farmers of color.

Supporters state this bond is an important part of California's response to the crises of climate change and the recent COVID-19 pandemic. It is an opportunity to advance economic recovery by investing in increasing access to healthy food; combating hunger in our communities; building resilient and reliable regional food supply chains; supporting small and mid-sized farmers and ranchers; expanding climate-smart farming practices, including organic; and protecting workers in our fields. Perhaps most importantly, this bond is designed to address long-standing inequities in our food system by directing significant resources to farmers, ranchers, and communities of color that have historically been excluded from many state programs.

Despite several decades of stated commitment by the USDA to improve SDFRs access to the farm safety net, many still face barriers to accessing these important services. Because SDFRs are more likely to operate smaller, more diverse operations than white farmers and ranchers in California, laws, regulations and programs designed to apply to larger growers are either irrelevant or harmful to growers operating small-scale operations. Furthermore cultural and language differences, education, legal status, and farm size all cause additional barriers to SDFRs. California's farmers and ranchers are almost 80 percent white, in part due to federal farm programs having been managed inequitably, leading to white farmers benefitting more than farmers of color. As a result, generations of SDFRs have faced additional obstacles securing or retaining farmland, accessing new competitive technologies, and entering profitable markets. This bill requires that at least 40 percent of the funds go to projects that provide direct and meaningful benefits to socially disadvantaged farmers or ranchers, disadvantaged communities, and vulnerable populations unless the agency distributing funds cannot meet that threshold. This bill works to achieve greater equality of access and outcomes for SDFRs in California.

General Obligation Bonds: When public agencies issue bonds, they borrow money from investors, who provide cash in exchange for the agencies' commitment to repay the principal amount of the bond plus interest. Bonds are usually either revenue bonds, which repay investors out of revenue generated from the project the agency buys with bond proceeds, or general obligation bonds, which the public agency pays out of general revenues and are guaranteed by its full faith and credit.

The Constitution allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. Voters also can place bonds on the ballot by initiative, as they have for parks, water projects, high-speed rail, and stem cell research, among others. Either way, general obligation bonds must be ratified by majority vote of the state's electorate. Unlike local general obligation bonds, approval by the state's electorate does not automatically trigger an increased tax to repay the bond. The Constitution

commits the state to repay investors from general revenues above all other claims, except payments to public education.

Related Legislation:

AB 125 (R. Rivas) of 2021 would have enacted the Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Bond Act of 2022, which, if approved by the voters, would have authorized the issuance of bonds in the amount of \$3,302,000,000 to finance programs related to, among other things, agricultural lands, food and fiber infrastructure, climate resilience, agricultural professionals, including farmers, ranchers, and farmworkers, workforce development and training, air quality, tribes, disadvantaged communities, nutrition, food aid, meat processing facilities, fishing facilities, and fairgrounds. This bill was held in Assembly Natural Resources committee.

AB 2387 (E. Garcia) would have enacted the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, would have authorize the issuance of bonds in the amount of \$7,430,000,000 to fund climate smart Agriculture projects, among other policy issues. This bill was held in Assembly Appropriations committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Climate and Agriculture Network
(Sponsor)
1000 Grandmothers for Future Generations
A Voice for Choice Advocacy
Acterra: Action for A Healthy Planet
Agricultural Institute of Marin
Alameda County Community Food Bank
Alchemist CDC
American Farmland Trust
Butte County Local Food Network
California Association of Food Banks
California Cattlemen's Association
California Certified Organic Farmers
(CCOF)
California Climate & Agriculture Network
(CALCAN)
California Compost Coalition
California Environmental Voters
California Farmers Union
California Farmlink
California Food and Farming Network
California Nurses for Environmental Health
and Justice
Californians Against Waste
Californians for Pesticide Reform

Carbon Cycle Institute
Center for Food Safety; the
Central California Environmental Justice
Network
Ceres Community Project
Chez Panisse
Climate Reality Project, Los Angeles
Chapter
Climate Reality Project, Orange County
Community Alliance with Family Farmers
Community Health Councils
Del Norte and Tribal Lands Community
Food Council
Ecological Farming Association
Ecology Center
Environmental Working Group
Everyone's Harvest
Families Advocating for Chemical and
Toxics Safety
Farm to Pantry
Fibershed
Food Forward
Foodshare Ventura County
Foodwise
Fresh Approach

Gmo Science
Health Care without Harm
Heart of the City Farmers' Market
Interfaith Sustainable Food Collaborative
Kaya Bird LLC
Kiss the Ground
Kitchen Table Advisors
Los Angeles Food Policy Council
Los Angeles Regional Food Bank
Mandela Partners
Marin Food Policy Council
Mcgrath Family Farm
Modesto Certified Farmers Market
Monterey Bay Central Labor Council,
AFL-CIO
Monterey County Food System Coalition
Mount Shasta Farmers' Market
Natural Resources Defense Council (NRDC)
North Coast Growers Association
Nutrition and Fitness Collaborative of The
Central Coast

Opposition

None on file

Pesticide Action Network
Pesticide Action Network North America
Public Health Advocates
Regenerate America Coalition
Roots of Change
San Francisco Bay Physicians for Social
Responsibility
San Francisco-Marin Food Bank
Santa Clara Valley Open Space Authority
Santa Cruz Climate Action Network
Second Harvest of Silicon Valley
Sierra Harvest
Slow Food Sonoma County North
Sonoma Safe Agriculture Safe Schools
Sustainable Agriculture Education
Taylor Farms
The Climate Center
The Edible Schoolyard Project
The Praxis Project
Wild Farm Alliance

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