

# Eureka!

A Transformative Approach to  
Sustaining California's  
Urban Forests



## ACKNOWLEDGEMENTS

A project of this size, scope and ambition does not succeed without partners. Over the course of the last 18 months, California ReLeaf called upon state department staff, board members, nonprofit colleagues, scholars, researchers, consultants, practitioners, friends and family to help us craft a lean but comprehensive analysis of the opportunities before us, and the potential road to success. Without their contributions, there would be no report.

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## A FUNNY THING HAPPENED ON THE WAY TO SUSTAINABILITY

**In March 2012, California ReLeaf took on the challenge of identifying potential long-term, sustainable funding sources for urban forestry at the statewide level during the most uncertain time in the history of the Urban and Community Forestry Program.**

Over the last 35 years, this program, guided by the Urban Forestry Act of 1978, has been an invaluable resource to local governments, nonprofits and practitioners for technical expertise, communications and funding. Since 2000, the Program has received \$40 million in bond funds approved by voters in Propositions 12, 40 and 84, complemented with federal funds each year. Most of those state dollars have gone to support local assistance efforts; federal funds were primarily used for staffing, administration and other related purposes.

California received a wake-up call in 2008 that signaled bond dollars were not the long-term way to promote capital outlay projects and programs. In response to the State's

budget crisis and the general weakening of the financial markets, California suspended the sale of general obligation bonds. This was followed by the Pooled Money Investment Board issuing a "Stop Work Order" to bond-funded projects statewide and freezing payment of outstanding project invoices for more than a year. The stop work order affected 5,300 projects of all types totaling \$18.1 billion across the State and caused hundreds of organizations to suffer by failing to meet payroll and other financial obligations.

The "bond freeze," which reinforced the need to explore other funding alternatives, was followed by the worst economic recession in a generation. Local governments and nonprofits scaled back their urban forestry efforts as the economy struggled. Local

assistance grants from the Urban and Community Forestry Program continued until the last of those funds were allocated in 2012.

Adding to the bond funding woes, political gridlock in Washington, D.C. stalled and threatened urban forestry funds at the federal level for several years. One unsuccessful proposal would have eliminated all money for the United States Forest Service (USFS) Urban and Community Forestry Program for the first time in history.

Just when the urban forestry funding picture was dimming to dark, a funny thing happened in the world of public policy that could not be ignored by urban forestry advocates and stakeholders across California: opportunity came knocking.

The first knock came in spring of 2012 when some environmentalists and the timber industry came together to address two major concerns: the lack of funding available for state review of timber harvesting plans and liability for wildfires. A proposal addressing these concerns and creating a dedicated funding source from a small assessment on lumber purchased in California was introduced, passed the Legislature and

signed by the governor on September 11, 2012. This unusual measure included an unlikely shout out for supporting urban forestry. To be more specific, the bill put into state statute an opportunity to fund the Urban and Community Forestry Program with discretionary dollars raised by the new tax. The second knock came as the use of revenues from cap-and-trade auctions was starting to take shape. Two related bills were signed by Governor Jerry Brown in 2012 and suddenly forestry was statutorily recognized as an eligible project under cap-and-trade. Things were looking up. California ReLeaf continued working on this report, but was also subject to sporadic reality checks. And reality was telling us that the 2013-14 legislative session could be game-changing years for urban forestry at the State Capitol. And we were right.

Over the last 15 months we have seen urban forestry move from a conservation footnote to a centerpiece of discussion. We've seen trees become an eligible "energy efficiency" upgrade under Proposition 39, which will govern how the state expends \$550 million annually over the next four years. We've seen urban forestry inserted into the Assembly's water bond bill. And we have seen how the risk of losing urban forestry funding helped save the Environmental Enhancement and Mitigation Program.

The true measure of success, though, came with the release of the Governor's proposed 2014-15 state budget, which seeks to provide \$18 million in cap-and-trade funds to CAL FIRE's Urban and Community Forestry Program – more than double any single appropriation of state funds ever for this purpose. So how did real-time events influence the conclusions drawn in this report? In a word - HEAVILY.

California ReLeaf left no stone unturned in a search for ways to support urban forestry at

the statewide level. We examined what other states are doing to support urban forestry, while also communicating with California state agencies on ways they support urban forestry in their programs. We explored potential opportunities for raising funds through specialty license plates, property taxes and oil severance fees. And we outlined a vision for what a multi-year urban forestry effort could look like at the state level as a primary mechanism to drive investment in tree planting and tree care.

As advocates and political strategists, the strongest possibilities and funding options became obvious to us with each passing month of the 2013-14 Legislative Session, and are clearly reflected in our conclusions and three core statements of fact that governed the vision put forth in this report:

#### **1. OUR TIME IS NOW!**

Even as California ReLeaf worked with consultants and partners over the last 18 months to explore areas of opportunity for sustainable funding, we were laying the foundation for what could come next. We were building inroads into transportation, affordable housing and disadvantaged communities ... at the advocacy level. Our connections are groups with ties and influence to decision-makers that are charged with converting good ideas into fully-funded programs. They are helping build the case for urban forestry integration into water, energy conservation and public health. Nonprofits can continue where state-sponsored programs like Health in all Policies and Complete Streets end.

#### **2. WE, TOO, MUST SEE THE FOREST FROM THE TREES.**

Decision makers with access to limited funds are being bombarded by visionary proposals to build a new regional park, expand a multi-county coastal trail or preserve a parcel of pristine open space under imminent threat of development. Urban forestry largely

stands in the shadows of these conservation projects due mostly to perception and scale. Our urban forestry projects typically plant or maintain a few hundred trees in one city or county. But just as trees grow from seedlings to saplings to towering redwoods, we must move from a few hundred trees to a few hundred thousand. As urban forestry gains prominence in discussions surrounding AB 32 and SB 375 implementation, it is incumbent on us to put forth a visionary proposal. This report speaks directly to that issue.

#### **3. THE FATE OF STATE PUBLIC FUNDING FOR URBAN FORESTRY WILL BE DECIDED IN THE PUBLIC POLICY ARENA.**

Bonds can no longer be considered a secure funding source. Attention must shift to a coordinated and strategic effort to secure sustainable funding for urban forestry that will demand a unified voice from CAL FIRE and its stakeholder partners.

Opportunities to sustainably fund urban forestry at the statewide level, and promote a visionary campaign to support these efforts, exist like never before. The new lumber products tax (AB 1492) is projected to have surplus revenues beyond statutory obligations beginning in 2015. An historic state drought has breathed new life into the urgency to put a passable water bond on the ballot with urban forestry in the mix. And cap-and-trade auction revenues, which the Legislative Analyst's Office projects will generate roughly \$15 billion through 2020<sup>1</sup>, could be a fiscal driver for urban forestry for years to come.

We hope you will be enlightened by the report's findings on where the greatest opportunities exist and inspired to act on the implementation plans included herein.

<sup>1</sup> Taylor, Mac; *The 2014-15 Budget: Cap-and-Trade Auction Revenue Expenditure Plan*. California Legislative Analyst's Office; February, 2014.





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# Urban Forestry Is Taken For Granted

Urban forestry is a multi-million dollar industry in California that is simply taken for granted. Discussions at the state level surrounding sustainable communities' strategies, improved infrastructure development, complete streets, public health, energy conservation, active transportation and environmental justice never lead with—and sometimes don't include—urban forestry.

It is assumed that trees will be there. So is it also assumed that an industry that supports nearly 60,000 jobs, and adds annually \$3.5 billion in value to the state's economy<sup>1</sup>, is self-sufficient?

Such an assertion would need to be weighed against the statewide investment in urban forestry. Within the California Department of Forestry and Fire Protection (CAL FIRE), over \$50 million in bond funds and federal dollars have supported staff, administration and local assistance programs for the last 12 years. In 2013, though—at a time when urban forestry gained visibility as an energy efficiency tool, water quality improvement mechanism and as a carbon sequestration driver in urban and disadvantaged communities—the state investment to advance this issue was zero. Federal funds were proposed to be eliminated by the US House of Representatives as well.

California has witnessed firsthand what happens to local governments when the economy goes bad and funding dries up. Bankruptcy, or shifting responsibility for services, including urban forestry care and maintenance, to its citizenry or community groups, are common. California cannot wait and see what happens if the federal funding stream for urban forestry is fragmented or ever zeroed out. The community health benefits and positive economic impacts of these resources are too great to lose.

This report asks the very real and immediate question of how can we sustain urban forestry at the statewide level? In this report, we view

sustainable statewide urban forestry as a well-funded, expertly-staffed program, run through a state agency and implemented over time.

Since 1978, this commitment has largely come from CAL FIRE's Urban and Community Forestry Program. The Program has a demonstrated record of success and California's 200 million existing urban trees, and the people that care for them, need the continued support, technical expertise and local assistance resources that have become signature components of CAL FIRE's Urban and Community Forestry Program.

We have several important tasks ahead of us if we want to continue our progress.

First, we must identify real, tangible and politically viable opportunities to create a sustainable funding stream for urban forestry at the statewide level. This report examines successful efforts in other states, explores opportunities in other sectors at the statewide level to forge funding partnerships, and evaluates hypothetical funding streams using existing structures and programs or creating new ones.

Second, we must create a visionary proposal that supports and justifies long-term, large-scale investment in statewide urban forestry. The most obvious and visible proposal could revolve around a multi-year, multi-million tree planting campaign, as proposed by Dr. Greg McPherson in 2009<sup>2</sup>. This report digs deeper into the risks and associated costs with such an endeavor, and how that challenge can be

transformed into opportunity while moving in concert with the aforementioned first task.

Finally, these tasks must be guided by an implementation plan examining the necessary steps and resources needed to achieve success with both. Our draft plan is aggressive and encourages immediate action by multiple stakeholders. However, if successful, and carried out over time, it would help ensure that 2013 was the last year urban forestry goes unfunded in California.

## METHODOLOGY

California ReLeaf entered into this process by calculating fiscal need derived from several well-informed assumptions. We needed to identify a real, tangible dollar figure that could sustain staffing, operations, local assistance grants and a long-term urban forestry initiative – using CAL FIRE's Urban and Community Forestry Program as a model:

## STAFFING AND ADMINISTRATION

CAL FIRE reports that the current Urban and Community Forestry Program is supported by a program manager, analyst and six regional urban foresters whose cumulative costs with benefits and operations factored in equates to approximately \$1.2 million annually. CAL FIRE also supports the State's volunteer coordinator for urban forestry at about \$250,000 per year. These costs are absorbed primarily through federal funds distributed to California annually through the USFS Urban and Community Forestry Program. This report assumes a full and stable program awarding millions of dollars in grants and local support each year would need some staff augmentations in the form of an additional analyst, two more regional foresters, program managers for both northern and southern California, seasonal help through forestry aides, increased capacity for the volunteer coordinator and a program director. Such an enhanced model would add another \$1.3 million in staffing and administration costs, bringing the total to approximately \$2.5 million each year.

FIGURE 1. CAL FIRE URBAN AND COMMUNITY FORESTRY PROGRAM STAFFING MODEL (CURRENT)

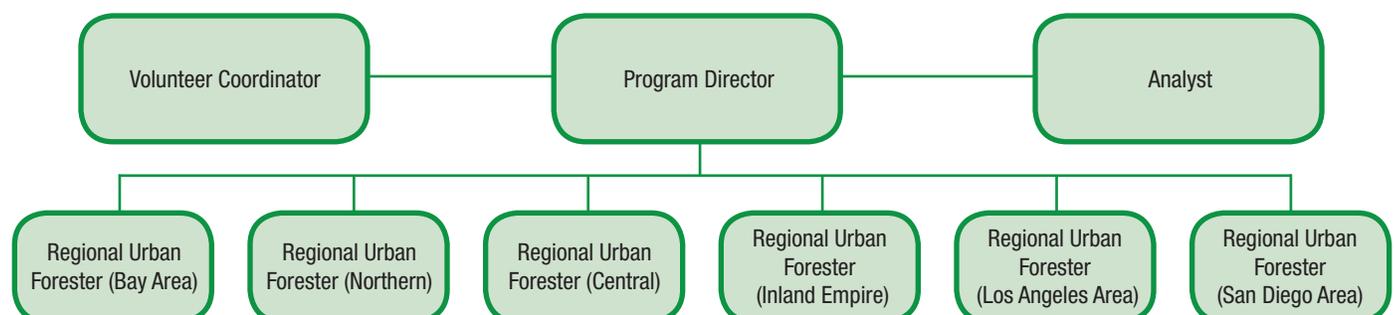
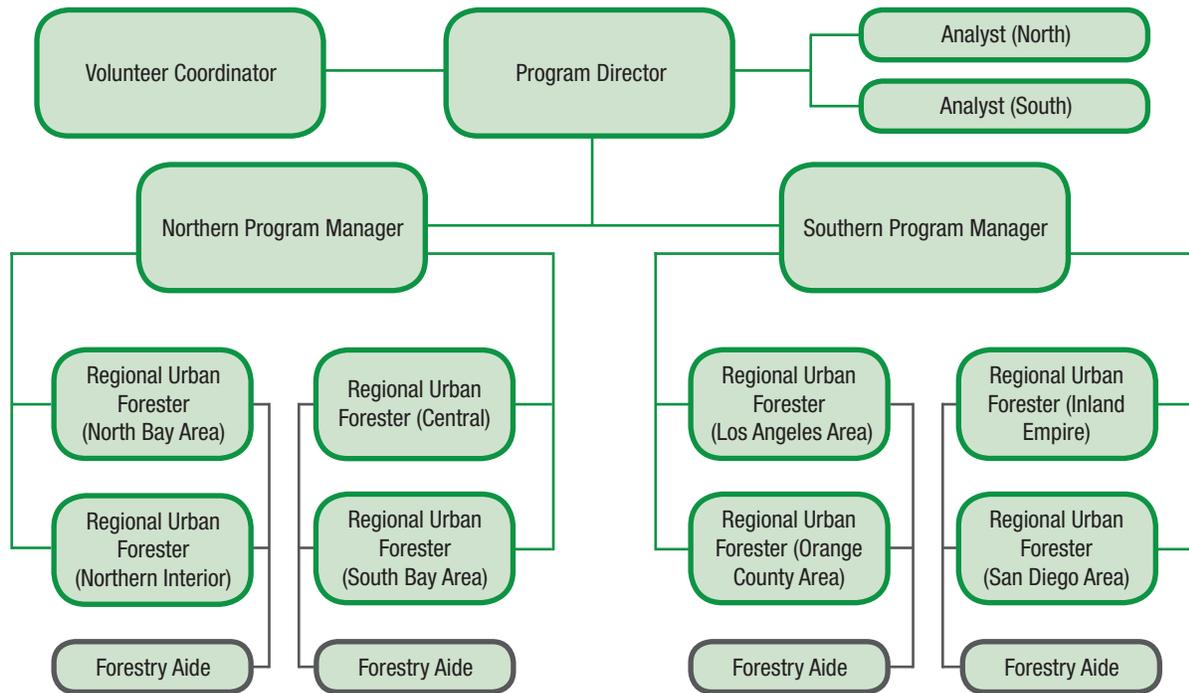


FIGURE 2. CAL FIRE URBAN AND COMMUNITY FORESTRY PROGRAM STAFFING MODEL (POTENTIAL)



### LOCAL ASSISTANCE GRANTS

CAL FIRE's Urban and Community Forestry Program has relied primarily on bond funds to support projects at the local level from 2000 to 2012. Annual allocations ranged from \$2.1 million in 2012 to \$7.2 million in 2007, when demand exceeded \$23 million. For this reason, the report makes an assumption that annual allocations near the peak of previous cycles for local assistance grants could easily be distributed each year. The assumption serves as an appropriate baseline.

### STATEWIDE URBAN FORESTRY INITIATIVE

This report proposes to introduce a new element into the Urban and Community Forestry Program revolving around a long-term, state-supported urban forestry initiative. The initiative will focus on no net loss of urban canopy cover. As detailed in Section IV, the initiative would rely on data that will become available later in 2014 to inform the overall framework and costs of such a sustained effort. This means it is difficult to predict what annual costs would be, and to what extent local assistance projects would factor into the equation. Given that a focal point would be large-scale tree planting and tree care, conversation begins with a minimum of \$10 million each year for these purposes.

California ReLeaf took a two-tiered approach with regard to identifying how and where sustainable funding could be generated to

support statewide urban forestry:

### OUTREACH TO OTHER CALIFORNIA STATE DEPARTMENTS

Though CAL FIRE is designated in state statute as the lead agency for urban forestry in California, newer agencies such as the Strategic Growth Council have been legislatively empowered to distribute bond dollars for urban greening projects. Other entities such as the Department of Water Resources, State Water Resources Control Board and the Natural Resources Agency have funded local urban forestry projects. California ReLeaf interviewed staff at six state agencies to determine what long-term role, if any, they could play in sustaining urban forestry at the statewide level either independently or in partnership with CAL FIRE.

### EVALUATING NEW FEES, TAXES OR OTHER FUNDING SOLUTIONS

The bulk of staff and consultant time was spent evaluating potential new or existing funding sources that could generate enough annual revenue to sustain urban forestry at the statewide level.

Based largely on information provided to us through CAL FIRE, and assumptions made as previously described, the report projects no less than \$10 million each year is needed to

support a moderately robust urban forestry program through CAL FIRE providing for 17 staff members, augmented support for the state's volunteer coordinator and a local assistance grant program funded at or above 2007 levels. This does not include funding to support an ongoing statewide urban forestry initiative.

Another critical assumption is that reality must rule recommendations. The report explores, in various phases and levels of detail, what sustainable funding could look like through the lens of political feasibility.

Section III starts with 15 proposals that are put to paper, then evaluated based on ability to meet economic need, attainability and political feasibility. In the end, these 15 proposals whittle down to three long-term possibilities and conclude with two immediate opportunities that are fully fleshed out in the suggested implementation plan.

Finally, the report applies the same reason and rationale to determining what a multi-year urban forestry initiative would look like and what resources would be needed.

After interviewing a cross-section of urban forestry professionals at the state and local level in both public and private sector, California ReLeaf arrived at a minimum cost of \$200 per tree for planting and three years of care. We also evaluated existing tree stock commercially grown in California and

measured that against the annual number of urban trees planted, based on numbers provided by CAL FIRE and Network members. As the report later details in Section IV, these metrics combine to demonstrate the challenge and opportunity the urban forestry community would face in promoting and funding a long-term urban forestry initiative over 10, 15 or even 20 years.

## BACKGROUND

Before exploring funding options within California, we examined a cross-section of resource conservation programs throughout the country and conducted interviews with key stakeholders in other states to gain more insight into how these programs were created and what resources were required.

Creating a permanent funding source for resource conservation purposes is not a novel idea. From Colorado's Conservation Trust Fund to Arizona's Wildlife Conservation Fund, programs exist across the country that have harnessed a portion of revenue streams from state lotteries, tribal gaming, oil severance taxes and real estate fees. These funding sources permanently support conservation activities such as parks protection and habitat preservation.

Sustainable state funding specifically for urban forestry, though, is not common. Some states don't even support urban forestry through existing broad-based conservation programs. Others piecemeal together urban forestry funding through multiple sources or sporadically allocate funds.

In 2009, former Tree Davis Executive Director Ruth Williams surveyed all 50 state foresters to ascertain what urban forestry funding looked like across the country. The final report (Appendix A) presented to the US Forest Service highlights major issues prevalent in most state urban forestry programs:

- Over 75% of states reported annual budgets of less than \$500,000.
- Only five states have annual budgets exceeding \$1 million, including California.
- 66% of respondents said their programs would collapse without federal funds.
- 88% of respondents said their state funding for urban forestry was unstable.
- Of the six states reporting stable state funding, only two, New Jersey and Wisconsin have budgets over \$1 million<sup>3</sup>.

So what are New Jersey and Wisconsin doing right?

In Wisconsin, the entire forestry program, which includes urban forestry, is funded



through a statewide property tax, currently capped at \$17 per \$100,000 of property valuation<sup>4</sup>. The property tax was enacted in 1923 and has been a stable funding source since.

In New Jersey, the state forest service tapped into a "no net loss" program. This requires any removal of a half acre of trees or more to be replaced with trees onsite, or compensate the state so there can be no net loss of trees. Established in 1993, the No Net Loss Reforestation Act allows for compensatory funds generated under the law to be utilized by the state forest service for competitive grants, ensuring no net loss of trees.

Both the Wisconsin and New Jersey solutions offer innovative funding models, and certainly represent an uncommon level of sustainability. While other states have implemented some framework to support their urban forestry programs beyond annual federal allocations, the reality is that there are very few funding programs that focus on urban forestry.

## CASE STUDY: PENNSYLVANIA

The Williams report produced in 2009 recognized progress made in advancing urban forestry. Over the last 10 years, the

State of Pennsylvania has stepped up its commitment to support urban forestry projects with multiple state resources.

A single urban forestry staff position at the Bureau of Forestry is paid for from state general funds and state forest timber sales. Federal money from the Urban and Community Forestry Program funds four urban forestry extension staff positions through Pennsylvania State University to support the State's urban forestry program.

Projects, however, are funded through multiple sources that have changed over the years. Examining these sources provides new insight into large-scale fiscal challenges and opportunities.

## GROWING GREENER

Growing Greener began in 1999 when Governor Tom Ridge and legislative leaders agreed to commit \$650 million over five years for natural resources. The money was invested in farmland preservation, conservation of open space, restoring and protecting Pennsylvania's streams and rivers, improving and expanding state and local parks and developing new trails and greenways<sup>5</sup>.



In 2002, the General Assembly and Governor Mark Schweiker created the Environmental Stewardship Fund to help fulfill the original Growing Greener commitment and establish a permanent funding mechanism to carry the program's success into the future<sup>6</sup>. The Environmental Stewardship Fund was given a dedicated revenue source by increasing the fee charged for dumping trash in Pennsylvania landfills.

In 2005, Governor Ed Rendell and the General Assembly, recognizing the need to accelerate the work of Growing Greener, decided to put a \$625 million bond referendum question to the voters. In the 2005 primary election, 60% of voters approved the bond and Growing Greener II was established<sup>7</sup>.

Grants through Growing Greener were awarded to the non-profit Pennsylvania Urban and Community Forestry Council to support some urban forestry projects before 2004, but no funding was specifically earmarked for that sole purpose.

In 2004, DCNR Secretary Michael Diberardinis recognized the need for agency leadership in protecting and restoring tree cover in urbanizing areas. The TreeVitalize Program was born in the Philadelphia region as a partnership between DCNR and a well-established non-profit organization in Philadelphia: the Pennsylvania Horticultural Society. Two million dollars of Growing Greener funding was provided over a four-year period for Philadelphia-based urban forestry projects<sup>8</sup>.

A challenge emerged with this particular revenue stream with legislation passed in 2005. It contained a provision with an option to pay Growing Greener II debt service from the Environmental Stewardship Fund. Since 2005, budget bills have tapped the Environmental Stewardship Fund to pay debt service, diverting the tens of millions of dollars each year from potential environmental conservation and restoration work the Fund would have otherwise supported<sup>9</sup>.

### THE KEYSTONE FUND

Established in 1993 with an overwhelmingly approved voter referendum, a 48-0 vote in the Pennsylvania Senate, and a 196-3 vote in the House, the Keystone Fund automatically receives 15% of the State's realty transfer tax (a joint tax paid by both the seller and buyer as a result of a real estate transaction)<sup>10</sup>. From that total, the Pennsylvania Department of Conservation & Natural Resources (DCNR) receives 65 percent for state park and forestry infrastructure, rails-to-trails projects, rivers protection, playgrounds, ballparks and conservation projects<sup>11</sup>. Since the Keystone Fund relies solely on the Realty Transfer Tax, changes in the volume of real estate transactions and real estate values directly impact the amount of revenue dedicated to the Keystone Fund each year.

In 2008, \$1 million went to the City of Pittsburgh for an expansion of the TreeVitalize urban forestry program in that major metropolitan area. Another \$1 million was distributed to the rest of the state.

The Keystone Fund does not specifically fund—or even cite—urban forestry, but it is a successful model of permanent and sustainable conservation funding. The Pennsylvania Legislature saw that both conservation and parks and recreation needs were pressing and would continue to grow. The legislature responded with a fund that would grow as the real estate market expanded.

### UNCONVENTIONAL GAS WELL IMPACT FEE

Signed into law February 14, 2012, Act 13 of 2012 provides for the imposition of an unconventional gas well fee (also called an impact fee) to offset the effect of Marcellus Gas drilling in the state<sup>12</sup>. The Act mandates how the impact fee is disbursed to local and state entities and the purposes for which impact fee funds may be spent.

Act 13 also earmarks about \$25.5 million “off the top” for state agencies to offset the statewide impact of drilling on state forest lands. Additionally, for the first 3 years of the program, a fixed amount off the top of the \$25.5 million is distributed to the Marcellus Legacy Fund supporting several environmental initiatives<sup>13</sup>.

The remaining collected fees are distributed to counties and municipalities to support programs and projects including public infrastructure construction, resource conservation, records management and the delivery of social services. While urban

forestry projects could be supported locally with these funds, there is no requirement for doing so.

In 2012, the Bureau of Forestry awarded \$700,000 of its impact fee funding to support urban forestry projects, essentially replacing the Keystone Fund allocation.

Pennsylvania's urban forestry program continues to lack funding stability. It is a textbook example of the challenges we face in sustaining urban forestry funding at the statewide level. The bottom line is that despite the hundreds of millions of dollars that Pennsylvania has flowing into resource conservation from these various sources, urban forestry has only received an average of about \$450,000 per year over the last decade.

**1** *Templeton, Scott R.; Campbell, Wallace; Henry, Mark; Lowdermilk, Jamey; Impacts of Urban Forestry on California's Economy in 2009 and Growth of Impacts during 1992-2009; Clemson University, March 17, 2013.*

**2** *McPherson, Dr. Greg; 50 Million Trees for California: Fighting Climate Change, One Tree at a Time. May 5, 2009.*

**3** *Williams, Ruth; Urban and Community Forestry Funding in the United States. June 2009.*

**4** *Personal communication between Ruth Williams and Dick Rideout on May 12, 2009.*

**5** *Pennsylvania Growing Greener Coalition; History of Growing Greener; <http://growinggreener.info/legacy/history>.*

**6** *Ibid.*

**7** *Ibid.*

**8** *Interview with Ellen Roane; October, 2013.*

**9** *Pennsylvania Growing Greener Coalition; History of Growing Greener; <http://growinggreener.info/legacy/history>.*

**10** *[www.keystonefund.org](http://www.keystonefund.org).*

**11** *[www.keystonefund.org/allocation](http://www.keystonefund.org/allocation).*

**12** *Pennsylvania Public Utility Commission; Act 13 of 2012 – The Unconventional Gas Well Impact Fee Frequently Asked Questions; June, 2013.*

**13** *Ibid.*





# Urban Forestry Opportunities within State Agencies

As urban forestry has gained visibility as a tool to promote water quality, infrastructure mitigation, flood control, sustainable communities strategies and public health, several state agencies in California have funded it in various ways. Funding sources include bonds, federal money and transportation resources from the State Highway Account.

This section explores the potential for state agencies playing a role in supporting sustainable urban forestry by examining select existing agency charters, funding sources and each agency's desire to help with this effort. We concentrated on departments demonstrating active engagement in urban forestry projects through funding, reporting or other methods.

## STRATEGIC GROWTH COUNCIL

Senate Bill 732 (Steinberg) established the Strategic Growth Council (SGC) in 2008 as a multi-purpose entity to bring state department operations together. The council's focus is to, "take certain actions with regard to coordinating programs of member state agencies to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006, encourage sustainable land use planning and revitalize urban and community centers in a sustainable manner."<sup>1</sup>

The council's authority includes the ability to allocate Proposition 84 dollars designated for planning grants and urban greening projects. The last of \$60 million is now allocated for these programs.

Impacting the SGC's potential to grow are a lack of resources and a strategic plan without a sustainable funding source. However, SGC may soon have a major role in how local governments use their cap-and-trade auction funds. A role for the SGC is identified by several coalitions in their platforms or policy measures put forth in the 2013-14 Legislative Session and in Governor Brown's proposed 2014-15 State Budget.

SGC Executive Director Mike McCoy and Deputy Director Allison Joe said in separate interviews with California ReLeaf that there is a fondness for the Urban Greening Grants Program. However, it seems the SGC is more likely to focus its efforts on finding long-term funds for planning, SB 375 implementation and transit-oriented development. The governor's budget proposal supports this focus. There is no existing public strategy to sustain the Urban Greening Grants Program. We consider it more likely the SGC could

include some funding for urban greening as part of its new program utilizing cap-and-trade funds to promote integrated SB 375 projects<sup>2</sup>.

## CONCLUSION

SGC may be able to sporadically augment urban forestry efforts in California, but it is unlikely it will have the funds, staff or technical expertise to sustain, even partially, urban forestry at the statewide level. The Administration has signaled that SGC should become the lead agency for directing cap-and-trade revenues to sustainable communities strategies projects that emphasize transit, affordable housing and agriculture conservation, not urban greening. The current Administration proposes to fund urban forestry through CAL FIRE instead.

SGC may provide some support to urban forestry through competitive grants if long-term spending plans for cap-and-trade revenue shift, or as water and resource bonds are explored but not likely on a regular basis.

## DEPARTMENT OF WATER RESOURCES/STATE WATER RESOURCES CONTROL BOARD

The Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) both support competitive grant programs that have funded past urban forestry projects. Though their collective missions concentrate on protecting and conserving the state's water supply and improving the quality of California's water resources, funding under DWR's Urban Streams Program and SWRCB's Storm Water Grant Program does help. Past grants supported urban forestry efforts along the Kern River Channel, in El Cerrito's Poinsett Park and improved storm water treatment in Alameda County.

Realistically, though, tree planting and care receives only a fraction of the overall funding from these programs.

According to staff interviews, urban forestry-related projects were funded as part of larger projects where the main purpose was more in line with the voter-approved funding, programs and missions of the DWR<sup>3</sup> and SWRCB.

For example, urban forestry is part of a 2012 SWRCB-funded Park Avenue pilot project in the City of San Jose. Urban forestry is not the focus, but is part of a project replacing 11,700 square feet of hardscape with permeable surfaces. The project is also building 4,600 square feet of rain gardens, converting 5,600 square feet of travel lanes and other hardscape to surfaces that absorb, rather than reflect, water. It also replaces 1,500 square feet of paved median with permeable pavers.

## CONCLUSION

Although the SWRCB's actions to improve water quality may help urban forestry, planting trees is not one of the board's top priorities. Urban forestry is certainly a key element of improving water quality as it relates to storm water; it has also proven effective in urban stream restoration and other water improvement efforts.

Urban Forestry may see some of the \$9 million DWR has for its Urban Streams Restoration Grant Program funded by Proposition 84. However, the department is legally required to focus its efforts on water quality, water supply and flood related projects. Since virtually all DWR grant programs are supported through bonds, the likelihood of a sustainable funding stream for urban forestry projects, even through a more favorable Urban Streams Grant Program, seems doubtful right now.

The State Water Resources Control Board also relies heavily on bond dollars and is guided by statute as to how its funds can be used to regulate storm water quality. Urban greening solutions or low impact development are seldom mentioned.

Using natural infrastructure such as trees to improve water quality is making its way into regional discussions. Enhancing watershed management planning to encourage water quality compliance is part of a recent effort by the Los Angeles Regional Water Quality Control Board. Though the board has not singled out urban forestry as a priority solution to reducing storm water pollution, this overall vision suggests opportunity may exist for further integrating urban forestry and funding into the equation. But state-level sustainability through this channel seems unlikely.

## DEPARTMENT OF TRANSPORTATION

Transportation infrastructure is one of the primary components of California's top fiscal expenditures, trailing only behind education and health and human services<sup>4</sup>. The last annual budget for the Department of Transportation (Caltrans) was more than \$13 billion split roughly down the middle between federal and state funding. Caltrans can only directly spend 25% of its state funding while

the remaining 75 percent goes to metropolitan planning organizations.

Caltrans' state money supports state highways and other public transportation such as bicycle, rail and pedestrian infrastructure. The California Environmental Quality Act (CEQA) requires state agencies to identify mitigation measures and alternatives for their projects by preparing an Environmental Impact Report. Caltrans must approve projects with feasible mitigation measures and the environmentally superior alternative, which is where urban forestry can play a role. Urban forestry works as a mitigation tool for Caltrans projects and has before at the regional and state levels. It does, however, come with a unique set of challenges that go far beyond tree planting and care<sup>5</sup>, Amy Bailey of Caltrans' Division of Environmental Analysis notes.

Urban forestry support through use of eligible federal aid funds available to Caltrans is now legally restricted through laws passed by Congress in 2012 and by the California Legislature in 2013. An older Federal Highway Administration Transportation Enhancements (TE) Activities Program provided funds to states before October 1, 2012 for expenses relating to, "surface transportation, workforce development, training and education<sup>6</sup>," "Landscaping and other scenic beautification<sup>7</sup>" was among the 12 fundable activities.

In July 2012, President Obama signed the Moving Ahead for Progress in the 21st Century Act, which, among other things, replaces TE with the Transportation Alternatives Program (TAP). TAP does not specify urban forestry as an eligible activity but allows for "infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities and environmental mitigation ...<sup>8</sup>"

In September 2013, Governor Brown signed Senate Bill 99 sweeping all of the TAP dollars into the new Active Transportation Program (ATP). A proposal to eliminate the Environmental Enhancement and Mitigation Program (EEMP) and to absorb all funding into the ATP was submitted to the Legislature by the California Transportation Agency. This proposal included urban forestry as an eligible expense. However, a compromise was reached retaining \$7 million each year within the EEMP to fund resource lands and urban forestry through the Natural Resources Agency. This limits the role of urban forestry in Caltrans' federal funds to tree planting or tree care associated with select ATP projects. A \$3 million chunk of the EEMP's former budget now goes to the ATP where previously EEMP-supported parks and trails projects will now compete for funding.

## CONCLUSION

Other than projects using urban forestry for mitigation purposes, funding sources for urban forestry at the statewide level through Caltrans are limited.

Caltrans previously supported urban forestry through urban landscape projects, mandatory project mitigation on a case-by-case basis or through administration grants under the EEMP. Much of this money is now in the hands of the California Natural Resources Agency or restricted by funds supporting the ATP.

## DEPARTMENT OF PUBLIC HEALTH

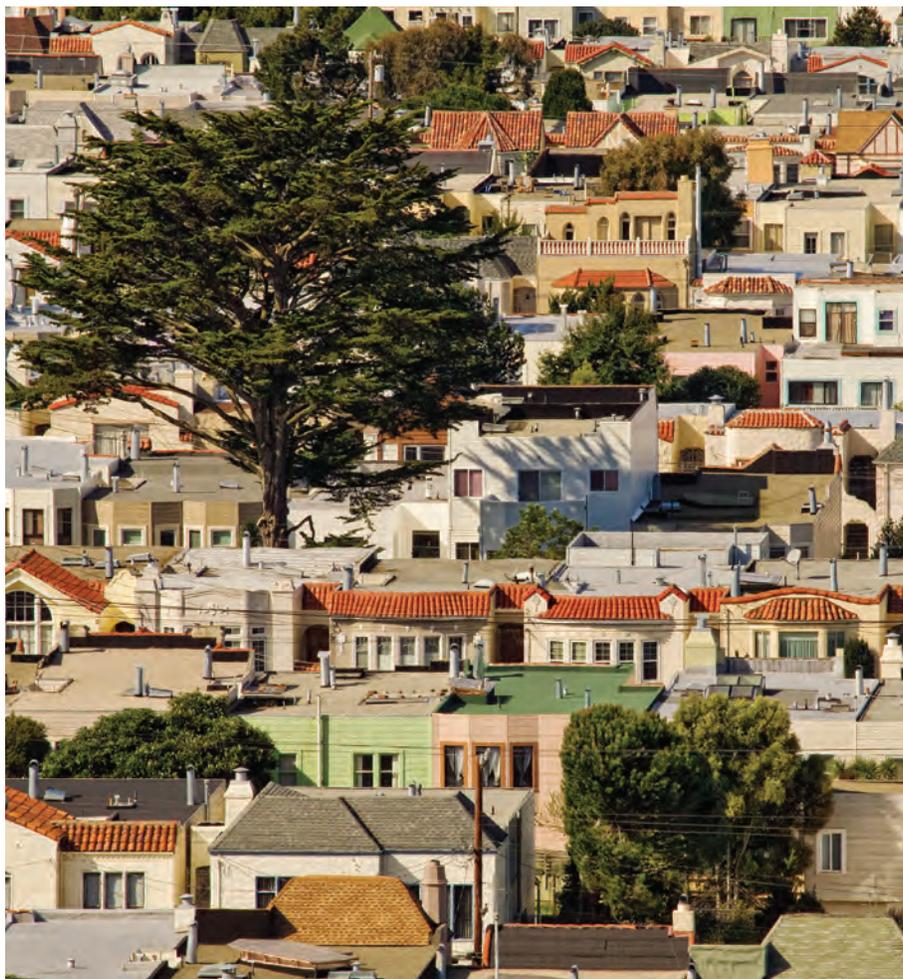
California's Department of Public Health (CDPH) is "dedicated to optimizing the health and well-being of the people in California."<sup>9</sup> This obviously includes examining potential health risk prevention methods and ensuring that "all people have full and equal access to opportunities that enable them to lead healthy lives" (HSC Section 131019.5).

The Health in All Policies (HiAP) Task Force created in 2010 by Executive Order S-04-10 is tasked with working cross-agency to improve health by incorporating health

consideration into decision-making in all sectors and policy areas. Falling under the Strategic Growth Council, the Task Force is facilitated by staff at the Department of Public Health (DPH) within the Office of Health Equity (OHE). Nineteen state agencies, departments and offices including the Natural Resources Agency, CAL FIRE and State Parks are part of the HiAP.

Among its accomplishments is the 2010 HiAP Task Force Report to the Strategic Growth Council and accompanying implementation plans. Six aspirational goals including efforts to ensure, "All residents have access to places to be active, including parks, green space and healthy tree canopy<sup>10</sup>" govern the report.

The Department of Public Health's link to urban forestry goes beyond HiAP, most notably in comments included in its 2010 Obesity Prevention Plan and in the past through direct funding of urban forestry. Through its Network for a Healthy California Program and the use of Supplemental Nutrition Assistance Program funding (SNAP), DPH provided the Sacramento Tree Foundation (Tree Foundation) with ongoing fiscal support from 2009-2011.



The Tree Foundation provided outreach, physical activity and nutrition education to SNAP-eligible families in conjunction with a Tree Foundation program that distributed fruit trees to these families. SNAP funds providing this support to the Tree Foundation's project were not renewed in 2012 and the recent federal farm bill sent to President Obama reduces SNAP appropriations by \$800 million annually over the next decade.

So while no fiscal resources are likely to be forthcoming from CDPH or the HiAP Task Force, the OHE is currently creating a strategic plan for improving health equity in California with input from a diverse Advisory Committee and public feedback. This is one potential opportunity for the urban forest community to play a larger role in integrating urban forestry into the public health debate.

### CONCLUSION

Connecting the urban forest to public health in a way that provides clear and tangible evidence that trees are reducing health risks will continue to be one of the urban forest community's foremost endeavors. Recent studies completed by Dr. Anthony Iton and Dr. Bill Sullivan were showcased at the Tree Foundation's 2014 Greenprint Summit. These studies are helping advance the case for including the urban forest in community, regional and state plans to improve population health.

In the meantime, funding from this government sector at the state level is likely to remain scarce. Additional opportunities may exist to further expand using urban forests as part of the dialogue on public health.

### WILDLIFE CONSERVATION BOARD

The Wildlife Conservation Board (WCB) is one of California's statewide agencies with domain over forestry and woodlands. Established in 1947, WCB administers a capital outlay program for wildlife conservation and related public recreation. WCB funds three programs that emphasize forests, woodlands and public access to resources:

#### Forest Conservation Program

The goal of this grant program is to promote the ecological integrity and economic stability of California's diverse native forests. The grants provide public benefits through funding forest conservation, preservation and restoration of productive managed forest lands; forest reserve areas; redwood forests; and other forest types, including the conservation of water resources and natural habitat for native fish and wildlife and plants found on these lands<sup>11</sup>.

#### Oak Woodlands Conservation Program

This program provides funding for projects designed to conserve and restore California's



oak woodlands. While the Program is statewide in nature, it provides opportunities to address oak woodland issues on a regional priority basis. It is designed to help local efforts achieve oak woodland protection.

#### Public Access Development Program

The program provides funding for the development of facilities in cooperation with local agencies for public access to hunting, fishing, or other wildlife-oriented recreation. Financial assistance is available for developments such as fishing piers or floats, access roads, boat launching ramps, trails, boardwalks, interpretive facilities and lake or stream improvements. The State requires a proprietary interest in the land or water on which the improvements are made<sup>12</sup>.

WCB Assistant Executive Director Dave Means said that under the Forestry Conservation program, the WCB funds supported many community forest projects. There are other projects, especially under the Public Access Development Program, that crossed over into some urban areas recently. These areas include Rio de Los Angeles State Park in Los Angeles and the Cosumnes River near Sacramento.

While most WCB programs place an emphasis on resource protection, they can allow public access compatible with resource protection<sup>13</sup>, Means said. Under the Public Access Development Program, for

example, there is more latitude in terms of allowing development of public uses with less emphasis on acquiring resource lands used to support urban communities.

### CONCLUSION

WCB has an undeniable connection to forestry that occasionally integrates with urban forestry. The WCB Public Access Program could be used to help support urban forestry on a limited basis through either Wildlife Restoration Funds or new sources of funding. The WCB Forest Conservation Program can likewise help support funding for community forest projects by using of some of its remaining Proposition 84 money.

Some of its other programs supported in part by the Habitat Conservation Fund advanced numerous trails, parks and parkway projects over the last 23 years with a direct connection to urban forestry.

The recurring theme is the Board's "limited" ability to support urban forestry. Like numerous other resource agencies and conservancies, WCB is almost completely dependent on bond funds. These funds are nearly exhausted.

Though the Public Access Program is supported by other means, it receives about \$1 million annually from the Wildlife Restoration Fund. This money supports

numerous projects not connected to urban forestry.

CAL FIRE and WCB often partner on traditional forestry projects supported through CAL FIRE's Forest Legacy Program. There may be an opportunity in the future to build an urban forestry partnership between these two agencies. Currently, though, WCB is not well-positioned to support urban forestry in any sustainable way.

### CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)

CAL FIRE's mission emphasizes the management and protection of California's natural resources. Its Resource Management Program is an integral part of that responsibility. Within the Resource Management Program is CAL FIRE's Urban and Community Forestry Program, which, "works to expand and improve the management of trees and related vegetation in communities throughout California."<sup>14</sup>

The Program receives almost all of its financial support for staff and administration from the Federal government. Six local assistance grant programs under CAL FIRE distributing urban forestry awards on a competitive basis each year have been primarily funded through a series of park and water bonds. Since 2000, these bonds have collectively supplied \$40 million in grants (see Table 1 below).

The Urban and Community Forestry Program has supported hundreds of projects throughout the last 35 years that advance the development of sustainable urban and community forests in California.

### CONCLUSION

The Urban Forestry Act of 1978 is very explicit in designating CAL FIRE as the primary state agency responsible for leading urban forestry efforts in California. It states, "The department shall be the agent of the state and shall have full power to cooperate with those agencies of the federal government that have powers and duties concerning urban forestry and shall perform all things necessary to secure the benefits of federal urban forestry programs." [PRC 4799.10].

Conclusions drawn from evaluations of other state agencies in California further support sustaining CAL FIRE in this role. Moreover, there is intense stakeholder interest in seeing CAL FIRE continue the Urban and Community Forestry Program.

### KEY QUESTIONS

Urban forestry non-profit organizations were asked several questions in 2013. The goal was objective feedback on who depended on state and federal funding to sustain operations, and who the preferred partners were in each case. The full results of the survey appear below, but two key questions are especially pertinent.

First, 73.3% of all respondents said they regularly receive state funding to support staff, operations, or other elements of their urban forestry program from state agencies such as CAL FIRE and the Strategic Growth Council<sup>15</sup>. This is very significant, as it indicates a high percentage of these organizations are now operating with tight budgets due to the depletion of local assistance grants from CAL FIRE in 2012. Some of these groups may still be supported by other state programs but the

second survey question suggests most rely on CAL FIRE local assistance grants first and foremost.

Of those surveyed, nearly 63% identified CAL FIRE as their preferred partner with SGC and the Natural Resources Agency capturing the remaining vote<sup>16</sup>.

Survey results, coupled with CAL FIRE's commitment to this program, reinforce the need to ensure long-term state funding for urban forestry. The survey solidifies the need for CAL FIRE to continue in its role as funding administrator.

## 2020 AND THE HABITAT CONSERVATION FUND

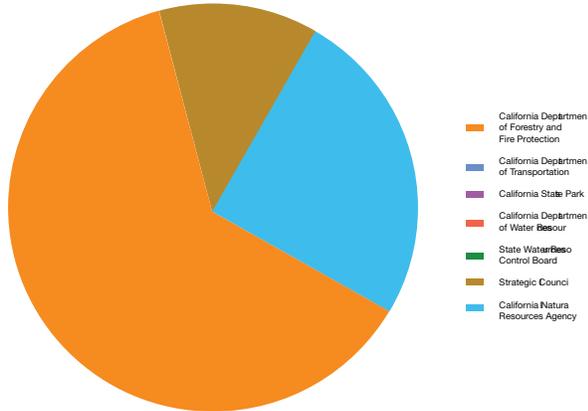
WCB receives an annual appropriation from the Habitat Conservation Fund (HCF), which was established under 1990's Proposition 117. The HCF requires the state of California to invest \$30 million per year through a handful of resource agencies for 30 years towards habitat protection. While the emphasis is on habitat acquisition, some funds have been spent on restoration and enhancement with a pertinent connection to urban forestry.

The HCF sunsets in 2020, and will be very difficult to renew. Unlike the Environmental Enhancement and Mitigation Program, which was made permanent in 1999 through SB 117 (Murray), the legislature has no latitude in funding or not funding the HCF on an annual basis, even in times of great fiscal uncertainty. In addition, the dollars come directly from the General Fund (though a language loophole in Proposition 1E did allow the HCF to recently receive some bond dollars in lieu of General Fund support). EEMP dollars come from the State Highway Account, making it a more palatable sell in 1999.

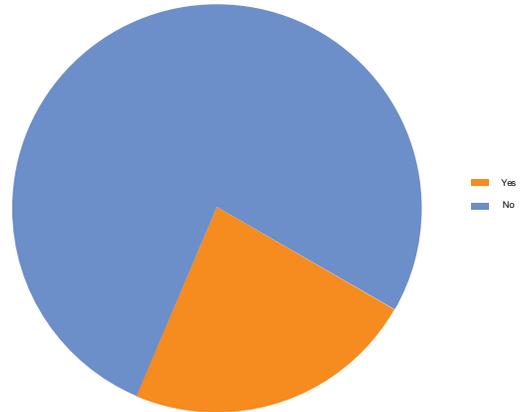
A legislative effort to permanently create a post-2020 Habitat Conservation Fund could benefit politically from some modest revisions that include urban forestry, local parks, and other resources that contribute to the human habitat, too.

FIGURE 3

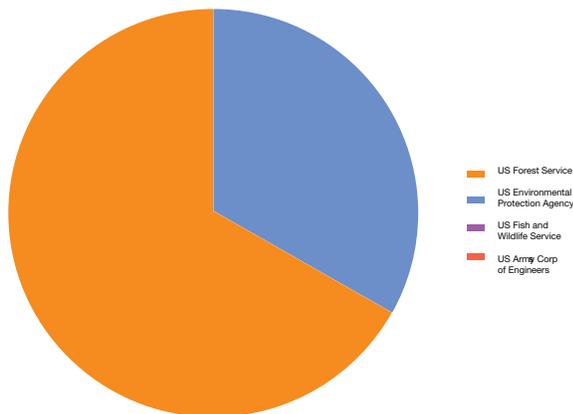
Which of the following state agencies is your preferred partner for administering grants or other state funds?



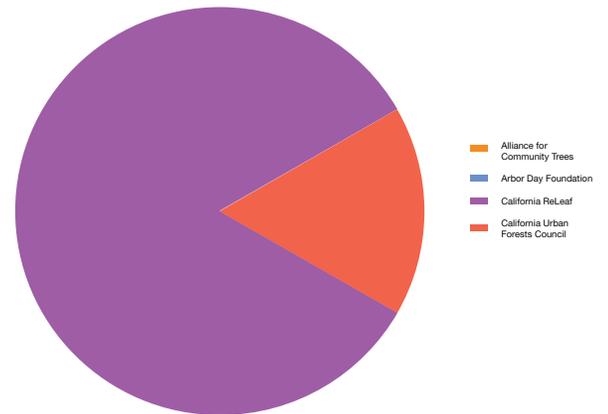
Does your organization regularly receive funding to support staff, operations, or elements of your program?



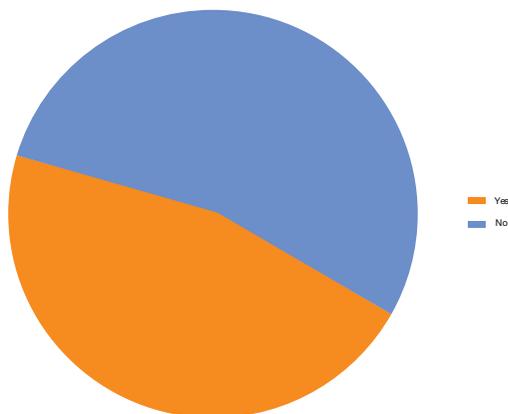
Which of the following federal agencies is your preferred partner for administering grants or other state funds?



Which of the following nonprofits is your preferred partner for administering grants or other state funds?



Does your organization regularly receive funding from other nonprofits to support staff, operations, or elements of your program?



Does your organization regularly receive state funding to support staff, operations, or elements of your program?

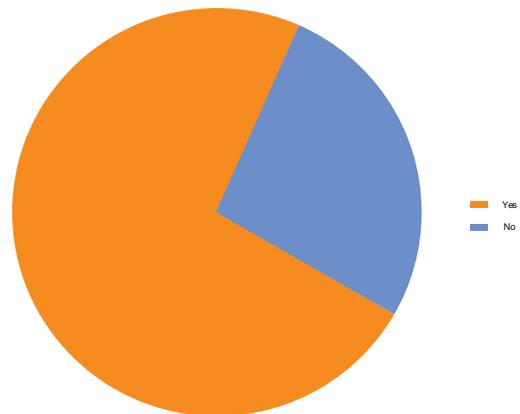


TABLE 1. EXISTING STATEWIDE GRANT PROGRAMS THAT CAN SUPPORT URBAN FORESTRY

FUNDING SOURCE	FUNDING AGENCY	2013-14	2014-15
Active Transportation Program	Department of Transportation	\$129 million	\$138 million
California Clean Energy Jobs Act	California Energy Commission	\$430 million	\$355 million
Environmental Enhancement and Mitigation Program	Natural Resources Agency	\$6.7 million	\$11.1 million
River Parkways Program	Natural Resources Agency	0	0
Recreational Trails Program	State Parks	\$15.6 million	\$4 million
Statewide Parks Program	State Parks	0	0
Stormwater Flood Management Grants	Department of Water Resources	0	0
Urban and Community Forestry Program	CAL FIRE	0	\$15.7 million
Urban Greening Grant Program	Strategic Growth Council	0	0
Urban Streams Restoration Program	Department of Water Resources	0	\$9 million

\*PROPOSED

TABLE 2. URBAN AND COMMUNITY FORESTRY PROGRAM FUNDING (2000 - 2013)

YEAR	FEDERAL FUNDS *	PROPOSITION 12 *	PROPOSITION 40 *	PROPOSITION 84
2000-01	800,000 - 1,400,000	1,250,000		
2001-02	800,000 - 1,400,000	1,250,000		
2002-03	800,000 - 1,400,000	1,250,000		
2003-04	800,000 - 1,400,000	1,250,000		
2004-05	800,000 - 1,400,000	1,250,000		
2005-06	800,000 - 1,400,000	1,250,000		
2006-07	800,000 - 1,400,000	1,250,000	2,500,000	
2007-08	800,000 - 1,400,000	1,250,000	2,500,000	3,343,000
2008-09	800,000 - 1,400,000	0	2,500,000	546,000
2009-10	800,000 - 1,400,000	0	2,500,000	7,872,000
2010-11	800,000 - 1,400,000	0	0	4,038,000
2011-12	800,000 - 1,400,000	0	0	4,037,000
2012-13	800,000 - 1,400,000	0	0	3,829,000
2013-14	800,000 - 1,400,000	0	0	0

\* Averages

Data Provided by the California Department of Forestry and Fire Protection