

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE

Diane Papan, Chair

AB 2045 (Connolly) – As Introduced February 17, 2026

SUBJECT: Habitat Restoration and Enhancement Act

SUMMARY: Removes the January 1, 2027 sunset provision from Habitat Restoration and Enhancement Act (HREA).

EXISTING LAW:

- 1) Establishes HREA to provide a pathway for small, voluntary habitat restoration projects to receive a consolidated permit covering all permits issued by the Department of Fish and Wildlife (CDFW), including a Lake and Streambed Alteration Agreement (LSAA) and a California Endangered Species Act (CESA) permit [Fish and Game Code (FGC) § 1650 *et seq.*].
- 2) Authorizes CDFW to assess an application fee for an HREA permit consistent with the fee for an LSAA, except that the fee shall not exceed the reasonable administrative and implementation costs of CDFW relating to the proposed project (FGC § 1655).
- 3) Requires CDFW to submit a report to the Legislature on the implementation of HREA by December 31, 2025 (FGC § 1656).
- 4) Provides that HREA remains in effect only until January 1, 2027 (FGC § 1657).

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

- 1) **Purpose of this bill.** According to the author, “By eliminating the sunset date of [HREA], we are ensuring the continuation of an efficient permitting pathway for these vital habitat restoration projects. Conservation groups who are on the ground preserving our ecosystems deserve an avenue in which they can operate free of regulatory burdens. Without an expedited pathway, California’s progress towards reaching its environmental sustainability goals will slow down. [This bill] will protect California’s biodiversity across our coasts and forests by ensuring these projects can continue in a timely manner.”
- 2) **Background.** HREA expedites small, voluntary restoration projects by establishing permitting efficiencies, in line with the Administration’s “cutting the green tape” priorities. Cost savings for HREA permit applicants stem from avoided CESA and scientific collection permit fees (as LSAA fees are still paid by HREA applicants); in its 2025 cutting the green tape report, CDFW estimates that each HREA-permitted restoration project saves approximately \$32,222 in permit fees and implementation costs. As of January 2026, CDFW has approved 243 projects under HREA.

CDFW budget challenges. CDFW has been chronically underfunded, resulting in large service gaps. In a presentation given before the Senate Budget Subcommittee No. 2 on February 26, 2026, CDFW presented service-based budgeting data that showed that in fiscal

year (FY) 2024–2025, CDFW was only able to provide 35% of its mission hours on permitting and environmental protection. This amounts to only a slight improvement from 28% in FY 2021–22. HREA is not an exception, and according to CDFW’s 2020 report to the Legislature on HREA implementation, HREA fees did not cover the cost of project review and approval, which doesn’t include CDFW hours reviewing unsuccessful applications, outreach, stakeholder consultation, and program administration. In the 2020 report, CDFW recommended that the HREA sunset be extended five years. The report noted that CDFW evaluated operational improvements to minimize or avert any potential fee increase, but indicates that fees are still insufficient.

The required 2025 report on HREA implementation was transmitted to the Legislature on April 7, 2026. The report makes several recommendations for major legislative changes to HREA, and states that fee revenues are still insufficient to cover program costs; however, there is inadequate time to properly consider the report’s recommendations prior to hearing in this Committee.

- 3) **Proposed committee amendment.** The HREA program provides a valuable pathway for small, voluntary habitat restoration projects. However, given concerns about the ability of CDFW to provide services within its current budget and the lack of timely information regarding HREA implementation during the current sunset term, the Legislature may not have sufficient information to remove the sunset entirely. Should there be an opportunity to fully consider the 2025 report and CDFW’s recommendations, the Legislature may wish to consider further comprehensive amendments that may or may not include removing the sunset date.

Notably, this is the second sunset extension being considered by the Legislature without receiving a timely report on HREA implementation, indicating that the report deadline in statute is not sufficiently far in advance of the sunset date. *The Committee may wish to consider the following amendments that extend the HREA sunset by five years to January 1, 2032 and require CDFW to submit a report to the Legislature on program implementation by December 31, 2029.*

FGC § 1656. (a) The department shall submit a report no later than December 31, 2020, and an additional report no later than December 31, 2025, **and an additional report no later than December 31, 2029**, on the implementation of this chapter to the Legislature that shall include, but not be limited to, the number, type, and geographical distribution of approved projects, funding adequacy, and recommendations for changes and improvements in the program.

FGC § 1657. This chapter shall remain in effect only until January 1, ~~2027~~**2032**, and as of that date is repealed.

- 4) **Arguments in support.** Social Compassion in Legislation writes, “[HREA] has acted as the lever to reduce permitting barriers for small-scale habitat restoration projects. These types are often carried out by under-resourced organizations and communities, or by private landowners with little financial incentive to do so. Nevertheless, these projects are necessary to meet our climate goals through natural based solutions and to protect biodiversity.” Sustainable Conservation underscores, “To prevent further habitat losses, restore land and species, build climate resilience, and better withstand extreme events, California must

immediately accelerate the pace of restoration efforts. HREA makes this possible at a time when urgency could not be greater.”

- 5) **Related legislation.** SB 716 (McGuire), Chapter 735, Statutes of 2021, extends the HREA sunset from January 1, 2022 to January 1, 2027 and required a report to be submitted to the Legislature on December 31, 2025.

AB 2193 (Gordon), Chapter 604, Statutes of 2014, establishes the HREA with a sunset of January 1, 2022 and required a report to be submitted to the Legislature on December 31, 2020.

REGISTERED SUPPORT / OPPOSITION:

Support

Sustainable Conservation (sponsor)
 Audubon California
 California Association of Resource Conservation Districts
 California Council of Land Trusts
 California Habitat Conservation Planning Coalition
 California Invasive Plant Council
 California Native Plant Society
 Ducks Unlimited
 Ecosystem Investment Partners
 Environmental Defense Fund
 Land Trust for Santa Barbara County
 Marin Agricultural Land Trust
 Mid Klamath Watershed Council
 Midpeninsula Regional Open Space District
 Northern California Water Association
 Point Blue Conservation Science
 Santa Clara Valley Open Space Authority
 Save the Redwoods League
 Scott River Watershed Council
 Sempervirens Fund
 Social Compassion in Legislation
 Sonoma Land Trust
 The Nature Conservancy

Opposition

None on file

Analysis Prepared by: Sean Clair / W., P., & W. / (916) 319-2096