
SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Josh Becker, Chair

2025 - 2026 Regular

Bill No:	AB 2045	Hearing Date:	July 1, 2026
Author:	Connolly		
Version:	June 23, 2026 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Katharine Moore		

Subject: Habitat Restoration and Enhancement Act

SUMMARY

This bill would extend the sunset on the Habitat Restoration and Enhancement Act that provides for streamlined permitting for small voluntary restoration projects at the California Department of Fish and Wildlife, as provided.

BACKGROUND AND EXISTING LAW

The California Department of Fish and Wildlife (CDFW)

CDFW's mission statement is "to manage California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment by the public." In general, CDFW implements and enforces the regulations set by the California Fish and Game Commission (Commission), as well as providing biological data and expertise to inform the Commission's decision-making process.

The Habitat Restoration and Enhancement Act (HREA)

HREA was established to expedite small, voluntary restoration projects by establishing permitting efficiencies. HREA-eligible projects are projects with the primary purpose of improving fish and wildlife habitat that meet certain State Water Resources Control Board (SWRCB) permitting requirements. According to CDFW, projects approved under HREA must be consistent with widely-recognized restoration practices, must avoid or minimize any incidental impacts, and must result in measurable environmental benefits.

The establishment of HREA pre-dated the Newsom Administration's "Cutting the Green Tape" initiative, however HREA exemplifies that initiative's goals. Projects that meet certain criteria for HREA can be approved by the CDFW director. According to the 2025 *Cutting the Green Tape* report, CDFW estimates that each HREA-permitted restoration project saves approximately \$32,222 in permits fees and implementation costs. These cost savings stem in part from avoided California Endangered Species Act, Lake and Streambed Alteration Agreement (LSAA), and scientific collection permit fees. As of October 1, 2025, CDFW has approved 243 projects under HREA.

CDFW has been required to publish two legislative reports since HREA's inception. The most recent report, dated December 31, 2025, included several observations and recommendations including:

- Projects eligible under HREA are not required to provide a net environmental benefit;

- CDFW through one of the two permitting pathways under HREA has to perform work normally conducted by SWRCB personnel and information supplied for that review may not always be available;
- There is limited discretion within HREA to condition approval upon additional measures or conditions;
- It is not possible to extend CDFW review timelines by mutual agreement under HREA; and
- HREA fee revenues do not cover the cost of implementing the program.

Existing law:

- 1) Establishes CDFW, led by its director (director). CDFW's mission is to manage California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment of the public. (Fish and Game Code (FGC) §712.1)
- 2) Establishes HREA. (FGC §§1650 *et seq.*)
 - a) A habitat restoration or enhancement project means a project with the primary purpose of improving fish and wildlife habitat. A habitat restoration or enhancement project shall meet the eligibility requirements for SWRCB's Order for Clean Water Act Section 401 General Water Quality Certification for Small Habitat Restoration Projects, or its equivalent, as specified. These are currently limited to 5 acres or 500 linear feet.
- 3) Authorizes, under HREA, a project proponent to submit a habitat restoration or enhancement project to the director for approval.
 - a) The director is required to approve a habitat restoration or enhancement project if the director determines that specified conditions are met.
 - i) HREA provides two different sets of requirements – one for projects that do not have Section 401 certification and one for those that do. The director has 60 days to approve a project without Section 401 certification and 30 days to approve one with it.
 - ii) Approved projects by either pathway are required to submit notices of project completion to the director and a monitoring report, as provided.
 - b) The director's approval of a habitat restoration or enhancement project under the act is in lieu of any other permit, agreement, license, or other approval issued by the department, such as an LSAAs.
- 4) Makes moneys in the Habitat Restoration and Enhancement Account available to the CDFW, upon appropriation by the Legislature, for the purposes of administering and implementing HREA.
- 5) Requires CDFW to assess an application fee for a project submitted under HREA consistent with the fees for LSAAs, as provided. (FGC § 1655)

- 6) Requires CDFW to submit a report on implementation of the act to the Legislature no later than December 31, 2025 containing information on the approved projects, funding adequacy, and recommendations for changes and improvements in the program. (FGC § 1656)
- 7) Provides that HREA remains in effect only until January 1, 2027. (FGC § 1657)

PROPOSED LAW

This bill would:

- 1) Extend the HREA sunset until January 1, 2032 and require preparation of a legislative report due December 31, 2029.
- 2) For a project application, require the submittal of biological survey results conducted for the project, if any. For projects with a SWRCB permit, additionally require a list of any protected species that may be taken during the project, as provided, and that, if a professional engineer has prepared a design plan, that it be 65% complete.
- 3) Require CDFW's approval of a project to authorize the incidental take of any fully-protected species resulting from impacts attributable to or otherwise related to the HREA project.
- 4) Delete obsolete HREA provisions. Make numerous minor and clarifying changes.

ARGUMENTS IN SUPPORT

According to the author "By eliminating the sunset date of the Habitat Restoration and Enhancement Act, 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. AB 2045 will protect California's biodiversity across our coasts and forests by ensuring these projects can continue in a timely manner."

ARGUMENTS IN OPPOSITION

None received

COMMENTS

HREA is a successful program. During the last five-year reporting period for HREA, approximately an average of 29 projects were approved annually and included projects in 38 counties statewide.

Recently negotiations began between the author, sponsor, stakeholders, Committee staff, and CDFW seeking to incorporate recommendations for HREA improvement in the recent report into the current sunset extension. Negotiations remain underway and some of the recent amendments to the bill reflect those negotiations. As described in detail in the most recent report, and noted in the earlier report, fees collected to process HREA projects are insufficient to meet the costs of the program. Currently fees are tied to those for the LSAA program, although the two programs are different and it is unclear that the staff time needed to process a LSAA permit would necessarily be similar to that needed to process a HREA permit, particularly via the pathway where the project

proponent does not have a SWRCB permit. The LSAA fee structure is a graduated scale depending upon the cost of the project (as a proxy for size) and there are certain additional fees for specific activities.

In view of the inadequacy of the existing fee structure, the Committee may wish to amend the language to authorize CDFW to set the fee structure to recover the costs of administration and implementation and authorize the use of a graduated scale for the fee. [Amendment #1]

Underfunded and overmandated. CDFW has longstanding budget concerns which have persisted despite repeated efforts over multiple decades to address them. When the state has significant fiscal concerns – as it does now – ensuring consistent and sustained funding for CDFW is particularly challenging. Recently, at legislative direction, CDFW undertook a “service-based” budgeting effort to identify the personnel needed to perform the services required by its mandates. CDFW’s services were separated into eight general programs for analysis. In 2021, the initial results of this effort were released that revealed that CDFW’s funding was inadequate to meet its “mission” service level. The “Permitting & Environmental Protection” program only had about 28% of the resources for the mission service level. The Newsom Administration proposed, and the Legislature approved, significant one-time General Fund moneys to support the department’s activities in the near-term. Some progress in addressing the gaps in service were subsequently made, although this was offset, at least in part, by new duties, and additional cuts in resources through the budget.

A recent update (for fiscal year 2024/2025) shows that the Permitting and Environmental Protection program resources remain at about 35% overall, with a 5-year average of about the same value. This is at least somewhat better than the initial findings.

Recent related legislation

SB 716 (McGuire, Chapter 735, Statutes of 2021) extended the sunset on the HREA to January 1, 2027, among other provisions.

AB 2193 (Gordon, Chapter 604, Statutes of 2014) established the HREA with a sunset of January 1, 2022.

SUGGESTED AMENDMENTS

AMENDMENT 1

Add and revise FGC 1655(c) to read:

(c) The department shall assess an application fee for a project submitted to the department pursuant to Section 1652 or 1653. ~~consistent with the fees adopted by the department pursuant to Chapter 6 (commencing with Section 1600), The department may establish a graduated schedule of fees,~~ **but and** the application fee shall not exceed the reasonable administrative and implementation costs of the department relating to the project.

SUPPORT

Sustainable Conservation (sponsor)
Arroyos & Foothills Conservancy
Audubon California
California Association of Local Conservation Corps
California Association of Resource Conservation Districts
California Council of Land Trusts
California Democratic Party Rural Caucus
California Habitat Conservation Planning Coalition
California Invasive Plant Council
California Native Plant Society
California Trout
California Wildlife Foundation
Californians for Western Wilderness
Citizens for Los Angeles Wildlife (CLAW)
Coastal Ranches Conservancy
Ducks Unlimited
East Bay Municipal Utility District
Ecosystems Investments Partners
Environmental Defense Fund
Friends of Harbors, Beaches and Parks
Grasslands Water District
Los Cerritos Wetland Land Trust
Marin Agricultural Land Trust
Mid Klamath Watershed Council
Midpeninsula Regional Open Space District
Northern California Water Association
Pasadena Audubon Society
Paula Land Action Network (PLAN)
Point Blue Conservation Science
San Diego Bird Alliance
San Diego River Park Foundation
Santa Clara County Habitat Agency
Santa Clara Valley Open Space District
Save the Redwoods League
Scott River Watershed Council
Sempervirens Fund
Social Compassion in Legislation
Solano County Water Agency
Sonoma Land Trust
The Land Trust for Santa Barbara County
The Nature Conservancy
Trout Unlimited
WILDCOAST
Wildlands Network

OPPOSITION

None received

-- END --