
THIRD READING

Bill No: AB 2045
Author: Connolly (D)
Amended: 8/21/26 in Senate
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 7/1/26

AYES: Becker, Seyarto, Allen, Cabaldon, Grove, Laird, Stern

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26

AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 73-0, 5/21/26 - See last page for vote

SUBJECT: Habitat Restoration and Enhancement Act

SOURCE: Sustainable Conservation

DIGEST: This bill extends the sunset on and makes additional changes to the Habitat Restoration and Enhancement Act that provides for streamlined permitting for small restoration projects at the California Department of Fish and Wildlife (CDFW), as provided.

Senate floor amendments of 8/21/26 add new statutory elements to the project application package, including the payment of application fees; specify that CDFW can only approve or deny an application using specific criteria; require CDFW to ensure that every approved project includes appropriate measures to minimize or avoid impacts to species; and make numerous minor, technical and conforming changes.

ANALYSIS:

Existing law:

- 1) Establishes CDFW, led by its director (director), in the California Natural Resources Agency. 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 the Habitat Restoration and Enhancement Act (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 the State Water Resources Control Board's (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 a Lake and Streambed Alteration Agreements (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)

This bill:

- 1) Extends the HREA sunset until January 1, 2032, and requires preparation of a legislative report due December 31, 2029.
- 2) Revises the definition of a HREA project to be one that has a primary purpose of improving the habitat of native fish, wildlife, or plant species and that meets certain SWRCB criteria, as provided.
- 3) For a project application, requires the submittal of biological survey results conducted for the project, if any; a list of any protected species that may be taken during the project, as provided; that if a professional engineer has prepared a design plan, that it be 65% complete; and that required fees are paid.
- 4) Modifies the project approval or denial process to require CDFW, not the director, to either approve or deny a project based upon whether the project meets the definition of a HREA project and that all the application materials were provided.
- 5) Requires CDFW's approval of a project to also authorize the incidental take of any fully-protected species resulting from impacts attributable to or otherwise related to the HREA project.
- 6) Requires CDFW to ensure that every HREA project approved by CDFW includes appropriate measures to avoid and minimize impacts to species protected by state law, as provided.
- 7) On or before January 1, 2030, requires CDFW to assess an application fee for a submitted HREA project that does not exceed the reasonable administrative and implementation costs to CDFW relating to the project. Authorizes CDFW to establish a graduated schedule of fees, and deletes the fee linkage to the LSAA fee structure. Requires indexing of the fees annually, as provided. Requires CDFW to use the existing fee schedule until the new fee regulations are established, as provided.
- 8) Deletes obsolete HREA provisions. Makes numerous minor and clarifying changes.

Background

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 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, according to the 2025 *Cutting the Green Tape* report, CDFW estimates that each HREA-permitted restoration project saves approximately \$32,222 in permit fees and implementation costs.

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. As of October 1, 2025, CDFW has approved 243 projects under HREA.

[NOTE: For additional information regarding this bill, see the Senate Natural Resources and Water Committee's analysis.]

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- Ongoing costs to CDFW in the low- to mid-hundreds of thousands of dollars annually to continue administering the HREA until January 1, 2032 (Habitat Restoration and Enhancement Account within the Fish and Game Preservation Fund). These costs would be somewhat offset by HREA application fees, which partially cover CDFW's project review and program development costs.

SUPPORT: (Verified 8/14/26)

Sustainable Conservation (source)
 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
 Coastal Ranches Conservancy
 Ducks Unlimited
 East Bay Municipal Utility District
 Ecosystems Investment 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

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: (Verified 8/14/26)

None received

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.”

ASSEMBLY FLOOR: 73-0, 5/21/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez,

Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache,
Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Arambula, Chen, Garcia, Hoover, Lackey, Ramos,
Celeste Rodriguez

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