



[First Last name]  
Councilmember District [District No.]

## **REVISED AGENDA MATERIAL for Supplemental Packet 1**

**Meeting Date: May 14, 2019**

**Item Number: 38**

**Item Description: Letter in Support of AB 38**

**Submitted by: Councilmembers Wengraf and Hahn**

Added:

1. Councilmember Hahn as cosponsor
2. Recommended amendments to the item and letter of support in order to retain local control in fire safety.
3. The updated bill summary as published for the May 8<sup>th</sup> for the Assembly Committee On Appropriations meeting.



Sophie Hahn and Susan Wengraf

CONSENT CALENDAR  
May 14, 2019

To: Honorable Mayor and Members of the City Council  
From: Councilmembers Hahn and Wengraf  
Subject: Letter in Support of AB 38

RECOMMENDATION

Send a letter of support for AB 38 (Wood) Fire Safety: State Wildfire Preparedness Board: Fire Hardened Homes Revolving Loan Fund with suggested amendments to Assemblymember Wood, with copies to Senator Skinner, Assemblywoman Wicks and Governor Newsom.

FISCAL IMPACTS/FINANCIAL IMPLICATIONS

AB 38 would provide extra financial support and coordination for fire safety measures and a pool of \$1 billion to help protect communities from potential wildfires.

None

BACKGROUND

The City of Berkeley faces unique fire safety challenges, intensified by climate change.

Recent catastrophic fires in the North Bay, in Paradise and throughout California have reinforced the need to prevent ignition and the spread of wildfires and to ensure efficient evacuations of populations living and working in harm's way. Updating building codes and hardening structures and property, have proven effective in efforts to minimize property loss.

AB 38 will create a ~~state~~ Community Fire Preparedness Council to step up the pace and broaden the scale of California's fire preparedness. This council will be responsible for reviewing and approving community wildfire protection plans; developing best practices for emergency alert and evacuation procedures; creating and executing statewide fire preparedness public education campaigns and promoting, organizing and supporting community fire evacuation drills. This bill will also create regional Community Fire Preparedness Councils in higher-fire severity zones so that they can respond to specific local needs including developing community wildfire protection plans, developing vegetation management ordinances, performing defensible space inspections on both public and private land and providing education and technical assistance for landowners and residents to improve fire safety.

The bill will also create the state's Fire Hardened Homes Revolving Loan Fund of \$1 billion to be used for no- or low-interest loans for homeowners to replace or install items

such as ember-resistant vents, install fire-resistant roofing and siding or use the funds to create a noncombustible zone three feet around homes or remove trees within 100 feet of a home.

And finally, AB 38 will require the ~~state~~ Community Fire Preparedness Council to develop a list of construction features that must be retrofitted, or built into new construction, in high and very high fire severity zones including features such as fire-resistant roofing and siding, vent screens and any other feature the Council deems critical for home protection. These features, once approved, would be required for all homes and commercial buildings beginning January 1, 2024.

AB 38 has been endorsed by The California League of Conservation Voters, Sierra Club California, The Nature Conservancy, Pacific Forest Trust, California Fire Chiefs Association and the Fire Districts Association of California.

Amendment Recommendations

The Berkeley City Council requests that AB38 be amended to include representatives of local fire personnel from each constituent county on the Regional Wildfire Prevention District Boards established by section 8580.2(b). We also recommend considering the inclusion of local fire personnel on the State Fire Preparedness Council. Additionally, we recommend AB38 earmark funds from the Fire Hardened Homes Revolving Loan Fund to support local agencies' plans for wildfire prevention and preparedness.

ENVIRONMENTAL SUSTAINABILITY

If passed, AB 38 would lower the likelihood of wildfire and the resulting its accompanying GHGs. Wildfires are a disaster for the environment.

CONTACT PERSON

Councilmember Hahn	Council District 5	510-981-7150
Councilmember Wengraf	Council District 6	510-981-7160

Attachments:

- 1: [AB 38](#)
- 2: Letter in support
- 3. AB 38 summary for Assembly Committee on Appropriations May 8, 2019 meeting



*California*  
LEGISLATIVE INFORMATION

AB-38 Fire safety: State Wildfire Preparedness Board: Fire Hardened Homes Revolving Loan Fund. (2019-2020)

AMENDED IN ASSEMBLY APRIL 11, 2019

AMENDED IN ASSEMBLY APRIL 10, 2019

AMENDED IN ASSEMBLY MARCH 21, 2019

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

**ASSEMBLY BILL**

**No. 38**

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**Introduced by Assembly Member Wood**

**December 03, 2018**

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An act to add Section 1102.19 to the Civil Code, to add Article 4.3 (commencing with Section 8580) to Chapter 7 of Division 1 of Title 2 of the Government Code, and to add Division 33 (commencing with Section 55500) to the Health and Safety Code, relating to fire safety.

LEGISLATIVE COUNSEL'S DIGEST

AB 38, as amended, Wood. Fire safety: State Wildfire Preparedness Board: Fire Hardened Homes Revolving Loan Fund.

(1) Existing law, the California Building Standards Law, requires the State Fire Marshal to develop, and the California Building Standards Commission to review, building standards to implement the state's fire and life safety policy.

Existing law requires the Director of Forestry and Fire Protection to designate specified areas as very high fire hazard severity zones. Existing law requires the State Fire Marshal, in consultation with the Director of Forestry and Fire Protection and the Director of Housing and Community Development, to recommend building standards for very high fire hazard severity zones to protect structures and vegetation from fires spreading from adjacent structures or vegetation. Existing law requires persons who own, lease, control, operate, or maintain dwellings or occupied structures in these designated areas to comply with specified requirements, including complying with all applicable state and local building standards. Existing law makes a violation of these provisions a crime.

Existing law requires a person who owns, leases, controls, operates, or maintains a building or structure in, upon, or adjoining a mountainous area, forest-covered lands, brush-covered lands, grass-covered lands, or land that is covered with flammable material to maintain defensible space around the building or structure and to maintain vegetation and other fuel loads, as specified.

This bill would establish the State Wildfire Preparedness Board, consisting of specified members, and would prescribe the responsibilities of the state board with regard to the state's fire preparedness. The bill would divide the state's very high fire hazard severity zones into 18 regional wildfire prevention districts, which are advisory bodies to the State Wildfire Preparedness Board, as provided. The bill would prescribe the duties of the districts, including, among others, the promotion, organization, and support for the implementation of regional community fire evacuation drills.

~~(2) Existing law requires the State Fire Marshal to develop a list of low-cost retrofits that provide for comprehensive site and structure fire risk reduction to protect structures from fires spreading from adjacent structures or vegetation and to protect vegetation from fires spreading from adjacent structures.~~

*(2) Existing law requires a person who owns, leases, controls, operates, or maintains an occupied dwelling or occupied structure in, upon, or adjoining certain property to comply with certain defensible space requirements. Under existing law, the California Building Standards Commission has adopted regulations regarding materials and construction methods for exterior wildfire exposure.*

This bill would, on or after July 1, 2025, require a seller of a building in a very high fire hazard severity zone to ~~provide to the buyer a certificate certifying that the low-cost retrofits developed by the State Fire Marshal have been undertaken on the building. The bill, prior to July 1, 2025, would require the State Fire Marshal to submit to the Legislature for approval the list of low-cost retrofits compiled by the State Fire Marshal.~~ *attest, under the penalty of perjury, certain facts related to compliance with defensible space requirements and those regulations. Because the attestation would be submitted under the penalty of perjury, this bill would impose a state-mandated local program.*

(3) Existing law authorizes local agencies, upon making specified findings, to provide low-interest loans to the owners of buildings within their jurisdiction for the purpose of making seismic safety upgrades to eligible buildings, as defined, to meet current earthquake safety codes. Existing law authorizes these local entities to issue bonds to finance these loans that are secured by a lien on the subject property.

This bill would establish the Fire Hardened Homes Revolving Loan Fund in the State Treasury, as specified. The bill would transfer \$1,000,000,000 from the General Fund to the new fund for the purposes of the bill. Moneys in the fund would be available, upon appropriation by the Legislature, to ~~an unspecified state agency to distribute to local agencies for the purpose of funding no- or low-interest loans~~

~~made by those agencies~~ *the California Statewide Communities Development Authority to provide financial assistance* to owners of eligible buildings to pay for eligible costs of fire ~~hardening~~, *hardening, as specified*. The bill would provide that financing under this program, along with other liens on the subject property, could not exceed 80% of the appraised value of the property. The bill would define terms for its purposes.

*(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

## **DIGEST KEY**

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: ~~no~~yes

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## **BILL TEXT**

### **THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

#### **SECTION 1.**

The Legislature finds and declares all of the following:

- (a) Climate change has resulted in higher year-long temperatures and increasing dry weather conditions in California, resulting in extended, sometimes multiyear, droughts; extended wildfire seasons throughout the year, with higher temperatures during dry season conditions; and impacts on vegetation wildfire fuel loads and increasing decay and loss of vegetation due to insect infestations and plant diseases.
- (b) Wildfires have grown larger and have increased in intensity over the last several decades. As compared with 1986, wildfires in the western United States have occurred nearly four times more often, burning more than six times the land area and lasting almost five times as long. Through the end of the 2017 calendar year, 11 of the 20 most destructive wildfires in California have occurred in the last 10 years. The 2018 calendar year witnessed the most destructive wildfires in California history in terms of the loss of life and structures.
- (c) In terms of the size of wildfires, in the last decade, enormous wildfires have consumed vast areas, including the 2013 Rim Fire impacting national park and national forest lands, the 2017 Napa Valley, Sonoma Valley, and Santa Rosa wildfires, the 2017 Thomas Fire impacting 200,000 acres, and the 2018 Camp Fire.
- (d) Wildfires, which have impacted occupied areas, have resulted in enormous human and financial costs, including the following:
  - (1) The 1991 Berkeley-Oakland Tunnel Fire, which resulted in 25 deaths, the loss of more than 3,000 homes, and a total financial loss of \$1.5 billion in 1991 United States dollars.
  - (2) The 2003 San Diego Cedar Fire, which resulted in 15 deaths and the loss of 2,000 structures.
  - (3) The 2017 Tubbs Fire, which resulted in 22 deaths, the loss of 5,643 structures, and a total financial loss of approximately \$1.3 billion in 2017 United States dollars.
  - (4) The 2017 Thomas Fire, which resulted in two deaths, the loss of more than 1,000 homes, and a total financial loss of approximately \$2.2 billion in 2018 United States dollars.
  - (5) The 2018 Camp Fire, which resulted in 89 deaths, the loss of 18,804 structures, and at least \$12.4 billion in 2018 United States dollars in insured losses.

(e) More than 2,000,000 California households, approximately one in four residential structures in California, are located within or in wildfire movement proximity of “high” or “very high” fire hazard severity zones identified on maps drawn by the Department of Forestry and Fire Protection. Additionally, areas subject to seismic risks confront the likelihood that wildfires could result from downed power lines and ruptures of natural gas lines caused by earthquakes.

(f) There is a pressing need for wildfire prevention and minimization strategies, on an area-specific basis, that combine increased wildfire resistance within developed areas to minimize wildfire impacts with comprehensive vegetation management measures in wildlands to prevent or severely limit large-scale wildfires from developing and spreading as follows:

(1) Wildfire minimization programs. Developed areas need to carry out comprehensive urban vegetation management programs to reduce vegetation wildfire fuel loads within developed areas. Further, there is a need to provide funding for the hardening of homes and other structures to increase their resistance to wildfires.

(2) Wildfire prevention programs. Comprehensive wildlands vegetation management, responsive to the widely varying vegetation conditions throughout California, is required to reduce vegetation wildfire fuel loads, in relation to the flammability of different vegetation types, to the maximum extent feasible to prevent or severely limit the spread of wildfires.

(3) Wildfire response planning. Area-specific plans should include measures needed to include planning for safe wildlands access for firefighters to the maximum extent feasible.

(g) The diversity of vegetation and development patterns through the state necessitate a geographic approach to planning and implementing wildfire prevention and minimization strategies with fire prevention management agencies covering the geographic areas in which wildfires have or may occur.

(h) Local public agencies have made efforts to prevent wildfires, but, in many instances, lack the expertise, authority, or the financial resources to undertake or complete the tasks at hand.

*(i) Wildfires do not respect jurisdictional boundaries or property lines.*

~~(i)~~

*(j) Regional wildfire prevention districts designed to address the widely varying vegetation and development characteristics of our diverse state and to ensure that the districts have the expertise, authority, and funding to reduce the threat of wildfires on all lands, public and private, in the wildland urban interface should be established.*

~~(j)~~

*(k) The coordination of planning and implementation with federal lands agencies, such as the United States Forest Service and the United States National Park Service, should take place primarily at the state and regional district level as necessary.*

## SEC. 2.

Section 1102.19 is added to the Civil Code, to read:

### 1102.19.

~~(a) On and after July 1, 2025, a seller of a building in a very high fire hazard severity zone, as identified by the Director of Forestry and Fire Protection pursuant to Section 51178 of the Government Code or Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, shall provide to the buyer a certificate certifying that low-cost retrofits compiled and listed pursuant to Section 51189 of the Government Code have been undertaken on the building. attest, under the penalty of perjury, and to the best of their knowledge or belief, both of the following:~~

~~(b) Prior to July 1, 2025, the State Marshal shall submit the list compiled pursuant to subdivision (c) of Section 51189 of the Government Code to the Legislature for approval.~~

*(a) The property is in compliance or arrangements have been made to bring the property into compliance with the requirements of Section 51182 of the Government Code.*

*(b) The roof, gutters, attic ventilation, eaves, eave and cornice vents, and underfloor and appendages have been retrofitted, or arranged to be retrofitted to comply with the requirements of Chapter 7A (commencing with Section 701A.1) of Part 2 of Title 24 of the California Code of Regulations.*

**SEC. 3.**

Article 4.3 (commencing with Section 8580) is added to Chapter 7 of Division 1 of Title 2 of the Government Code, to read:

**Article 4.3. State Wildfire Preparedness Board  
8580.**

(a) The State Wildfire Preparedness Board is hereby established in state government, consisting of the following members:

- (1) The Director of Emergency Services, or the director's designee.
  - (2) The Secretary of the Natural Resources Agency, or the secretary's designee.
  - (3) The Director of Forestry and Fire Protection, or the director's designee.
  - (4) The Secretary of Transportation, or the secretary's designee.
  - (5) The Secretary of California Health and Human Services, or the secretary's designee.
  - (6) The State Fire Marshal, or the State Fire Marshal's designee.
  - (7) The Director of the Office of Planning and Research, or the director's designee.
  - (8) The Secretary of the Department of Corrections and Rehabilitation, or the secretary's designee.
  - (9) (A) A member of the public with expertise in fire science appointed by the Governor.  
(B) The member appointed pursuant to this paragraph shall serve at the pleasure of the Governor.
  - (10) (A) A member of the public with expertise in fire science appointed by the Senate Committee on Rules.  
(B) The member appointed pursuant to this paragraph shall serve a two-year term.
  - (11) (A) A member of the public with expertise in fire science appointed by the Speaker of the Assembly.  
(B) The member appointed pursuant to this paragraph shall serve a two-year term.
- (b) The State Wildfire Preparedness Board shall do all of the following:
- (1) Convene a meeting of its members and one representative from each of the regional wildfire prevention districts, established pursuant to Section 8580.2, at least twice per year to provide technical assistance, review best practices, and receive reports on the progress and obstacles to fire prevention work from the regional wildfire prevention districts.
  - (2) Actively seek opportunities for interagency collaboration and efficiencies.
  - (3) Review and approve the regional wildfire protection plans prepared by each regional wildfire prevention district.
  - (4) Create and implement a statewide fire preparedness public education campaign.

**8580.2.**

(a) The state's very high fire hazard severity ~~zones~~ *zones, designated pursuant to Section 51178 or Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code*, are divided, for purposes of this article, into 18 regional wildfire prevention districts as follows:

- (1) District 1, which comprises the Counties of Del Norte, Humboldt, and Mendocino.
- (2) District 2, which comprises the Counties of Shasta, Siskiyou, and Trinity.
- (3) District 3, which comprises the Counties of Lassen, Modoc, and Plumas.
- (4) District 4, which comprises the Counties of Butte, Glenn, and Tehama.
- (5) District 5, which comprises the Counties of Nevada, Sierra, and Yuba.
- (6) District 6, which comprises the Counties of Amador, El Dorado, and Placer.
- (7) District 7, which comprises the Counties of Colusa and Lake.
- (8) District 8, which comprises the Counties of Marin, Napa, Solano, and Sonoma.
- (9) District 9, which comprises the Counties of Alameda and Contra Costa.
- (10) District 10, which comprises the Counties of San Mateo, Santa Clara, and Santa Cruz.

- (11) District 11, which comprises the Counties of Merced, Monterey, and San Benito.
- (12) District 12, which comprises the Counties of Alpine, Calaveras, and Tuolumne.
- (13) District 13, which comprises the Counties of San Luis Obispo, Santa Barbara, and Ventura.
- (14) District 14, which comprises the Counties of Fresno, Madera, and Mariposa.
- (15) District 15, which comprises the Counties of Kern and Tulare.
- (16) District 16, which comprises the County of Los Angeles.
- (17) District 17, which comprises the Counties of Orange and San Bernardino.
- (18) District 18, which comprises the Counties of Riverside and San Diego.
- (b) Each regional wildfire prevention ~~district, which is an advisory body to the State Wildfire Preparedness Board, district~~ shall be governed by a board with members ~~who are residents of the counties comprising the district and appointed by the State Wildfire Preparedness Board, consisting of the following:~~
  - (1) A member representing each constituent county in the regional wildfire prevention district selected by the board of supervisors of the county.
  - (2) A member from a fire safe council within the regional wildfire prevention district selected by the California Fire Safe Council.
  - (3) A member from each resource conservation district within the regional wildfire prevention district.
  - (4) A member from the regional office of the Department of Forestry and Fire Prevention within the regional wildfire prevention district.
  - (5) A member with fire science expertise from a campus of the University of California within, or closest to, the regional wildfire prevention district selected by the President of the Regents of the University of California.
  - (6) A member from the sheriff's department of each of the county within the regional wildfire prevention district.

~~8580.4.~~

~~Each regional wildfire prevention district shall do all of the following:~~

- ~~(a) Establish an office.~~
- ~~(b) Select one of its board members as chairperson at the first regular meeting held each year.~~
- ~~(c) Employ individuals with knowledge in wildfire prevention and types of fire related vegetation commonly found in the district as staff of the district.~~

~~8580.6.8580.4.~~

Each regional wildfire prevention ~~district~~ district, upon appropriation by the Legislature, shall do all of the following:

- (a) Establish an office.
- (b) Select one of its board members as chairperson at the first regular meeting held each year.
- (c) Develop a region-specific wildfire prevention and preparedness plan that shall include all of the following:
  - (1) A region specific vegetation management ordinance that could be adopted by the relevant jurisdictions within the regional wildfire prevention district.
  - (2) Strategic fire break and fuel reduction projects to provide community protection.
  - (3) Evacuation plans that include both of the following:
    - (A) Emergency notification protocols.
    - (B) A verification of the quality and capacity of identified evacuation routes.
  - (d) Implement a grant program to ensure compliance with regional vegetation management ordinances and the execution of strategic community protection fuel load projects.

~~(a)~~

(e) Provide education and technical assistance to landowners, residents, and regional community fire prevention advisory groups on fire prevention and land management practices to improve fire safety in the district's region.

~~(b)~~

(f) Review and recommend to the State Wildfire Preparedness Board possible methods of financing ongoing fire preparedness measures, including loan and grant programs, that may be implemented by the member departments of the board.

~~(e)~~

(g) Promote, organize, and support the implementation of regional community fire evacuation drills.

~~(d) Prepare regional wildfire protection plans for approval by the State Wildfire Preparedness Board.~~

~~(e)~~

(h) Prepare a semiannual report and ensure a member of the district attends the meeting convened pursuant to paragraph (1) of subdivision (b) of Section 8580.

#### SEC. 4.

Division 33 (commencing with Section 55500) is added to the Health and Safety Code, to read:

#### *DIVISION 33. Fire Hardened Homes Revolving Loan Fund*

##### **55500.**

As used in this division:

(a) "Eligible building" means a building existing as of January 1, 2020, and containing not more than one unit that is intended for human habitation.

(b) "Eligible costs" means all costs, including costs of design, preparation, and inspection, incurred in the following:

(1) Replacing or installing the following:

(A) Ember-resistant vents.

(B) Fire-resistant roofing.

(C) Fire-resistant siding.

(D) Fire-resistant eaves.

(E) Fire-resistant soffits.

(F) Fire-resistant windows.

(2) Establishing a noncombustible zone of five feet around an eligible building.

(3) Tree removal and trimming within 100 feet of an eligible building.

##### **55501.**

(a) There is established in the State Treasury the Fire Hardened Homes Revolving Loan Fund. Moneys in the fund shall, upon appropriation by the Legislature, be made available to the ~~\_\_\_\_\_~~ *California Statewide Communities Development Authority* to provide financing ~~to local agencies to make no- or low-interest loans assistance~~ to owners of eligible buildings to pay for eligible costs of fire hardening ~~if the legislative body of the local agency makes one of the following findings: as follows:~~

~~(1)(A) The owner to whom financing would be made available pursuant to this division is unable to qualify for or could not afford financing for eligible costs from private lending institutions.~~

~~(B) The legislative body of the local agency may also make no- or low-interest loans to an owner who is able to qualify or afford financing as long as priority is given to owners described in subparagraph (A).~~

~~(2) Absent the availability of financing pursuant to this division, the eligible building would pose a health and safety risk to its occupants.~~

*(1) No- and low-interest loans to a person who owns an eligible building and has an income level up to 120 percent of the area median income.*

*(2) Rebates for up to 80 percent of the cost of the retrofit to a person who owns an eligible building and has an income level up to 50 percent of the area median income.*

(b) Financing provided by a local agency pursuant to this division shall not, when combined with existing liens on the property, exceed 80 percent of the current appraised value of the property, as determined by an independent, certified appraiser, unless existing lienholders consent in writing to a higher loan-to-value ratio. Notice of the intention to provide financing to the owner of the property shall be given to existing lienholders of record not less than 30 days before any vote of the local agency authorizing the provision of financing to the owner of the property.

**SEC. 5.**

The sum of one billion dollars (\$1,000,000,000) is hereby transferred from the General Fund to the Fire Hardened Homes Revolving Loan Fund to provide no- or low-interest loans to owners of eligible buildings for the eligible costs of fire hardening pursuant to Division 33 (commencing with Section 55500) of the Health and Safety Code.

**SEC. 6.**

*No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.*

May 14, 2019

The Honorable Jim Wood  
California State Assembly  
State Capitol, Room 6005  
Sacramento, CA 95814

**RE: AB-38 (Wood) Fire Safety: State Wildfire Preparedness Board: Fire Hardened Homes Revolving Loan Fund Support from the Berkeley City Council**

Dear Assemblymember Wood:

On behalf of the Berkeley City Council, we want to express our support for AB-38 (Wood), Fire Safety: State Wildfire Preparedness Board: Fire Hardened Homes Revolving Loan Fund.

Wildfires have increased in numbers and severity in recent years and the toll on lives and property is staggering. The combination of winds and fuel loads have made it impossible for firefighters to manage wildland fires successfully.

We must turn our attention to:

- reducing fuel loads
- planning escape routes
- hardening our homes
- early notification systems

Fires do not know geographical jurisdictions or political boundaries. Coordination between local governments is essential.

We would like to suggest some amendments to help insure that state and regional fire safety plans will incorporate existing local evacuation plans and other fire safety measures already in place.

We recommend the bill be amended to include representatives of local fire personnel from each constituent county on the Regional Wildfire Prevention District Boards established by section 8580.2(b). We also recommend considering the inclusion of local fire personnel on the State Fire Preparedness Council. Additionally, we recommend AB38 earmark funds from the Fire Hardened Homes Revolving Loan Fund to support local agencies' plans for wildfire prevention and preparedness.

Thank you for your leadership on this important issue!

Sincerely,

Susan Wengraf \_\_\_\_\_ Sophie Hahn  
Vice Mayor \_\_\_\_\_ Councilmember  
City of Berkeley \_\_\_\_\_ City of Berkeley

CC: Senator Skinner, Representative Wicks, Governor Newsom

AB 38

Date of Hearing: May 8, 2019

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 38 (Wood) – As Amended April 30, 2019

Policy Committee: Governmental Organization Vote: 14 - 1

Natural Resources 9 - 1

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill creates wildfire-related advisory bodies and a \$1 billion revolving loan and rebate fund for fire hardening of buildings. Specifically, this bill:

1) Creates the State Wildfire Preparedness Board (Preparedness Board), which consists of designated members, to: (a) convene a meeting to provide technical assistance, review best practices and receive reports; (b) seek opportunities for interagency collaboration and efficiencies; (c) review and approve wildlife protection plans prepared by each regional wildfire prevention district; and, (d) create a statewide fire preparedness public education campaign.

2) Designates 18 regional wildfire prevention districts (Prevention Districts) to advise the Preparedness Board as well as engage in specified activities, including developing a region specific wildlife prevention and preparedness plans and promoting implementation of regional community fire evacuation drills.

3) Creates the Fire Hardened Homes Revolving Loan and Rebate Fund (Loan and Rebate Fund) to provide specified financing assistance or rebates to eligible building owners for fire hardening costs. This bill transfers \$1 billion from the General Fund (GF) to the Loan and Rebate Fund for this purpose.

4) Requires, starting on July 1, 2025, a seller of a building located in a very high fire hazard severity zone to provide the buyer a certificate that shows evidence of low-cost retrofits.

FISCAL EFFECT:

1) One-time appropriation of \$1 billion from the GF to the Loan and Rebate Fund.

2) Modest General Fund (GF) costs, likely in the tens of thousands of dollars, to reimburse Preparedness Board members for expense reimbursements.

3) Significant GF costs, in excess of \$30 million in the first year and \$25 million each year thereafter, to support Prevention Districts activities. First year costs include the costs for each district to start an office, develop a region-specific wildlife prevention plan

and hire full-time staff. Ongoing costs reflect annual operations and staffing costs. This committee considers this cost estimate conservative given the broad scope of proposed Prevention District activities. Each Prevention District will need support and communications staff and technical experts. This bill specifically requests the Legislature appropriate funds for these activities.

COMMENTS:

1) What this bill does. This bill contains four major policy changes related to wildfire prevention. This bill:

a) Makes a pending list of low-cost retrofits enforceable. AB 2911 (C. Garcia), Chapter 641, Statutes of 2018, requires the State Fire Marshal, in consultation of the Department of Forestry and Fire Protection (CAL FIRE) and the Department of Housing and Community Development to develop a list of low-cost retrofits that reduce the risk of a fire spreading across adjacent buildings.

This bill changes the function of this pending list of low-cost retrofits. Specifically, this bill requires CAL FIRE to submit a final list of retrofits to the Legislature for approval. It also requires a seller of a building in a high-risk area provide the buyer a certificate of completed and pending low-cost retrofit projects.

b) Creates a new interagency group. CAL FIRE, the State Fire Marshal, the Board of Forestry and Fire Protection, Cal OES, the Office of Planning and Research, and the Natural Resources Agency (NRA) have traditionally overseen fire prevention and response coordination. For example, the Forest Management Task Force integrates fire prevention activities into forest restoration efforts, and this task force includes CAL FIRE and NRA.

This bill creates the Preparedness Board, which includes the above entities as well as representatives from the Department of Transportation, California Health and Human Services Agency, California Departments of Corrections and Rehabilitations and three members of the public.

c) Creates new regional districts. This bill also creates new state-funded Prevention Districts. Each of the 18 Prevention Districts will develop a wildlife and preparedness plan, provide technical and educational assistance to community members on fire prevention and management practices, promote and regional fire evacuation drills and prepare reports for the above-mentioned Preparedness Board.

d) Helps fund low-cost fire hardening projects. Federal, state and local governments often form programs designed to provide low-cost financing or rebates for desirable activities. For example, the Earthquake Brace + Bolt program provides certain homeowners an incentive payment of up to \$3,000 to help pay the costs associated with retrofitting a house.

This bill creates the Loan and Rebate Fund to provide no- and low-interest loans to middle-income building owners and rebates to lower-income owners. This proposed program will be run by the California Statewide Development Authority, who is tasked with developing the guidelines for financial assistance. While this bill does not require it, this committee assumes the program is meant to be self-sustaining, which means a sizable portion of financing will have an interest rate attached.

2) Staff comments. This bill is an ambitious and costly measure that creates new statewide and regional advisory bodies and creates a new revolving loan program.

There remain some outstanding questions:

a) What will the Preparedness Board do? As currently drafted, the proposed Preparedness Board contains many members but the actual scope of work is somewhat narrow. Specifically, the Preparedness Board must meet at least twice a year to provide technical assistance, review best practices, receive reports on regional fire prevention work, seek opportunities for interagency collaboration and efficiencies, and create and implement a statewide fire preparedness public education campaign.

It is not clear to this committee why this new body must be formed to achieve these goals. The committee recognizes that recent fires have touched many aspects of government and more coordination is needed, but the above-listed functions could also be done by other agencies without a new interagency board.

b) What is the appropriate funding level for the Loan and Rebate Fund? This bill appropriates \$1 billion GF to support the new no- and low-cost loan and rebate program for fire hardening projects. However, it is unclear why this amount is appropriate or necessary.

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