

**Exhibit F – Leverage and Outcomes**

**State of California**

**ExhibitFLeverageandOutcomes.pdf**

## **EXHIBIT F: LEVERAGE AND OUTCOMES**

Fires do not respect administrative boundaries of counties or land ownership regimes. Therefore, activities in the affected area will provide significant benefits to neighboring areas. Replicating and spreading these activities in neighboring counties, forests, and communities will increase the overall resilience of the region and the State. In particular, by proactively applying this approach in areas that have not burned, we can reduce the severe ecological and economic impacts of a severe wildfire. This is a critical element of the Community and Watershed Resilience Program (Program), which will increase resilience on a local and regional scale and also support attainment of broader statewide goals.

### **Outcomes**

***Timing and Approach:*** As described in Exhibit E, the Program is designed to be a long-term strategy for developing a sustainable forest economy. A significant up-front investment is needed to launch it, but the goal is to develop a program that can be economically and institutionally sustainable over the long term.

***Green Infrastructure Solutions:*** Healthy and sustainable forests and watersheds are critical natural infrastructure for the State. These forests are home to the headwaters of the State's water system, providing water storage as snowpack, natural water filtration, and groundwater recharge. The forests also store carbon to mitigate greenhouse gas (GHG) emissions in the built environment and are critical to the State's long-term goals to reduce GHG emissions and slow climate change.

***Financial Sustainability and Vulnerable Populations:*** One of the driving forces for this work is that under current conditions, there are insufficient funding and investment mechanisms for forest maintenance, but also that current structural issues (e.g., transportation costs, facility

locations) hinder economical solutions to forest and biomass management. The Program is designed to engage stakeholders, including public and private landowners, the timber and wood products industry, the bioenergy industry, workforce and educational organizations, and the community to design an economically-viable, sustainable model for forest resilience. This will include stewardship partnerships, job training, and development of appropriately-scaled and sited facilities to manage forest biomass. The Program is designed to couple forest and community resilience and create employment opportunities for local residents. This will include unemployed, underemployed, and Section 3 residents to the fullest extent possible.

***Defining Success and Program Evaluation:*** Broadly speaking, success in the context of this effort will be development of a sustainable model for forest stewardship that also supports a more resilient and robust local economy. We will track progress in specific areas using a suite of metrics and indicators that the State has been developing in several sectors, including selections from the indicators for forest and rangeland health being developed through the State's [Forest and Rangeland Assessment Program \(FRAP\)](#). The indicators cover many aspects of forest and rangeland health, economy, equity, and public health.

### **Leverage**

***Partners and Resources:*** As mentioned in Exhibit C, California and Tuolumne County have developed a broad set of partners for this effort. These partnerships will be very important as we look to develop an ongoing program to support local residents, forest health, and related industries. Partners provide expertise and financial resources. The [USFS](#) has already invested \$134 million in Rim Fire (Fire) Recovery and is committed to investing nearly \$10 million more.

***Co-Benefits and Financing:*** During and after the Fire, local homeowners and businesses struggled to obtain insurance. The Tuolumne County Board of Supervisors led a [study session](#)

devoted to understanding the impacts of insurance issues on local residents and businesses. The Supervisors also engaged with local real estate and insurance agents. The leadership team has initiated conversations with the California Insurance Commissioner's office. We will continue to work with these organizations to better understand and resolve insurance issues in the area.

Building resilience in the forest ecosystem through stewardship and management activities will benefit numerous stakeholders in the area and beyond. This includes local residents and businesses and downstream water users.

The State and the U.S. Department of Agriculture Forest Service (USFS) have explored different financing mechanisms for natural resource protection, including Environmental Impact Bonds (EIB). Through an EIB, an initial investment in forest stewardship will result in cost savings in reduced fire-fighting costs, which can then be passed on to investors. Investment in the Fire recovery area will enable available funds to be used in other regions to replicate our approach and Program. These funds include the USFS's Rim Fire recovery funds, California Department of Forestry and Fire Protection's grant program funds made available through the GHG Reduction Fund, the California Public Utility Commission's Senate Bill 1122 program, which is designed to make small-scale bioenergy facilities more competitive, and other sources. Proactive investments in sustainable forest management will prevent future wildfire, which will allow for State, federal, local, and private investments to go further.