

Proposition 4 Funding Recommendation and Prioritization Proposal

Blue Ribbon Committee for the Rehabilitation of Clear Lake (Committee)

December 18, 2025

Background

In November 2024, California voters approved Proposition 4: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act (Act). The Act allocated \$10 billion for a range of services and restoration in the following areas:

- Drought, flood, and water supply: \$3.8 billion for projects including water supply, flood reduction, and river/lake restoration.
- Forest health and wildfire prevention: \$1.5 billion for wildfire resilience, landscape health, and fire prevention programs.
- Sea-level rise and coastal areas: \$1.2 billion to protect coastal areas, restore coasts, and improve ocean habitats.
- Land conservation and habitat restoration: \$1.2 billion to protect natural areas and restore habitats.
- Energy infrastructure: \$850 million for clean energy projects, such as wind turbines and transmission lines.
- Parks: \$720 million for parks, including expansion, renovation, and repair.
- Extreme heat: \$450 million to address the impacts of extreme heat in communities.

In addition to the broad categories above, the Act includes a \$20 million set aside specifically for restoration activities in Clear Lake. The California Natural Resources Agency (CNRA), as one of the primary grant administrators in California, will rely heavily on advice and recommendations from the Committee for distribution of these funds. This document lays out a brief proposal for prioritizing the use of these funds for efforts that will generate large, sustainable impacts to improve the health of Clear Lake and its communities.

Proposal/Project Types

Bond funding from sources such as the Act is *generally* reserved for capital improvement projects such as physical restoration projects. This means that, unlike California General Fund allocations, funds from the Act are subject to additional restrictions and intended primarily for efforts that will result in direct benefits to the environment and communities of California. Bond funding is often not appropriate for studies, monitoring, and permitting activities (although limited carveouts exist within the Act and are subject to additional review by CNRA).

The 2025-26 California Budget included \$13.6 million directly for Committee-approved projects, consisting of large-scale harmful algal bloom (HAB) projects, studies, and local planning efforts. When combined with the significant research efforts led by UC Davis and the US Geological Survey, these efforts are intended to demonstrate potential long-term solutions to ongoing environmental challenges.

Proposal

Bond funding from the Act specifically allocated for Clear Lake is limited and as noted above, should be primarily reserved for capital improvement and physical restoration projects. The Committee will play an important role in recommending which efforts are best suited to take advantage of this sizeable investment. The Committee recommends the following process and priorities should be considered when recommending use of Act funds:

1. Funding should be reserved specifically for large scale, long-term on-the-ground restoration and water quality mitigation projects which may require continual funding for the benefit of the environment, Clear Lake communities, and the water supply they depend on. Smaller projects may benefit from pursuing other General Fund or bond opportunities.
2. Proposal teams considering the use of Act funding should rely heavily on the scientific outcomes published by UC Davis and the US Geological Survey in 2024. The report is available online here:
https://clearlakerehabilitation.ucdavis.edu/sites/g/files/dgvnsk12236/files/inline-files/ClearLakeRehabilitation_FINAL_REPORT_0.pdf.
3. Although \$1.8 million of the total \$20 million Clear Lake funding in the Act was allocated by the California Legislature in 2025, this funding does not expire in the near term.
4. The Committee recommends reserving the bulk of Act funding for the expanded implementation of HAB pilot projects approved in 2023-2025. Committee staff will work with current HAB pilot teams to transmit results of each effort to the Committee as soon as possible. Project teams with demonstrated successful pilots will develop long-term funding strategies for the expansion of their efforts for consideration at the next Committee meeting. Committee members will utilize their existing approval process to forward funding recommendations to CNRA.
5. In addition to the pilot projects discussed above, the joint UC Davis/US Geological Survey report demonstrates a significant amount of nutrients exacerbating HAB and other water quality impacts enter Clear Lake through Scotts, Middle, and Kelsey Creeks. Targeted proposals utilizing a portion of Act funds should be considered that specifically consider nutrient reduction and erosion control efforts in these and other watersheds contributing to water quality degradation in Clear Lake. Approval for these efforts will follow the standard Committee approval process.

Note: perhaps we add that smaller projects should be encouraged to seek funding under the other non-Clearlake specific funds.

DRAFT ONLY- NOT APPROVED BY THE COMMITTEE