

**REPORT OF THE  
CHIEF LEGISLATIVE ANALYST**

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DATE: March 24, 2026

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations  
Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No. 26-0002-S5  
Assignment No: 26-02-0132

SUBJECT: Resolution to Support AB 35 (Alvarez)

CLA RECOMMENDATION: Adopt revised Resolution to include in the City's 2025-2026 State Legislative Program, support for AB 35 (Alvarez), which seeks to honor the longstanding legislative precedent for climate-related bonds.

SUMMARY

Resolution (Nazarian – Blumenfield), introduced February 6, 2026, states that California's Administrative Procedure Act (APA), enacted in 1945, requires state agencies to complete a full regulatory process before issuing funding program guidelines. This process—drafting regulations, public comment periods, responding to objections, and securing Office of Administrative Law approval—can take 12 to 24 months or longer, even for programs modeled on prior, well-established bond programs. The Resolution notes that climate-related bonds have historically been exempt from this lengthy process, making the current situation an anomaly. It also expresses support for AB 35 as part of the 2026-2027 State Legislative Program.

Therefore, the revised Resolution requests that the City include, as part of the 2025-2026 State Legislative Program, support for AB 35 (Alvarez), a state bill seeking to expedite the release of funds approved under Proposition 4, the California Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act, passed by voters in 2024, which allocated \$10 billion toward climate resilience projects. The bill would grant an immediate APA exemption for all Proposition 4-related funds, allowing agencies to deploy voter-approved money more rapidly. The Resolution further notes that the bill preserves transparency and accountability through alternative public processes, including published guidelines, public workshops, and legislative reporting.

BACKGROUND

California voters approved Proposition 4—the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act—in November, 2024 with nearly 60% support. The \$10 billion general obligation bond placed on the ballot through SB 867 (Allen), represents the largest climate investment in California's history, spanning eight major categories:

1. \$3.8 billion to safe drinking water, drought, flood, and water resilience;
2. \$1.5 billion to wildfire and forest resilience;

3. \$1.2 billion to coastal resilience;
4. \$1.2 billion to biodiversity and nature-based climate solutions;
5. \$850 million to clean energy;
6. \$700 million to park creation and outdoor access;
7. \$450 million to extreme heat mitigation; and
8. \$300 million to climate-smart agriculture.

California's APA requires all approximately 30 state agencies to undergo formal rulemaking before adopting the program guidelines and selection criteria necessary to issue grants. Those agencies estimated this process would delay fund distribution by 12 to 18 months per program. The reason for this bottlenecking was that SB 867 did not include an APA exemption. This omission triggered an escalating series of legislative fixes through 2025 and into 2026, culminating into AB 35.

### ***AB 35 (Alvarez)***

The bill, AB 35, provides that the APA does not apply to the development and adoption of program guidelines and selection criteria needed to effectuate or implement the programs included in Proposition 4. The bill also requires a state entity that receives funding to administer a competitive grant program, established using the APA exemption, to do the following:

1. Develop and publish draft project solicitation and evaluation guidelines on its website for a public comment period of at least 30 days and respond to each public comment; and requires all written public comments received be posted on the state entity's website, unless indicated otherwise by the person who provided the written public comment.
2. Offer opportunities for tribal consultation to impacted tribes.
3. Finalize project solicitation and evaluation guidelines after completing the aforementioned requirements, and submit the final guidelines to the California Natural Resources Agency (CNRA). Requires CNRA to verify that the submitted guidelines are consistent with applicable statutes and for all the purposes enumerated in Proposition 4. Requires CNRA to post an electronic form of the guidelines and the subsequent verifications on the CNRA's website.
4. Exempts the State Water Resources Control Board from the requirement to submit final guidelines to the CNRA.
5. Provides that if a state entity, before the effective date of this bill, developed and adopted project solicitation and evaluation guidelines that comply with the requirements of Proposition 4, the use of those guidelines constitute compliance with this bill.

### **DEPARTMENTS NOTIFIED**

None

  
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Christopher Fields  
Analyst

Attachment: 1. Revised Resolution

## RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal government body or agency must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, California has committed to ensuring clean drinking water for disadvantaged communities, reducing flood risk, and preventing wildfires, and voters have repeatedly approved climate-related bonds to fund projects addressing these priorities, which historically have been exempt from lengthy administrative procedures except for one recent bond; and

WHEREAS, in 1945, California enacted the Administrative Procedure Act (APA), which established standardized procedures for adopting state regulations and guidelines for funding programs to provide transparency and public input; and

WHEREAS, under the APA, agencies must often complete a full regulatory package, drafting regulations, soliciting public comment, addressing objections, and securing Office of Administrative Law approval before issuing program guidelines or releasing funding, which can take 12 to 24 months or longer, even when program criteria are widely accepted or modeled on prior bond programs; and

WHEREAS, in 2024, voters passed the California Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act (Proposition 4) to allocate \$10 billion towards climate resilience projects, such as water infrastructure and wildfire prevention; and

WHEREAS, Assembly Bill 35 (Alvarez) provides an immediate exemption to the APA for all funds related to Proposition 4 to deploy voter-approved funds more rapidly for urgent climate resilience, clean water, wildfire mitigation, and related infrastructure projects; and

WHEREAS, to ensure rapid deployment of voter-approved funds, AB 35 allows agencies administering Proposition 4 funds to proceed without the APA rulemaking process, while still using alternative public processes (such as published guidelines, public workshops, and legislative reporting) to maintain transparency and accountability;

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2025-2026 State Legislative Program SUPPORT for AB 35 (Alvarez), which seeks to honor the longstanding legislative precedent for climate-related bonds.