**BACKGROUND**

When rare species and habitats are threatened by development, environmental regulations provide pathways for developers to avoid, minimize, and mitigate impacts. Consolidated mitigation like conservation banks create mitigation in-advance of impacts and are recognized in state and federal policies as a preferred alternative to ‘postage stamp’ offset projects (CDFW 1995, USACE 2008, USFWS 2023). However, in 2023, the Environmental Policy Innovation Center (EPIC) identified inefficiencies and regulatory ‘green tape’ in the approval process for establishing conservation banks in California, resulting in timelines significantly exceeding the state-mandated deadline of 270 days. Based on multiple data sources, EPIC found that timelines were taking 2.8 - 6.4 times longer than required.

Informational interviews suggested that the slow process might contribute to a shortage of species credits, potentially delaying development and creating a species mitigation ‘debt’ — promised mitigation that remains unimplemented. To understand the scale of species mitigation under CESA being implemented versus unimplemented, EPIC initiated a second phase of investigation. The initial results, detailed below, are based on a Public Records Act request, which yielded substantial data from two California Department of Fish and Wildlife regions. Three other regions provided only 1-3 records each, while one region provided no data.*

* CDFW communicated that staff were spread thin and it would be challenging to assign them to gathering records, so EPIC compromised with CDFW on the PRA to accept whatever the regions could provide.

**FINDINGS**

**Impacts are Outpacing Mitigation**

Of the data we have (314 records of CESA permits with mitigation requirements), there are 82,300 acres of ‘in progress’ mitigation compared to 52,300 acres of completed mitigation. This does not include an additional 26,400 acres of mitigation with missing documents or 44,800 acres with a blank compliance status. Given that only two regions provided robust data, we estimate that the required mitigation acres could be twice the amount shown here.

The chart on the right illustrates the accumulated growth of mitigation over time. Completed mitigation is shown in green, in-progress mitigation in orange, mitigation with missing documents in red, and mitigation with a blank compliance status in gray.

**Unknown Compliance Status is Concerning**

About ⅓ of the acreage in our data has an unknown compliance status.

**Millions of Dollars Collected Are Not Being Used for Species Conservation**

One region provided data on financial securities collected for species mitigation. In that region, $130 million has been collected for projects where the mitigation is not deemed “complete” (ie, the mitigation is either in progress, unknown, or has a blank compliance status in the data).

**Next Steps**

EPIC has submitted a follow-up Public Records Act request to identify the full scale of mitigation ‘promised but pending.’

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**ABOUT EPIC**

The mission of the Environmental Policy Innovation Center (EPIC) is to build policies that deliver spectacular improvement in the speed and scale of conservation.

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