



CALIFORNIA
STATE LANDS
COMMISSION



Photo by Steven Eric Smith

KAPILOFF LAND BANK REPORT

Fiscal Year 2024-2025

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This report summarizes the status of the Kapiloff Land Bank for fiscal year 2024-2025.¹

Background

The Kapiloff Land Bank Fund (Fund) enables the Commission to accept and hold money in trust to acquire certain property or to expend money for project-specific mitigation or restoration projects.² The Fund was created to facilitate real property title settlements and land exchanges as an extension of the Commission's authority under Public Resources Code section 6307. The Commission may accept cash deposits when substitute parcels of land of equal value are unavailable for exchange. Money from title settlements may only be expended to purchase outstanding interests in tide and submerged lands, lands that have been or may be converted to wetlands or adjoining or nearby lands where the public use and ownership of the land is necessary or extremely beneficial for Public Trust purposes.³ The Commission holds the acquired lands as sovereign Public Trust lands with the same legal character as tide and submerged lands.

Money may also be deposited into the Fund to manage and improve real property held by the Commission for open space, habitat for plants and animals, and public access.⁴ If a deposit is made into the Fund for a specified mitigation purpose as a condition of a permit, lease, or other Commission action, the money is subject to a statutory trust that limits its use to the identified mitigation. Any person or entity may donate money into the Fund for projects, specified or not, that provide for public access to, or management and improvement of, real property held by the Commission for open space, plant and animal habitat, and public access.

The Fund contains two account categories. The first is Title Settlements, which includes money received from title settlements (deposits) and money expended

¹ This report complies with the reporting requirement in Public Resources Code section 8618.

² Kapiloff Land Bank Act (Chapter 1471, Statutes of 1982, as amended) Public Resources Code section 8600, et seq.

³ Public Resources Code sections 8613, subd. (a), 8625, subd. (a).

⁴ Public Resources Code sections 8613, subd. (b), 8625, subds. (b) & (c).

on property acquisitions (expenditures). The second is Special Mitigation and Management Projects, which includes money set aside for mitigation, land and resource management, or improvement projects. This second category contains an individual subaccount for each fund source.

Overall, the Fund began the fiscal year with a balance of \$22,353,724 and received deposits of \$1,631,564, earning \$984,517 in interest. The Commission spent \$1,534,188 across all accounts. As in prior years, most of this spending was on the Commission's Granted Lands Program and the Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program (SB 44, Jackson, Chapter 645, Statutes of 2017), both of which are within the Special Mitigation and Management Projects category. The Fund ended the fiscal year with a balance of \$23,435,618, a net increase of \$1,081,894. Below is a summary of significant Fund activity⁵.

Title Settlements

The Kapiloff Land Bank Act (Public Resources Code section 8600 et seq.) allows the Commission to enter into a title settlement and land exchange agreement with any person or private or public entity concerning filled or reclaimed tide and submerged lands or beds of navigable waterways, or interests in these lands, that are subject to the public trust for commerce, navigation, and fisheries, or other lands or interest in lands pursuant to Public Resources Code section 6307.

The Commission, acting as Trustee for the Kapiloff Land Bank, may accept a monetary deposit into the Fund rather than land or interests in land. The monetary deposit must be used to purchase outstanding interests in tide and submerged lands, lands that have been or may be converted to wetlands, or adjoining or nearby lands where the public use and ownership of the land is

⁵ While the Fund's ending balance from fiscal year 2023-2024 is the same as the beginning balance for fiscal year 2024-2025, this annual report reflects interest allocation adjustments within the subaccounts that result in the ending and beginning balances of the subaccounts not correlating between fiscal year 2023-2024 and fiscal year 2024-2025.

necessary or extremely beneficial for furtherance of Public Trust purposes (Public Resources Code sections 8613 and 8625).

The Title Settlements category began with a balance of \$10,811,181 and ended with a balance of \$11,289,921. The Title Settlements category generated \$478,739 in interest during the year.

Pending Title Settlements (Deposits)

In June 2025, the Commission [approved an Exchange Agreement with Fig Garden Investments, LLC](#) to resolve title disputes and confirm the State's sovereign interest and a 50-foot-wide Public Trust easement. The agreement involves relocating portions of a Public Trust easement to be more useful for public access and to remove the remaining easement from an area that was cut off from water access and no longer tide or submerged lands or the bed of a navigable waterway by virtue of being filled or reclaimed. Escrow associated with the exchange will close during fiscal year 2025-2026, including a deposit of \$452,980 by Fig Garden Investments, LLC into the Fund's Title Settlement account.

Property Acquisitions (Expenditures)

While staff continue to explore potential land acquisitions consistent with the Kapiloff Land Bank Fund statute, the Commission did not authorize any property acquisitions this fiscal year.

Special Mitigation and Management Projects

The Special Mitigation and Management Projects category contains funds received for mitigation or by agreements, judgments, penalties, or settlements other than as part of a title settlement. This category is maintained as individual subaccounts, some of which are limited to specific mitigation activities. If not expressly limited, the Commission may use a subaccount for public access, acquisitions, management, and property improvement.

The Special Mitigation and Management Projects category began with a balance of \$11,542,543. A total of \$1,631,564 in deposits and \$505,777 in interest was received, while expenses totaled \$1,534,188. The category ended with a balance of \$12,145,697, a net increase of \$603,154.

Below is a discussion of the primary Special Mitigation and Management subaccounts in which most of the annual activity occurs, followed by a general discussion of activity in the other subaccounts.

Bolsa Chica Lowlands Restoration Project



Photo by Steven Eric Smith

[The Bolsa Chica Lowlands Restoration Project](#) consists of approximately 950 acres of lowlands in Orange County adjacent to the Pacific Ocean. Approximately 600 acres of the site have been restored. Much of the property has been transformed into a full tidal basin, with other portions converted into muted tidal areas or managed as wetland habitat.

The site includes a not-yet-restored future full tidal area. The ports of Los Angeles and Long Beach provided most of the original project funding in exchange for mitigation credits.

The Bolsa Chica subaccount began the fiscal year with a balance of \$3,413,110. Most of this amount—\$2,778,892—is reserved for the future full tidal basin restoration, leaving a balance of a few hundred thousand dollars for annual operations and maintenance expenses, which include inlet dredging; facility/infrastructure repairs; environmental, engineering, and other consultant contracts, and emergency maintenance or infrastructure repairs. Recognizing that the operations account was becoming perilously low, the Commission received a \$1 million General Fund appropriation in the 2017-2018 State Budget. The Commission has since received \$2 million annual appropriations from the Environmental License Plate Fund for operations and maintenance. Operations and maintenance costs have increased in recent years, most of which is to

dredge the inlet. Because the funding is from the Environmental License Plate Fund, it does not appear in the Fund and is not reflected in this report.

Operating expenses were \$3,188 this year since most operations and maintenance expenses were paid from the Environmental License Plate Fund. Interest earned was \$151,057. The Bolsa Chica subaccount ended the year with a balance of \$3,560,978, an increase of \$147,868 that is attributable to interest offsetting expenses. Staff continues to research opportunities for ongoing, stable operational funding.

Owens Lake

As in recent years, there was no Fund activity related to Owens Lake this year.

Granted Lands Program

Local governments that manage legislatively granted public trust lands are trustees for the state and the people of California. Trustees are required to manage their granted lands and resources in a manner that is consistent with their legislative trust grants and the common law Public Trust Doctrine. Trustees must ensure that revenue generated from granted lands is used for purposes consistent with their legislative trust grant and that further the public trust. The Commission oversees management of these granted lands and resources. Revenue generated on certain granted public trust lands is deposited in the Fund to administer the Commission's Granted Lands Program. Revenue the Commission receives from trustees is specified by agreement or granting statutes.

The trustees required to deposit revenue into the Fund are the cities of Newport Beach, Pittsburg, Martinez, Eureka, Sacramento, and the San Diego Unified Port District.⁶ The City of Albany, trustee of a historically non-revenue producing grant, became a revenue sharing trustee in fiscal year 2020–2021.⁷

⁶ City of Newport Beach (Chapter 728, Statutes of 1994; Chapter 317, Statutes of 1997); City of Pittsburg (Chapter 422, Statutes of 2011); City of Martinez (Chapter 628, Statutes of 2014); City of Eureka (Chapter 891, Statutes of 2014); City of Sacramento (Chapter 250, Statutes of 2018); San Diego Unified Port District (Chapter 372, Statutes of 2019).

⁷ City of Albany (Chapter 590, Statutes of 2016)

The Granted Lands Program subaccount began with a balance of \$3,346,503. A total of \$284,019 was received from trustees, most of which, \$187,521, was from the City of Newport Beach and the San Diego Unified Port District. Interest earned on the subaccount was \$95,724. Expenses for administering the Granted Lands Program (i.e., staff costs) totaled \$251,735. Because of an accounting error, the Commission's granted lands revenue balance for fiscal year 2023-2024 included deposits that did not reflect revenue sharing between the Commission and the State of California. Staff has since corrected its accounting records. The accounting of receipts reflects a negative balance of \$928,436 due to the initially incorrect allocation. The subaccount ended with a balance of \$2,262,056.

Martins Beach

In 2018, the Commission [authorized its Executive Officer](#) to accept donations and make deposits into a subaccount associated with providing public access at Martins Beach in San Mateo County. This action comported with Chapter 51, Statutes of 2018, that established a subaccount in the Fund for money received from public and private sources, including nonprofit sources, to acquire and create a public access route to and along the shoreline, including the sandy beach, at Martins Beach. There were no receipts and no expenses in the subaccount this fiscal year, but it did earn interest of \$49,148 and ended with a balance of \$1,159,042.

Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program

SB 44 (Jackson, Chapter 645, Statutes of 2017) authorizes up to \$2 million annually from the state's General Fund to the Fund through fiscal year 2027-2028, to administer the program. In 2018, the Legislature authorized annual \$2 million appropriations through the end of fiscal year 2027-2028. The subaccount started the year with a balance of \$438,997, netted \$1,960,000, incurred expenses of \$1,179,265, and earned \$60,198 in interest, leaving a balance of \$1,279,930.



More information on this Program is available in a separate report from the Commission to the Legislature, the [SB 44 report](#), available on the Commission's website at www.slc.ca.gov. Please note that the information in the SB 44 report is based on a calendar year, while this report is based on a fiscal year.

Other Special Mitigation and Management Fund Activity

Activity in the other subaccounts was limited in fiscal year 2024-2025. The subaccount began with a balance of \$3,234,040. It received two deposits totaling \$600,000: \$100,000 from Salt River to offset costs to remove abandoned vessels from Broad Slough in Contra Costa County and \$500,000 from the California Department of Fish and Wildlife for dredging at Batiquitos Lagoon in San Diego County. There was one expenditure of \$100,000 to remove an abandoned vessel from Broad Slough in Contra Costa County. The subaccount received \$149,650 in interest, ending with a balance of \$3,883,690, an increase of \$649,650.

Fund Activity Since July 1, 2025

In November 2025, the Commission [accepted a \\$274,758 donation](#) from Pacific Airshow LLC as mitigation for Coastal Act impacts to public access and wildlife from past unpermitted airshow events in Huntington Beach.

Fund Balance

The Fund Balance as of July 1, 2025, is summarized below.

Title Settlements (Public Resources Code section 8625, subdivision (a)).

Principal	\$	10,811,181
Interest	\$	478,739
Subtotal	\$	11,289,921

Special Mitigation and Management Projects (Public Resources Code section 8625, subdivisions (b) and(c)).

Bolsa Chica Lowlands Restoration	\$	3,409,922
Granted Lands	\$	2,166,332
Martin's Beach	\$	1,109,894
Coastal Hazards and Legacy Wells (SB 44)	\$	1,219,732
Other Subaccounts	\$	3,734,040
Interest	\$	505,777
Subtotal	\$	12,145,697
Total Fund Balance	\$	23,435,618