



# CALIFORNIA RURAL LEGAL ASSISTANCE, INC.

FIGHTING FOR JUSTICE, CHANGING LIVES

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April 24, 2013

## VIA ELECTRONIC SUBMISSION

California Environmental Protection Agency  
Air Resources Board

Re: DRAFT Cap-and-Trade-Auction Proceeds Investment Plan

Dear Members of the Air Resources Board:

California Rural Legal Assistance, Inc. (CRLA) submits the following comments on the DRAFT Cap-and-Trade Auction Proceeds Investment Plan (Investment Plan). CRLA is a non-profit legal services organization that provides legal representation to low-income residents of rural California, including in many communities comprised primarily of farmworkers and their families.

We submitted comments on March 8, 2013 in response to the Cap-and-Trade Auction Proceeds Investment Plan Concept Paper. Those comments identified concerns we had with the CalEnviroScreen's possible exclusion of rural communities from identification as "Disadvantaged" and resulting exclusion from funding opportunities pursuant to the Investment Plan. Our March 8<sup>th</sup> comments relied on the January 3, 2013 draft of the CalEnviroScreen. A revised, CalEnviroScreen 1.0 was released yesterday, April 23<sup>rd</sup>, and while we have had insufficient time to analyze changes to the document, a cursory review of the tool reveals that our concerns remain. We have re submitted our March 8, 2013 comment letter as a separate file online for your convenience. In fact, the latest changes to methodology may have exacerbated exclusion of rural communities. One change that could impact rural communities, for example, is exclusion of some demographic indicators that exhibit high margins of error according to the American Community Survey in low population zip codes. This change may artificially lower vulnerability scores in some rural communities, thereby excluding them from the "disadvantaged" category. After completing a thorough review of the CalEnviroScreen 1.0, we will submit supplemental comments.

### Recommendations for priority investments (pp. 23-31 & Appendix B):

While there are certain set asides to ensure investment in and benefiting disadvantaged communities, all programs should prioritize such programs irrespective of the minimum requirement. Implementing legislation for this Investment Plan highlights benefits to disadvantaged communities as a critical goal. The state should make every effort, through this plan to further those efforts. As a related note, the Investment Plan's requirement that projects and programs that qualify as "benefiting disadvantaged communities" serve at least 50% disadvantaged zip codes is inadequate. While programs that "benefit disadvantaged

communities” need not be located in disadvantaged communities, the program in its entirety – or at least the funding from the Investment Plan that supports the program – must benefit disadvantaged populations.

In consideration of how many disadvantaged communities are rural and / or are located in rural regions, the Investment Plan should implement programs, including additional set-asides, preferences, and technical assistance programs, to ensure that those communities receive their fair share of cap-and-trade auction proceeds.

Furthermore, while we commend Cal EPA’s efforts in identifying disadvantaged communities, there are a significant data gaps. Data gaps are more apparent and much more significant in rural communities. The investment plan should allow for investment in targeted disadvantaged communities that are not captured by the tool. We will work with Cal EPA and the Department of Finance to identify those communities.

### Program Areas for Investment

While the recommendations for investment (Appendix B) promote the important goal of GHG reductions while providing important co-benefits identified in AB 32, we are concerned that there continues to be a bias against investing in rural communities and such communities – so many of which are or should be identified as disadvantaged by the CalEnviroScreen. Specifically, funding opportunities for *Livable Communities* (B-3 – B-4) are currently too restrictive and do not allow for a fair allocation of resources in less urbanized communities. To the extent that the state relies on transit-oriented-development to achieve targeted investments in disadvantaged communities, many rural communities that do not qualify for current transit oriented development programs. The investment plan must allow for and encourage investment in programs that support GHG reduction and concomitant co-benefits in non-urban communities, including, but not limited to, expansion or improvement of rural transit service including van pools, car share and carpool promotion programs; improved bicycle and pedestrian networks; investments in mixed use development in low-income, rural communities; investment in sustainable, basic infrastructure and services, including drinking water and wastewater services, in existing communities and investment to support infill development in existing communities.

The funding scheme for *Active Transportation* threatens to further disadvantage, disadvantaged, especially rural communities. The proposed spending allocation (see B-4) anticipates that 50 % will be distributed through a population-based formula and 50 % will be distributed through competitive programs. Population based formulas necessarily favor urbanized communities and we have seen that competitive funding programs favor those jurisdictions with greater financial and technical capacity to apply for grants. To ensure that all communities have access to these funds, the Investment Plan should set aside a certain percentage of the grants for rural, disadvantaged communities and provide technical assistance to support grant applications and implementation.

We support the Strategic Growth Council’s Sustainable Communities Planning Grant and Incentive program to support the goals of AB 32 but reiterate through reference concerns raised in our March 8, 2013 comments regarding reliance on SB 375 for AB 1532 investment decisions (see March 8, 2013 comment letter). Additionally, given our above mentioned concerns that competitive grant programs favor more sophisticated jurisdictions; the state should provide technical assistance to disadvantaged localities to

support application for and implementation of SCPGI grants. Finally, while SCS implementation is critical to achieving the state's AB 32 goals, those communities that have been excluded from SCSs should not be further disadvantaged by exclusion from this program. Similar projects and programs in these communities and jurisdictions aimed at improving land uses and transportation options must be availed of this funding source.

Energy efficiency programs offer multiple benefits from reduced GHG emissions to reducing housing costs to economic development opportunities. These programs should maximize benefits by targeting disadvantaged communities for energy efficiency projects and weatherization (including rental housing) and relevant job training.

While biogas generation can provide important benefits, all efforts must be made to ensure that the development of biogas plants will not disproportionately impact disadvantaged communities.

Finally, while we are generally in support of the goals of this program and this draft is good first step, this program must be maximized to ensure that conditions in California's most impacted disadvantaged communities improve and that rural communities have equal access to this opportunity.

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Thank you for your kind consideration of these comments. Should you have any questions, please feel free to contact Phoebe Seaton at [pseaton@crla.org](mailto:pseaton@crla.org).

Sincerely,



Phoebe Sarah Seaton  
Attorney at Law

