Cap-and-Trade Auction Proceeds

Funding Guidelines for Agencies that Administer California Climate Investments

September 2015

California Environmental Protection Agency
Air Resources Board

www.arb.ca.gov/cc/capandtrade/auctionproceeds/fundingguidelines.htm

Agenda

- What are “California Climate Investments”?
- Public process to develop Funding Guidelines
- How Funding Guidelines support investment requirements and goals
- Upcoming activities
- Public comment

Sustainable Communities and Clean Transportation

- Transit-Oriented Affordable Housing
- Active Transportation
- Increased Transit
- Clean Vehicles
- Vanpools & Car Sharing

Energy Efficiency and Clean Energy

- Weatherization
- Renewable Energy
- Water–Energy Efficiency

Natural Resources and Waste Diversion

- Wetlands Restoration
- Composting and Digesters
- Forestry
- Agricultural Conservation

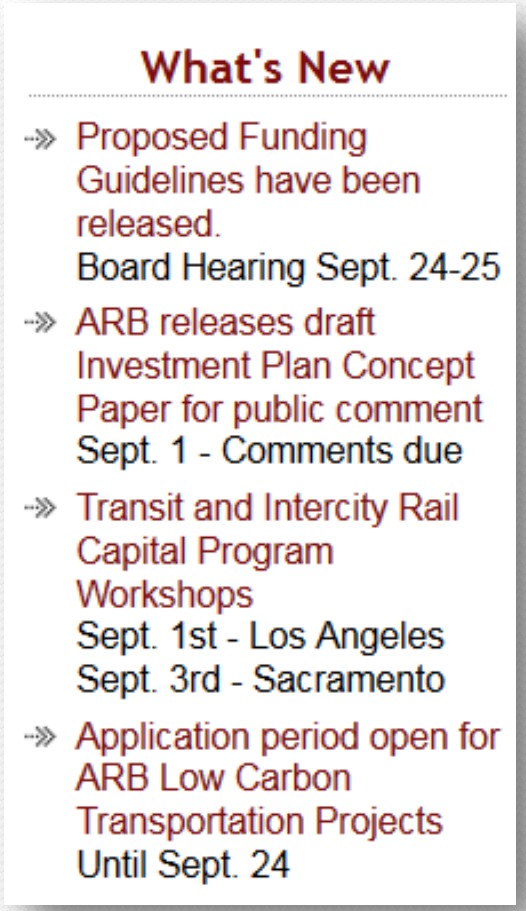
Who will be using the Funding Guidelines?

- All agencies that administer GGRF appropriations – current and future
- Each agency designs and implements its own program, consistent with statute and Funding Guidelines

Public Engagement During Development of Funding Guidelines

Public Access to Information

- ARB website is a central portal for all programs: arb.ca.gov/auctionproceeds
- Agency websites provide public access to:
  - Funding opportunities
  - Application materials
  - Funding awards
- ARB on-line tracking system is under development



Public Input

- Nine workshops from June to August
  - Sacramento (two), Fresno (with video feed to Bakersfield and Modesto), Oroville, Oakland, Fontana, Los Angeles (two), San Diego
- More than 500 attendees, representing more than 250 organizations or individuals
- Over 80 written comments

Changes Made in Response to Comments

- Expanded public process and more time for review and comment
- Made revisions to address comments on:
  - Public transparency
  - Outreach and technical assistance
  - Maximizing disadvantaged community benefits
    - Reporting on jobs and job training
    - Prioritizing projects that meet community needs and avoid displacement
    - Clarified some criteria for evaluating benefits

Proposed Funding Guidelines

***Volume 1*: General Guidance**

***Volume 2*: Investments to Benefit Disadvantaged Communities**

***Volume 3*: Reporting Requirements**

How Funding Guidelines Support Investment Requirements and Goals

Provide direction on:

Volume 1	• Accountability and transparency • Making GHG reductions a top priority • Designing and implementing programs
Volume 2	• Maximizing benefits to disadvantaged communities
Volume 3	• Tracking and reporting for “California Climate Investments”

Volume 1: General Guidance

Topics include:

- Statutory Requirements
- Guiding Principles
- Program Design
- Program Guidelines and Solicitation Materials
- Expenditure Record and Fiscal Procedures
  (supersedes Interim Guidance from Aug 2014)

Volume 1: Key Objectives

Provide direction for agencies to:

- Make GHG reductions a threshold requirement and a priority in agency programs
- Use ARB quantification methodologies to determine GHG reductions
- Incorporate statutory requirements and Funding Guidelines in agency programs
- Establish strong accountability measures, starting with the Expenditure Record
- Improve public transparency

Volume 1: Improved Public Transparency

- Funding Guidelines require agencies to post a summary of all submitted applications
- *Before awarding funds*
  - Applicant name
  - Project description and location
  - Dollars requested
  - Disadvantaged community benefits
- *After awarding funds*
  - Status of all applications
  - Amount of funding awarded

Volume 2: Investments to Benefit Disadvantaged Communities

Topics include:

- Identification of Disadvantaged Communities *(Top 25% of census tracts)*
- Approach to Evaluate Investments and Meet SB 535 Targets
- Maximizing Benefits to Disadvantaged Communities
- Criteria for Evaluating Benefits

Volume 2: Expanded Guidance on Maximizing Benefits

- Clarified how agencies & applicants identify projects that meet the needs of communities
- Expanded the list that describes common community needs
- Strengthened guidance to recommend that agencies prioritize projects that:
  - Meet community needs
  - Provide significant co-benefits
- Required agencies to describe benefits and funding estimates in Expenditure Record

Volume 2: Outreach and Access

- ARB will hire a staff member and a contractor to increase outreach and access to funding

ARB contractor will:

- **Act as first point of contact**
- **Provide general information**
- **Connect communities with agencies**

Community liaisons at key agencies provide:

- **Advice**
- **Information on eligibility and application requirements**

- $500,000 for AHSC pilot project
- Hands-on application assistance

Volume 3: Reporting Requirements

Topics include:

- Annual Report to the Legislature
- Roles and Responsibilities
- General Reporting Requirements
- Reporting Requirements by Project Type

Volume 3: Reporting Outcomes

- Agencies must submit data annually
- Project profile data with estimated benefits
  - Project description, location, amount of funding
  - Schedule and status
  - GHG reductions and co-benefits
  - Benefits to disadvantaged communities
- Ongoing status updates and follow-up reporting to document achieved benefits
- Future online tracking system
  - Public access to interactive map and data

Upcoming Activities

- October 2015
  - ARB release of *Final Funding Guidelines*
- October 2015 to Early 2016
  - Continue development of next Investment Plan
  - CalEPA review of disadvantaged communities
- December 2015
  - ARB Board Hearing for proposed Investment Plan

Staff Recommendation

Approve Board Resolution 15-37, including:

- Finalize the Funding Guidelines
- Delegate to the Executive Officer responsibility for future updates of the Funding Guidelines to respond to –
  - Funding for new programs
  - New legislative direction
  - Changes to disadvantaged community definitions