CALIFORNIA CLIMATE INVESTMENTS

Cap and Trade Dollars at Work

FUNDING GUIDELINES

CALIFORNIA AIR RESOURCES BOARD

Funding Guidelines for Agencies that Administer California Climate Investments

August 2018

CALIFORNIA CLIMATE INVESTMENTS

Cap and Trade
Dollars at Work

For More Information

California Climate Investments:
caclimateinvestments.ca.gov

California Climate Investments Project Map & Data:
www.arb.ca.gov/ccimap.htm

Guidance for Administering Agencies:
www.arb.ca.gov/ccifundingguidelines

Program Inquiries:
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info@caclimateinvestments.ca.gov

@CAClimateInvest

Cap and Trade Auction Proceeds Email Updates:
public.govdelivery.com/accounts/CARB/subscriber/new?topic_id Cap and Tradeauctionproceeds

Foreword

The State of California is a leader in protecting our environment, economy, people, and communities. Over the past year, as we extended our commitment to address climate change, we deepened our commitment to making meaningful improvements at the community level. With passage of key legislation in 2017, including Assembly Bill 398 and Assembly Bill 617, the Legislature reaffirmed California's community-focused action as we tackle climate change and air quality.

California Climate Investments promote community-based solutions to meet our climate and air quality goals. These Funding Guidelines prioritize the importance of targeting California Climate Investments to communities in a way that meaningfully addresses community needs. These Funding Guidelines incorporate multiple years of community and agency feedback as well as new legislative requirements, and provide direction to administering agencies in designing and implementing California Climate Investments programs that facilitate greenhouse gas emission reductions and support communities through public health, environmental, and economic improvement. The Funding Guidelines reflect both the Administration's and the Legislature's priorities to engage communities, by focusing on program design and implementation, providing technical assistance to deliver more projects and benefits to under-resourced communities, supporting community-level efforts to identify and address community impacts, and providing transparency on funding status and outcomes.

The State is investing billions of dollars in the transformation of our economy with almost half of these investments benefiting our most vulnerable communities. California's can look forward to seeing the results of these efforts over the coming years.

Richard W. Corey
Executive Officer
California Air Resources Board

CALIFORNIA
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I. Purpose

California Climate Investments is a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas (GHG) emissions; strengthening the economy; improving public health and the environment; and providing benefits to residents of disadvantaged communities, low-income communities, and low-income households, collectively referred to as "priority populations."

California Climate Investments comprise programs funded by appropriations from the Greenhouse Gas Reduction Fund (GGRF). The California Air Resources Board (CARB or Board) developed these Funding Guidelines to provide direction for agencies that administer California Climate Investments.

The purpose of the Funding Guidelines is to provide guidance for administering agencies so they design and implement their programs in a way that:

- Facilitates GHG emission reductions;
- Meets statutory requirements;
- Maximizes benefits to disadvantaged communities;
- Targets investments to disadvantaged communities, low-income communities, and low-income households to help ensure statutory investment minimums are met or exceeded;
- Provides accountability and transparency; and
- Supports consistency across programs.

The Funding Guidelines assist administering agencies in program implementation including guidance on preparing an Expenditure Record, developing guidelines and solicitation materials, and reporting outcomes from funded projects.

II. Background

II.A. Cap-and-Trade Program

California's Cap-and-Trade Program is a key strategy for reaching the State's GHG emission reduction goals. It creates a limit on the emissions from high-emitting sources of California's GHG emissions, establishes the price signal needed to drive long-term investment in cleaner fuels and more efficient use of energy, and gives sources of GHG emissions the flexibility to implement the lowest-cost options to reduce emissions.

In the Cap-and-Trade Program, CARB places a limit, or cap, on GHG emissions by issuing a limited number of tradable permits, or allowances, equal to the cap. Over time, the cap steadily declines. For some allowances, the Cap-and-Trade Program includes a system where allowances can be purchased from the State at quarterly auctions.

The State's portion of the proceeds from these auctions are deposited in the GGRF and invested in California Climate Investments projects that facilitate GHG emission reductions. Additional information on the Cap-and-Trade Program, including up-to-date auction results, can be found at: www.arb.ca.gov/cc/capandtrade/capandtrade.htm.

II.B. Investing Auction Proceeds

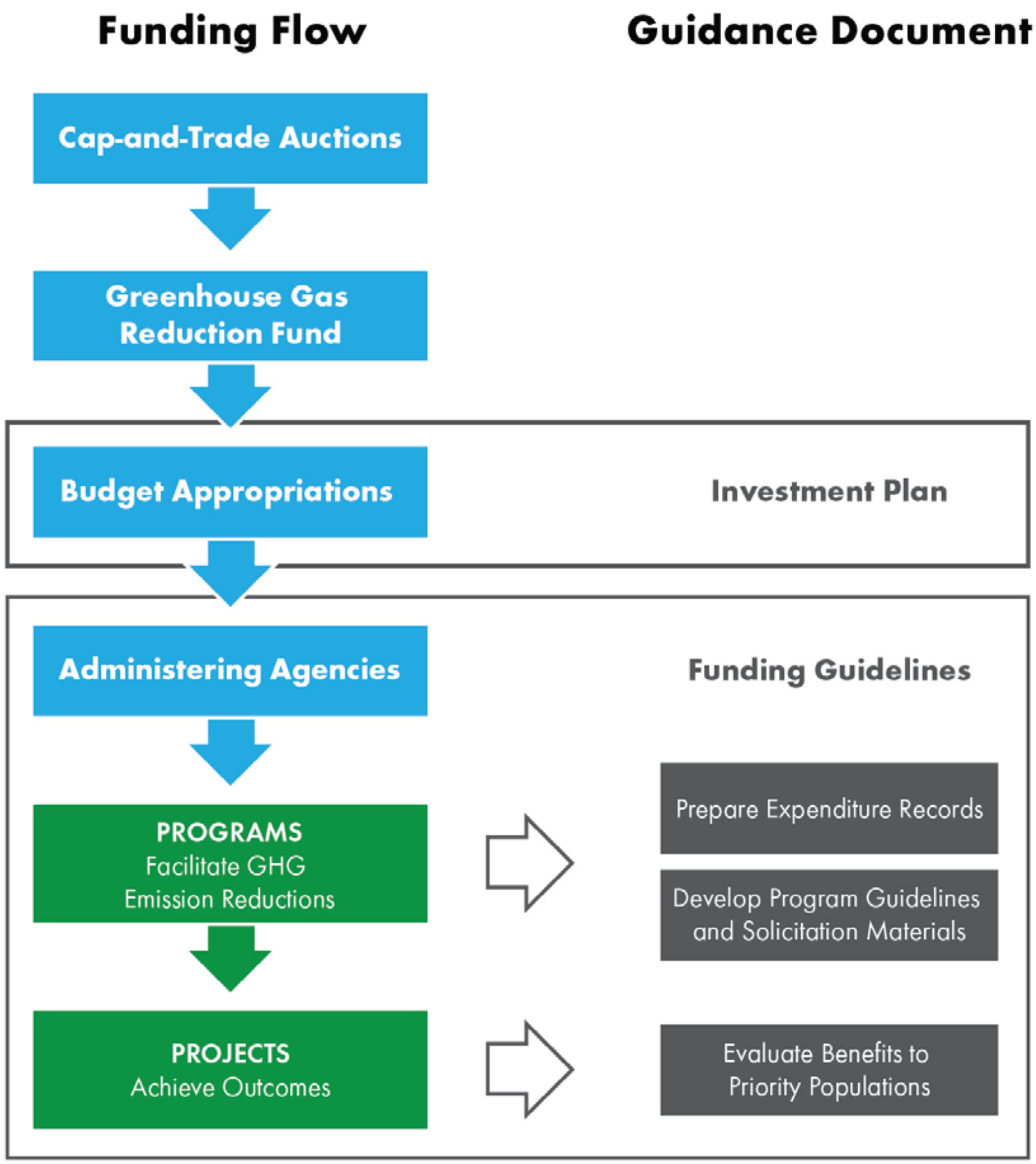
The Legislature and Governor enact budget appropriations from the GGRF, consistent with the triennial Investment Plan. The term "administering agencies" refers to agencies that receive these appropriations. Administering agencies use appropriations to implement a variety of programs throughout California.

For the purposes of implementing California Climate Investments, "program" refers to all related projects or activities that an administering agency funds and implements as a part of a single appropriation. A program comprises individual projects that contribute to the State's climate goals and provide benefits to priority populations.[1] Projects vary for the different programs, ranging from grants for construction activities and rebates for equipment purchases, to large-scale investments that include planning, construction, equipment, and operations, to climate research projects.

[1] Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

Figure 1 illustrates the typical flow of dollars from Cap-and-Trade auctions to programs and projects, and how guidance documents are used in the budget and implementation processes.

Figure 1. California Climate Investments Funding Flow and Applicable Guidance



II.C. Roles and Responsibilities

The administration of California Climate Investments is a collaborative effort among numerous State agencies. Table 1 illustrates the key roles and responsibilities.

Table 1. Roles and Responsibilities

• Submits the Annual Report to the Legislature, in coordination with CARB and administering agencies. • Submits the three-year Investment Plan for auction proceeds, in consultation with CARB, CalEPA, and other relevant State agencies. • Coordinates with CARB and administering agencies to obtain fiscal reports needed to manage the GGRF.
CalEPA
• Identifies disadvantaged communities. • Consults on the three-year Investment Plan and Funding Guidelines. • Coordinates with the State Climate Action Team.
CARB
• Administers the Cap-and-Trade Program, including auction and sale of allowances, which generate auction proceeds. • Hosts workshops and a public hearing for each three-year Investment Plan. • Develops guidance for administering agencies including the Funding Guidelines. • Consults with administering agencies on program implementation. • Provides coordinated California Climate Investments awareness outreach and directs interested parties to administering agencies for program assistance. • Compiles data from administering agencies and coordinates with Department of Finance to prepare the Annual Report to the Legislature. • Maintains a public website and map that provides project information on all California Climate Investments. • As the GGRF Administrator, obtains fiscal reports from administering agencies to manage cash flow from the GGRF.
Administering Agency
• Designs and implements California Climate Investments programs in accordance with statutory requirements and the Funding Guidelines. • Consults with CARB on Expenditure Records, quantification methodologies, and providing benefits to priority populations. • Coordinates with other organizations to leverage funds. • Determines program structure and criteria for selecting projects for funding. • Designs programs to maximize benefits to disadvantaged communities and target investments for priority populations; assigns a community liaison and conduct outreach. • Completes Expenditure Records and Attestation Memos. • Develops guidelines and solicitation materials and selects and funds projects. • Provides oversight of funding recipients to track and report on projects. • Collects and compiles data from funding recipients and submits reports to CARB to support transparency. • Maintains and provides records and reports as requested, to support audits and program reviews conducted by State agencies or a third-party auditor.

II.D. Funding Guidelines Development and Updates

The Funding Guidelines are intended to help administering agencies set up their programs and to provide consistency in designing and implementing California Climate Investments programs that meet the State's statutory and policy objectives for appropriations from the GGRF.

The development of the Funding Guidelines has involved an extensive public process that started in 2012. CARB has held dozens of public workshops and community meetings in developing and revising the Funding Guidelines. Ongoing coordination with administering agencies and stakeholders to gather input on the implementation of California Climate Investments programs continues to be an important focus when considering updates. Information on the public process, including links to meeting materials and written comments, can be found at: www.arb.ca.gov/cci-fundingguidelines.

In 2015, CARB released the Funding Guidelines followed by a supplemental document in December 2016 to provide direction for administering agencies with budget appropriations made in September 2016. On August 4, 2017, CARB released a draft document to update the Funding Guidelines to incorporate the supplement, legislation enacted in 2016, and public and agency comments on early years of California Climate Investments program implementation.

Legislation enacted in late 2017 necessitated further revisions. CARB released a discussion document in February 2018 that described proposed changes. This draft document incorporates the proposed changes identified in the discussion document.

CARB staff may update the Funding Guidelines or provide supplemental guidance as needed to implement any future direction from the Legislature. Administering agencies should apply the most current CARB guidance, as feasible.[2] However, some updated requirements may not apply in cases where it is not feasible to follow the new provisions (e.g., when administering agencies have selected projects, executed grant agreements or contracts, or publicly released program guidelines prior to the release of updated Funding Guidelines that limit their ability to incorporate updated requirements). CARB staff will work with administering agencies to address situations where agencies find that incorporating new requirements is infeasible.

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[2] These draft Funding Guidelines are subject to change based on public input and Board direction. While the draft provides an indication of what will ultimately be required, administering agencies must incorporate all provisions reflected in the final Board-approved Funding Guidelines.

II.E. Implementing Legislation

California Climate Investments are driven by a suite of legislation that establishes, modifies, and updates the statutory requirements for administering appropriations from the GGRF. Legislation influences California Climate Investments in a variety of ways, including:

- How auction proceeds are deposited in the GGRF and used to fund California Climate Investments;
- Requirements for expenditures from the GGRF;
- Investment minimums for priority populations;
- How much money is appropriated from the GGRF for various programs through budget bills;
- Individual California Climate Investments programs establishment and requirements; and
- Eligibility requirements for applicants.

An overview of the key Assembly Bills (AB) and Senate Bills (SB) that contain requirements for California Climate Investments is provided in Section VII.A. The bills summarized are the basis for the requirements in the Funding Guidelines and are referenced throughout. Expenditures must comply with all requirements established through legislation.

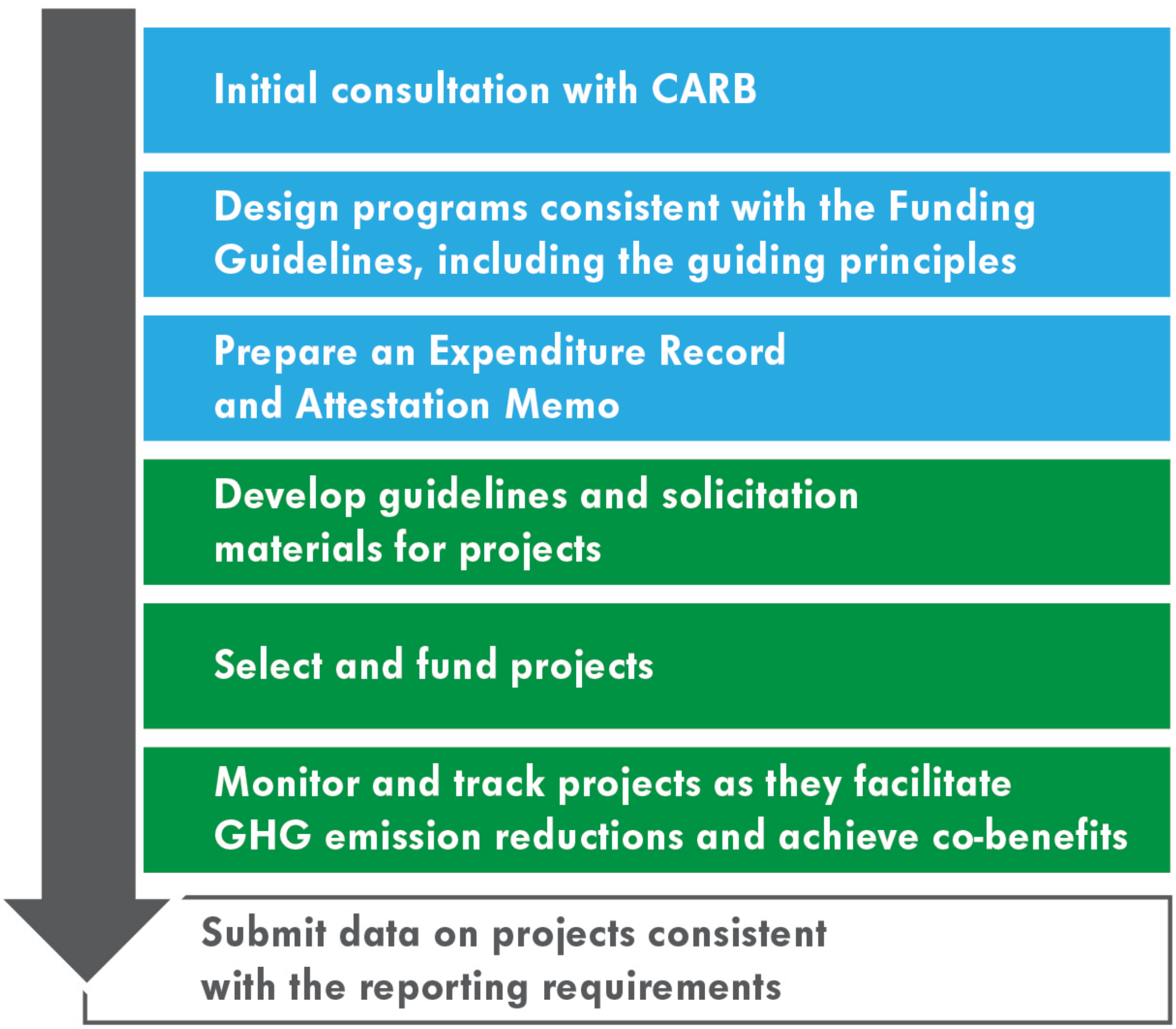
III. Program Design

III.A. Process for Administering Agencies

Administering agencies are responsible for incorporating the provisions of the Funding Guidelines into their programs. In doing so, administering agencies may use any approach suited to their individual program needs. California Climate Investments support a wide variety of programs and project types, and each administering agency is responsible for implementing its own programs and selecting projects for funding in accordance with the Funding Guidelines.

Figure 2 illustrates how administering agencies use the Funding Guidelines through program design, program implementation, and reporting.

Figure 2. Process for Administering Agencies



III.B. Initial Consultation

Before administering agencies identify the specific project types that they anticipate funding, they must coordinate with CARB beginning with an initial consultation. The purpose of this initial consultation is to discuss:

- The types of projects that the administering agency plans to fund;
- How the program will facilitate the achievement of GHG emission reductions;
- How the program can maximize benefits to disadvantaged communities and target priority populations;
- Potential evaluation criteria to determine whether projects provide direct, meaningful, and assured benefits to priority populations;
- Potential metrics for reporting on project outcomes; and
- The process for agency completion of an Expenditure Record.

For administering agencies with new programs, initial consultation can also provide valuable background on statutory requirements for California Climate Investments. The initial consultation should occur prior to the public release of draft guidelines or solicitation materials and prior to preparing an Expenditure Record. For administering agencies with existing programs, the consultation helps identify any new or revised requirements that need to be incorporated, and determine the need for developing a new or revised Expenditure Record, quantification methodology, benefit criteria table, or reporting template. These elements are explained further in later sections of this document.

III.C. Program Implementation Structure

California Climate Investments programs are funding a broad range of projects. Administering agencies use a variety of administrative program structures to implement programs and select projects. Three variables to consider when designing program implementation structure are funding recipient, incentive mechanism, and selection process.

- Funding recipients vary by program and can include consumers, small businesses, non-profit organizations, local government agencies, or directly funding projects within a State agency.
- Incentive mechanisms also vary by program and typically include grants, rebates, or loans. Administering agencies may also establish a special fund and issue loans through a revolving loan program.
- The selection process defines whether a program is competitive, first-come, first-served, or based on non-competitive formula to distribute funding based on geographic distribution or established demand (e.g., allocating transportation funds to transit agencies by formula).

Different incentives are better suited to certain program implementation structures. When designing the program implementation structure, administering agencies should consider the capacity of intended funding recipients. For example, choosing a program implementation structure that provides partial or full project costs upfront, where possible, could improve access to funding opportunities for small businesses and non-profit organizations that may not have the capacity to participate in a reimbursement only program. Other programs may be better suited for incentives provided as reimbursement.

After selecting a program structure, administering agencies may have to develop guidelines for potential applicants, make formal requests for information, and/or issue solicitations for applications. Section IV.B provides guidance on the type of information to include when developing guidelines and solicitation materials.

III.D. Guiding Principles

Administering agencies must expend GGRF moneys in an effective and accountable manner, consistent with law and the Funding Guidelines. The guiding principles are based on statutory requirements and the State's climate change policies. Not all principles are mandatory requirements; rather, they provide direction to help administering agencies target investments to benefit priority populations, with a focus on maximizing disadvantaged community benefits; maximize economic, environmental, and public health "co-benefits"; and provide fiscal and program transparency and accountability. Administering agencies may use a variety of strategies to incorporate the guiding principles into their programs, from program design and early outreach, to project eligibility and scoring criteria.

As part of CARB's role in providing guidance on reporting and quantification methods to ensure administering agencies meet statutory requirements, CARB considers certain principles to be critical. These are identified in the Funding Guidelines by the use of the word "must" to indicate a requirement. Table 2 provides a summary of guiding principles for California Climate Investments programs and identifies each as a requirement or recommendation.

Table 2. Summary of Guiding Principles for California Climate Investments

III.D.1	Facilitate GHG emission reductions and further the purposes of AB 32 and related statutes.	❑ Requirement
III.D.2	Target investments in and benefiting priority populations, with a focus on maximizing disadvantaged community benefits.	❑ Requirement
III.D.3	Maximize economic, environmental, and public health co-benefits to the State.	❑ Requirement
III.D.4	Foster job creation and job training, wherever possible.	❑ Requirement
III.D.5	Encourage projects that contribute to other State climate goals.	❑ Recommendation
III.D.6	Coordinate investments and leverage funds where possible to provide multiple benefits and to maximize benefits.	❑ Recommendation
III.D.7	Avoid potential substantial burdens to disadvantaged communities and low-income communities.	❑ Requirement
III.D.8	Ensure transparency and accountability and provide public access to program information.	❑ Requirement
III.D.9	Conduct outreach to help potential applicants access funding, particularly for priority populations.	❑ Recommendation

Additional information on each of the guiding principles is provided below.

III.D.1. Facilitate GHG emission reductions and further the purposes of AB 32 and related statutes

All California Climate Investments **programs** must facilitate the achievement of **GHG emission reductions** and further the purposes of AB 32 and related statutes. Administering agencies must make the facilitation of GHG emission reductions a requirement and a priority as they design programs, develop guidelines, and select projects.

A "program" is defined as all related projects or activities that an administering agency funds and implements as a part of a single GGRF appropriation. A program comprises individual projects and may include multiple project types, technical assistance and outreach to applicants, coordinated research, planning, and other related implementation activities.

"GHG emission reductions" refer to net decreases in GHG emissions or increases in sequestration attributable to a program. A program is made up of projects.

Programs may include projects that result in GHG emission reductions, carbon sequestration, no GHG impact, or GHG emission increases quantified using a CARB quantification methodology. Projects with short-term or localized GHG emission increases may facilitate long-term or broader GHG emission reductions, achieve other climate goals, or improve air quality.

Programs may also include projects that facilitate GHG emission reductions, or do not impact GHG emissions, demonstrated through a qualitative assessment. Qualitative assessments describe how a program or individual projects affect GHG emission reductions. Administering agencies are responsible for developing qualitative assessments of program expenditures, where appropriate. CARB does not approve qualitative assessments.

As part of the statutory requirements for preparing an Expenditure Record, administering agencies must include a description of how a proposed expenditure will contribute to achieving and maintaining GHG emission reductions. This description must include how a program will demonstrate meeting this requirement; for example, by using CARB quantification methodologies or a qualitative assessment. Administering agencies must use a CARB quantification methodology to quantify GHG emission reductions if a CARB quantification methodology exists for the project type.

Administering agencies should consider the following as they design programs and select projects to facilitate GHG emission reductions:

- Focus on projects that:
  - Achieve near-term quantifiable GHG emissions reductions;
  - Achieve long-term quantifiable GHG emission reductions and provide co-benefits;
  - Promote early adoption of advanced technologies and practices that facilitate near-term GHG emission reductions; and/or
  - Support strategies and development of accelerated technologies needed to achieve the State's long-term GHG emission reduction goals.
- Administering agencies are required to report on the outcomes of expenditures. CARB and the Department of Finance publish these outcomes, including cost-effectiveness of investments in achieving GHG emission reductions. To improve GHG cost-effectiveness, administering agencies should focus funding on the types of projects that facilitate the greatest GHG emission reductions per dollar. This decision should be made early in the process when an administering agency is identifying funding priorities and preparing a draft Expenditure Record. Administering agencies may also need to consider trade-offs when selecting projects with high GHG-cost effectiveness versus projects that facilitate GHG emission reductions and provide other important co-benefits.

III.D.2. Target investments in and benefiting priority populations, with a focus on maximizing disadvantaged community benefits

Administering agencies must seek to invest in projects that are located in and benefit priority populations, meet community needs identified primarily through community engagement and outreach, and maximize benefits to disadvantaged communities, wherever possible.

Administering agencies may consider funding technical assistance, community engagement, and outreach activities for their program separately or as part of individual projects.

III.D.3. Maximize economic, environmental, and public health co-benefits to the State

Where applicable and to the extent feasible, investments must maximize economic, environmental, and public health co-benefits to the State. These co-benefits include fostering job creation; improving air quality; providing opportunities for businesses, public agencies, nonprofit, and other community institutions to participate in and benefit from investments; and lessening the impacts and effects of climate change.

III.D.4. Foster job creation and job training, wherever possible

To the extent feasible, administering agencies must foster job creation by selecting and supporting projects carried out by California workers and businesses. To maximize economic benefits, investments should provide employment opportunities or job training tied to employment, wherever possible. To the extent feasible, jobs and job training should be targeted to priority populations.

Funded project activities can include providing jobs or job training at both the program and project level. Administering agencies can:

- Provide job training and employment opportunities utilizing administrative funds for program implementation or grant execution;
- Emphasize investment in projects that include targeted hiring or a job training and employment program that prioritizes job placement; and
- Provide benefits across clean energy, transportation, and housing sectors by leveraging the existing workforce development infrastructure across the State.

Administering agencies should prioritize (e.g., through set-asides or scoring criteria) investment in projects that directly support jobs or a job training and placement program that:

- Includes capacity building resulting in credentials (e.g., certifications, certificates, degrees, licenses, other documentation of competency and qualifications) to support long-term, stable employment and career development. Administering agencies may consider requiring applicants and/or funding recipients to develop partnerships with existing programs or institutions that provide training and skills such as community colleges, nonprofit organizations, labor management partnerships, State-certified apprenticeship programs, and high school career technical academies.
- Demonstrates local benefit and support of a clean energy and transportation economy. Job classifications and job training programs in the clean energy and transportation sector can facilitate the shift towards a sustainable workforce. Administering agencies may consider focusing hiring efforts on transitioning the workforce from carbon-intensive industries into, for example, energy efficiency, renewable energy, and zero-emission transportation and mobility options.
- Emphasizes job quality and promotes specific criteria for employers. Factors commonly considered to influence job quality include, but are not limited to:
    - Local living wages;
    - Benefits provided (i.e., health insurance, paid leave, sick leave, child care services);
    - Geographic accessibility, connectivity, and commute distance;
    - Job strain, schedule, and flexibility;
    - Worker engagement and involvement;
    - Robust metrics to measure job progress beyond self-reporting (e.g., enrollment, completion, placement, career opportunities, and documentation of labor market advancement);
    - Working conditions and health risks; and
    - Job retention or duration of employment.

    Administering agencies should encourage investment in projects that leverage the resources of existing State and local employment programs. Additional information may be obtained through the California Labor and Workforce Development Agency (www.labor.ca.gov) which includes the Employment Development Department (www.edd.ca.gov), the California Workforce Development Board (www.cwdb.ca.gov), the Employment Training Panel (www.etp.ca.gov), the Department of Industrial Relations (www.dir.ca.gov), and the California Energy Commission (www.energy.ca.gov/efficiency/proposition39).

- Considers practices that improve employment outcomes such as targeted hiring. Targeted hiring strategies can direct opportunities to individuals with barriers to employment,[3] residents of disadvantaged communities, and veterans, among others. Approaches for targeted hiring may include, but are not limited to:
  - **Community Benefits Agreement (CBA).** A CBA is a contract between community-based organizations and applicants, funding recipients, or administering agencies that identify benefits to be provided as part of a project or program. Hiring priority for low-income individuals and prevailing wage requirements are commonly found in CBAs. CBAs may also include provisions for ongoing community engagement and mechanisms to ensure continued input and success.
  - **Labor agreements or community workforce provisions.** Develop or expand comprehensive agreements between labor unions and applicants and/or funding recipients (e.g., contractors, developers, transit agencies, cities) to achieve a breadth of objectives including uniform labor standards. These agreements may extend across multiple projects. Administering agencies may choose to prioritize projects with established labor agreements or community workforce provisions that contain targeted hiring provisions.
  - **Grant agreement provisions.** Provisions in the agreement between a grantee and an administering agency that include criteria for targeted hiring.

III.D.5. Encourage projects that contribute to other State climate goals

The State's climate goals require a comprehensive approach that integrates and builds upon multiple ongoing State efforts.

- Investments should encourage projects that support California's existing plans, policies, and initiatives (e.g., California's 2017 Climate Change Scoping Plan and the measures included therein, California Sustainable Freight Action Plan, Mobile Source Strategy, California Transportation Plan 2040, California Water Action Plan, Short-Lived Climate Pollutant Strategy, Safeguarding California Plan, California Forest Carbon Plan) and other urban planning, housing, and goals for enhancement of the natural environment.
- Investments should be consistent with regional local and plans (e.g., Sustainable Communities Strategies, local government climate action plans, waste diversion goals, energy efficiency measures).
- Investments may generate new environmental credits (e.g., renewable energy credits, renewable identification numbers, low carbon fuel standard credits, carbon offsets), if the investments facilitate GHG emission reductions and meet the other statutory requirements. However, for existing environmental credit projects (e.g., offset or renewable energy projects), GGRF monies cannot

[3] Individuals with barriers to employment is defined in the Workforce Innovation and Opportunity Act, Section 3, Def. 24-25, and includes populations such as low-income individuals and migrant farmworkers, among others.

supplant the ongoing operations of an existing project. In limited cases where a project is generating environmental credits and expansion of that project will facilitate GHG emission reductions beyond what would otherwise occur, GGRF monies may fund the incremental costs for the expansion or change.

III.D.6. Coordinate investments and leverage funds where possible to provide multiple benefits and to maximize benefits

- To the maximum extent feasible, administering agencies should seek opportunities to work together to provide multiple benefits and to maximize the benefits from each program. Several administering agencies could coordinate and leverage their resources to combine funding for a project or to fund multiple related projects in the same geographic area. This coordination may involve sharing information with applicants about other California Climate Investments programs that offer funding for complementary projects. Potential funding recipients could then submit applications to multiple programs. For example, in the same neighborhood there may be funding opportunities that combine transit improvement projects with other projects (e.g., zero-emission buses, transit-oriented affordable housing, urban forestry, active transportation, community air protection).
- Investments should be coordinated with local, State, and federal programs to avoid duplicative funding for projects.
- Funding should leverage private and other government investment to the maximum extent possible. For example, if an administering agency has a program that uses non-GGRF moneys to provide job training, the agency could hire those trained workers for a project that is funded by a California Climate Investments program, thereby increasing the benefits for both programs.

III.D.7. Avoid potential substantial burdens to disadvantaged communities and low-income communities

- When designing programs, administering agencies must consider whether a given project type has the potential to result in substantial economic, environmental, and public health burdens (e.g., physical or economic displacement of low-income and disadvantaged community residents and businesses, increased exposure to toxics or other health risks) in disadvantaged communities and low-income communities, and design programs in such a way as to avoid potential substantial burdens.

  Administering agencies are responsible for identifying potential substantial burdens from proposed project types. Administering agencies are encouraged to engage community members and community advocates in identifying potential substantial burdens.

- When selecting projects, administering agencies should select projects that avoid identified substantial burdens to disadvantaged communities and low-income communities. Administering agencies may consider using co-benefit assessment methodologies (see Section IV.C.4) to evaluate a project's benefits and potential substantial burdens.

  All projects are likely to include economic, environmental, or public health trade-offs that administering agencies will need to consider when designing programs and when selecting projects. For example, an administering agency may restrict eligibility to the cleanest equipment that results in less toxic air contaminants but is more expensive or results in less GHG emission reductions than alternatives. Examples of strategies to avoid potential substantial burdens that agencies have used or could use include:

  - Urban forestry program guidelines limits eligible trees to only drought-tolerant species to reduce water use.
  - Transit agency purchases new zero-emission vehicles instead of hybrid vehicles to use in a community with existing air pollution problems to reduce air pollution exposure.
  - Contractor expands an existing recycling facility using electric equipment instead of diesel-powered equipment during construction to reduce air pollution exposure for community residents.
  - Housing developer reserves units in the new development for residents displaced during construction.
  - Dairy operator installs a new digester and sends recovered biogas to a pipeline to reduce local air pollution exposure instead of combusting it in a new engine on the farm.

III.D.8. Ensure transparency and accountability and provide public access to program information

Administering agencies must provide transparency and accountability in program implementation and estimated project outcomes.

III.D.9. Conduct outreach to help potential applicants access funding, particularly for priority populations

When implementing programs, administering agencies should conduct or participate in outreach to help potential applicants access funding opportunities, particularly for priority populations. Engaging in direct outreach efforts are needed to maximize benefits and meet statutory investment requirements.

III.E. Expenditure Records

The Expenditure Record is a critical first step to ensure that all California Climate Investments meet statutory requirements and further the purposes of AB 32 and related statutes.

Statute requires administering agencies that have been appropriated moneys from the GGRF to prepare an Expenditure Record. By law, an Expenditure Record is a document that consists of five elements concerning the proposed use(s) of the funds:

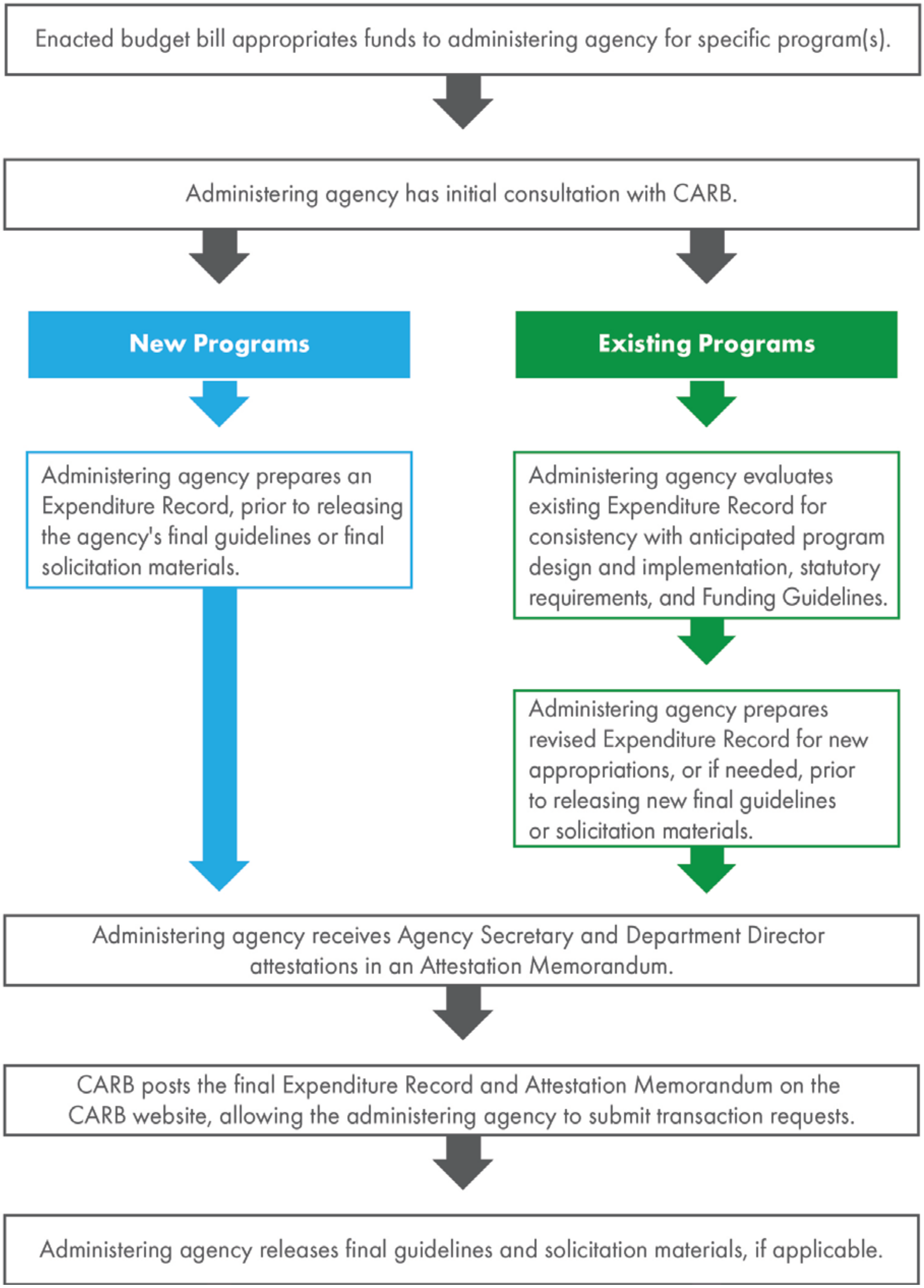
1) A description of the proposed use(s);
2) A description of how the proposed expenditure(s) will further the regulatory purposes of AB 32 and related statutes;
3) A description of how the proposed expenditure(s) will contribute to achieving and maintaining GHG emission reductions;[4]
4) A description of how the administering agency considered the applicability and feasibility of other non-GHG emission reduction objectives; and
5) A description of how the administering agency will document the result(s) achieved from the expenditure.

The Expenditure Record must be updated to accurately reflect program design and implementation, as it is a legal document for maintaining accountability throughout the life of the projects funded by the appropriation.

Figure 3 illustrates the role of Expenditure Record development in the process of an administering agency receiving an appropriation from the GGRF, developing final program materials, and soliciting projects.

[4] Administering agencies may provide qualitative assessments to describe how their proposed use of the funds will facilitate GHG emission reductions.

Figure 3. Timing of Expenditure Record



An Expenditure Record is prepared for each program, not for individual projects implemented under the program, individual transaction requests, or invoices for payment. A "program" is defined as all related projects or activities to be implemented as a part of a single GGRF appropriation (e.g., one-time appropriation in a Budget Act, legislation that provides a portion of quarterly auction proceeds on an ongoing basis). A program may include multiple project types, technical assistance and outreach to applicants, coordinated research, and other implementation activities. If an administering agency will use a single appropriation for more than one program, individual Expenditure Records may be submitted for each program implemented with the appropriation, provided each program individually satisfies all applicable statutory requirements.

For example, the Strategic Growth Council may prepare separate Expenditure Records for its Affordable Housing and Sustainable Communities appropriation, which funds both its Affordable Housing and Sustainable Communities program and its separate Sustainable Agricultural Lands Conservation program. In cases where more than one Expenditure Record is completed, the administering agency should include a short text summary that describes the portion of the agency's appropriation that is assigned to each program for projects and administration as either a dollar amount or a percentage (e.g., Strategic Growth Council might indicate that "X" percent of its appropriation will be used for projects and "Y" percent for administration for its Affordable Housing and Sustainable Communities Program and "A" percent for projects and "B" percent for administration for its Sustainable Agricultural Lands Conservation Program). Revisions to the portion of an appropriation assigned to each program would necessitate revisions to the Expenditure Record.

The administering agency must regularly evaluate the Expenditure Record to ensure consistency with the administering agency's program priorities or policies, new budget acts, legislative changes, or updates to the Funding Guidelines. In most cases, an existing Expenditure Record and Attestation Memorandum will be updated annually to reflect new budget appropriations and as needed to remain consistent with program design and implementation and statutory requirements. The proposed use of the funds is tied to a single Expenditure Record. As allowed by State law, the use of the funds may occur over several years. Administering agencies will need a new or revised Expenditure Record if the agency plans a new use of the funds (a new program or project types) not currently covered by an existing Expenditure Record.

All Expenditure Records must include an Attestation Memorandum signed by the Agency Secretary and Department Director (or equivalent) affirming that the Expenditure Record was prepared according to the GGRF requirements of SB 1018. Signatures from designees with signatory authority are allowable to fulfill this requirement. Administering agencies and departments may use their own format to prepare an Expenditure Record and Attestation Memorandum or may use the templates available at: www.arb.ca.gov/cci-expenditurerecords.

Administering agencies must complete an Expenditure Record and an Attestation Memorandum and submit them to CARB for posting on the CARB website prior to releasing final program materials and prior to expending any funds on projects. All activities that require an Expenditure Record and Attestation Memorandum are listed in Table 3. Development of the Expenditure Record prior to drafting program materials provides a well-structured process and will help minimize modifications needed to future program guidance or solicitations.

Table 3. Activities that Require an Expenditure Record and an Attestation Memorandum Prior to Action

• Public release of final guidelines or solicitation materials.
• Executing contracts, loans, grant agreements, or other agreements that obligate moneys from the GGRF.
• Financially committing to programs that directly receive funds (e.g., capital outlay projects, State operations expenditures for direct project costs).
• Requesting the withdrawal of funds from the GGRF, excluding initial staffing expenses.
• Submitting documentation to reimburse grantees for project expenditures.

Administering agencies are not required to complete an Expenditure Record for initial staffing costs to perform the administrative functions associated with the internal management of their program. However, when administering agencies complete Expenditure Records for program implementation, the amount of funding shown must reflect both anticipated total administrative and program expenditures.

The Expenditure Record and Attestation Memorandum are public documents and will be posted on the CARB website, allowing the administering agency to submit transaction requests consistent with the Expenditure Record and cash flow estimates.

In the Expenditure Record, administering agencies describe how the program will meet GGRF requirements. Administering agencies are responsible for implementing programs consistent with published Expenditure Records. CARB posts Expenditure Records and Attestation Memorandums to support transparency and accountability of the proposed uses of GGRF moneys and posting does not indicate CARB legal review and concurrence. Administering agencies must submit completed Expenditure Records and Attestation Memorandums in a format for public posting by email to CARB at: GGRFProgram@arb.ca.gov.

IV. Program Implementation

IV.A. Program Administration

Table 4 summarizes some of the key items for administering agencies to address when they design and administer California Climate Investments programs. Items identified as requirements are critical for ensuring program administration is consistent with the guiding principles and statutory requirements.

Table 4. Key Items in Program Administration

IV.A.1	Identify program-specific statutory requirements.	❑ Requirement
IV.A.2	Ensure coordinated communication.	❑ Requirement
IV.A.3	Support transparency and provide public access to information on program activities and outcomes.	❑ Requirement
IV.A.4	Establish policies and procedures for project monitoring, accountability, and audits.	❑ Requirement
IV.A.5	Conduct public outreach and encourage community engagement, particularly for priority populations.	❑ Recommendation

IV.A.1. <u>Identify program-specific statutory requirements</u>

Statutory requirements may vary by fiscal year, by administering agency, and by program. The Funding Guidelines are based on statutory requirements but may not contain all program-specific details mandated by legislation. Therefore, it is critical that each administering agency identify all of the requirements that are applicable to that agency's program(s). Program-specific requirements may include: investment targets, fiscal deadlines, and other provisions included in budget bills, budget trailer bills, or policy bills. Administering agencies should identify all applicable requirements as they develop and implement program(s) to ensure consistency with statute.

IV.A.2. <u>Ensure coordinated communication</u>

Consistent branding and messaging must be used in all communications. Administering agencies and all funding recipients, including sub-grantees and local agencies that receive GGRF moneys to supplement existing programs, must include recognition of funding through California Climate Investments.

- **Branding and logo**. The "California Climate Investments" logo and name serve to bring under a single brand the many investments funded by Cap-and-Trade auction proceeds through the GGRF.

  The California Climate Investments brand helps unify for Californians the many separate programs overseen by different administering agencies. It presents a consolidated and coordinated initiative by the State to address climate change by reducing GHG emissions, strengthening the economy, and improving public health and the environment– particularly for priority populations. The name and logo are designed to reflect this unified effort and identify California as a leader in the world of innovation and sustainability.

Where there is an existing name or acronym recognized by the public and media for an existing program, the administering agency may use that name in conjunction with "California Climate Investments," with the understanding that the program's primary connection is to California's efforts to address climate change.

All funding recipients are encouraged to display the California Climate Investments logo on equipment and signage, as applicable, to acknowledge the funding source.

- o For stationary projects this may include, but is not limited to, a sign at the project site to acknowledge the funding source. The sign may include, for example, the California Climate Investments logo and the names (and/or logos) of other partners, organizations, or individuals.
- o Other project types, such as vehicles, equipment, and consumer-based incentives, are also encouraged to identify the funding source by using a decal, sticker, or other signage that includes the California Climate Investments logo.

Guidance on California Climate Investments logo usage,[5] signage guidelines, and high-resolution files are contained in a style guide available at: www.caclimateinvestments.ca.gov/logo-graphics-request.

- **Funding source acknowledgement**. Standard funding language that should be used on websites and included in announcements, press releases, and publications, is:
  - o "The [*INSERT PROGRAM NAME / GRANT / ETC.*] is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment– particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov."

[5] The logo was updated in 2016 to include the addition of a tagline "Cap and Trade Dollars at Work" and should replace the old logo wherever it is in use.

Administering agencies may choose to truncate the standardized funding language to accommodate space-limited announcements.

- **Coordinated social media and website.** Recognition of funding under a California Climate Investments program extends to publications, websites, signage, invitations, and other media-related and public-outreach products. Include the email address: CCIpress@arb.ca.gov on any distribution lists and post the @CAClimateInvest Twitter handle on websites.
- **Coordinated events calendar.** The California Climate Investments Events Calendar is a one-stop shop for upcoming events available at: www.arb.ca.gov/cci-events. Administering agencies can post program events including meetings, public comment periods, solicitations, and deadlines. Administering agencies are responsible for managing their own events and must contact CARB staff to create an access account. When an administering agency submits an event, a CARB administrator will review and publish the event to the calendar.

IV.A.3. Support transparency and provide public access to information on program activities and outcomes

To support transparency, all administering agencies must provide public access to information on California Climate Investments programs and projects. Each administering agency should maintain a website that provides up-to-date program information, including:

- **Funding opportunities**. Provide information on funding opportunities, schedules, and application materials that is easily accessible to potential applicants, including those in disadvantaged communities, low-income communities, and low-income households. Administering agencies can also announce funding opportunities using the California Climate Investments Events Calendar available at: www.arb.ca.gov/cci-events.
- **Public outreach events**. Publicize workshops, community meetings, public hearings, and other outreach events well in advance of the event date. To reach a broader audience, publicize event notices via local radio or news stations, or post in public locations (e.g., schools, libraries, community centers, medical clinics, bus stops or other transit hubs, grocery stores). Post materials related to the event (e.g., agendas, presentations, draft documents) and provide a mechanism for the public to ask questions before the event or submit comments after the event. To improve accessibility, provide materials in other languages and provide language interpretation services, and select locations and timing that encourage stakeholder participation. Provide outreach information for posting using the California Climate Investments Events Calendar available at: www.arb.ca.gov/cci-events.
- **All submitted applications and/or proposals – prior to funding decisions**. For programs that fund projects with competitive grant, loan, or contract solicitations, administering agencies must post basic information about all of the

applications and/or proposals that are submitted for consideration. Administering agencies must post this information on their program websites at least ten days before the agency makes a decision on funding awards. Administering agencies can provide this information on their website using the format that works best for their program(s) (e.g., a list of all applications, brief narrative summaries of each application, concept proposals). The minimum items that must be posted include:

- For each project application or proposal:
  - Name of applicant;
  - Brief description of proposed project, including location (excluding personally identifiable information for any private individuals);
  - Amount of funding requested; and
  - Whether the project is expected to provide benefits to priority populations.
- For each solicitation:
  - A reference or website link to the project evaluation and selection criteria that are contained in the administering agency's guidelines and solicitation materials, to inform the public about the factors that will influence the agency's project selection.

In addition to the items identified above, administering agencies could choose to list or describe other key data (qualitative or quantitative) for each project that is being considered in project selection according to the program guidelines or solicitation materials.

Administering agencies should post a list of all project applications or proposals, including those not selected for funding. This information can provide context for the competitiveness of project proposals and identify areas of improvement for future applicants.

- **Final project selections – after funding decisions**. Administering agencies must post final project selections once an administering agency makes final decisions on funding awards. Administering agencies may need to work with their funding recipients to obtain project locations, status updates, and other information.
- **Points of contact and resources for information and technical assistance**. For each program, provide contact information for the public to ask questions or obtain additional information (e.g., phone, email, social media) in a prominent location on the program website and on program materials. Also list any resources that are available for technical assistance (e.g., frequently asked questions, access to third party providers of technical assistance). Administering agencies can also direct general inquires to CARB's bilingual (Spanish) email (info@caclimateinvestments.ca.gov) and phone hotline (800-757-2907).

- **Project results, including GHG emission reductions and co-benefits**. Administering agencies must post the results of California Climate Investments projects or provide a link to the California Climate Investments website for the Annual Report to the Legislature (www.caclimateinvestments.ca.gov/annual-report) and the CARB website for the online map (www.arb.ca.gov/ccimap). The public should be able to access the project location (e.g., address, census tract), funding amount, GHG emission reductions, co-benefits, and benefits to priority populations.
- **Opportunities for continued public engagement**. Provide options that enable the public to remain involved and informed about investments (e.g., social media, list serves, work groups) after awards have been made.

IV.A.4. Establish policies and procedures for project monitoring, accountability, and audits

All administering agencies are subject to Legislative and Administration oversight, including audits by the Bureau of State Audits, Department of Finance, other State oversight agencies, or a third-party auditor. Administering agencies must have clear policies in place that allow for audits conducted by State oversight agencies. Administering agencies also need procedures to monitor California Climate Investments projects and to conduct their own audits or program reviews of funding recipients, either during or after project implementation. Project outcome reporting, described in Section VI.D.7, is one way administering agencies monitor operational projects. Both administering agencies and funding recipients must make records available, if requested, to support program reviews or audits.

IV.A.5. Conduct public outreach and encourage community engagement, particularly for priority populations

Outreach to stakeholders and the public is an important component of California Climate Investments programs, particularly for those targeted to benefit priority populations. There is a great deal of public interest in learning about funding opportunities. The earlier the information is made publicly available, the easier it is for people to get involved and prepare funding proposals or submit applications.

- Administering agencies should engage the public on program documents including guidelines and solicitation materials. At a minimum, administering agencies should post draft program documents for public review and comment.
- When conducing outreach and engaging community members, particularly for targeting investments to priority populations, administering agencies should consider the following strategies:
    - Publicly designate staff for program outreach and partnership development with and between community groups. Publicly identify an agency or program point of contact or liaison to provide program-specific information, including

funding opportunities, program application requirements, eligibility determinations, and application / technical assistance.

- o Make program staff available to respond to questions from interested project applicants, including questions related to program access, application/technical assistance, and eligibility determinations. CARB provides coordinated California Climate Investments program-wide awareness outreach including a bilingual (Spanish) email (info@caclimateinvestments.ca.gov) and phone hotline (800-757-2907) for program inquiries and directs interested parties to various administering agencies for program-specific assistance.
- o Provide program-specific technical assistance or partner with a third-party entity that can provide technical assistance to potential applicants, including community organizations and local government entities, to develop projects and prepare and submit applications. This strategy is effective for competitive funding programs where agency evaluators must review applications objectively.
- o Use a variety of outreach and engagement efforts to reach a broader audience, for example:
  - Host regular workgroups or focus-group meetings with community organizations;
  - Consult the community via public workshops, community meetings, and/or community surveys;
  - Provide updates via list serves, websites, phone calls, videos, webinars, social media, radio, television, and newspapers; and
  - Foster long-term partnerships with key community leaders and organizations throughout the State through ongoing communication, including regular meetings or phone calls, outside of formal guidelines processes.
- o Conduct outreach and engagement that improves accessibility for community members. Approaches to improve access may include:
  - Coordinating with community leaders and community-based organizations to attend or present at existing meetings, co-host meetings, or to determine the appropriate place and time for meetings;
  - Coordinating outreach events with other administering agencies;
  - Having informational tables at community events such as fairs or festivals;
  - Hosting events in places where communities normally gather (e.g., schools, community centers);
  - Hosting meetings during evenings, weekends, or other times that are convenient to community members;

- Inviting a diverse group of stakeholders with different interest areas to participate;
- Hosting meetings in locations easily accessible by public transportation;
- Publicizing workshops and meeting notices via local radio or news stations, posting in public locations such as schools, libraries, community centers, medical clinics, bus stops and transit hubs, and grocery stores;
- Providing materials in other languages, and/or providing interpretation services; and
- Providing opportunities for public input in multiple formats (e.g., in person at meetings, online, by mail, phone calls).

o Administering agencies should encourage applicants and funding recipients to conduct community engagement to the extent feasible. There are multiple strategies an applicant and/or funding recipient may utilize for community engagement. Given the wide variety of programs and project types, some strategies will be better suited for a given program or project type than others. Examples of potential community engagement strategies include:

- **Community leadership and decision-making.** Applicants could develop a steering committee comprised of community residents to, in partnership with project applicants, oversee project design and development.
- **Community collaboration and partnership.** Applicants could partner with community-based organizations or community residents in a way that informs project design and/or selection among project alternatives prior to applying for funding. This may include residents participating, with technical support, in the development of project alternatives or components, or having residents choose a preferred project from among two or more alternatives either as members of a project selection committee or community voting process.
- **Outreach, education, and consultation.** Applicants could conduct community consultation (e.g., via workshops, roundtable discussions, focus groups, surveys) to inform, educate, learn from the community, and consider their input in early stages of project development and design.

IV.B. Guidelines and Solicitation Materials

California Climate Investments programs may use a variety of approaches to implement programs and select projects (e.g., competitive solicitations, non-competitive applications). For guidelines and/or other solicitation materials, the administering agency must include the common elements below. Some of these elements may not apply for all programs, including those that use a “first-come, first-served” approach to distribute funding or that directly fund infrastructure projects.

IV.B.1. <u>GHG emission reductions</u>

Guidelines and solicitation materials for California Climate Investments must clearly state the requirements that all programs must facilitate GHG emission reductions and further the purposes of AB 32 and related statutes.

In addition to guidelines and solicitation materials, clearly state these requirements:

- In program administration documents (e.g., internal administrative procedures);
- On the administering agency's website; and
- During public outreach events (e.g., workshops, public meetings) and in other communications with the public.

IV.B.2. <u>Meeting investment minimums for priority populations</u>

In guidelines and solicitation materials, the administering agency must describe how it will evaluate projects for potential benefits to priority populations, consistent with the Funding Guidelines. The administering agency must also explain how the structure of the program will maximize benefits to disadvantaged communities and invest in projects that provide direct, meaningful, and assured benefits to priority populations, if applicable. Section V provides guidance on maximizing benefits to disadvantaged communities and targeting priority populations.

- Describe any applicable program targets (see Section V.A.1) or statutory requirements for investments in priority populations and clearly explain how the administering agency plans to meet those program targets. Some administering agencies may use a broad, program-wide approach to allocate expenditures for projects specifically located in disadvantaged and low-income communities. Others may require that individual funding recipients expend a designated percentage of their awarded funds for projects benefiting priority populations. The approaches will vary among the different programs, and each administering agency needs to document its chosen approach.
- Include the evaluation approach and criteria to determine whether investments benefit priority populations. At a minimum, investments must meet the criteria in the applicable benefit criteria table to count toward achieving the statutory investment minimums identified for priority populations, as described in Section V. Administering agencies may include additional criteria to further target investments. Administering agencies are responsible for collecting the relevant data and completing the evaluation, but may have applicants assess their project against the criteria and provide supporting documentation. To assist applicants in providing relevant information, administering agencies may consider including the following resources in guidelines and solicitation materials:
    - o Benefit criteria tables or a reference to the benefit criteria tables that are applicable to the program's project type(s). Benefit criteria tables for each project type are available at: www.arb.ca.gov/cci-resources. Only include the benefit criteria table(s) applicable to the specific project type(s) eligible for

funding. For complex projects, there may be more than one applicable benefit criteria table.

- o Priority population maps or a reference to the maps. These maps and an interactive mapping tool are available on the CARB website at: www.arb.ca.gov/cci-communityinvestments.

- Describe efforts to address important needs for priority populations, particularly those needs identified by community residents or representatives.
- For programs that target investments benefiting low-income households, describe how the administering agency will assess “low-income” eligibility. See Section V.C.2 for strategies for identifying income eligibility.

IV.B.3. GHG quantification methodologies and co-benefit assessment methodologies

In guidelines and solicitation materials, administering agencies must explain that, when quantified, estimated GHG emission reductions and co-benefits will do so using CARB quantification methodologies and co-benefit assessment methodologies applicable to the funded project types, which are available at: www.arb.ca.gov/cci-resources and www.arb.ca.gov/cci-cobenefits, respectively.

- **GHG emission reductions**. Explain that applicants must use the GHG quantification methodology developed by CARB to quantify estimated GHG emission reductions and include links to methodology documents or estimation tools.
- **Co-benefits**. Describe how the administering agency will evaluate co-benefits during the selection process, either using a methodology approved by CARB or an independent qualitative assessment when a CARB methodology is not available. As available, co-benefit assessment methodologies are posted on the CARB website (www.arb.ca.gov/cci-cobenefits).

IV.B.4. Project selection requirements

In guidelines and solicitation materials, administering agencies must clearly describe the application process and how projects will be selected:

- **Program objectives and available funding**. Describe overall program objectives, including the need to facilitate GHG emissions reductions, statutory requirements, and other guiding policies / plans. Also provide information on the amount of funding that is potentially available.
- **Eligibility requirements**. Describe eligibility requirements in sufficient detail for potential applicants to determine if their project would be eligible for funding. Specify any ineligible costs that do not qualify for GGRF funds.
- **Match funding / leveraging**. Explain whether match funding or other leveraging is required or if an application will rank higher during the project selection process. If an applicant is leveraging funds from multiple sources of GGRF

dollars or if the applicant is pursuing funding from multiple sources of GGRF dollars, require the applicant to describe all existing or potential GGRF sources in the application materials.

- **Application procedures**. Describe how potential applicants can apply for funding and clearly list any application forms or other materials that applicants must submit. Describe how applicants will be notified of the results. Note that applications will be treated in accordance with Public Records Act requirements and that certain information, subject to those requirements, may be publicly disclosed.[6] If technical assistance is available to help applicants prepare their application materials, provide information on how applicants can access that assistance.
- **Key dates and deadlines**. Specify key dates and deadlines that apply to projects under the solicitation including, but not limited to: deadline for submittal of concept proposals and/or full applications; timeframe for project evaluation and selection; deadlines for funding obligation or liquidation; time allowed for project implementation; and dates when project reports must be submitted to the administering agency.
- **Project selection criteria**. Define the criteria by which projects will be evaluated and selected. Explain the approach an administering agency will use to select projects (e.g., "first-come, first-served," competitive process). Describe how the administering agency will handle solicitations that do not meet minimum requirements (e.g., the agency will issue a new solicitation if none of the applicants meet a specified minimum score).

  Examples of potential selection criteria include, in addition to those specific to the administering agency's program objectives and statutory requirements, but are not limited to:

  - Amount of GHG emission reductions;
  - Multiple benefits to priority populations;
  - Documented support from priority populations;
  - Meaningful outreach and community engagement;
  - Significant co-benefits;
  - Ability to promote the use of clean alternative fuels and advanced technologies; and
  - Applicant's ability or readiness to successfully implement the project.

[6] See Government Code Sections 6250-6276.48.

IV.B.5. Project implementation requirements

In guidelines and solicitation materials, administering agencies must clearly describe any administrative requirements that apply to project implementation.

- **Administrative requirements during project implementation**. Describe the administrative requirements that will apply to applicants selected to receive funding. Include key milestone dates and requirements for maintaining eligibility prior to project completion, if applicable. Also, note any laws, policies, plans, or other relevant documents that will guide project implementation.
- **Accountability procedures**. Describe the review and audit procedures and remedies for non-performances that the administering agency will use for oversight of funding recipients and project implementation. See Section IV.B.7 for examples of accountability tools to include in legal agreements.

Administering agencies may consider including draft legal agreements with general terms and conditions when releasing draft program guidelines to inform applicants of administrative requirements and accountability procedures.

IV.B.6. Project tracking, metrics, and reporting

In guidelines and solicitation materials, describe how the administering agency and funding recipients will track and document GHG emission reductions, co-benefits, and other information by including the items provided below. Section VI provides guidance on what needs to be tracked and reported.

- Explain the reporting requirements that will be applicable to funding recipients.
- List the metrics that will be tracked or state that the administering agency / funding recipient will track metrics in accordance with the Funding Guidelines.
- Describe who will be responsible for tracking metrics, how often metrics will be tracked (e.g., quarterly), how long metrics will be tracked (e.g., over the quantification period), and the retention period for records after tracking ends.

IV.B.7. Accountability tools for legal agreements

For some administering agencies, the agency and funding recipient must execute a grant agreement or other legally binding document that includes requirements for the use of the GGRF. These agreements must contain terms and conditions that cover accountability, controls, and oversight provisions. The following list provides examples of accountability tools that an administering agency may include, as appropriate, in legal agreements:

- Monitoring and reporting requirements that provide for periodic reporting of project status and outcomes;
- Recordkeeping provisions, which require grantees to maintain records for a set period of time relating to the award;

- Auditing language, which allows the State or its designated representative to review and copy any records and supporting documentation pertaining to an agreement;
- Remedies for non-performance. Examples of non-performance include, but are not limited to: misuse of funding for ineligible expenses; failure to comply with program guidelines or requirements; inability to meet performance requirements or schedule milestones; and failure to comply with the terms and conditions identified in legal agreements. Remedies may include:
  - Dispute resolution language that provides a process for resolution of disagreements between the State and the grantee;
  - Stop work language that gives the State the right to issue a stop work order in the event that a dispute should arise;
  - Termination language, which allows the State to terminate an agreement at its sole discretion;
  - Recovery language in grants and other materials (e.g., guidelines) that allows recovery of funds if grantees fail to meet the requirements of the grant;
  - Withholding of funds from payment; and
  - Administrative or civil actions.

IV.C. Quantification Methodologies

All California Climate Investments programs must facilitate GHG emission reductions. Administering agencies are responsible for demonstrating how expenditures facilitate GHG emission reductions. CARB is responsible for developing guidance on quantification methodologies. CARB's guidance includes GHG quantification methodologies, co-benefit assessment methodologies, and calculator tools. To demonstrate facilitating GHG emission reductions, administering agencies should strive to fund project types with quantifiable GHG emission reductions. Many project types have an existing CARB GHG quantification methodology. Benefits estimated with quantification methodologies support administering agencies in demonstrating that investments facilitate GHG emission reductions and when selecting projects for funding. Administering agencies must use a CARB quantification methodology to quantify GHG emission reductions if a CARB quantification methodology exists for the project type. Some project types will not have quantifiable GHG emission reductions and administering agencies will need to develop a qualitative assessment to demonstrate how expenditures facilitate GHG emission reductions.

CARB compiles data reported in the Annual Report to the Legislature. Data that administering agencies report to CARB must be quantified using CARB quantification methodologies. As CARB develops quantification methodologies for GHG emission reductions and co-benefits, they are posted at: www.arb.ca.gov/cci-resources and www.arb.ca.gov/cci-cobenefits, respectively.

IV.C.1. Consulting with CARB on quantification methodologies

CARB advises administering agencies on the feasibility of quantifying GHG emission reductions and co-benefits from proposed project types as part of the initial consultation, as described in Section III.B. CARB will work with administering agencies to assess proposed project types and potential quantification approaches including available co-benefits assessment methodologies. If, during the initial consultation there is an identified need for new or revised quantification methods, CARB will work with administering agencies to determine feasibility and timing. CARB typically develops draft GHG quantification methodologies concurrent with an administering agency's draft program guidelines and solicitation materials to facilitate a coordinated process for public review.

IV.C.2. Developing quantification methodologies

CARB develops quantification methodologies to provide project-level GHG or co-benefit estimates that are supported by empirical literature. This work relies on a review of the available science, coordination with the administering agencies, and outside experts and academic partners to obtain technical assistance and expertise, as needed.
The quantification methodologies are developed to:

- Support calculating the estimated GHG emission reductions and applicable co-benefits for individual projects;
- Apply to the project types proposed for funding;
- Provide uniform methodologies that can be applied statewide and are accessible by all applicants;
- Use existing and proven tools or methodologies, where available;
- Include the expected period of time for when GHG emission reductions and co-benefits will be achieved; and
- Identify the appropriate data needed to calculate GHG emission reductions or co-benefits.

Quantification methodologies and calculator tools are specific to each project type and may be updated over time. Most quantification methodologies include an accompanying calculator tool. In addition to GHG emission reductions, calculator tools may include estimates of certain co-benefits and key variables. Key variables are project characteristics that contribute to a project's GHG emission reductions and signal an additional benefit (e.g., renewable energy generated, trees planted). Providing estimates of key variables within the calculator tools can assist in co-benefit assessment, project selection, and reporting.

IV.C.3. Approaches for quantification methodologies

Broadly, there are two different approaches for quantification methodologies, a one-step approach, and a two-step approach. In the one-step approach, GHG emission reductions and co-benefits are estimated once based on project-specific inputs. In the two-step approach, GHG emission reductions and co-benefits are estimated once based on initial assumptions and again after implementation, based on reported project-level data. In both cases, the quantification methodologies are used for reporting purposes. The two-step approach is generally used for consumer-based incentive programs.

Quantification methodologies based on the one-step approach estimate GHG emission reductions and co-benefits of proposed projects based on the specific characteristics of each project. For example, when administering agencies conduct competitive solicitations, applicants use the quantification methodology to estimate GHG emission reductions and co-benefits for their proposed project. This estimate is reviewed by the administering agency with supporting documentation from the applicant, and in consultation with CARB for some programs. Administering agencies decide how to incorporate estimated GHG emission reductions and co-benefits into their project ranking and selection process. GHG emission reductions estimated during the application phase are generally the same as those reported after the project is implemented and becomes operational and therefore, the estimate must be calculated only once.

For most consumer-based incentive programs, project-level details may not be known prior to expending funds. Therefore, administering agencies use a two-step quantification approach. Administering agencies develop an initial estimate of GHG emission reductions and co-benefits based on the amount of funds and general assumptions for how the funds will be implemented. After incentives are issued and projects are implemented, the administering agency updates the GHG emission reduction and co-benefits estimates using the methodologies and actual project-level data. For example, upon appropriation for the Clean Vehicle Rebate Project (CVRP) incentive program, the administering agency estimates the expected GHG emission reductions and co-benefits based on the amount of funding allocated to the project and historical data on the number and type of clean vehicles funded. After CVRP rebates are provided to consumers, the administering agency recalculated the estimated GHG emission reductions and co-benefits using the actual number and type of clean vehicles funded.

IV.C.4. Co-benefit assessment

California Climate Investments support not only the State's climate change goals, but they also provide many economic, environmental, and public health co-benefits. As co-benefit assessment methodologies are developed and administering agencies begin applying them, the public can better understand some of the additional benefits of these investments, including benefits that may be visible in their daily lives. In addition, administering agencies can use the results from assessment methodologies to prioritize investments that maximize co-benefits; substantiate that a project provides direct, meaningful, and assured benefits to priority populations; and demonstrate how the project avoids or minimizes potential substantial burdens.

The co-benefits achieved vary by project type. Assessment methodologies may be quantitative or qualitative depending on the nature of benefit provided and available research literature. CARB will incorporate co-benefits assessment methodologies into calculator tools, as feasible. When incorporated in a calculator tool, a co-benefit is estimated based on project-specific inputs, similar to the estimation of a project's GHG emission reductions. CARB will develop standalone assessment methodology for co-benefits not suitable for incorporation into calculator tools. Administering agencies are required to use the jobs co-benefit assessment methodology to estimate potential employment benefits of each project awarded after the methodology becomes available. Administering agencies are encouraged to use CARB's other standalone assessment methodologies to evaluate co-benefits in addition to calculator tools. When using CARB's co-benefit assessment methodologies, administering agencies must apply the same use and reporting requirements for all projects of the same project type.

IV.C.5. Quantification methodology update process

CARB may review and update GHG quantification methodologies and co-benefit assessment methodologies periodically based on: new or evolving project types; new legislation; available resources; new scientific developments or tools, or modifications in the analytical tools or approaches upon which the methodologies were based; or input from administering agencies or the public.

If the Legislature appropriates funding to a new program, CARB evaluates existing quantification methodologies to see if they might be applicable for the new program and to help ensure a consistent approach for similar projects. In some cases, it may be possible to use existing quantification methodologies for new programs.

Major updates to a GHG quantification methodology typically occur before a solicitation is released for the applicable project type, to facilitate a coordinated process for public review. CARB incorporates updates that apply to multiple GHG quantification methodologies as part of the next necessary update for individual GHG quantification methodologies (e.g., revised methodologies incorporate relevant emission factor updates). For existing methodologies that are being revised, a formal public comment period may only be needed for major program updates such as: additions of methods for new project types; changes in general approach for existing project types; significant changes in underlying emission factors; changes in the external tools required for the method; or changes in the accounting boundary.

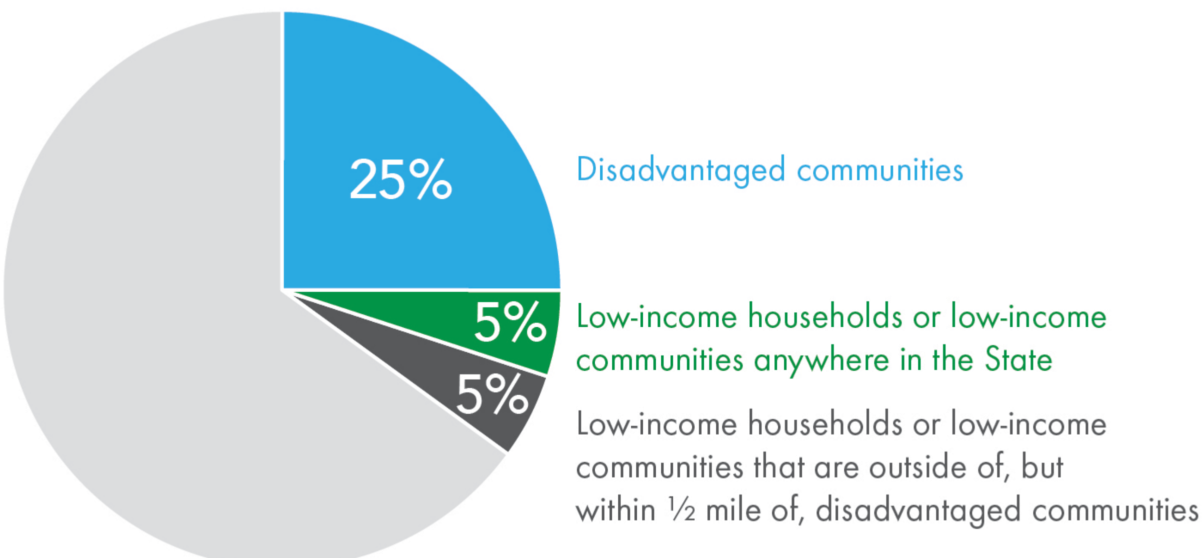
V. Priority Populations

V.A. Investments for Priority Populations

California Climate Investments provide a unique opportunity to yield significant benefits for disadvantaged communities, low-income communities, and low-income households, collectively referred to as "priority populations."[7] Priority populations represent economically disadvantaged individuals and communities as well as communities disproportionately burdened by the impacts of climate change, exposed to multiple sources of pollution, and especially vulnerable to environmental pollutants.

AB 1550 established investment minimums for funding projects located within the boundaries of, and benefiting the individuals living in, disadvantaged communities and low-income communities, or benefiting residents of low-income households. The current investment minimums for priority populations are illustrated in Figure 4.

Figure 4. Investment Minimums for Priority Populations



V.A.1. <u>Priority population program targets</u>

Investment minimums apply to the overall appropriations from the GGRF, rather than to each agency appropriation. To help ensure statutory requirements are met, CARB develops investment targets for each program (program targets). These targets help guide programs towards investments that achieve direct, meaningful, and assured

[7] Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

benefits to priority populations. CARB posts program targets as needed for each fiscal year. Program targets are available at: www.arb.ca.gov/cci-fundingguidelines.

All California Climate Investments programs may fund projects that provide benefits to priority populations. As administering agencies fund projects that benefit priority populations, those projects will be evaluated and benefits will be documented through the reporting process.

V.A.2. Other statutory investment requirements

Some individual programs have additional specific statutory requirements for investing in projects that benefit, but are not necessarily within, disadvantaged communities. For example:

- Transit and Intercity Rail Capital Program must allocate at least 25 percent of available funding to benefit disadvantaged communities.
- Affordable Housing and Sustainable Communities Program must allocate at least 50 percent of program expenditures to benefit disadvantaged communities.
- Low Carbon Transit Operations Program uses an established formula for distribution of funds to transit operators. For those operators with disadvantaged communities in their service areas, the operators must direct at least 50 percent of funding to benefit disadvantaged communities. The requirement does not apply to transit operators that do not have disadvantaged communities in their service areas.
- Urban Greening Grant Program must allocate at least 75 percent of the moneys available to projects that are located in, and provide benefits to, disadvantaged communities.[8]

Administering agencies are responsible for determining compliance with their program specific investment requirements. CARB does not track or report on any administering agency's progress in meeting these requirements. Some options that administering agencies may choose to comply with their program specific investment requirements include:

- Considering investments that are eligible to be counted toward AB 1550 investment minimums for within and benefiting disadvantaged communities as also counted toward meeting the program specific investment requirements.
- Based on the SB 535 criteria in the 2015 Funding Guidelines, considering investments that are eligible to be counted toward SB 535 investment minimums for benefiting disadvantaged communities as also counted toward meeting the program specific investment requirements.

[8] SB 859 provides two definitions of disadvantaged communities for the Urban Greening Grant Program, one of which is communities identified pursuant to Health and Safety Code Section 39711. Only projects that meet the criteria and provide benefits to disadvantaged communities as identified by Health and Safety Code Section 39711 will count toward the AB 1550 investment minimums.

- Developing separate criteria specific to the program to evaluate whether investments will be counted towards meeting the program specific investment requirements.

V.B. Implementing Programs to Benefit Priority Populations

California Climate Investments are required to meet multiple objectives for providing benefits to priority populations. Administering agencies must both (1) target investments to priority populations, including disadvantaged communities, per AB 1550, and (2) maximize benefits to disadvantaged communities, per SB 535 and AB 1532. The following requirements apply to all administering agencies as it relates to implementing programs to benefit priority populations.

V.B.1. Requirements for targeting investments to benefit priority populations

- Assess program structure for potential opportunities to target investments to benefit priority populations (e.g., set-asides, scoring criteria for competitive solicitations).
- Evaluate project types for potential benefits to priority populations using the criteria provided by CARB, available at: www.arb.ca.gov/cci-resources.
- Target funding, to the extent feasible, for projects that benefit priority populations.
- Create or modify program guidelines or procedures to meet or exceed program targets as described in Section V.A.1.[9]
- Design programs and select projects that avoid substantial burdens to residents of disadvantaged and low-income communities, such as physical or economic displacement of low-income or disadvantaged community residents or businesses, including small-, women-, and/or minority-owned businesses; or increased exposure to toxics or other health risks.
- Implement outreach efforts that seek to directly engage and involve local community residents and community-based organizations in disadvantaged and low-income communities. These actions should begin in the early stages (e.g., during development of guidelines and solicitation materials) and continue through project implementation, as feasible. Section IV.A.5 provides examples of outreach strategies.

[9] For administering agencies with additional specific statutory investment requirements for disadvantaged community benefits, such as those in SB 862 or SB 859, ensure the program can meet or exceed both the statutory investment requirements and AB 1550 program targets.

V.B.2. Requirements for maximizing benefits to disadvantaged communities

- When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favors projects that provide multiple benefits or the most significant benefits, as defined by the administering agency) and provide clarity in how that priority is given.
- Provide direct outreach to groups of potential applicants in disadvantaged communities to increase awareness of funding opportunities and the ability of applicants to seek funding and benefit from projects.
    - Conduct outreach in or near disadvantaged communities to seek input on important community needs from local residents and community-based organizations.
    - To balance outreach needs with administering agency resources and capacity, each agency may define a subset of locations that offer reasonable access to participants from the disadvantaged communities likely to benefit from projects.
    - See Section IV.A.5 for examples of recommended outreach efforts.
- Publicly identify an agency or program point of contact or liaison to provide program-specific information, including funding opportunities, program application requirements, eligibility determinations, and application or technical assistance. The program point of contact or liaison should:
    - Provide general outreach and identify opportunities for technical assistance related to their California Climate Investments programs, based on the level of resources available.
    - Participate in the inter-agency California Climate Investments Outreach Work Group to provide direction to agencies on how to engage community-based and environmental justice organizations in disadvantaged communities, strengthen partnerships between administering agencies and local organizations, and expand disadvantaged community access to California Climate Investments programs.
    - Coordinate with the Strategic Growth Council to identify the nature and scope of technical assistance needs for each program and increase competitiveness of applications from disadvantaged community applicants. The Strategic Growth Council administers the California Climate Investments Outreach and Technical Assistance Program and has expertise on effective strategies and tools for providing technical assistance.
    - Coordinate with CARB on California Climate Investments disadvantaged communities outreach activities to increase program awareness, build partnerships, and promote effective engagement and successful participation of disadvantaged communities in the program. CARB has contracted with the

Foundation for California Community Colleges (FCCC) to provide a suite of outreach services and facilitate communication between the public and administering agencies. FCCC serves as a first point of contact for general inquiries through a bilingual (Spanish) hotline (800-757-2907) and email (info@caclimateinvestments.ca.gov). Administering agencies should promote the use of the hotline and email for general questions. To improve the utility of the services for all users, administering agencies should regularly update FCCC of any important deadlines, workshops, contact persons, and general program requirements and eligibility information.

V.B.3. Recommendations for program design

The following recommendations provide additional guidance to administering agencies in designing and implementing their programs to target funding to all priority populations. These recommendations may not be applicable to all programs and are intended to provide a number of possible strategies that administering agencies could use to design their programs in ways that help target benefits to priority populations.

- Set aside a percentage of funding or a dollar amount that will be used only for projects that provide benefits to priority populations. If suitable for a given program, different set-asides could be made for each of the priority populations.
- Offer higher incentive amounts for projects providing benefits to priority populations.
- Hold competitive solicitations that prioritize or award extra points to projects that meet the criteria for benefiting priority populations and include additional elements to help target investments to priority populations. Administering agencies may prioritize:
    - Projects that meaningfully address an important need in a disadvantaged or low-income community. Applicants should describe the level of community engagement used to identify the needs of the community and the benefits that their project will provide to that community.
    - Projects that address multiple common needs as listed in Table 5. Applicants should qualitatively describe the benefits associated with the addressed needs.
    - Projects that meet multiple criteria in Step 3 of the benefit criteria tables. Applicants should describe how the project will meet all of the criteria identified.
    - Projects located in a jurisdiction with policies or programs designed to prevent physical or economic displacement of low-income residents and businesses.
    - Projects developed by, or in close coordination with, community organizations and residents.

- Projects that establish partnerships with small businesses or community-based organizations that promotes organizational capacity building and collaborative project implementation.

- When developing eligibility requirements in program guidelines and solicitation materials, establish targets or minimum thresholds for a specific benefit. For example, an agency could identify a certain percentage of total jobs for a project to be held by residents of priority populations in order to receive a higher priority for funding.
- Require applicants to apply cost savings from project implementation to benefit priority populations (e.g., energy cost savings reinvested in the local community to promote workforce development and community health).

V.C. Evaluating Projects

V.C.1. Evaluation approach

All projects counting toward the investment minimums must be both located within an identified disadvantaged or low-income community and benefit individuals living within that community, or directly benefit residents of low-income households anywhere in the State. Administering agencies must determine if a project meets the criteria for providing direct, meaningful, and assured benefits and addresses an important community need using the following evaluation approach:

Step 1: Identify the priority population(s). Be located within a census tract identified as a disadvantaged community or low-income community, or directly benefit residents of a low-income household;

Step 2: Address a need. Meaningfully address an important community or household need for the identified priority population(s); and

Step 3: Provide a benefit. Using the evaluation criteria, identify at least one direct, meaningful, and assured benefit that the project provides to priority populations. The benefit provided must directly address an identified need.

Only investments that meet these criteria will count toward achieving the statutory investment minimums identified for priority populations. Administering agencies can fund projects that otherwise provide meaningful benefits but do not meet these criteria; however, those projects will not be counted toward investment minimums.

CARB provides benefit criteria tables for each project type, which administering agencies must use to determine whether projects satisfy each of the three steps. In evaluating a project, administering agencies will use the benefit criteria table that is applicable to the project being evaluated. The criteria are designed to enable administering agencies to readily make an objective “yes” or “no” decision about whether a particular project provides a benefit to a priority population.

Jobs training and workforce development investments can provide benefits to priority populations as a standalone project or as part of a larger, more comprehensive California Climate Investments project. Administering agencies must evaluate these projects using the dedicated "Jobs Training and Workforce Development" benefit criteria table. Administering agencies must describe the formal targeting hiring strategies that will be used to ensure high-quality jobs or job training benefits will be delivered to priority populations. Only the portion of GGRF project funds associated with labor and training targeted to priority populations and related project administration is considered to benefit priority populations.

Benefit criteria tables are used by administering agencies to determine whether or not a project provides direct, meaningful, and assured benefits to a priority population. The benefit criteria tables do not provide information about the magnitude or multitude of benefits a project may provide. Administering agencies are encouraged to use co-benefit assessment methodologies to evaluate project benefits at the application stage and when prioritizing and selecting projects.

While the benefit criteria tables are intended for administering agencies, administering agencies may choose to have applicants assess their proposed project against the criteria and provide the benefit criteria table(s) as part of solicitation materials.

Administering agencies are not required to submit completed criteria tables to CARB. Reporting requirements, provided in Section VI, include information administering agencies are required to submit on how projects provide benefits to priority population.

Due to the wide variety of administering agencies and programs, there are numerous methods outlined in the benefit criteria tables that administering agencies might use to determine whether a project benefits priority populations. New and evolving California Climate Investments programs may necessitate new or revised benefit criteria tables. CARB will post draft versions of the benefit criteria tables for public comment prior to finalizing the criteria for use by administering agencies. To the extent feasible, new or revised benefit criteria tables will be developed before a solicitation is released for the applicable project type, to facilitate a coordinated process for public review of draft program guidelines and any draft GHG quantification methodologies.

All benefit criteria tables are posted on the CARB website (www.arb.ca.gov/cci-resources).

V.C.2. Step 1: Identify the priority population(s)

Administering agencies must evaluate whether a project meets the criteria for being located within a disadvantaged community or low-income community, or directly benefits residents of a low-income household.

Many of the criteria are based on a project being located within the boundaries of a disadvantaged or low-income community. The following interactive maps are available as resources to aid in determining geographic eligibility for disadvantaged and low-income communities. The interactive maps show: the disadvantaged community census tracts, low-income community census tracts located anywhere in the State, and "portions of" low-income census tracts within ½ mile around a disadvantaged community tract boundary. These maps are available at: www.calepa.ca.gov/EnvJustice/GHGInvest and www.arb.ca.gov/cci-communityinvestments.

To determine whether a household qualifies as a low-income household, a look-up tool and a list of low-income thresholds by county and household size are available at: www.arb.ca.gov/cci-communityinvestments.

For projects that are in a fixed location (e.g., weatherization of buildings, urban forestry), it is relatively straightforward to evaluate whether the project's physical location is within the geographic boundaries of a disadvantaged or low-income community (identified by the census tract) and determine eligibility. For low-income households located outside of those geographic boundaries, administering agencies must identify an approach to confirm income eligibility. Strategies for identifying income eligibility include:

- Relying on enrollment in public assistance programs that use an income level consistent with the low-income household definitions in AB 1550 to pre-qualify applicants (e.g., CalFresh/Supplemental Nutritional Assistance Program, Temporary Assistance for Needy Families, School Free or Reduced Lunch programs, Medi-Cal);
- Having applicants self-certify that they meet the low-income household definition and the agency conducts a random sample to check income levels;
- Contractually requiring grantees to determine, verify and report income compliance of target households; or
- Requiring all applicants to submit income verification.

For projects in multiple locations or that span multiple census tracts (e.g., rail lines and transit bus routes) and for mobile sources (e.g., zero or near-zero emission cars and trucks), the evaluation may require additional analysis. Guidance for conducting this evaluation is provided in the benefit criteria tables specific to each project type.

If a project does not meet at least one of the qualifying criteria in Step 1, the project does not count toward statutory investment minimums and no further evaluation is needed.

If the project meets at least one Step 1 criterion, continue the evaluation in Step 2. While the project must meet only one Step 1 criterion, administering agencies should identify each criterion that the project meets for accounting and reporting purposes.

V.C.3. Step 2: Address a need

For projects meeting at least one of the criteria in Step 1, administering agencies must evaluate whether the project provides a benefit that meaningfully addresses an important community or household need. An administering agency, applicant, and/or funding recipient must use at least one of the approaches described in Step 2 of the benefit criteria tables to identify a need.

- To determine community or household needs, CARB recommends that administering agencies, applicants, and/or funding recipients directly engage local residents and community-based groups to identify an important need for that community along with steps to meaningfully address that need. Examples of direct engagement include hosting community meetings, workshops, consulting community-based organizations or focus groups, conducting community surveys, or other outreach efforts to gather local input on important community needs.
- As an alternative to direct community engagement, administering agencies, applicants, and/or funding recipient can either identify individual factors in CalEnviroScreen that most impact a disadvantaged or low-income community; receive documentation of broad support for a proposed project from local community-based groups and residents; or refer to the list of common needs in Table 5 and select a need that has documented broad support from local community-based organizations and/or residents.
- The administering agency must document the approach used to determine community need and, if applicable, should document the level of engagement and how community input was considered in project design.

Table 5 lists some common needs of priority populations, as identified by community advocates. Table 5 is not intended to reflect a definitive list of all potential needs of disadvantaged and low-income communities and low-income households, and items included in the list may not be applicable for a specific community. Rather, Table 5 is provided for illustrative purposes to help administering agencies assess whether a project might address common needs and offer specific benefits to priority populations.

Table 5. Examples of Common Needs of Priority Populations

Public Health
1. Reduce health harms (e.g., asthma) suffered disproportionately by priority populations due to air pollutants. 2. Reduce health harms (e.g., obesity) suffered disproportionately by priority populations due to the built environment (e.g., provide active transportation, parks, playgrounds). 3. Increase community safety. 4. Reduce heat-related illnesses and increase thermal comfort (e.g., weatherization and solar energy can provide more efficient and affordable air-conditioning; urban forestry can reduce heat-island effect). 5. Increase access to parks, greenways, open space, and other community assets.
Economic
1. Create quality jobs and increase family income (e.g., targeted hiring for living-wage jobs that provide access to health insurance and retirement benefits with long-term job retention, using project labor agreements with targeted hire commitments, community benefit agreements, community workforce agreements, partnerships with community-based workforce development and job training entities, State-certified community conservation corps). 2. Increase job readiness and career opportunities (e.g., workforce development programs, on-the-job training, industry-recognized certifications). 3. Revitalize local economies (e.g., increased use of local businesses) and support California-based small businesses. 4. Reduce housing costs (e.g., affordable housing). 5. Reduce transportation costs (e.g., free or reduced cost transit passes) and improve access to public transportation (e.g., new services in under-served communities). 6. Reduce energy costs for residents (e.g., weatherization, solar). 7. Improve transit service levels and reliability on systems/routes that have high use by disadvantaged and/or low-income community residents or low-income riders. 8. Bring jobs and housing closer together (e.g., affordable housing in transit-oriented development and in healthy, high-opportunity neighborhoods). 9. Preserve community stability and maintain housing affordability for low-income households (e.g., prioritize projects in jurisdictions with anti-displacement policies). 10. Provide educational and community capacity building opportunities through community engagement and leadership.
Environmental
1. Reduce exposure to local environmental contaminants, such as toxic air contaminants, criteria air pollutants, and drinking water contaminants (e.g., provide a buffer between bike/walk paths and transportation corridors). 2. Prioritize zero-emission vehicle projects for areas with high diesel air pollution, especially around schools or other sensitive populations with near-roadway exposure. 3. Reduce exposure to pesticides in communities near agricultural operations. 4. Greening communities through restoring local ecosystems and planting of native species, improving aesthetics of the landscape, and/or increasing public access for recreation.

If the project addresses a community or household need as described in Step 2, proceed to Step 3. If the project does not address a community or household need, it will not be considered to provide a meaningful benefit to priority populations, it will not count toward statutory investment minimums, and no further evaluation is needed.

V.C.4. Step 3: Provide a benefit

For projects that meet the criteria in Steps 1 and 2, the project must meet at least one of the criteria in Step 3 to be considered as providing direct, meaningful, and assured benefits to priority populations and count toward statutory investment minimums. The benefit provided must directly address the need identified in Step 2. Administering agencies must describe the identified important community or household need that is being addressed.

While many of these projects will provide multiple benefits to priority populations and may meet multiple benefit criteria, agencies must identify and report only one benefit criterion to count toward the statutory investment minimums. Administering agencies are encouraged to use co-benefit assessment methodologies to evaluate project benefits. Agencies may additionally provide a qualitative description of all benefits provided to priority populations when reporting on funded projects.

For projects that provide funding in several locations (e.g., solar installations throughout California, rebates for zero-emission vehicles, waste diversion and utilization grant that includes a food rescue or textile rescue project), the administering agency and/or funding recipient is required to identify, track, and report the amount of funding that is spent in locations with priority populations. Only the portion of funding that is spent to benefit priority populations may be counted toward statutory investment minimums.

VI. Reporting Requirements

VI.A. Background

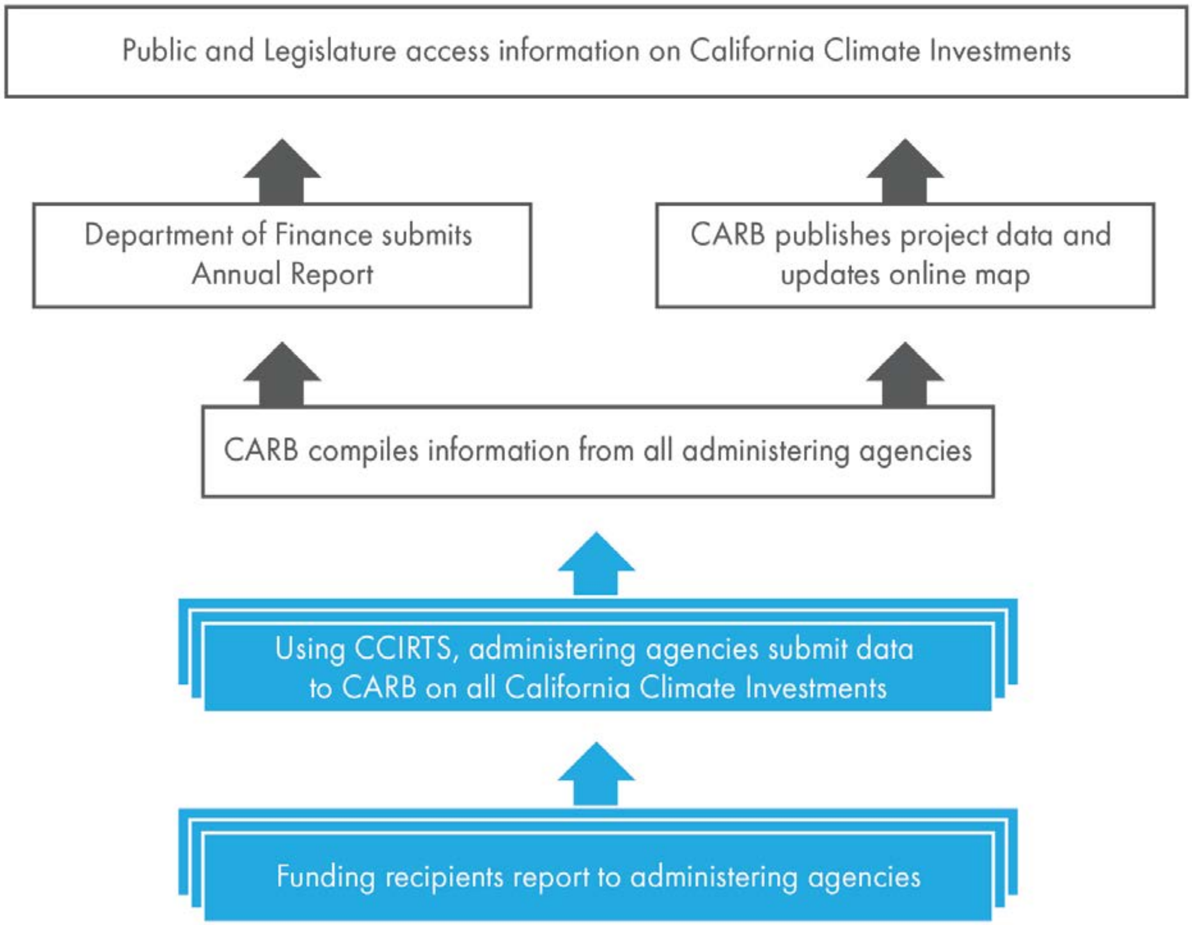
Accountability and transparency are essential elements for all California Climate Investments. Information on how administering agencies are investing appropriations from the GGRF and what benefits are being achieved from those investments will be made available to the public. All administering agencies are required to track project status and report the estimated benefits, including GHG emission reductions, co-benefits, and benefits to priority populations. This information is used to demonstrate how the Administration is achieving or exceeding the statutory objectives for California Climate Investments.

The Department of Finance is required to submit an Annual Report to the Legislature (Annual Report), which is due each March. The Annual Report summarizes investments and provides key statistics on estimates of GHG emission reductions; benefits to priority populations; demand for funding; and leveraged funds. CARB supports this effort by consolidating the data reported from all administering agencies. CARB also assesses progress in meeting or exceeding the statutory investment minimums for providing benefits to priority populations. Annual Reports are available at: www.caclimateinvestments.ca.gov/annual-report.

In addition, CARB maintains a California Climate Investments website on behalf of the Administration that functions as an easy-to-use portal with centralized information on all of the administering agencies (www.caclimateinvestments.ca.gov). Through an online map (www.arb.ca.gov/ccimap), the public can access information on project locations, funding amounts, GHG emission reductions, co-benefits, and benefits to priority populations.

Figure 5 illustrates the flow of data through administering agencies to CARB to support the Annual Report to the Legislature and public transparency.

Figure 5. Reporting to the Legislature on California Climate Investments



VI.B. Reporting Process

CARB developed the California Climate Investments Reporting and Tracking System (CCIRTS), an online system for administering agencies to report information on programs and projects. Collecting information through CCIRTS improves data consistency across programs and allows for more frequent reporting. Administering agencies can access CCIRTS at: air.arb.ca.gov/ccirts. Additional guidance on how to upload and submit data through CCIRTS is included in a User Guide available on the CCIRTS website.

Administering agencies submit information in CCIRTS on program implementation as well as individual projects. Administering agencies are responsible for collecting project information and submitting reports in CCIRTS during each semi-annual reporting cycle on the activities that occurred within that period. The reporting cycles cover December 1 through May 31 and June 1 through November 30. Submittals are due 30 days after the end of a reporting cycle.

To help project applicants comply with the reporting requirements, administering agencies must clearly describe project tracking and reporting requirements when they develop program documents (e.g., guidelines, solicitation materials, grant agreements). In most cases, administering agencies will need to work with their funding recipients to obtain project-level data. Administering agencies may decide it is more appropriate to perform direct monitoring themselves or obtain data from a source other than the funding recipient (e.g., utility company or researcher).

CARB provides a formatted template that includes all required and optional reporting fields that are specific to each project type and each stage of reporting. Administering agencies upload the completed template within CCIRTS. CARB posts the reporting templates on the CARB website (www.arb.ca.gov/cci-resources) and for download in CCIRTS.

Reporting templates are based on the existing suite of project types being funded. As the State Budget adds appropriations for new programs and administering agencies expand the types of projects funded, CARB will develop new or revised reporting templates with the specific requirements for those new programs and project types. Draft versions of new and revised reporting templates will be posted for public comment on the CARB website at: www.arb.ca.gov/cci-resources.

VI.C. Program-level Information

All administering agencies must submit program-level information to CARB, including:

- Program description;
- How the program facilitates the achievement of GHG emission reductions;
- How the program provides benefits to priority populations;
- Co-benefits provided by the program;
- The role of cost-effectiveness and other effectiveness metrics;
- Program schedule;
- Solicitation process and outcomes (e.g., number of applicants, requested funds, leveraged funds);
- Public transparency and outreach events (e.g., dates, locations, topics, attendees);
- Funding to intermediaries to cover administrative costs of program implementation (see Section VI.C.1); and
- Fiscal reports including administrative costs incurred by administering agencies (see Section VI.G).

VI.C.1. Administrative costs

The amount of administrative costs is determined by a number of factors that may include: agency policies, direction from Department of Finance, and statutory requirements or trailer bill language enacted by the Governor and Legislature. Budget appropriations may identify funding to cover costs for agency staff to administer the program (e.g., State operations costs).

Costs incurred by an agency to administer the program, including costs incurred by partner State agencies that participate in administering the program, are being tracked outside of CCIRTS through a fiscal reporting process described in Section VI.G.

In addition to these costs, administering agencies may provide funding to intermediaries (e.g., grantee, third-party administrator, local agency) that use part of the funding to cover the administrative costs associated with distributing incentives, implementing projects, or tracking and reporting data. To support public transparency, administering agencies that implement projects using an intermediary must track administrative costs and report this information in CCIRTS.

For administering agencies contracting with an intermediary, intermediary administrative costs may include individually invoiced items considered “administrative fees” or “processing fees.” For administering agencies that distribute funds outside of a legal agreement, intermediary administrative costs will include any amount of funds not spent directly on project costs. Administering agencies are only required to report administrative costs that are funded by GGRF. Administering agencies have different approaches for defining administrative costs and will need to document the types of expenses that they classify as administrative. Since administering agency definitions may vary, CARB will work with each agency to describe what must be reported for intermediary administrative costs.

VI.D. Project-level Information

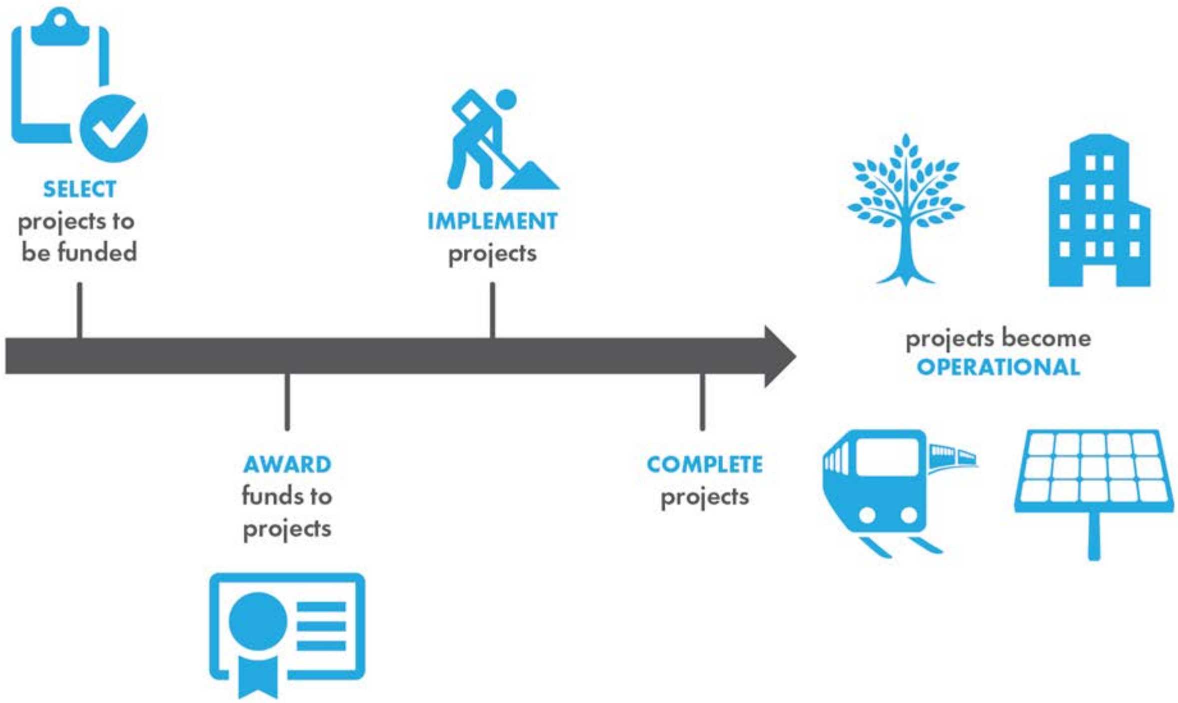
All administering agencies must document project status and outcomes. Each reporting cycle, administering agencies submit project data in CCIRTS that include detailed information and benefits on each project. The reporting templates provide details for each project type on the data that administering agencies must report.

When administering agencies submit reports in CCIRTS, GHG emission reductions and other benefits must be reported in accordance with CARB’s guidance, including quantification methodologies and co-benefit assessment methodologies, and agencies must document the applicable version that was used for each project.

VI.D.1. Project stages

The information that administering agencies must report will vary for the different project types and project stages. Figure 6 illustrates the project stages that are associated with funding a project.

Figure 6. Project Stages



Each project stage is briefly described below. These terms are specific to the reporting and tracking of California Climate Investments and may differ from the terms used by administering agencies to describe program implementation.

- **Selected.** Administering agency has announced funding recipients prior to executing grant agreements, but has not yet "awarded" funds. The "selected" stage refers to the administering agency's intent to fund projects (e.g., a public announcement of funding recipients). Reporting on "selected" projects prior to the award stage is optional. At this stage, administering agencies may submit data with basic project information to show progress in utilization of appropriated funds.
- **Awarded.** Administering agency has committed funding to a project (e.g., executed a contract with a grantee; transferred funds to another agency or program administrator). At this stage, administering agencies must submit data with project details and expected benefits.
- **Implemented.** Final recipient has received all funds and the project has attributable GHG emission reductions and benefits to priority populations. Projects are not considered implemented until the funding recipient has received

the entire amount "selected" for funding. For some programs, "implemented" may occur concurrently with "awarded" (e.g., grant executed for waste diversion project) and all relevant project data is collected at one time for "awarded" and "implemented." For other programs, "awarded" and "implemented" may occur at different times (e.g., funds "awarded" to an administrator for a zero-emission vehicle rebate program, but the funds are not "implemented" until the administrator distributes rebates to the final recipients). For these projects, administering agencies must submit data on expected benefits for projects implemented during the reporting cycle.

- **Completed.** Contract or grant agreement ends, all incentive funds are expended, or all project activities are complete. "Completed" may occur before or after the project's "operational" milestone depending on project type. This stage signals the closeout of project reporting and the administering agency must report projects as "completed."
- **Operational.** Project has reached a specified milestone (e.g., transit line is in service, energy efficiency equipment is installed and functional, forest restoration is complete) and benefits from the investment are accruing. The "operational" milestone will vary by project type and is specified in the project outcome reporting guidance within the reporting templates. The "operational" stage triggers project outcome reporting for a subset of project types. Section VI.D.7 provides for more information on project outcome reporting.

The reporting templates, tailored by project type, contain the specific data requirements and definitions for the reporting stages listed above.

VI.D.2. Reporting benefits to priority populations

Administering agencies are responsible for verifying and documenting the benefits to priority populations. Administering agencies must submit project information to CARB to support the reported benefits to priority populations. CARB compiles this information and determines the total percentage of California Climate Investments that benefit priority populations. In general, administering agencies must:

- **Identify the specific criteria that the project meets**. To evaluate each project, agencies must use the evaluation approach in Section V. Only investments that meet the criteria will count toward achieving the statutory investment minimums for priority populations. If a project benefits multiple priority populations (e.g., a project located in a single census tract considered both low-income and disadvantaged, a project that spans both a disadvantaged community census tract and a low-income community census tract), to the extent feasible, administering agencies must report all applicable priority populations, to the extent feasible. This allows CARB flexibility in accounting a project's benefits to any applicable priority population when assessing progress toward meeting investment minimums across all California Climate Investments programs. CARB will only count project funds once towards benefiting a single priority population.

For projects that were selected for funding prior to August 4, 2017, administering agencies must report whether each project is "located within" and/or "provides benefits to" a disadvantaged community, based on the SB 535 criteria in the 2015 Funding Guidelines, which is available at: www.arb.ca.gov/cci-fundingguidelines. If feasible, administering agencies should also document benefits to other priority populations for these projects.

- **Describe how a project meaningfully addresses an important need**. Administering agencies also must report how a project meaningfully addresses an important need of a priority population.

VI.D.3. Reporting co-benefits

All reporting templates include fields for co-benefits (e.g., reducing air pollutants). Where feasible, CARB will incorporate estimation of certain co-benefits into new and updated calculator tools. If available from the calculator tool, administering agencies must report the values associated with each project's co-benefits. Administering agencies must also report the potential employment benefits estimated using the jobs co-benefit assessment methodology for all projects awarded after the methodology becomes available. For other co-benefits with optional standalone assessment methodologies, reporting this information is encouraged but optional. If reporting on optional co-benefits, administering agencies must report the information for all projects of the same project type. Administering agencies have the opportunity to report a qualitative description of a project's co-benefits in CCIRTS. Administering agencies may choose to report qualitatively on co-benefits that do not have a CARB co-benefit assessment methodology.

The reporting templates may contain fields that are not applicable to a given project type. For fields not applicable, administering agencies may leave cells blank.

Positive co-benefits can result from reductions (e.g., in air pollution) or increases (e.g., cost savings). Administering agencies should refer to definitions within the reporting templates when considering the directionality of the change (+/-) as determined by assessment methodologies and calculator tools.

Administering agencies report the results of co-benefit assessment methodologies for individual projects. When consolidating submitted data, CARB may aggregate reported co-benefit outcomes for each program or for all California Climate Investments.

VI.D.4. Reporting employment benefits and outcomes

Administering agencies are required to report the potential employment benefits estimated using the jobs co-benefit assessment methodology for all projects awarded after the methodology becomes available.

Administering agencies are also encouraged to report information on employment outcomes from awarded projects that provide jobs or job training. Administering agencies are required to submit information, if available and consistent with confidentiality protections, for any awarded project that meets the following criteria:

- Uses benefit criteria related to employment to count toward achieving the statutory investment minimums for priority populations; or
- The total project costs, including GGRF and other funding sources, exceed $1,000,000.

CARB provides metrics on employment outcomes for projects that include jobs or job training within the reporting templates. The requested data includes information on the quantity and quality of jobs, including wages and credentials provided through training programs. This information may be readily available for projects where funding recipients are already tracking employment data using standardized methods (e.g., certified payroll systems).

VI.D.5. Projects implemented over multiple years

The term “multi-year project” refers to a single project that receives funding from GGRF over multiple years, either from a continuous appropriation or from individual budget appropriations that occur in multiple fiscal years.

For projects that include multiple components, each project component that can be evaluated individually (e.g., project cost, estimated GHG emission reductions, benefits to priority populations) must be reported as individual projects. For components that cannot be evaluated individually, all components must be reported together as a single project. For example, a multi-year project may include a large infrastructure project that is constructed in phases. The project receives funding for each phase over multiple years. The project cost and estimated GHG emission reductions are attributed to the implementation of the project as a whole, rather than to each phase. Note that awarded multi-year projects are not considered implemented until the funding recipient has received the entire amount selected for funding.

During the implementation of a multi-year project, guidance on GHG quantification, evaluating benefits, and other items might change as a result of new statutory requirements or other factors. For multi-year projects, administering agencies must document project benefits based on the guidance and statutory requirements that were in effect when the agency selected the project (i.e., identified the funding recipient). Please note that the term “multi-year” only applies if the project scope and benefits remain unchanged as additional GGRF moneys are awarded to the project. If the project scope or benefits change, the administering agency must reassess, document, and report project benefits based on the most current requirements.

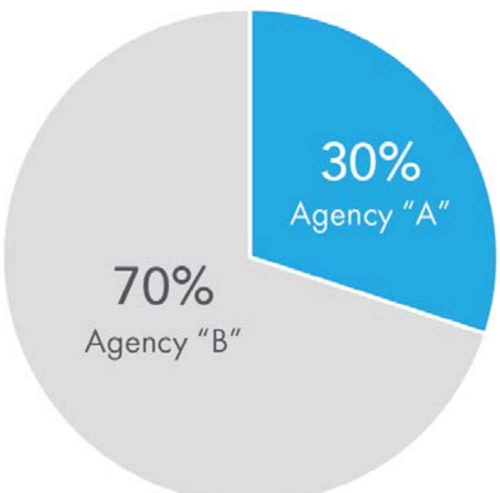
For guidance and statutory requirement changes that occur between project selection and implementation, administering agencies may be required to report, to the extent feasible, supplemental information necessary to evaluate benefits based on the up-to-date project information and the requirements in place at time of reporting. The relevant requirements in place include: the statutory requirements; the version of

CalEnviroScreen; CalEPA's designations for disadvantaged communities; the designations for low-income communities and low-income households; and criteria for determining whether a project benefits priority populations.

VI.D.6. Projects funded from multiple GGRF sources

Projects may receive GGRF moneys from multiple California Climate Investments programs. In some cases, applicants may be encouraged to leverage funds from multiple programs to fund a single project (e.g., a bus rapid transit project may combine funding from CalSTA's Transit and Intercity Rail Capital Program and CARB's Zero-Emission Truck and Bus Pilot Program). When applying for funding, applicants must clearly identify all potential GGRF sources for the project (e.g., in their application and quantification methodology). When estimating and reporting benefits from projects funded from multiple sources, funding recipients may be required to apportion GHG emission reductions and other benefits to prevent double counting (e.g., prorate reductions, jobs, or other quantitative co-benefits based on each administering agency's financial contribution). Figure 7 illustrates the approach to prorate quantitative benefits based on each program's relative GGRF financial contribution.

Figure 7. Prorating Benefits Based on Program Contribution to a Single Project



Example of Prorating:

- Two California Climate Investments programs provide funding for a single project.
- Both programs could potentially claim the same project benefits.
- If program "A" contributes 30% of the total amount of GGRF funding provided to the project, program "A" would report 30% of the project benefits.

** Apportioning is only necessary if estimated GHG emission reductions or co-benefits are duplicative for multiple GGRF funding sources.*

VI.D.7. Project outcome reporting

Project outcome reporting is the tracking and reporting of outcomes for operational projects. Project outcome reporting supports accountability and transparency in communicating program successes in facilitating the achievement of GHG reductions and maximizing economic, environmental, and public health benefits to the State. Many of the metrics administering agencies must report align with key inputs in the quantification methodologies and can substantiate estimated outcomes. Information collected can help inform future design of California Climate Investments programs and guidance.

Project outcome reporting requirements only apply to a subset of California Climate Investments. Administering agencies will select the specific projects for which they will submit project outcome reports. CARB works with administering agencies to develop project outcome reporting requirements tailored to each California Climate Investments program, which vary by project type. The reporting templates contain project outcome reporting guidance, by program, on:

- Milestones that initiate the start of project outcome reporting;
- Metrics that administering agencies must report; and
- Frequency and duration of project outcome data collection and reporting.

CARB includes the project outcome reporting requirements in the reporting templates available on the CARB website (www.arb.ca.gov/cci-resources) and within CCIRTS. As needed, CARB will work with administering agencies to develop or update project outcome reporting requirements for new or evolving programs.

Project outcome data collection and reporting begins when a project reaches a specified milestone and is considered "operational." In some cases, project outcome data collection and reporting will begin prior to project closeout due to the project reaching a milestone that enables project outcomes to be reported in advance of project completion.

Project outcome reporting is not applicable for some project types; for example, where all relevant information is reported at the time of project closeout. Programs that fund only project types that are not subject to project outcome reporting do not have project outcome reporting requirements (e.g., CARB's Enhanced Fleet Modernization Plus-Up Program). For programs that fund some project types not subject to project outcome reporting, those project types are identified as not applicable in the guidance provided in reporting templates.

Project outcome data may be tracked and collected by administering agencies, funding recipients, or other entities. Administering agencies are responsible for compiling, reviewing, and submitting data to CARB. If the administering agency requires funding recipients to track project outcome data, the agency is responsible for including language regarding project outcome reporting requirements in contracts / agreements with funding recipients.

Due to the wide variety of programs and project types, there are multiple approaches for collecting project outcome data. Examples of potential data collection approaches include:

- **Obtain data from funding recipient**. Administering agencies could direct funding recipients to provide project outcome data as part of the grant or loan agreement or through a separate agreement. Due to fund liquidation deadlines, administering agencies may need to establish different fiscal and performance periods in their grant or loan agreements to accommodate the length of the project outcome reporting period. For example, a waste diversion project could have a two-year fiscal grant term and a five-year project performance period of the grant agreement. During the first two years, the project would be constructed, become operational, and reach full capacity. During the final three years of the grant term, the funding recipient would collect data on the quantity of waste diverted and renewable energy generated and report that data to the administering agency.
- **Conduct surveys**. Administering agencies could use staff or an administrative contract funded with State operations funds to conduct a survey of their projects to collect project outcome data. For example, a survey could be conducted for transit or active transportation projects to determine transit ridership rates or use of bicycle lanes.
- **Conduct direct monitoring of project sites**. Administering agencies could use staff or an administrative contract funded with State operations funds to perform direct monitoring to collect project outcome data through site visits or, if appropriate, review of aerial imagery. For example, administering agency staff could periodically visit and inspect a conservation project site to confirm that land continues to be managed in accordance with the terms of the easement.
- **Obtain data from a third party**. Administering agencies could obtain project outcome data from a third party instead of from the funding recipient. For example, an administering agency could establish an agreement with a utility to obtain energy or water use data for households operating more efficient devices. Such an arrangement may require administering agencies to obtain permission from the household to release utility data for this purpose.

Expenditures incurred by administering agencies and funding recipients to collect and report on project outcomes are typically considered administrative costs.

VI.E. Revolving Loan Programs

The reporting requirements for California Climate Investments are primarily focused on cases where funds are invested once to implement a project(s). However, appropriations can also be used for revolving loan programs, where administering agencies manage a special fund and issue loans for investments that facilitate the achievement of GHG emissions. After loan recipients make payments, those dollars are typically re-deposited in the special fund or the GGRF to support future projects. For the purposes of the reporting requirements on California Climate Investments, administering agencies must submit data during the term of any loans funded by the GGRF, including loans made with repaid dollars. Each loan would be considered to be a separate project and administering agencies would submit data, based on the reporting requirements that are in place at the time that the new project is selected, regardless of the fiscal year when the funds were appropriated.

VI.F. Information for Oversight and Audits

All administering agencies are subject to Legislative and Administration oversight, including audits by the California State Auditor, Department of Finance, other State oversight agencies, or a third-party auditor. In addition, the "Joint Legislative Committee on Climate Change Policies (Committee)" provides ongoing, permanent oversight over the implementation of the State's climate policies, with an emphasis on transparency and accountability. This Committee ascertains facts and makes recommendations to the Legislature concerning the State's programs, policies, and investments related to climate change.

Administering agencies must provide information as requested by oversight agencies. If detailed project information is requested, administering agencies will need to coordinate with the appropriate funding recipient(s) to deliver the requested data in a timely fashion. Audits or program reviews may occur at any time during program implementation or after projects are completed. Therefore, administering agencies must inform their funding recipients of their responsibilities for maintaining project documents. For information submitted to CARB, administering agencies should retain documentation for three years after submittal. Note that oversight agencies may request information in excess of the information reported to CARB.

VI.G. Fiscal Reports

Appropriations from the GGRF are based on budget assumptions. The amount of auction proceeds available to the GGRF throughout the fiscal year is dependent on the results of each auction and reserve sale.

If administering agencies request to withdraw sizeable portions of their appropriation early in the fiscal year, there may not be a sufficient balance available in the GGRF to fulfill all requests at that time. Administering agencies must coordinate with Department of Finance and CARB to establish fiscal procedures for managing their appropriation from the GGRF. CARB and Department of Finance will work with administering agencies to ensure that funds will be available to satisfy appropriations and transaction requests.

Administering agencies are responsible for encumbering and expending funds consistent with federal and State law, and ensuring that their appropriation is utilized consistent with the Expenditure Record and cash flow estimates.

For projects that leverage funds from multiple non-GGRF sources, administering agencies need a mechanism to track the specific expenditures from the GGRF and identify the amount being spent on administrative costs.

VI.G.1. Allocations of authority

As the GGRF administrator, CARB actively monitors the cash in the GGRF and tracks actual and budgetary expenditures. CARB requires administering agencies provide:

- A breakdown of each program by funding source (e.g., how much of local assistance and/or capital outlay budget is used for each program).

  Example:

Local Assistance (reference 101)	Fiscal Year 2014-15
Passenger ZEV rebates	$109,483,000
Freight demonstration projects	$24,658,000
Total Local Assistance (reference 101)	$134,141,000

- A breakdown of administrative costs used beyond State operations (e.g., how much of State operations budget is used for administration and/or to fund programs).

  Example:

State Operations (reference 001)	Fiscal Year 2014-15
Administration	$2,360,000
Grants: Freight demonstration projects	$3,000,000
Total State Operations (reference 001)	$5,360,000

VI.G.2. Monthly reporting requirements

To comply with GGRF Administrator responsibilities,[10] CARB requires that administering agencies submit the reports listed below on a monthly basis.

Administering agencies should submit reports from the California State Accounting and Reporting System (CalSTARS), Financial Information System for California (FI$Cal), or equivalent, to CARB's Accounting unit at: GGRFFiscal@arb.ca.gov:

- On the first of each month, CARB will request updated cash projections.
- In the middle of each month, CARB will request the information in Table 6.

[10] Source: California Department of Finance.

Table 6. Monthly Reporting Requirements

CalSTARS Agencies	FI$Cal Agencies
B06 - Budget Report	Final Budget Report (all open Fiscal Years) [RPTGL067]
G01 - Trial Balance	Trial Balance Report [RPTGL068]
D16 - Document Report for State Controller’s Office Reconciliation	Encumbrance Status Report
Q22 - PFA[11] Worksheet by Program	Plan of Financial Adjustment Report
H00 - Expenditures / Disbursements Register	Not requested

CARB tracks expenditures for each program; therefore, CARB needs administering agencies to identify the individual program(s) for expenditures incurred. CARB will work with each administering agency to understand how it tracks authority and expenditures in its System of Record (e.g., CalSTARS, SAP, FI$Cal), so CARB can clearly see the breakdown on the administering agency’s reports.

VI.G.3. <u>Process for monitoring cash in the GGRF</u>

CARB monitors daily transaction activity.[12] CARB considers the following when analyzing the impact of proposed expenditures on the cash balance in the GGRF:

- Adequate cash is available to support the proposed expenditures; and
- The actual cash flow for expenditures is reasonably close to the estimates previously submitted by each administering agency to CARB.

Based on the projected cash flows of the GGRF for the month, CARB will promptly notify Department of Finance of any potential overdrafts.

[11] Plan of Financial Adjustment (PFA) - A plan whereby any State agency, which is supported by more than one fund or appropriation, may make financial adjustments between funding sources for services rendered, supplies used, or for a proper proportion of other expenses. (State Administrative Manual Section 8452)

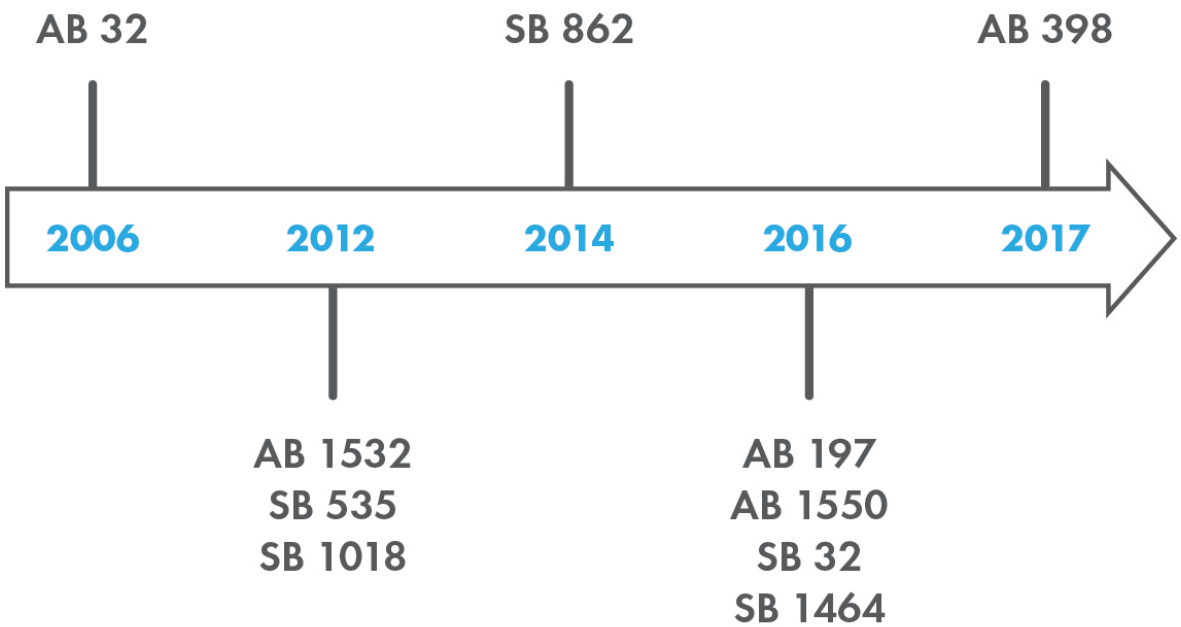
[12] CARB has developed the process in accordance with the State Administrative Manual Sections 8452, 8715, 8452.1, 8452.2, and Government Code Section 11251.

VII. Reference Tools

VII.A. Guiding Legislation

The bills summarized here are the basis for the requirements in the Funding Guidelines. Legislation is listed by the order in which the bills were enacted, as shown in Figure 8.

Figure 8. Key Legislation



VII.A.1. <u>Legislation Enacted in 2006</u>

AB 32 (Pavley and Nuñez, Chapter 488, Statutes of 2006; Health and Safety Code, Division 25.5, Sections 38500-38599):

- Establishes California's Global Warming Solutions Act, which creates a comprehensive, multi-year program to reduce GHG emissions in California. The Cap-and-Trade Program is a key strategy for reaching the State's GHG emission reduction goals and includes an auction system that provides funding for California Climate Investments.
- Requires California to reduce GHG emissions to 1990 levels by 2020, and to maintain and continue reductions beyond 2020.

Appropriations from the GGRF must further the purposes of AB 32 and the related statutes which comprise the current version of the Health and Safety Code Division 25.5. The term "AB 32 and related statutes" refers to AB 32, SB 32, AB 197, AB 398, and any future bills that amend this Division.

VII.A.2. Legislation Enacted in 2012

AB 1532 (Pérez, Chapter 807, Statutes of 2012; Health and Safety Code Sections 39711-39723):

- Requires that Cap-and-Trade auction proceeds be used to facilitate the achievement of GHG emission reductions and, where applicable and to the extent feasible:
  - Maximize economic, environmental, and public health benefits to the State.
  - Foster job creation by promoting in-State GHG emissions reduction projects carried out by California workers and businesses.
  - Complement efforts to improve air quality.
  - Direct investment toward the most disadvantaged communities and households in the State.
  - Provide opportunities for businesses, public agencies, nonprofits, and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions.
  - Lessen the impacts and effects of climate change on the State's communities, economy, and environment.
- Describes seven priority areas for investments including sustainable communities, clean freight and transportation, energy efficiency and renewable energy, natural resources management, waste diversion, research, and investing in local and regional entities.
- Requires the Department of Finance, in consultation with CARB, to submit to the Legislature a three-year Investment Plan[13] that identifies priority programs for investment of proceeds to support achievement of the State's GHG emission reduction goals.[14]
- Requires CARB to hold at least two public meetings prior to the release of the Investment Plan and consult with the Public Utilities Commission.
- Requires that appropriations from the GGRF be consistent with the Investment Plan.
- Requires the Department of Finance to submit an Annual Report to the Legislature by March 1 describing the status and outcomes of projects funded with auction proceeds.[15]

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[13] Department of Finance submitted the first Investment Plan to the Legislature in May 2013 for auction proceeds generated during fiscal years 2013-14 through 2015-16. They submitted the second Investment Plan in January 2016 for fiscal years 2016-17 through 2018-19. Both Investment Plans are available at: www.arb.ca.gov/cci-investmentplan.

[14] The investment plan requirements were amended by SB 1464 in 2016.

[15] Annual Reports are available at: www.caclimateinvestments.ca.gov/annual-report.

SB 535 (De León, Chapter 830, Statutes of 2012; Health and Safety Code Sections 39711-39723):

- Requires CalEPA to identify disadvantaged communities for investment opportunities.
- Requires CARB to provide guidance on maximizing benefits to the identified disadvantaged communities.
- Establishes investment minimums for 25 percent of the proceeds to benefit disadvantaged communities and ten percent of the proceeds to projects located within those communities.[16]

SB 1018 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2012; Government Code Sections 16428.8-16428.95):

- Establishes the GGRF as the account to receive auction proceeds.
- Requires State agencies that have been appropriated moneys from the GGRF to prepare an Expenditure Record. An expenditure record is a document that describes:
  - The proposed use of the GGRF moneys;
  - How a proposed expenditure will further the regulatory purposes of AB 32;
  - How a proposed expenditure will contribute to achieving and maintaining GHG emission reductions;
  - How the State agency considered the applicability and feasibility of other non-GHG emission reduction objectives; and
  - How the State agency will document the result achieved from the expenditure.

VII.A.3. Legislation Enacted in 2014

SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014; Government Code 16428.9, Health and Safety Code Sections 39710-39723, Public Resources Code Sections 75200-75230):

- Requires that CARB develop funding guidelines for administering agencies to ensure statutory requirements are met. These guidelines must include a component for how administering agencies should maximize benefits for disadvantaged communities.
- Requires that CARB develop guidance on reporting and quantification methodologies for all administering agencies to ensure that agencies meet their expenditure record requirements.

[16] The investment minimums were amended by AB 1550 in 2016.

- Establishes requirements for agencies receiving GGRF moneys and provides continuous appropriations of future GGRF moneys for transportation, transit, land use, housing, and agricultural land preservation programs.
- Requires CARB to provide consultation to the Strategic Growth Council on development of the Affordable Housing and Sustainable Communities Program.
- Requires CARB to provide consultation to Department of Transportation on the Low Carbon Transit Operations Program.
- Establishes continuous appropriations totaling 60 percent of the annual proceeds from the GGRF beginning in fiscal year 2015-16 to the following agencies and programs:
    - o 25 percent to the High-Speed Rail Project administered by the High-Speed Rail Authority;
    - o 20 percent to the Affordable Housing and Sustainable Communities Program administered by the Office of Planning and Research, the Strategic Growth Council, and its member agencies;
    - o 10 percent to the Transit and Intercity Rail Capital Program administered by the State Transportation Agency; and
    - o 5 percent to the Low Carbon Transit Operations Program administered by the Department of Transportation.

VII.A.4. Legislation Enacted in 2016

AB 197 (Garcia, E., Chapter 250, Statutes of 2016; Health and Safety Code Sections 38506, 38531, 38562.5, and 38562.7):

- Amends Division 25.5 of the Health and Safety Code in relevant part to:
    - o Require CARB to consider the social cost of GHG emissions and to prioritize regulations that result in direct emission reductions from large stationary sources and mobile sources, when CARB is adopting regulations to reduce GHG emissions; and
    - o Provide additional direction for developing the Scoping Plan.

AB 1550 (Gomez, Chapter 369, Statutes of 2016; Health and Safety Code Section 39713):

- Amends the existing SB 535 investment minimums for disadvantaged communities and establishes new investment minimums for low-income communities and low-income households such that:
    - o A minimum of 25 percent of the proceeds be invested in projects that are located within and benefiting individuals living in disadvantaged communities;

  - o An additional minimum of five percent of the proceeds be invested in projects that are located within and benefiting individuals living in low-income communities or benefiting low-income households statewide; and
  - o An additional minimum of five percent of the proceeds be invested in projects that are located within and benefiting individuals living in low-income communities, or benefiting low-income households, that are within a half mile of a disadvantaged community.

SB 32 (Pavley, Chapter 249, Statutes of 2016; Health and Safety Code Section 38566):

- Requires California to achieve a 40 percent emission reduction below 1990 levels by 2030.

SB 1464 (De León, Chapter 679, Statutes of 2016; Health and Safety Code Section 39716);

- Amends the Investment Plan requirements in AB 1532 such that the Department of Finance must include:
  - o An assessment of how proposed investments interact with State regulations, policies, and programs;
  - o An evaluation of whether and how those proposed investments could be incorporated into existing programs; and
  - o Recommendations for metrics that would measure progress and benefits from the proposed programmatic investments.

VII.A.5. <u>Legislation Enacted in 2017</u>

AB 398 (Garcia, E., Chapter 135, Statutes of 2017; Health and Safety Code Sections 38501, 38505, 38562, 38590-38592, and 38594, Public Resources Code Sections 4210, 4213, 4229, and Revenue and Taxation Code Section 6377):

- Provides direction on a post-2020 Cap-and-Trade Program.
- Identifies priorities for the Legislature to consider for future appropriations from the GGRF, including, but not limited to:
  - o Air toxic and criteria air pollutants from stationary and mobile sources;
  - o Low- and zero-carbon transportation alternatives;
  - o Sustainable agricultural practices that promote the transitions to clean technology, water efficiency, and improved air quality;
  - o Healthy forests and urban greening;
  - o Short-lived climate pollutants;
  - o Climate adaptation and resiliency; and
  - o Climate and clean energy research.

- Extends partial Sales and Use Tax Law exemptions for qualified tangible personal property and annually transfers the dollar amount of those exemptions from the GGRF to the General Fund with Department of Finance concurrence.[17]
- Suspends the existing fire prevention fee for structures within a state responsibility area and declares the intent of the Legislature to appropriate moneys from the GGRF to replace the fire prevention fee as a source for funding of the fire prevention activities.

VII.A.6. Budget Bills

Each year, the Legislature enacts budget bills to appropriate available funds, and one or more of those bills includes appropriations from the GGRF. The Legislature may also enact budget trailer bills, which provide additional requirements or direction for specific appropriations. Appropriations in budget bills authorize expenditures to specific agencies, boards, departments, commissions, and offices in State government. Examples of enacted budget bills that contain GGRF appropriations and associated budget trailer bills include:

2014:

- SB 852 (Leno, Chapter 25, Statutes of 2014). Appropriates funds for programs in clean transportation, sustainable communities, natural resources, and waste diversion.

2015:

- AB 93 (Committee on Budget, Chapter 10, Statutes of 2015). Appropriates funds for programs in clean transportation, sustainable communities, energy efficiency, natural resources, and waste diversion.
- SB 101 (Committee on Budget and Fiscal Review, Chapter 321, Statutes of 2015). Appropriates funds for programs in clean transportation and sustainable communities, and energy efficiency.

2016:

- AB 1613 (Committee on Budget, Chapter 370, Budget Act of 2016). Appropriates funds for programs in clean transportation, sustainable communities, energy efficiency, agriculture, natural resources, and waste diversion.
- SB 859 (Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016). Establishes the Urban Greening program and Healthy Soils program, requires dairy digester projects to consider community impacts, and modifies other existing California Climate Investments programs.

[17] Because this provision involves a transfer from GGRF to the General Fund, rather than an appropriation to an administering agency, it is not subject to GGRF requirements for appropriations.

2017:

- AB 109 (Committee on Budget, Chapter 249, Statutes of 2017). Appropriates funds to clean transportation, sustainable communities, energy efficiency, agriculture, natural resources, and waste diversion programs and funds new programs in research, fire prevention, climate adaptation, and workforce training.
- AB 134 (Committee on Budget, Chapter 254, Statues of 2017). Appropriates funds for low carbon transportation, agricultural equipment, and the Community Air Protection Program established by AB 617 (Garcia, C., Chapter 136, Statues of 2017).

2018:

- SB 840 (Committee on Budget, Chapter 29, Statutes of 2018). Appropriates funds to administer existing programs and appropriates moneys to replace the fire prevention fee as a source for funding of the fire prevention activities for structures within a state responsibility area as directed in AB 398.
- SB 856 (Committee on Budget, Chapter 30, Statues of 2018). Appropriates funds for continuing existing programs and creates new programs that address low carbon fuel production and wildfire management.

VII.A.7. Program Bills

The Legislature may also enact separate policy bills to establish a California Climate Investments program or give direction about program implementation. Examples of past policy bills that are relevant to California Climate Investments programs include:

- SB 1204 (Lara, Chapter 524, Statutes of 2014). Establishes the Clean Truck, Bus, and Off-road Vehicle Program.
- AB 2722 (Burke, Chapter 371, Statutes of 2016). Establishes the Transformative Climate Communities Program.
- AB 617 (Garcia, C., Chapter 136, Statues of 2017). Establishes the Community Air Protection Program.
- SB 563 (Lara, Chapter 671, Statues of 2017). Establishes the Woodsmoke Reduction Program.

VII.B. Definitions of Priority Populations

VII.B.1. Disadvantaged communities

State law directs the Secretary for Environmental Protection at CalEPA to identify "disadvantaged communities." Identification must be based on geographic, socioeconomic, public health, and environmental hazard criteria. The criteria may include, but are not limited to:

- Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
- Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

To meet the statutory mandate, CalEPA uses a tool called CalEnviroScreen to help identify disadvantaged communities for the purpose of AB 1550 investments. The Office of Environmental Health Hazard Assessment (OEHHA) developed this screening tool under CalEPA's guidance to assess areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations.

CalEnviroScreen includes numerous indicators in two broad categories: "Pollution Burden," which includes exposures and environmental effects; and "Population Characteristics," which includes sensitive populations and socioeconomic factors. The indicator scores were combined for each census tract to determine an overall CalEnviroScreen score. The higher the score, the greater the impact.

In January 2017, OEHHA released CalEnviroScreen version 3.0 based on 20 indicators that were evaluated at the census tract scale. In April 2017, using CalEnviroScreen 3.0, CalEPA identified the list of disadvantaged community census tracts for the purpose of implementing AB 1550. The identified disadvantaged communities represent the most impacted 25 percent of census tracts (1,984 census tracts) in the State, plus an additional 22 census tracts that score in the highest five percent of CalEnviroScreen's Pollution Burden, but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. In June 2018, CalEPA designated two additional census tracts as disadvantaged communities.

Please note that CalEnviroScreen is a screening tool that informs the identification of disadvantaged communities based on currently available data. As community characteristics change over time and the tool is updated, CalEPA will periodically review and update its designation of disadvantaged communities.

VII.B.2. Low-income communities

AB 1550 defines "low-income communities" as those census tracts with: 1) median household incomes at or below 80 percent of the statewide median income; or 2) median household incomes at or below the threshold designated as low-income by Department of Housing and Community Development's State Income Limits (HCD State Income Limits).[18] Census tracts that satisfy either of these definitions were identified as "low-income" for the purpose of AB 1550 implementation.

To identify the low-income census tracts using the statewide median household income, the median household income of each census tract was determined from the 2011-2015 American Community Survey (ACS) and compared against the statewide median household income determined by the same survey, which was $61,818.[19] Any census tract with a median household income at or below 80 percent of $61,818 (i.e., $49,454) was identified as low-income.

Additional census tracts were identified based on the threshold designated as low-income by HCD State Income Limits.[20] The HCD State Income Limits vary by household size for each county and provide income thresholds for "Extremely Low," "Very Low," "Low," "Median," and "Moderate" income categories. AB 1550 refers to the "Low" income thresholds within the HCD State Income Limits.

The county-level "low-income" limit from the HCD State Income Limits was used to define "low-income" at the census tract level using the average household size (rounding to the nearest whole number) for each census tract, using the data from the 2011-2015 ACS. The average household size of each census tract was then used to determine the appropriate "low-income" limit from HCD's State Income Limits for the appropriate county. The median household income for each census tract was also determined from the ACS, which was then compared to the appropriate HCD low-income limit. If the median household income for a given census tract was equal to or less than the appropriate HCD low-income limit, then the census tract was defined as "low-income" for the purposes of AB 1550. For example, in Sacramento County, any census tract with an average household size of two, and a median income less than $48,750, is designated as low-income, while for census tracts with an average household size of three the low-income threshold becomes $54,840.

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[18] HCD State Income Limits, adopted pursuant to the Health and Safety Code Section 50093.
[19] US Census Bureau, American Community Survey 2015 5-year Estimates (2011-2015).
[20] California Department of Housing and Community Development. "State and Federal Income, Rent, and Loan/Value Limits: Official State Income Limits for 2016." www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml.

VII.B.3. Low-income households

AB 1550 defines "low-income households" as those with: 1) a household income at or below 80 percent of the statewide median income, or 2) a household income at or below the threshold designated as low-income by HCD State Income Limits. The low-income household definition applies to individual households and therefore it is not mapped.

For programs that target investments to benefit low-income households for the purpose of meeting AB 1550 investment minimums, administering agencies must determine an approach to assess whether households meet the definition of low-income. See Section V.C.2 for strategies for identifying income eligibility.

VII.B.4. Applicability and updates of definitions and designations

As CalEPA updates the list of census tracts identified as disadvantaged communities over time, the low-income communities and the income thresholds for the identification of low-income households will also be updated.[21] All California Climate Investments must use the most recent definitions and designations made by CalEPA at the time of project selection (see Section VI.D.1 for more information about activities considered project selection). For effective administration of California Climate Investments programs, the designations will remain with a given project from the time of selection through implementation, regardless of when the funds are actually expended. Current definitions and designations are available at: www.arb.ca.gov/cci-communityinvestments.

VII.C. Glossary of Terms

The glossary provided in Table 7 is intended to clarify the terms used in the Funding Guidelines; it does not contain official definitions to be used for other purposes.

Table 7. Glossary of Terms

Acronym or Term	Description
Administering Agency	A State agency that has been appropriated moneys for California Climate Investments from the GGRF. The term "agency" may refer to an agency, authority, board, commission, department, office, university, or other unit of State government.
Annual Report to the Legislature (Annual Report)	AB 1532 requires the Department of Finance to submit an Annual Report to the Legislature on the status and outcomes of projects funded from the GGRF. These reports are available at: www.caclimateinvestments.ca.gov/annual-report.

[21] While the two definitions of "low-income" are defined by statute and not subject to change, statewide median household income and county-specific HCD low-income limits will change over time. Hence any update to the identification of low-income communities or households will not be a revision of the low-income definition, but an update with respect to which reference year(s) are used in the identification of low-income communities and households for the purposes of California Climate Investments programs.

Table 7. Glossary of Terms

Acronym or Term	Description
Appropriation	Authorization for an administering agency to make expenditures or legal commitments of payment from a specific fund for a specific purpose. Administering agencies typically receive appropriations of GGRF moneys through a budget bill, as described in Section VII.A.
Attestation Memorandum	After an administering agency completes an Expenditure Record, the Agency Secretary and Department Director (or equivalent) sign an Attestation Memorandum affirming that the Expenditure Record was prepared according to the requirements of SB 1018. The final Expenditure Record and administering agency Attestation Memorandum are posted on the CARB website at: www.arb.ca.gov/cci-expenditurerecords.
Benefit Criteria Table	CARB provides tables, by project type, that include criteria for administering agencies to use to determine whether a project provides direct, meaningful, and assured benefits to priority populations; meets an important community need; and is eligible to be counted toward statutory investment minimums. CARB posts the benefit criteria tables on the CARB website available at: www.arb.ca.gov/cci-resources.
CalEnviroScreen	CalEnviroScreen is a tool that can be used to assess areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations. CalEPA has used this tool in its statutory role of identifying disadvantaged communities for the purpose of California Climate Investments. For additional information, please refer to: www.calepa.ca.gov/EnvJustice/GHGInvest.
California Air Resources Board (CARB or Board)	The lead agency implementing AB 32, including the Cap-and-Trade Program. CARB also administers the GGRF; develops Funding Guidelines and quantification methodologies; and is an administering agency.
California Climate Investments	An umbrella term and associated logo developed for the purpose of communication with funding recipients and the general public to identify programs or projects funded in whole or in part by the GGRF.
California Climate Investments Reporting and Tracking System (CCIRTS)	An online system for administering agencies to track and report on projects to improve consistency across programs, allow for more frequent reporting, and support greater public access to data. Administering agencies can access CCIRTS at: air.arb.ca.gov/ccirts.

Table 7. Glossary of Terms

Acronym or Term	Description
Co-benefit	Economic, environmental, or public health benefit, other than GHG emission reductions, that results from California Climate Investments.
Co-benefit Assessment Methodology	Describes the approaches that administering agencies, funding recipients, or other entities use to quantitatively or qualitatively assess the magnitude or presence of a co-benefit.
Continuous Appropriation	An amount, specific or estimated, available each year under a permanent constitutional or statutory expenditure authorization that exists from year to year without further legislative action. The amount available for expenditure each year may be: a specific recurring sum each year; all, or a specified portion of, the proceeds of specified revenues which have been dedicated permanently to a certain purpose; or whatever amount is designated for the purpose as determined by formula.
Disadvantaged Communities	Areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations. Per SB 535, CalEPA is responsible for identifying disadvantaged communities for the purpose of California Climate Investments. For additional information, please refer to: www.calepa.ca.gov/EnvJustice/GHGInvest.
Expenditure Record	A document that details how projects funded by GGRF moneys will facilitate GHG emissions and further the purposes of AB 32 and related statutes. SB 1018 requires all administering agencies to prepare an Expenditure Record prior to expending those moneys.
Fiscal Year	A 12-month period during which fiscal transactions are recognized. In California State government, the fiscal year begins July 1 and ends the following June 30.
Funding Recipient	Those that receive GGRF moneys or loans for directly implementing projects. Funding recipients covers a broad group and may include, but are not limited to: businesses, individuals, homeowners, non-profits, research organizations, universities, local/regional agencies, transit agencies, State agencies, federal agencies, and tribal entities. Funding recipients may also include those who provide services or distribute incentives to end users (e.g., local providers that install weatherization / renewable energy upgrades for low-income households).
Greenhouse Gas Reduction Fund (GGRF)	Established by SB 1018 to receive the State's portion of proceeds from the quarterly Cap-and-Trade auctions.

Greenhouse Gas (GHG)	A gas that absorbs infrared radiation, including but not limited to: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6). The GHGs quantified for each project or investment will be specified in the relevant quantification methodology.
GHG Emission Reductions	Net decreases in GHG emissions including GHG emission reductions and carbon sequestration. GHG emission reductions are quantified using CARB quantification methodologies.
GHG Quantification Methodology	Describes the methods and approaches that administering agencies, funding recipients, or other entities must use to calculate estimated GHG emission reductions.
Investment Plan	AB 1532 requires the Department of Finance, in conjunction with CARB and other relevant State entities, to develop and submit to the Legislature a three-year Investment Plan for the investment of GGRF moneys. The Investment Plan must identify GHG emission reduction goals, identify gaps in current State strategies to meeting the emission reduction goals of AB 32, and identify priority programmatic investments that facilitate achievement of the goals. In 2016, SB 1464 amended statute to require additional analyses for the Investment Plan.
Leverage	Use of one source of funds to obtain a commitment from another funding source. Leveraging may involve cash commitments or non-cash commitments, such as volunteer labor or in-kind goods and services.
Low-income Communities	For the purposes of California Climate Investments, “low-income communities” are defined in AB 1550 as census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low-income by the Department of Housing and Community Development’s list of State income limits adopted pursuant to Section 50093. Information and maps of low-income communities are available at: www.arb.ca.gov/cci-communityinvestments.
Low-income Households	For the purposes of California Climate Investments, “low-income households” are defined in AB 1550 as those with household incomes at or below 80 percent of the statewide median income or with household incomes at or below the threshold designated as low-income by the Department of Housing and Community Development’s list of State income limits adopted pursuant to Section 50093. Information on low-income households is available at: www.arb.ca.gov/cci-communityinvestments.
Priority Populations	Priority Populations include: disadvantaged communities, low-income communities, and low-income households.

Program	All related projects or activities that an administering agency funds and implements as a part of a single appropriation. A program comprises individual projects and may include multiple project types, technical assistance and outreach to applicants, coordinated research, and other implementation activities.
Program Targets	Targets for each program to drive investments that achieve direct, meaningful, and assured benefits to priority populations and help ensure that overall statutory investment minimums are met. CARB develops and posts program targets as needed for each fiscal year. The most recent program targets are available at: www.arb.ca.gov/cci-fundingguidelines.
Project	Activities that are funded, in whole or in part, by the GGRF. The definition of project varies for the different administering agencies and California Climate Investments programs. Examples of a project include, but are not limited to: • A grant, loan, or direct funding of construction activities, equipment upgrades, or equipment purchases. • A grant for an incentive program (e.g., rebates, vouchers). • Transit improvements implemented by a transit agency. • A grant that funds demonstration activities focused on advanced technology. • A grant for climate research.
Project Outcome Reporting	Tracking and reporting of outcomes for a subset of operational projects. The start, duration, frequency, metrics, and methods of project outcome reporting vary by program and project type and are specified in the reporting templates.
Project Type	A general description of the kinds of projects being funded by California Climate Investments programs. Examples include, but are not limited to: Affordable Housing and Sustainable Communities; Low Carbon Transportation Incentives; Transit and Active Transportation Projects; Building Energy Upgrades; Agricultural Water Use and Energy Efficiency, Wetland Restoration; Waste Diversion and Manure Management. Both the benefit criteria tables and reporting templates are organized according to project type.
Quantification Period	Typically covers the period of time during which GHG reductions are reasonably expected to occur, or the period over which GHG reductions can be calculated and validated. The quantification period varies for the different programs and is defined in each of CARB's quantification methodologies for estimating GHG emission reductions.

Reporting Cycle	Administering agencies submit data periodically on the activities that occurred within that period. Beginning in 2018, administering agencies will report data semi-annually for the periods covering December 1 through May 31 and June 1 through November 30.
Reporting Templates	CARB provides a formatted template that includes all required and optional reporting fields that are specific to each project type and each stage of reporting. Administering agencies upload the completed template within CCIRTS. CARB posts the reporting templates on the CARB website (www.arb.ca.gov/cci-resources) and for download in CCIRTS.