

TO: Greenhouse Gas Reduction Fund Program

FROM: Bryan Cash 
Assistant Secretary for Finance and Administration
California Natural Resources Agency

DATE: July 10, 2019

SUBJECT: GREENHOUSE GAS REDUCTION FUND:
California Natural Resources Agency

EXPENDITURE RECORD FOR FISCAL YEAR 2018-19 (REVISED)
Urban Greening Program

This Attestation Memorandum documents that the California Natural Resources Agency completed the attached Expenditure Record on July 10, 2019 for the Urban Greening Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to CARB for public posting on the CARB website at: www.arb.ca.gov/caclimateinvestments. Questions on this Attestation Memorandum or Expenditure Record may be directed to Polly Escovedo, polly.escovedo@resources.ca.gov, (916) 653-2812.

Attachment



Greenhouse Gas Reduction Fund: Expenditure Record

California Natural Resources Agency
Urban Greening Program

This expenditure record is a revised version to the January 4, 2019 submission.

Authorizing legislation: Item 0540-101-3228 of the Budget Act of 2018 (Chapter 30, Statutes of 2018) appropriates to California Natural Resources Agency \$20 million for Urban Greening.

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

<ul style="list-style-type: none"> ▪ Agency that will administer funding 	<ul style="list-style-type: none"> ▪ California Natural Resources Agency
<ul style="list-style-type: none"> ▪ Amount of proposed expenditure and appropriation reference 	<ul style="list-style-type: none"> ▪ The total expenditure is \$20 million, per Section [0540-101-3228] of the Budget Act of 2018 (Chapter 30, Statutes of 2018)
<ul style="list-style-type: none"> ▪ Estimated amount of expenditures for administering agency administrative costs 	<ul style="list-style-type: none"> ▪ Not more than 5 percent (\$1 million) of the amount appropriates in Item 0540-101-3228 may be used for administrative costs of the Urban Greening Program
<ul style="list-style-type: none"> ▪ If applicable, identify laws or regulations that govern how funds will be used 	<ul style="list-style-type: none"> ▪ AB 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32. ▪ AB 398 (E. Garcia, Chapter 135, Statutes of 2017) prioritized healthy forests and urban greening for expenditures from the Greenhouse Gas Reduction Fund. ▪ The Budget Act of 2018, as amended by SB 856 provides direction on the types of projects that should be funded. ▪ SB 859 established the program and provides direction on how the funds will be allocated to recipients, including requirements for project eligibility and program implementation. All funds will be allocated and managed in accordance with this law.

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- Continuation of existing Expenditure Record
 - This is an update to an existing Expenditure Record. The Expenditure Record elements being updated include the following:
 - Amount of proposed expenditure and appropriation reference
 - If applicable, identify laws or regulations that govern how funds will be used
 - Estimated amount of expenditures for administering agency administrative costs
 - Project type
 - Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained
 - Describe the benefits to priority populations per CARB guidance
 - Explain how the administering agency will avoid potential substantial burdens to disadvantaged and low-income communities, or if unknown, explain the process for identifying and avoiding potential substantial burdens
 - Type of information that will be collected to document results consistent with CARB guidance
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- Project type(s)
 - Active transportation
 - Urban forestry and urban greening
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- Describe the projects and/or measures that will be eligible for funding
 - The Urban Greening Program will fund projects that result in net greenhouse gas benefits by sequestering carbon, reducing energy consumption, and reducing vehicle miles traveled.
 - Examples of eligible Urban Greening projects may include, but are not limited to the following:
 - Establishment, enhancement, and expansion of neighborhood parks and community spaces through acquisition, and other mechanisms;
 - Greening of public lands and structures, including schoolyards, and which may include incorporation of riparian habitat for water capture and provide for other public and wildlife benefits;
 - Green streets and alleyways;
 - Non-motorized urban trails that provide safe routes for travel between residences, workplaces, commercial centers, and schools;
 - Urban heat island mitigation and energy conservation efforts.
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| <ul style="list-style-type: none"> ▪ Intended recipients | <ul style="list-style-type: none"> ▪ Cities ▪ Counties ▪ Special Districts ▪ Nonprofit organizations ▪ Joint Powers Authorities (entities formed pursuant to the Joint Excise of Powers Act) |
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| <ul style="list-style-type: none"> ▪ Program structure and process for selecting projects for funding | <ul style="list-style-type: none"> ▪ Projects will be selected through a competitive process based on the merits of the proposals submitted and the proposed use of funds, including the extent to which projects result in net GHG benefits. ▪ The threshold requirements and evaluation criteria will be detailed in the Urban Greening Program guidelines. |
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Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

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| <ul style="list-style-type: none"> ▪ How the expenditure is consistent with the Investment Plan and the Scoping Plan | <ul style="list-style-type: none"> ▪ AB 1532 (Chapter 807, Statutes of 2012) requires that monies from the Fund be appropriated in a manner that is consistent with the three-year Investment plan. The Cap-and-Trade Auction Proceeds Second Investment Plan identifies targets goals for natural and working lands including "increase urban tree canopy and expand green infrastructure to sequester carbon and increase energy efficiency of the built environment." Additionally, "the benefits of urban forests and greening the built environment can result in climate benefits which are also important. These benefits, including carbon sequestration, air filtration, community cooling, improved active transportation and recreation conditions, improved storm water runoff and water retention, can each provide incremental climate benefits." ▪ California's 2017 Climate Change Scoping Plan identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32 and related statutes. For example, the creation and management of parks and other greenspace in urban areas, including the expansion of the existing urban tree canopy. |
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Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

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| <ul style="list-style-type: none"> ▪ Describe how expenditures will facilitate the achievement of GHG emission reductions in the State | <ul style="list-style-type: none"> ▪ All eligible projects will result in net GHG benefits by including at least one of the following activities: <ul style="list-style-type: none"> - Sequester carbon by planting trees; - Reduce building energy use by strategically planting trees to shade buildings; or - Reduce commute vehicle miles traveled by constructing bicycle paths, bicycle lanes, or pedestrian facilities that provide safe routes for travel between residences, workplaces, commercial centers, and schools. |
| <ul style="list-style-type: none"> ▪ Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained | <ul style="list-style-type: none"> ▪ For FY 2018-19 awards, net GHG benefits may begin as early as: <ul style="list-style-type: none"> - 2021: Newly planted trees sequester carbon as they grow and are quantified over a 40-year project life; - 2021: Trees avoid GHG emissions by shading buildings to reduce energy use and are quantified over a 40-year project life; - 2022: Bicycle paths, bicycle lanes, or pedestrian facilities constructed avoid GHG emissions by reducing VMTs. Bicycle lanes are quantified over a 15-year project life (Class II) or a 20-year project life (Class I and IV). Pedestrian facilities are quantified over a 20-year project life. |

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

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| <ul style="list-style-type: none"> ▪ Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency | <ul style="list-style-type: none"> ▪ Urban Greening projects will be compromised of multiple components, including but not limited to: <ul style="list-style-type: none"> - Green streets and alleys that integrate green infrastructure elements into the street or alley design, including permeable surfaces, bioswales, trees, and tree canopy; |
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- Non-motorized urban trails that provide safe routes between residences, workplaces, commercial centers, and schools;
 - Multi-objective stormwater projects, including the construction of permeable surfaces and natural collection basins and barriers.
- In addition to GHG benefits, these projects will provide co-benefits, which may include, but are not limited to:

Environmental and Climate Resiliency Benefits

- Groundwater recharge
- Water conservation/treatment
- Enhanced or expanded wildlife habitat
- Adaptation of urban areas to reduce vulnerability to climate impacts
- Enhanced ability of natural systems to buffer the impacts of climate change

Economic Benefits

- Workforce education or training opportunities
- Employment and/or contracting opportunities for disadvantaged communities

Public Health and Safety

- Enhanced recreational opportunities
- Expanded access to parks
- Improved air quality from avoided VMT
- Enhanced or expanded safe routes to school

<ul style="list-style-type: none"> ▪ How the project will support other objectives of AB 32 and related statutes 	<ul style="list-style-type: none"> ▪ The Urban Greening Program will fund projects that provide net GHG benefits. In addition, projects funded will mitigate the risks of climate change, direct investment towards the State's most disadvantaged communities, and maximize environmental, economic, and public health benefits.
<ul style="list-style-type: none"> ▪ Percentage of total funding that will be expended for projects that are located in and benefit 	<ul style="list-style-type: none"> ▪ The administering agency has established a target to expend at least 75 percent of the total project funds received under this fiscal year appropriation to fund projects that provide benefits to priority populations. We intend to award 60 percent of total project funds for investment in and benefitting residents of disadvantaged communities, 10 percent in and

priority populations ¹ per CARB guidance	benefitting low-income communities, and 5 percent in and benefitting low-income communities within a half-mile of a disadvantaged communities.
<ul style="list-style-type: none"> ▪ Describe the benefits to priority populations per CARB guidance 	<ul style="list-style-type: none"> ▪ Funding proposals will include a checklist identifying applicable benefits to priority populations that a project will deliver and needs of priority populations that the project will address. Benefits include: <ul style="list-style-type: none"> - Plant trees - Reduce flood risk - Expand or improve active transportation routes - Create new active transportation routes - Improve open spaces and recreational areas - Reduce energy demand
<ul style="list-style-type: none"> ▪ Explain strategies the administering agency will use to maximize benefits to disadvantaged communities 	<ul style="list-style-type: none"> ▪ To help maximize benefits to disadvantaged communities, the administering agency will coordinate with local and regional entities to host technical workshops, that allow applicants to receive assistance during the proposal process. ▪ In evaluating projects, points will be awarded for projects that are located within and provides benefits to disadvantaged and low-income communities and demonstrate that the project will meaningfully address an important community need. This will help maximize benefits and support efforts to meet or exceed statutory requirements for expenditures that benefit disadvantaged and low-income communities.
<ul style="list-style-type: none"> ▪ Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens 	<ul style="list-style-type: none"> ▪ During the public comment period, the administering agency received feedback from disadvantaged and low-income communities expressing concerns of displacement of residents and/or businesses because of the investments. The program requires applicants identify in their proposal policies and programs that will be pursued to avoid displacement. The agency will evaluate and consider these measures in project selection. ▪ All projects have an operation and maintenance requirement ranging from anywhere from 10 to 25 years. This requirement helps ensure that the project will not fall into disrepair or become blighted.

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.

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

<ul style="list-style-type: none"> ▪ How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance 	<ul style="list-style-type: none"> ▪ The administering agency will require funding recipients to maintain records and provide periodic status reports in accordance with the grant agreement. In addition, the Agency will conduct periodic reviews of selected projects. ▪ If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the program guidelines and grant agreement. ▪ Applicants are required to track and report on project implementation pursuant to CARB's Funding Guidelines.
<ul style="list-style-type: none"> ▪ Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion. 	<ul style="list-style-type: none"> ▪ The administering agency will calculate the GHG emission reductions expected and achieved from projects using a CARB quantification methodology, "Quantification Methodology for the California Natural Resources Agency Urban Greening Grant program Greenhouse Gas Reduction Fund, Fiscal Year 2018-19," which will be available at https://ww2.arb.ca.gov/resources/documents/cqi-quantification-benefits-and-reporting-materials ▪ The quantification methodology uses specific components of the Methods to Find the Cost-Effectiveness of Funding Air Quality Projects for Evaluations Motor Vehicle Registration Fees Projects and Congestion Mitigation and Air Quality Improvement Projects (CMAQ Methods), the U.S. Department of Agriculture Forest Service (USFS) i-Tree Streets tool and i-Tree Planting tool to estimate the greenhouse gas reductions in urban greening projects. ▪ The California Natural Resources Agency will coordinate with CARB to estimate GHG emission reductions and co-benefits, using CARB standardized methodologies. Staff will review calculations prepared by project proponents with approved methodologies.
<ul style="list-style-type: none"> ▪ Type of information that will be collected to document results, consistent with CARB guidance 	<ul style="list-style-type: none"> ▪ The Agency will collect data to document net GHG emission reductions. ▪ To determine urban forestry benefits, the Agency will compile data from funding recipients including tree mortality rate, stormwater captured and treated, and tree establishment and care. ▪ To determine active transportation benefits, the administering agency will compile data from funding

	recipients on average traffic of bicycle and pedestrian facilities.
	<ul style="list-style-type: none">▪ To determine the job benefits, the agency will compile data from funding recipients on jobs provided, both the quality and quantity, consistent with CARB guidance.▪ Once operational, the administering agency will collect information on project outcomes for 30 percent of projects, consistent with CARB guidance.
<ul style="list-style-type: none">▪ How the administering agency will report on program status	<ul style="list-style-type: none">▪ The administering agency will report to CARB consistent with CARB guidance. The administering agency will provide regular updates on the program, including expenditure amounts, GHG emission reductions, and other benefits. Reports will also include information on project outcomes for 30 percent of operational projects over 3 years.
