

California Climate Investments: Investment Targets for Agencies Administering FY 2020-21 Funds



Purpose

This document identifies program investment targets to benefit disadvantaged communities, low-income communities, and low-income households, collectively referred to as “priority populations,” for agencies that administer California Climate Investments programs funded in Fiscal Year (FY) 2020-21.¹ The California Air Resources Board (CARB), in conjunction with the administering agencies, develops program-level targets to drive investments that achieve direct, meaningful, and assured benefits to priority populations.²

Background

In 2016, Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016) amended the investment minimums for disadvantaged communities introduced in Senate Bill (SB) 535 (De León, Chapter 830, Statutes of 2012) and established new investment minimums for low-income communities and low-income households. AB 1550 requires the available monies for California Climate Investments be minimally allocated as follows:

- 25 percent to projects located within the boundaries of, and benefiting individuals living in, disadvantaged communities;³
- 5 percent to projects that benefit low-income households or to projects located within the boundaries of, and benefiting individuals living in, low-income communities located anywhere in the State;⁴ and
- 5 percent to projects that benefit low-income households that are outside of, but within ½-mile of, disadvantaged communities, or to projects located within the boundaries of, and benefiting individuals living in, low-income communities that are outside of, but within ½-mile of, disadvantaged communities.

The AB 1550 percentage requirements apply to the overall appropriation from the Greenhouse Gas Reduction Fund (GGRF), rather than to each agency appropriation. As a result, CARB works with administering agencies to establish individual investment targets for each program to help ensure the overall AB 1550 investment minimums are met.

¹ This document will be updated if the Legislature appropriates additional funding for FY 2020-21.

² A map of areas designated as priority populations is available at:

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

³ California Environmental Protection Agency (CalEPA) designated the 25 percent highest scoring census tracts in CalEnviroScreen 3.0 as disadvantaged communities. More information is available at: www.calepa.ca.gov/EnvJustice/GHGIInvest/.

⁴ AB 1550 defines low-income census tracts and households with median incomes below: 1) 80 percent of the statewide median income or 2) the threshold designated as low income by California Department of Housing and Community Development’s list of State income limits.

Investment Targets

Tables 1 and 2 identify the program investment targets for each of the FY 2020-21 programs. As of December 2020, the Legislature has not passed a comprehensive expenditure plan for cap-and-trade auction proceeds for FY 2020-21, and there are many California Climate Investments programs that did not receive new funding. CARB has therefore established investment targets only for the programs that have received funding for this fiscal year, which includes programs that receive continuous appropriations from the GGRF and a small number of programs with line-item appropriations in the Budget Act of 2020 (SB 74). The investment targets established for previous fiscal years' funds still apply. CARB will update this document if the Legislature appropriates additional funding for FY 2020-21.

Administering agencies must follow the requirements in CARB *Funding Guidelines*⁵ to demonstrate benefits under AB 1550. The *Funding Guidelines* require an analysis of each project to determine if the project meets the criteria for providing direct, meaningful, and assured benefits and addresses an important community need.

For programs that are particularly suited to implement projects that can directly address community needs, percentage values are entered in the tables. Other programs where a dash "---" is entered as a placeholder may also support projects that provide priority population benefits. As agencies fund projects that benefit priority populations, those benefits will be documented through the reporting process. Therefore, implementation of the FY 2020-21 funds is expected to exceed the investment targets listed here.

Implemented projects are displayed on the project map.⁶ The project map shows project-level information on California Climate Investments projects and allows users to overlay priority population and political boundaries.

Other Statutory Requirements

In addition to AB 1550 investment minimums, SB 862 (Committee on Budget and Fiscal Review, Chapter 36, Statutes of 2014) and SB 859 (Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016) require specific disadvantaged community investment targets for some programs with FY 2020-21 funding, including:

- Transit and Intercity Rail Capital Program: at least 25 percent of funding to projects benefiting disadvantaged communities.
- Low Carbon Transit Operations Program: for those operators with disadvantaged communities in their service areas, the operators must direct at least 50 percent of funding to benefit disadvantaged communities.⁶
- Affordable Housing and Sustainable Communities Program: at least 50 percent of funding to projects benefiting disadvantaged communities.

⁵ The Funding Guidelines can be found at: www.arb.ca.gov/cci-fundingguidelines. Benefit Criteria Tables used to determine benefits to priority populations can be found at: <https://ww2.arb.ca.gov/resources/documents/cci-quantification-benefits-and-reporting-materials>.

⁶ The Project Map can be found at: <https://webmaps.arb.ca.gov/ccimap/>.

Table 1: Investment Targets to Benefit Priority Populations for FY 2020-21 Continuously Appropriated Funds⁷

Agency	Program	2021-22 Continuous Appropriations (% share of Total GGRF)	Disadvantaged Communities (%)	Low-Income Communities or Households (%)	1/2-mile Buffer ⁸ (%)	Overall Priority Population (%)
Department of Transportation	Low Carbon Transit Operations Program ⁹	5%	55%	5%	20%	80%
High-Speed Rail Authority	High-Speed Rail ¹⁰	25%	---	---	---	---
State Transportation Agency	Transit and Intercity Rail Capital Program	10%	65%	10%	15%	90%
Strategic Growth Council	Affordable Housing and Sustainable Communities Program; Sustainable Agricultural Lands Conservation Program	20%	60%	10%	5%	75%
State Water Resources Control Board	Safe and Affordable Drinking Water Fund ¹¹	5%	25%	60%	5%	90%
Continuous appropriations total		65%	35%	10%	6%	50%

⁷ Percentages have been rounded to the nearest whole number.

⁸ CalEPA and CARB have defined this area as a half-mile boundary around disadvantaged communities and it does not include the entire low-income census tract adjacent to a disadvantaged community.

⁹ SB 1119 (Beall, Chapter 606, Statutes of 2018) waives the requirements in CARB's Funding Guidelines to demonstrate benefits under AB 1550 if the recipient transit agencies expend the funding provided on certain transit activities.

¹⁰ The minimum targets can be met without including the High-Speed Rail project, but the project is expected to provide additional benefits for disadvantaged communities beyond those quantified in this table.

¹¹ The Safe and Affordable Drinking Water Fund, part of the Safe and Affordable Funding for Equity and Resilience Program, receives a continuous appropriation of five percent of auction proceeds up to \$130 million.

Table 2: Investment Targets to Benefit Priority Populations for FY 2020-21 Line-item Appropriations¹²

Agency	Program	2020-21 Budget (\$M)	Disadvantaged Communities (%)	Low-Income Communities (%)	1/2-mile Buffer ¹³ (%)	Overall Priority Population (%)	Overall Priority Population (\$M)
Conservation Corps	Training and Workforce Development Program	\$10	30%	30%	---	60%	\$6
Department of Forestry and Fire Protection	Fire Prevention	\$76	---	40%	---	40%	\$30
Department of Forestry and Fire Protection	Prescribed Fire	\$35	---	25%	---	25%	\$9
Line-item appropriations total		\$120	2%	35%	0%	37%	\$45

Because of the limited number of programs with line-item appropriations as of December 2020, the investment targets identified in Table 2 do not, on their own, meet statutory minimums. However, the statutory requirements apply to the California Climate Investments portfolio as a whole. Combined with the implementation of funding for programs that receive continuous appropriations identified in Table 1, CARB expects that the implementation of the funds will support continued progress on meeting and exceeding the minimum investment targets.

¹² Dollars and percentages have been rounded to the nearest whole number. Totals may not reflect the sum of figures in the table.

¹³ CalEPA and CARB have defined this area as a half-mile boundary around disadvantaged communities and it does not include the entire low-income census tract adjacent to a disadvantaged community.