LA CONSERVATION CORPS
Transforming Youth. Enhancing Communities.

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Chair Mary Nichols and Board Members
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RE: Draft Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal Years 2016-17 through 2018-19

Dear Chair Nichols and Board Members:

The SB 535 Coalition and partner organizations across the state welcome the opportunity to provide comments on the *Draft Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal Years 2016-17 through 2018-19* (Second Investment Plan or Plan). Our coalition of 200+ community and statewide organizations is dedicated to effective implementation of SB 535 (de León, 2012), which set a floor for investing auction proceeds in California's most disadvantaged communities. We greatly appreciate the efforts of the Air Resources Board to incorporate public comments into the development of the Second Investment Plan.

Our comments are focused on recommendations that will strengthen the Plan's articulation of overarching themes and priority program investments. We also point out priority investments recommended by our coalition that have not been included in the Plan.

OVERARCHING THEMES

1. **Disadvantaged Communities should receive at least the percentage of climate investments that they constitute of the population.**

In other words, since CalEnviroScreen classifies one-quarter of California's population as living in disadvantaged communities, then at least one-quarter of the climate funds should be invested ***in*** those census tracts. In addition, a substantial percentage – another quarter – of the funds should be invested ***for the benefit of*** low-income households. Experience has shown that some of the best greenhouse gas reduction strategies are those that benefit low-income households. AB 1532 (Perez, 2012) specifically requires the state to "Direct [GGRF] investment toward the most disadvantaged communities *and households* in the state." (Emphasis added.) Millions of lower income households live outside CalEnviroScreen disadvantaged communities and could benefit significantly from GGRF investments in transit, urban forestry, electric vehicles, and other programs. With constrained fiscal resources, the administration should take advantage of every opportunity to lift working Californians, seniors, children and others out of poverty. Furthermore, agencies should be encouraged to craft programs that allow participation in climate programs from nonprofit organizations and community groups across California that are committed to improving their neighborhoods, improving public health, reducing greenhouse gasses (GHGs), and creating long-term benefits.

2. **Integrated Projects in Disadvantaged Communities to Support Local Climate Action.**

We support the theme in the concept paper of concentrating investment in disadvantaged communities through integrated projects that support energy and transportation solutions, smart growth and community greening in a single community. Local representatives of the disadvantaged communities should have a direct voice in choosing the specific projects that best meet local needs and support community-wide transformation. This approach could be particularly advantageous in the 2,000 census tracts identified as disadvantaged communities where significant capital and jobs are needed to improve areas that have traditionally lacked investment. Representatives of these disadvantaged communities are uniquely positioned to select from a menu of greenhouse gas reducing projects to meet local needs and support community-wide transformation.

3. **Reduce Short-Lived Climate Pollutants.**

Reducing SLCPs offers opportunities to lessen global and local climate change impacts while improving the air quality and health in communities most impacted by local sources of air pollution. Research suggests that black carbon is the second largest man-made contributor to global warming and its influence on climate has been greatly underestimated. A study found that reducing emissions of short-lived climate pollutants, including soot and methane, by 30 to 60 percent by 2050 would slow the annual rate of sea level rise by about 18 percent by 2050. Short-lived pollutants have also been scientifically proven to trigger short-term climate warming and significantly impact snow pack, causing it to melt early.

4. **Community Engagement.**

Authentic community engagement involves the employment of participatory practices characterized by mutual learning. Communities are informed by organizational or public agency representatives about programs, technical issues and opportunities and those representatives are educated by a community's awareness of the issues based on local experience and expertise. Prioritizing partnerships with communities at every stage of the decision-making process including policy development, identification of core community issues, selecting remediation strategies, proposal formulation and selection, project implementation and the tracking and reporting of data should be facilitated through partnerships between public agencies or other applicants and grassroots organizations well versed in environmental justice (EJ) issues.

PRIORITY INVESTMENTS (in alphabetical order)

1. **Advanced Vehicle Technology/ Low Carbon Transportation**

The Low Carbon Transportation investments build upon and greatly expand existing advanced technology, clean transportation programs, which provide mobile source incentives to reduce criteria pollutant, air toxic, and GHG emissions. The program funds vouchers and rebates for advanced clean vehicles, as well as pilot and demonstration projects for trucks, buses and freight equipment. These funds are crucial for reducing emissions from the transportation sector, which is California's largest source of GHG emissions. In addition, the incentives are essential to the

plans of the air districts in the South Coast and San Joaquin Valley for attaining federal air quality standards. Therefore, we support continued robust implementation of recent statutes directing these programs.

Medium and Heavy-Duty Vehicles: SB 1204, Lara/Pavley (2014)
SB 1204 created the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program. The program supports development and commercialization of cleaner technologies for trucks, buses, and off-road vehicles and equipment. This sector is responsible for most of California's diesel exhaust, which is a toxic air contaminant.

Light-Duty Vehicles: SB 1275, de León (2014)
SB 1275 created the Charge Ahead California Initiative to accelerate the deployment of zero emission passenger vehicles, and to improve access to zero emission transportation in disadvantaged communities. Funds assist low-income participants in the Enhanced Fleet Modernization Program in the purchase of used zero or near-zero-emission vehicles when they retire high-polluting vehicles. Sufficient funding for additional equity programs in disadvantaged communities is also needed, such as improving access to financing, the deployment of charging stations in multi-family residences, rebates for public fleets, and car/van sharing.

The Low Carbon Transportation Programs have a proven record of success. Largely thanks to these programs and the California ZEV mandate, California is the world's single largest market for zero emission trucks, buses, and passenger vehicles.

Zero and near-zero emission vehicles create jobs. Increasing fuel diversity and consumer choice creates jobs and increases household income across all income brackets, particularly for low- and middle-income households. Additionally, many leading manufacturers and suppliers of zero-emission cars, trucks, and buses are California employers.

2. **Community Greening**

We support a continuation of the CalFire grants for urban forestry, along with grants for other kinds of green infrastructure. Green infrastructure - green alleys, waterways, greenways, local parks and open space - can play a very important role in helping reduce GHGs by encouraging active transportation, while also reducing energy consumption by mitigating urban heat-islands, and lowering the temperature of our communities. Cooling our communities is an important component of lowering our energy use and protecting human health, particularly in economically disadvantaged communities where air conditioners may not be an option. Urban trees, roof-top gardens, native plants and grasses can lower the ambient air temperature of these communities and induce biking and walking. Green infrastructure also provides impressive co-benefits including storm-water capture, improved human health, job creation and adaptation to sea level rise and severe storm events.

3. **Low-Income Energy Improvements**

We agree with the concept paper that "household clean energy generation (like solar and more efficient woodstoves), as well as household improvements (like weatherization) that reduce

energy use, not only save residents on their energy bills, they result in healthier more comfortable indoor living environments and cleaner outdoor air." Therefore, we support the continuation of funding for low-income solar and weatherization, and we recommend adding an important improvement to allow investing in renewable and efficient energy technologies in community buildings (community centers, churches, small businesses, etc) where disadvantaged communities work, learn and play. Innovative community-based programs (cooperatives, workforce development, etc) should be promoted in achieving these climate and energy goals.

We also support the addition of a program to help low-income residents replace woodstoves and fireplaces with the most efficient wood-burning technologies or alternatives. Reducing inefficient wood-burning would "cut climate pollutants, improve indoor air quality for households reliant on wood for home heating, and improve outdoor air quality in valley and foothill areas where the topography traps the smoke," as the concept paper notes.

4. **Neighborhood Scale Sustainability**

California cities have invested significant resources to develop climate action plans that address pressing, local environmental concerns. In some cases, community-based organizations are leading the way by crafting sustainability plans that can catalyze equitable economic development at the neighborhood level. In addition to the support that cities and community-based organizations need to align their shared work, they need a variety of public and private resources to accelerate the pace at which sustainability plans can be implemented. Such alignment is critical to help California become even more poised to leverage the momentum of local planning and state policies such as AB32 and SB535 to attract private capital.

We support including a Neighborhood Scale Sustainability Program (NSSP) in the Investment Plan as a comprehensive and scalable approach to greenhouse gas reduction that leverages private and nonprofit investment while improving disadvantaged communities throughout California.

A Neighborhood Scale Sustainability Program will benefit disadvantaged communities by:

- Supporting a neighborhood sustainability assessment and investment strategy to accelerate California's clean energy and economic development goals.
- Generating multiplier effect by coordinating funding sources and agency activities to carry out neighborhood-scale sustainability plans.
- Attracting private investments by leveraging public investments.
- Providing a mechanism for scaling conservation and demand-side management goals by aggregating neighborhood wide projects.
- Providing a tangible way for residents to get involved in improving and enhancing the neighborhood's economic vitality and sustainability.
- Scaling revitalization of disadvantaged communities in California.

Vision

Give local community development groups, key city agencies and other key stakeholders the capacity, tools and capital resources to reduce energy use, upgrade infrastructure and deploy

diverse renewable energy sources, while promoting equitable economic development strategies that strengthen communities and prevent displacement.

The Neighborhood Scale Sustainability Program is focused on three core goals:

1. Planet: To achieve aggressive GHG goals established by the state through municipal and private sector commitments.
2. People: To create communities with sustainable development that benefits communities and where residents are committed to sustainability principles.
3. Prosperity: To promote economically just, culturally rich and ecologically restorative development through a clearly defined neighborhood-scale approach.

NSSP would award competitive, matching grants to eligible entities, including non-profit organizations (which may include faith-based nonprofit organizations, community development organizations, and Indian tribes) that partner with local agencies for the purposes of implementing neighborhood scale sustainability plans.

To achieve these core goals applicants must work with public and private agencies, organizations (including philanthropic organizations), and individuals to gather and leverage resources needed to support the financial sustainability of the plan. These efforts should build community support for and involvement in the development of the plan. Implementation Grants support those communities that have undergone a comprehensive local planning process and are ready to implement their "Sustainability Plan" to revitalize the neighborhood.

Addressing Limitation in GGRF Funding and Working in Silos

Currently opportunities for funding integrated projects are limited. The majority of funding programs are focused on important but often narrow project eligibilities. The silos created by the multi-agency approach to implement GGRF programs further limits opportunities to maximize impact and benefits in disadvantaged communities. Creating a Neighborhood Scale Sustainability Program has transformational potential and will help cities accelerate sustainability plans and help our state meet our ambitious climate change goals. Neighborhood plans could include, but are not limited to:

Active Transportation - Infrastructure featuring bicycle and pedestrian amenities, encouraging healthier lifestyles, increasing the convenience of car-free travel and providing first-and-last mile connectivity to public transit.

Cool Roofs/Green Roofs - Cool roofs are made of reflective material that reflects sunlight away from buildings. These could be implemented at reduced costs if incorporated into rooftop solar programs and installed with crews already on the roof. There is also evidence which suggests the possible increased efficiency of solar panels when coupled with cool roof technology. Green roofs reduce energy usage in the summer as well as provide insulation which helps control heat loss during winter, lowering heating costs. They also absorb rainwater which can reduce urban runoff per building by as much as 75%.Additionally, beyond their role in creating more energy efficient buildings, both cool roofs and green roofs can also reduce urban heat island effects and instances of heat related illness.

Water/Energy Nexus - There are many links between water and energy systems. Water produces power through hydroelectricity and extraction of oil. Energy provides water by powering the water delivery, desalinization and the treatment of wastewater. Green infrastructure alleviates drought conditions by preventing run-off, recharging groundwater and reducing the transportation of water. Green infrastructure could be significantly featured in urban forestry and active transportation projects with minimal extra cost to provide these benefits.

Industrial Ecology - Providing opportunities for small and medium manufacturing enterprises in close proximity to DACs to green their operations could feature the development of Eco-Industrial Parks, localized energy production (solar, combined heat and power) and closed-loop industrial waste cycles. Benefits include reduce airborne pollutants, making local businesses more energy efficient, lowering costs through the shared infrastructure of business parks, reducing waste disposal fees and strengthening the community by resolving land use conflicts and making industrial operations better neighbors to residents.

5. **Sustainable Communities**

We support a continuation of funding for affordable housing near transit, public transit, and passenger rail powered by renewable energy. In addition, we urge increased funding for (1) Transit Passes, (2) Green Active Transportation Networks, and (3) Bike Infrastructure and Rebates.

Transit Passes

Transit passes are a proven and critical strategy for significantly reducing GHG emissions while **also enhancing access to education and economic opportunity**. Well-designed transit pass programs have been proven to increase mode-shift and transit ridership, reducing vehicle miles traveled (VMT). Increased access to affordable and efficient transit systems enables targeted groups such as students and low-income households to increasingly choose transit over private vehicles. Free and reduced-price transit passes have been piloted throughout the country with success: ridership has increased, emissions have decreased, and profits for transit have also risen in many instances. During the first three months of a pilot program in Sonoma County (one year program for free transit for college students on Sonoma County Transit), transit ridership increased by nearly 28%.

Low-income communities, K-12 school-aged students, and community college students all represent potential new public transport users. Though low-income populations use public transport more than their wealthy counterparts, driving alone is still the single most common means of transport for getting around metropolitan areas. K-12 students are, in the majority of instances, driven around cities. Community college students are equally accustomed to driving and do not, on the whole, already take public transport. Granting free or deeply discounted transit passes to these groups will result in significant mode-shifting and reductions in greenhouse gases. When these groups stop driving their vehicles—many of which are older, more consumptive and less green vehicles—congestion decreases and air quality improves.
An added benefit is that targeting K-12 students and Community College students has the capacity to develop life-long transit riders further bolstering our transit systems.

Green Active Transportation Networks

Of the many challenges we must overcome to address climate change and reduce our GHG emissions, perhaps the most important challenge is reducing our VMT. A particular problem is short trips of less than 1.5 miles. Many folks still choose to drive on these trips because we are in dire need of the infrastructure and tools that induce active transportation and invite people to walk and ride bicycles for those trips.

Connecting communities to popular destination points like schools, work and grocery stores using multi-benefit green infrastructure like green alleys and parks will reduce GHGs by encouraging active transportation. **Active transportation users are also much more like to use public transit, compounding the benefit of this important strategy for reducing VMT.**

Many California cities are significantly underperforming in the percentage of trips made using active transportation. Regions like Southern California for example, only had 4% active transit participation for commuters. Current active transit percentages reflect the availability and safety of active transportation options, not the demand. Research shows that investments in active transportation infrastructure will lead to mode shifts. California should promote green active transportation infrastructure to ensure there are no missing links on the first/last mile between people and their destinations.

Finally, active transit reduces GHG emissions **and improves human health**. One analysis found that a 50% mode shift to active transit for short trips (less than 1.5m) and medium trips (1.5m to 5m) in the Bay Area would reduce carbon emission by 14.5 percent – while also producing a 14% reduction in heart disease and diabetes.

Bike Infrastructure and Rebates

A rebate of up to at least $500 for the purchase of a bicycle (including an electric bike) would help families and individuals make the healthy transition to active transit. This rebate would be especially beneficial to lower income families for whom a bicycle is a major purchase that they would otherwise avoid making for lack of funds. The research shows that, contrary to popular belief, the fastest growth in bicycling is among the Hispanic, African American and Asian American populations. Increasing access to bicycles will encourage mode shift, especially on short trips.

Bike infrastructure is also a key to making biking a real option for daily survival trips and should be funded as well. Safe bike storage, bike racks, and bicycle lanes are important to making biking a safe alternative to driving.

Thank you for the opportunity to comment on the Draft Second Investment Plan. We share the above suggested recommendations to the Plan to ensure they help shape future years' investments. We look forward to working with you to ensure we exceed our requirements to invest in disadvantaged communities to maximize benefits for the communities with the greatest need.

Sincerely,

Wendy A. Butts

Wendy Butts
Chief Executive Officer