

May 21, 2018

Ms. Lisa Williams  
California Air Resources Board, Mailstop 5B  
P.O. Box 2815  
Sacramento, CA 95812

**Re: April 20, 2018 Proposed Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust**

I. Introduction

The Greenlining Institute (“Greenlining”) appreciates the opportunity to submit comment on the Proposed Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust. We previously submitted comment following the October 2017 public workshop,<sup>1</sup> and again following the release of CARB Staff’s initial recommendations in the February 16, 2018 Discussion Document.<sup>2</sup>

This comment letter addresses the Proposed Beneficiary Mitigation Plan dated April 20, 2018. Greenlining supports at least 50% of total funds going to projects that provide benefits to disadvantaged or low-income communities.<sup>3</sup> We also support Staff’s recommendation to use the disadvantaged and low-income community designations through CalEnviroScreen, and CARB’s California Climate Investments Funding Guidelines.<sup>4</sup>

Greenlining offers the following two recommendations to maximize equity outcomes in the Final Beneficiary Mitigation Plan:

- **Ensure 100% of the \$10 million Light-Duty ZEV Infrastructure project category benefits disadvantaged and low-income communities**
- **Maximize social equity in the development of the Mitigation Action Project Agreements by prioritizing and promoting economic equity**

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<sup>1</sup> The Greenlining Institute Comments, submitted December 22, 2017 at <https://www.arb.ca.gov/lists/com-attach/44-vw-mititrust-pl-ws-VjFUPgFpBQkEbQBw.pdf>

<sup>2</sup> The Greenlining Institute Comments, submitted March 27, 2018 at <https://www.arb.ca.gov/lists/com-attach/96-vw-mititrust-pl-ws-B2ACaARsV1sCYFc+.pdf>

<sup>3</sup> Table 1, [Proposed Beneficiary Mitigation Plan](#), at pg. 4.

<sup>4</sup> *Id.* at pg. 12.

## II. Leverage the Environmental Mitigation Trust as a Tool for Social Justice

Policies, programs, and investments are too often developed and implemented without thoughtful consideration of racial equity. When equity is not explicitly brought into operations and decision-making, racial inequities are likely to be reinforced and, in some instances, exacerbated. To close racial gaps and create a fairer and more just society, we must prioritize and practice social equity in every sector of our economy, including and especially in the Environmental Mitigation Trust for California.

Since the founding of the United States of America, all levels of government have played a role in creating and maintaining social inequities within our economic, political, social, and cultural systems.<sup>5</sup> Government carried out multiple acts of oppression, and passed and implemented a wide range of laws and policies, “including everything from who could vote, who could be a citizen, who could own property, who was property, where one could live, whose land was whose and more.”<sup>6</sup>

An example of a government-backed racially discriminatory policy that created inequities still felt today is a 1930s home loan program coming out of the New Deal. The program was intended to stem the rise in foreclosures and created the Federal Housing Authority to back mortgages to help postwar families build wealth.<sup>7</sup> To help carry out this program, “government surveyors interviewed local officials and bankers to document what local lenders considered credit risks in different neighborhoods.”<sup>8</sup> The surveyors looked a number of factors like access to transportation and quality of housing, but the “primary driver of the grading system was the racial and ethnic makeup of the neighborhood’s residents.”<sup>9</sup> As a result, surveyors created maps and graded neighborhoods using a color-code: green areas for “best,” blue for “still desirable,” yellow for “definitely declining” and red for “hazardous.”<sup>10</sup> The “redlined” areas were deemed credit risks because of the influx or presence of racial and ethnic minorities. It was common to see things like “infiltration of Negroes and Orientals” listed as “detrimental influences” in descriptions of redlined areas.<sup>11</sup> Since these maps were created, the term “redlining” is used to describe discrimination in housing, lending, and access to services and opportunity. Below is an example of a redlining map:<sup>12</sup>

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<sup>5</sup> See, [http://racialequityalliance.org/wp-content/uploads/2015/10/GARE-Racial\\_Equity\\_Toolkit.pdf](http://racialequityalliance.org/wp-content/uploads/2015/10/GARE-Racial_Equity_Toolkit.pdf)

<sup>6</sup> *Id.*; See also, [The Atlantic Slave Trade](#); [Colonization of Native Americans](#).

<sup>7</sup> See, Tanvi Misra, “[A Digital Window in the Roots of Redlining](#)”; New York Times, “[Blacks Still Face Red Line on Housing](#).”

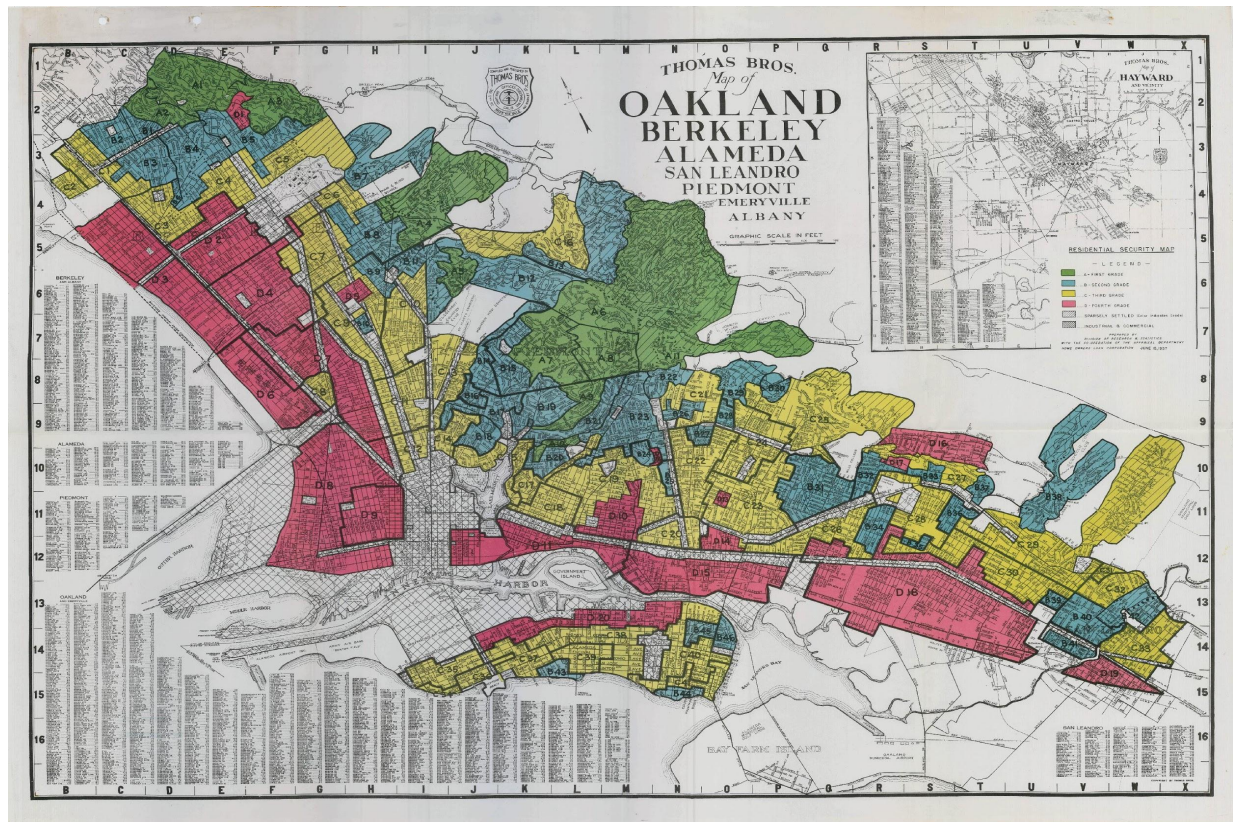
<sup>8</sup> See, [How 1930s discrimination shaped inequality in today's cities](#)

<sup>9</sup> *Id.*

<sup>10</sup> [Redlining was banned 50 years ago. It’s still hurting minorities today](#)

<sup>11</sup> See, [T-RACES](#)

<sup>12</sup> See, [T-RACES](#) for examples of “redline” descriptions.



Source: [How Government Redlining Maps Encouraged Segregation in California Cities](#)

The result of this long historical record of explicit and implicit policies and practices is the creation of structural inequities in our society along race and ethnicity lines. This has manifested in well-documented racial and ethnic disparities in common quality of life indicators like education, economic stability, distribution of transportation burdens and benefits, and others.<sup>13</sup>

For example, and relevant to the Proposed Beneficiary Mitigation Plan, greater exposure to transportation pollution in communities of color is tied to decades of segregation and structural racism in land-use decisions and government policy, which has resulted in low-income communities of color living near busy roads, freeways, ports, and other freight corridors at higher rates than wealthier communities and whites. Approximately 90 percent of people living in the poorest, most polluted “Disadvantaged Communities,” as defined by the California Environmental Protection Agency, are people of color.<sup>14</sup> This disproportionate exposure leads to higher rates of asthma, cancer, and other pollution-related illnesses, increased health costs and more missed school and work days for people of color.<sup>15</sup>

<sup>13</sup> See, [National Equity Atlas](#); [Systemic Inequality: How America’s Structural Racism Helped Create the Black-White Wealth Gap](#); [Race Counts: Advancing Opportunities for All Californians](#).

<sup>14</sup> See, Union of Concerned Scientists and The Greenlining Institute, [“Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health in California.”](#)

<sup>15</sup> *Id.*

Moreover, people of color have traditionally lacked the financial well-being that would enable them to afford to live in less polluted neighborhoods or enable them to pay for healthcare to manage the negative health impacts of prolonged exposure to pollution. For instance, between 1980 and 2014, the share of working poor white Californians remained steady just below 4 percent.<sup>16</sup> During that same period, the share of working poor among people of color grew from 11.2 percent to 13.6 percent.<sup>17</sup> As stated by PolicyLink, “[a]s the low-wage sector has grown, the share of adults who are working full-time job but still cannot make ends meet has increased, particularly among Latinos and other workers of color,” and thus, the “failure of even full-time work to pay family supporting wages dampens the potential of millions of workers and our nation as a whole.”<sup>18</sup>

In sum, the Beneficiary Mitigation Plan must maximize equity outcomes to ensure the funding is fully leveraged to maximize societal good, and help create a just and fair economy.

III. Ensure 100% of the \$10 million Light-Duty ZEV Infrastructure project category benefits disadvantaged and low-income communities

While we support CARB Staff’s overall recommendation – where at least 50% of *total* funds will go to projects that provide benefits to disadvantaged or low-income communities – we are strongly recommending a higher target for the Light-Duty ZEV Infrastructure project category.

The proposal estimates that 35% of all Light-Duty ZEV Infrastructure projects will provide benefits for low-income and disadvantaged communities.<sup>19</sup> For the reasons described in Section II, we strongly recommend increasing this target and including criteria to ensure that 100 percent of the \$10 million for Light-Duty ZEV Infrastructure projects benefit disadvantaged and low-income communities.

Volkswagen’s (“VW”) cheating didn’t harm everyone equally, instead their actions hit hardest in the neighborhoods impacted by the highest concentrations of busy freeways, ports and high-polluting vehicles. Those neighborhoods are disproportionately low-income and communities of color and they suffer disproportionately from the consequences of VW’s pollution.

To maximize the remaining light-duty equity investments from the Low Carbon Transportation Program, CARB needs to leverage other existing resources and reduce significant barriers to adoption (such as access to EV charging). Our recommendation aligns with the recommendations in the [SB 350 Final Guidance Document – Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents](#) (i.e. to continue increasing access to clean transportation and mobility options for low-income residents and disadvantaged communities across the State):

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<sup>16</sup> See, PolicyLink, National Equity Atlas: Indicators – Working Poor California

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> Including 50% for the charging station allocation, per [Proposed Beneficiary Mitigation Plan](#), at pg. 35.



- **“Expand Funding and Financing for Clean Transportation and Mobility Projects, including Infrastructure, to Meet the Accessibility Needs of Low-income and Disadvantaged Communities”**<sup>20</sup>
  - “Modify existing programs where necessary to prioritize investments and minimize barriers for low-income residents”<sup>21</sup>
- **“Zero-Emission Vehicle Infrastructure - Multi-Unit and Family Dwelling** Support and incentivize charging infrastructure installation, including in existing multi-unit or family dwellings, for low-income residents...”<sup>22</sup>

To date, \$239 million has been allocated to light-duty EV equity projects in disadvantaged communities.<sup>23</sup> More than half of that money has not been implemented yet. An additional \$35 million has gone to CVRP in disadvantaged communities, through the life of the program.<sup>24</sup> And while investor-owned utilities have minimum charging station deployments in disadvantaged communities, these investments are not enough to serve the growing demand for EV charging in these communities.

Given the smaller, discrete light-duty ZEV infrastructure investments and other general market light-duty investments from utilities, the California Energy Commission, the VW ZEV Investment plan, and others, we encourage CARB to champion California’s EV equity efforts<sup>25</sup> and commit 100 percent of light-duty funds to disadvantaged and low-income communities.

#### IV. Maximize social equity in the development of the Mitigation Action Project Agreements by prioritizing and promoting equitable economic opportunity

In the next phase of developing the Mitigation Action Project Agreements, we strongly encourage CARB to promote economic development co-benefits. Doing so will ensure the Beneficiary Mitigation Plan aligns with CARB’s “Draft Revised Funding Guidelines” and CARB’s SB 350 “Low-Income Barriers Study: Overcoming Barriers to Zero-Emission and Near Zero-Emission Transportation and Mobility Options.”<sup>26</sup> Both documents urge utilizing investments to maximize economic opportunity.

<sup>20</sup> Final Guidance Document – Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents pg. 17.

<sup>21</sup> *Id.*

<sup>22</sup> Table 2: Recommendations to Continue and Expand Existing Ongoing Effort, Final Guidance Document – Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents

<sup>23</sup> CARB, Low Carbon Transportation Fiscal Year 2018-19 Funding Plan presentation, at [https://www.arb.ca.gov/msprog/aqip/fundplan/fy1819\\_wkshppres\\_031518.pdf](https://www.arb.ca.gov/msprog/aqip/fundplan/fy1819_wkshppres_031518.pdf)

<sup>24</sup> Center for Sustainable Energy (2018). California Air Resources Board Clean Vehicle Rebate Project, Rebate Statistics. Data last updated March 13, 2018 (Retrieved 3/19/18) from <https://cleanvehiclerebate.org/eng/rebate-statistics>

<sup>25</sup> e.g. SB 1275 (2014) Charge Ahead California Initiative, SB 350 Low-Income Barriers Study: Overcoming Barriers to Zero-Emission and Near Zero-Emission Transportation and Mobility Options, etc. – For a complete list, please see our December 2017 comment, *infra* note 1, at pg. 3.

<sup>26</sup> See, CARB, Draft Revised Funding Guidelines, p. 11-13 at [https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/draftrevisedfundingguidelines.pdf?\\_ga=2.52544938.306725975.1526625202-581115995.1526625175](https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/draftrevisedfundingguidelines.pdf?_ga=2.52544938.306725975.1526625202-581115995.1526625175); CARB, Low-Income Barriers Study: Overcoming Barriers to Zero-

We recommend prioritizing projects that demonstrate how they will leverage, support, and/or create training programs to recruit, train, and hire workers from disadvantaged communities and low-income households. One way to do this is to assign preference points to bidders/contractors that demonstrate workforce equity efforts (including but not limited to):

- Hiring of low-income workers and other individuals with barriers to employment (through targeted or local hiring policies, or others);
- Diverse workforce demographics;
- Partnerships with skills development programs (or its own training programs) targeted at low-income workers and people with barriers to employment, such as job training and pre-apprenticeship programs; especially those that provide support services to participants (e.g. child care, transportation assistance, financial stability, etc.); and/or
- Paying of prevailing wages; providing benefits for hires, partners, and dependents (medical and dental coverage, paid vacation and sick leave, retirement savings, transportation reimbursement, childcare assistance, paid training opportunities); predictable scheduling; and opportunities for advancement for entry-level workers

Lastly, Greenlining also strongly recommends increasing participation from minority- and women-owned businesses by likewise giving preference points to bids/contracts that demonstrate agreements with contractors and subcontractors certified as minority- or women-owned businesses.

## V. Conclusion

We appreciate the opportunity to provide comment on the Proposed Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust for California and we would welcome an invitation to discuss our recommendations further.

Sincerely,

/s/ Jordyn Bishop

Jordyn Bishop

Environmental Equity Legal Fellow

The Greenlining Institute

[jordynb@greenlining.org](mailto:jordynb@greenlining.org)

/s/ Joel Espino

Joel Espino

Environmental Equity Legal Counsel

The Greenlining Institute

[joele@greenlining.org](mailto:joele@greenlining.org)