



## Local Government Commission

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August 31, 2015

Chairman Mary D. Nichols and Executive Officer Richard Corey  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Chairman Nichols and Executive Officer Corey:

The Local Government Commission welcomes the opportunity to provide comments on the current draft ***Second Investment Plan***. We applaud the approach the state has taken— in particular the move from shovel ready projects to investments that will result in long-term benefits and zero carbon systems, the focus on innovative and integrated systems, and the goal of maximizing the state’s investment by leveraging public-private partnerships, financing mechanisms and other existing resources. To that end we offer the following strategies for achieving these critical goals.

### 1. Create an Integrated Climate Funding Market

In order to meet the state’s ambitious greenhouse gas reduction targets we will need to rethink the way local climate change measures are developed and funded. Far from simply asking for a handout, local governments recognize that they also need to diversify their funding sources, maximize project scoping and execution efficiencies, and evolve their approach to implementing projects. Local governments are working to identify innovative ways to invest general fund dollars, use permit fees, pass bond measures, create financing districts and partnering with the private sector to implement their integrated sustainability plans (climate action, energy, sustainable community, and general plans). Moving forward we need a more coordinated and streamlined approach that can leverage public and private funds to better implement strategies over time that achieve state (and local) climate goals. ***By aggregating both state and local resources we can create an Integrated Climate Funding Market— using a performance-based approach— to expedite implementation, reduce administrative redundancies, optimize return on investment and achieve deeper savings*** (refer to Integrated Climate Funding Market concept proposal attached).

- **State Resource Aggregation – Create a California Integrated Climate Funding JPA**  
Existing community visions (as expressed through climate action plans, sustainable community strategies and general plans) provide a roadmap of integrated measures that help the local jurisdiction reduce greenhouse gas emissions and increase resiliency. This comprehensive vision is then fractured across a number of different local departments to pursue separate state grants that can fund single measures or a component of a larger project. ***Creating an intra-State Joint Powers Authority and pooling a small percentage of funding from related grants across State agencies that support sustainable community measures would allow local governments to submit integrated projects with one application.*** Such a structure would reduce barriers to entry for many local governments hoping to fund climate action strategies. In addition it would provide flexibility (based on performance) to support and expand cutting edge strategies that do not neatly fit into, or optimally perform, under individual grant programs.
- **Aggregation of Local Resources— Integrated Community Resource Markets**  
At the local level, jurisdictions can be a lot more proactive in “unshelving” their plans and identifying priority projects that can be bundled for private and public investors creating Integrated Community Resource Markets that provide a more stable and strategic funding environment to implement climate change goals. Potential mechanisms include Joint Powers Authorities, financing districts or pooling regional funds through County Treasurers. Such a pay-



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for-performance structure would monetize resource savings achieved through community level initiatives such as Property Assessed Clean Energy (PACE) programs or renewable-based electric vehicle charging, and sell the savings to existing and developing markets (including Cap and Trade) that fund energy, greenhouse gas, and water conservation activities. Enabling community funding markets would help to prioritize and integrate projects, leverage diverse funding sources and expedite the implementation of local climate initiatives.

### 2. Provide Targeted Local Assistance and Workforce Training

To fully realize the goals of the program, we need to close this capacity gap to participate in the GGRF program - especially for the disadvantaged communities who are a primary target of the program. Eliminating barriers for accessing the funds and building the workforce capacity to implement the projects will be critical for long-term success.

- One mechanism for closing this gap is the ***Governor's Initiative CivicSpark Program***, a capacity building program designed to support local climate change initiatives. Launched last year, CivicSpark has supported over 80 local governments around the state on a variety of climate related projects. CivicSpark members are in an ideal position to lend assistance to local governments as they apply for GGRF funding and implement projects. To date, these emerging leaders have successfully supported research, planning and implementation of projects from Eureka to Fresno to San Diego. However not every local government – particularly underserved ones with the highest need – can participate in this program. Enabling assistance from the state level— by embedding CivicSpark members to provide administrative, technical or implementation support— would streamline the application and reporting process, leverage an existing program to further the reach of the limited GGRF dollars, increase access for disadvantaged communities, strengthen the likelihood of successful implementation and train a future workforce of climate leaders across the state.

California's ambitious environmental goals will require a whole new level of innovation – strategies, technologies and partnerships yet unseen. As a state, California has thrived by advancing environmental goals, developing groundbreaking technology and continuing at the cutting edge of the nation and, in many cases, the world. To foster this level of creativity will require expediting and streamlining implementation while still maintaining transparency, accountability and measurable outcomes in line with state priorities. By working at both the state and local levels to aggregate projects and match funding, and by providing local assistance and workforce training we can create a strategic and sustainable approach to implementing local climate initiatives.

Thank you for your leadership. We welcome the opportunity to provide additional clarification or support development of specific language as desired.

Sincerely,

Kate Meis  
Executive Director