

September 17, 2014

Shelby Livingston, Branch Chief
California Air Resources Board
1001 I Street
Sacramento CA 95814

RE: CalEPA and CARB Guidance on Cap-and-Trade Implementation and SB 535

Dear Dr. Alexeeff and Ms. Livingston,

I am writing on behalf of the City of San José in regards to the CalEPA EnviroScreen Options and CARB Guidance on Cap-and-Trade Implementation and SB 535.

We are very pleased that Urban Forestry has a significant role in the State's Cap-and-Trade expenditure plan for 2014/15 and beyond. Urban forests provide substantial benefits to reducing greenhouse gas emissions through direct carbon sequestration and energy conservation, while also reducing urban heat island, improving air quality, and providing many additional benefits to communities.

We have several comments regarding the implementation of the program:

1. Cal EPA Options for Identifying Disadvantaged Communities

There are a number of options proposed by CalEPA and an additional option put forth by the Association of Bay Area Governments. Upon review of these methods, we would support methods 1, 4, 5, and 6, as each takes the intent and requirements of SB 535 and provides different ways to apply the criteria for identifying a disadvantaged community. Methods 1, 4 and 5 are straight forward and fair assessments of the SB 535 criteria and EnviroScreen 2.0 data. Method 6 offers this as well and additionally appears to be more inclusive of communities that still have pollution impacts and/or population densities, providing more opportunity for the funds to benefit areas that are truly disadvantaged and/or underserved.

Methods 2 and 3 do not meet the statutory requirements of SB 535, which is not only state law, but was developed through a long and thoughtful process with many stakeholders involved. The use of either of these methods would not meet the intent of the law and would require legislation to change the requirements for SB 535 implementation. Not only would this undermine the years of effort many people, organizations, and state leaders put into the development of SB 535, it would also delay

the Cap-and-Trade program implementation for disadvantaged communities while legislation is pursued.

2. Air Resources Board Guidance for Cap-and-Trade and SB 535

A. Portion of Funds to DACs - We are very supportive of a significant portion of the funds serving these disadvantaged communities and the Air Resources Board suggested \$10.5 million (or 55%) of the Urban Forestry funds would be dedicated to disadvantaged communities. We are also supportive of increasing this percentage to upwards of 70%, which was previously proposed in budget discussions. We are supportive of both of these approaches and both would allow CalFire to meet or exceed the requirements of SB 535.

B. Definition of "benefitting a disadvantaged community" - We understand that a percentage of the funds could be spent on projects that "benefit disadvantaged communities" and encourage you to thoughtfully consider how you define this in implementing the program.

There are a number of ways urban forestry can "benefit a disadvantaged community" that are not specific to a narrowly-defined geographic area, including:

- reduced energy demand from power plants, reducing GHGs and improving air quality
- reduced urban heat island effect, reducing GHGs and hydrocarbon formation
- upstream and/or watershed projects that capture, filter, and store stormwater (reducing demand for imported water, the highest energy usage in the state)
- reducing flood risk, which is sited in the 'Land Preservation or Restoration' Draft Guidance from ARB (page I-6)

C. Management of the Existing Canopy Carbon Sink - Additionally, if funds are being focused in disadvantaged communities, there is a desperate need to maintain the existing canopy, which will only be magnified by cap-and-trade investments. Our existing urban canopy currently sequesters 75-100 times the amount of carbon that 300,000 new trees would provide at maturity.

We believe it is important to include funding in the Urban Forestry program guidelines for management and maintenance of standing urban trees with strategic and focused outcomes. We need both new trees and our existing canopy to have a successful outcome for all involved and ultimately to reach our AB 32 goals.

We would be happy to discuss any of this further. Thank you for your leadership and consideration.



Ralph L. Mize
City Arborist