



November 13, 2015

Mary D. Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Cap-and-Trade Auction Proceeds Second Investment Plan

Dear Chair Nichols,

On behalf of the Santa Clara Valley Open Space Authority (SCVOSA), we are pleased to submit the following comments to the California Air Resources Board for the Cap-and-Trade Auction Proceeds Draft Second Investment Plan (Investment Plan). SCVOSA is an open space special district in Santa Clara County whose mission is to conserve natural resources, support agriculture, and connect people to nature.

We strongly support several strategies the Investment Plan identifies as critical to realizing the state's long-term climate goals, including supporting investments that achieve mid- and long-term emission reductions, providing more opportunities for climate investments in rural communities, developing a more comprehensive approach to resource protection and carbon sequestration, and increasing investment in urban forestry.

As you finalize the Investment Plan, we would like to discuss the following investment concepts:

1. Expanding Investment Tools for Natural and Working Lands Conservation

The Investment Plan recognizes that the state should prioritize investments in carbon storage *in all land types* by protecting existing lands threatened by conversion and strategically managing lands to increase their carbon storage capacity and reduce GHG emissions. This includes protecting open space, which can provide a critical buffer between sprawling cities and natural or working lands. Open space, in addition to other types of natural lands, farmland and ranchlands, can provide important co-benefits beyond carbon sequestration, such as local food sources, habitat and other ecosystem benefits.

Furthermore, the Investment Plan underscores the use of conservation easements as a primary tool to prevent conversion of natural and working lands to more carbon intensive uses. SCVOSA supports this strategy, as it is a critical tool to our conservation objectives. However, **we suggest the inclusion of fee title land acquisition as an additional tool to be eligible for cap-and-trade funding**, as it can also help avoid GHG emissions associated with urban development.

2. Increasing Investment Opportunities for Rural Communities

The Investment Plan notes that rural communities also have a critical role to play in achieving the state's climate goals, as they are home to agricultural lands, rangelands, grasslands, and forested lands.

We would like to thank staff for their inclusion of rural communities in the Investment Plan, and **we are especially supportive of the Strategic Growth Council's consideration to target 10 percent of its 2015-16 funds for rural areas. We also believe that there should be dedicated funding for rural communities beyond just the SGC.** Rural communities, like disadvantaged communities, often lack the resources of urban areas and therefore have trouble competing for statewide programs. Despite these areas' low household income, they do not qualify as disadvantaged communities under the CalEnviroScreen tool and are therefore excluded from portions of cap-and-trade funding, like the community of San Martin and agricultural areas outside of City of Morgan Hill in southern Santa Clara County.

3. Using an Integrated, Landscape-Level Approach to Planning

We support the comprehensive and holistic approach to resource protection and management outlined in the Investment Plan. We also support the use of landscape-level planning, especially where it brings together a broad range of partners. Many of the projects we implement can protect or restore multiple natural resources at the same time and an integrated approach recognizes these high-value projects.

The County of Santa Clara, working with its key partner, the SCVOSA, was recently awarded a SALC planning grant to prioritize those agricultural lands that provide the greatest GHG benefits. The County and SCVOSA will bring other partners to this vital collaborative planning process so that local and regional funds can be leveraged with state funding to protect the working lands identified in the study. Through this partnership, SCVOSA can take an integrated countywide approach to managing and protecting agricultural lands.

4. Investing in Urban Forestry and Community Greening Projects

The Investment Plan recognizes that forests located in urban areas will yield multiple benefits in addition to emissions reductions, including air filtration, community cooling, improved active transportation and recreation conditions, improved storm-water runoff, and water retention. We agree with the Investment Plan's assessment of urban forestry's many benefits, and strongly support increased investment, as these benefits are under-realized. With over 95% of Californians living in an urban area, and recent studies concluding that 60% of the nation's top ten cities suffering from the deadliest air pollution are located in California, our residents rely on urban greening projects to deliver GHG emission reductions while also providing key health, safety, economic, and environmental co-benefits.

Overall, SCVOSA supports the direction of the natural and working lands component for the Cap-and-Trade Auction Proceeds Draft Second Investment Plan. California's natural and farm and ranchlands continue to be a critical component to reducing GHG emissions in the state, and we hope to see them further integrated with state efforts to achieve those ends. We would like to thank agency staff for the inclusion of several of the investment concepts outlined above, as they are critical strategies to our work on the ground. We appreciate the opportunity to provide recommendations for your consideration for the Investment Plan.

Sincerely,

A handwritten signature in blue ink that reads "Andrea Mackenzie". The signature is written in a cursive style with a long, sweeping tail on the "ie" at the end.

Andrea Mackenzie
General Manager
Santa Clara Valley Open Space Authority