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September 15, 2017

Ms. Mary D. Nichols
Board Chair
California Air Resources Board
PO Box 2815
Sacramento, CA 95812

RE: ARB Draft Funding Guidelines for Agencies that Administer California Climate Investments, August 2017

Dear Ms. Nichols:

On behalf of the Southern California Association of Governments (SCAG), I would like to thank you for the opportunity to comment on the ARB Draft Funding Guidelines for Agencies that Administer California Climate Investments. We also appreciate your leadership in addressing climate change for our state while investing in our communities.

The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura), 191 cities in an area covering more than 38,000 square miles, and approximately 19 million people. Despite being home to nearly half of the state's population and greenhouse gas (GHG) emissions, as well as having two-thirds of state's disadvantaged communities population, according to data from the Air Resources Board's 2017 Annual Report to the Legislature, the SCAG region has only received 29.6% of the implemented Greenhouse Gas Reduction Fund (GGRF) investments.

Over the past two years, SCAG has consistently voiced its major concern of the significant inequity of the GGRF investment for our region. The SCAG region is committed to the goals of AB 32 and the region's 2016 Regional Transportation Plan/Sustainable Communities Strategy demonstrated this by achieving an 18% per capita GHG reduction in 2035, significantly exceeding the ARB target of 13%. However, if the inequitable regional distribution of GGRF funds is not addressed, the SCAG region's ability to meet our GHG reduction goals would be greatly impaired.

To guide funding decisions for all GGRF investment programs, the Draft Guidelines currently include six Guiding Principles as below:

1. Facilitate GHG emission reductions and further the purposes of AB 32 as the primary goal.
2. Target investment in and benefitting AB 1550 populations, with a focus on maximizing disadvantaged community benefits.
3. Maximize economic, public health, and environmental co-benefits to the State.
4. Create jobs and provide job training as a component of funded projects, wherever possible.

5. Encourage projects that are consistent with the State's climate goals.
6. Guiding investments and leverage funds where possible to provide multiple benefits and to maximize benefits.

While the six principles all have strong legislative basis and/or sound program design logic, implementation outcomes to-date for the SCAG region as referenced above have shown that they are not sufficient. Accordingly, SCAG is proposing an additional principle as the following:

- **ADDITIONAL PRINCIPLE:**
- **Ensure regional equity to geographic regions that produce the greatest amount of GHGs;**

If a GGRF investment program has statewide applicability, the agency administering that program should consider regional equity within the entire state. In this case, while we are not advocating any formula-enforced regional equity, the state agency may consider factors such as the region's share of the state's total GHG emissions, total VMT, total disadvantaged communities population, or other factors most relevant to the specific program to address regional equity. To reduce GHG emissions, GGRF funds should be implemented in regions and populations that produce the highest amount of GHGs. An equitable distribution of funds would ensure that the six-county SCAG region would make the greatest impact possible in achieving the climate goals set forth under AB 32.

Finally, as you know, SCAG has been making proactive efforts in addressing GHG emission reductions through the implementation of its adopted RTP/SCS. As one example, SCAG has invested over $22 million in 200 Sustainability projects completed throughout the region to help reduce GHG emissions. We are currently starting another phase with about $12 million for 65 new Sustainability projects that help reduce GHG emissions. Without equitable participation in the GGRF investments of the SCAG region which accounts for about half of the state's GHG emissions, however, it will jeopardize the region's and state's ability to reach their respective climate goals. I respectfully urge your serious consideration in finalizing the ARB Funding Guidelines.

If you have any questions, please feel free to contact me at (213) 236-1944 or by email at ikhrata@scag.ca.gov.

Sincerely,

Hasan Ikhrata
Executive Director