



**California Special
Districts Association**

Districts Stronger Together

September 1, 2015

The Honorable Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95184

Re: Cap-and-Trade Auction Proceeds Second Investment Plan Concept Paper

Dear Chair Nichols:

The California Special Districts Association (CSDA) represents over 1,000 independent special districts and affiliate organizations which provide essential local services throughout California. Special districts are responsible for providing millions of Californians with infrastructure and services, such as water, sanitation, fire protection, transit, hospitals and health services, parks, open space, airports, and ports. We support dedicating cap-and-trade auction proceeds specifically to local governments, including all special districts, to create an efficient and streamlined process for local agencies, while maximizing the state's investment in addressing climate change.

Local governments, including special districts, are instrumental to meeting the state's climate and energy goals. As the closest level of government to Californians, we are able to make a significant impact by taking action in our communities and promoting public awareness. Local leadership enables special districts, cities and counties to work together with a number of partners to initiate projects that target the biggest greenhouse gas (GHG) reductions, promote energy and water use efficiency, and create jobs.

Investing cap-and-trade auction proceeds in local government GHG reducing projects furthers the goals of AB 32 and works toward the Governor's long-term climate and energy goals. This local investment is an efficient use of these funds as local governments can best identify projects at the local level that will deliver the greatest benefits for the least amount of dollars. Furthermore, local governments are well-suited to partner with other local and regional organizations, as well as leverage private capital from the local economy, making these dollars go even further and providing additional co-benefits.

Local governments are already engaged in many of these GHG reduction activities. Local agencies have developed programs that improve energy efficiency, divert waste, increase urban greening, upgrade fleets and facilities and protect open space. However, funding for these projects is dwindling. To help sustain these efforts, we support an integrated funding market to dedicate funds to local governments.

In addition, special districts are vital to the efforts of the state to meet the goals of AB 32 and the Governor's long-term climate and energy goals. Whether an air quality management, park, open space, transit, or other type of district, all special districts collectively play an important role in reducing emissions. Special districts are key partners working in the state's local communities and are well-suited to address these long-term goals. As such, a cap-and-trade investment plan should consider the benefit of investing in all types of special districts.

California Special Districts Association

1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
t: 916.442.7887
f: 916.442.7889
www.csda.net

A proud California Special Districts Alliance partner

Special District Risk Management Authority
1112 I Street, Suite 300
Sacramento, CA 95814
toll-free: 800.537.7790
f: 916.231.4111

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
f: 916.442.7889

Dedicating funding to local governments, including special districts, will create a more coordinated and streamlined approach that will allow local agencies to submit integrated projects in one application, while maximizing the state's investment. It will encourage collaboration with other public agencies and community organizations and promote projects with multiple benefits that might not be feasible when applicants have to apply to a variety of state agencies, each with its own unique parameters and timelines. This will result in projects with deeper GHG emission reductions and help to streamline the process, ultimately creating efficiencies in the distribution of cap-and-trade revenue.

We would like to work with the Air Resources Board and the Administration to create an effective approach to maximize GHG reductions and propel California's communities forward through expenditure of auction proceeds. We respectfully request that you ensure that local governments, including all special districts, can continue helping the state meet the goals of AB 32 and the Governor's long-term climate and energy goals.

Sincerely,

A handwritten signature in cursive script that reads "Christina Lokke". The signature is written in black ink and is positioned below the word "Sincerely,".

Christina Lokke
Senior Legislative Representative