



Office of Sustainability

September 1, 2015

Air Resources Board

Investment Plan Committee & Investplan2015-ws

Re: Cap-and-Trade Auction Proceeds Triennial Investment Plan for 2016-2019

Dear Investment Plan Committee Members;

Thank you for the opportunity to provide comments and input to the 2016-19 Triennial Cap-and-Trade Investment Plan. Most of the comments in this letter were generated as part of a regional collaborative effort to advance and improve GHG reductions, program delivery, and do so in such a way as to address local community needs, particularly in our disadvantaged communities. These comments also reflect on-the-ground experience in working with the many cap and trade programs and a robust public engagement process that was conducted in disadvantaged communities. Specific recommendations are in bold below.

Expansion of Energy and Weatherization Programs

Funds for the Energy Efficiency and Low-Income Weatherization Program are currently limited to income eligible, single-family households in target census tracts. Since implementation of this program is spread across several grantees, an income-eligible household that receives one program benefit is not automatically enrolled to receive other program benefits. There is also no coordination between the Urban Forestry, Low-Carbon Transportation, WET, and Water Efficiency Programs, even though income-eligible households could easily benefit from electric car rebates, charging stations, solar, and shade trees. Further, cap and trade funding is not flexible to allow grantees to make home improvements conducive to the goals of the program, like repairing a roof so solar panels can be installed, or in lieu of solar installing a cool roof and adding insulation and weatherization improvements. As it stands now, other non-cap and trade dollars must be spent to do this additional work – if they are available. Finally, the program does not include business owners or community centers in targeted neighborhoods, even though the sustainability of those buildings is critical for the environmental, social, health, business resiliency and economic benefits they can provide to those neighborhoods.

- **Programs should create project teams that can automatically enroll income-eligible households in all program benefits as appropriate. The project team should consult with MPOs and local government officials to ensure maximum efficiency in program delivery, with the opportunity to leverage other local resources for improved co-benefits and outcomes. Members of these project teams should have solid and successful relationships in the community in order to have effective and efficient outreach and engagement.**

- **Funds should be allowed to make home improvements (such as a roof repair or insulation replacement) related to energy efficiency, weatherization, and tree planting. Funding should also be able to be used for technologies like cool roofs, radiant barriers, wind energy, and gray water systems.**
- **Multi-family housing units within targeted census tracts should be eligible for all programs.**
- **Small businesses and community centers¹ in targeted census tracts should also be eligible if they can demonstrate that the owners, at least one of their employees, or at least 10% of their patrons live in the surrounding neighborhood.**
- **If nearby homes are not suitable for solar panels, businesses and community centers can have them installed to generate renewable energy to serve the facilities electricity needs as well as the needs of surrounding income-eligible households. Solar panels could also be allowed on vacant land or to cover parking.**

Inclusion of Streetscape Improvements

Many residents of disadvantaged communities have attributed poor streetscapes to be one of the primary reasons they do not walk, bike, or take transit to their destinations. In Sacramento, as in many regions throughout the state, our air quality is heavily impacted by those transportation choices. There are insufficient funds dedicated to streetscape improvements as larger infrastructure projects generally take priority. Streetscape and complete street projects can be low-budget and high-impact, providing great opportunities for community involvement.

- **Provide additional, dedicated funding for streetscape improvements to improve the ability to safely walk and bike, while calming traffic. Funds should be allocated to metropolitan planning organizations throughout the state for distribution. These funds can be used for land acquisition, and design/construction for LED lighting installations, complete street construction, tree planting and drought-tolerant landscaping, road overlay (as related to slowing traffic, traffic calming, adding and/or separating bike lanes, road diets and increasing alternative transportation), bus stop infrastructure, trails, and bike parking facilities.**

Inclusion of Urban Agriculture

Urban agriculture is growing in popularity in our state as a viable means to increasing access to healthy food while providing people with a viable source of income. The City of Sacramento, along with several other jurisdictions, has recently passed an urban agriculture ordinance to make growing and selling easier for residents. A similar ordinance is underway at Sacramento County.

- **The Urban Forestry program should be expanded to allow funding to be used for the acquisition, and creation of new and maintenance/expansion of existing urban agriculture spaces.**

¹ "Community Centers" should include school sites (operational and non-operational), churches, and any large space used for community-benefit purposes.

Expansion of EV Charging Station Resources

Electric Vehicle Charging Stations are expensive to install, especially in existing communities, in particular disadvantaged communities and multi-family complexes. While a new incentive program for businesses was just released, the cost for infrastructure and the chargers is very expensive and not cost effective for most small businesses. Cities and Counties can advance more public charging stations in key locations if there were incentive funds, rather than loans, to offset these costs

- **Funding for Electric Vehicle Charging Stations should be expanded to include grants for infrastructure and charging station equipment, particularly in disadvantaged communities and multi-family units. New affordable multi-family developments and business complexes should be particularly be targeted for electric vehicle charging to avoid retrofit costs in the future. Similarly, funding to upgrade antiquated chargers to newer and faster chargers can help with increasing use.**
- **There should be special measures taken to ensure that access to EV fleet and charging station monies are available to small businesses.**
- **Funding for electric vehicle charging stations in multi-family (MF) housing should be an eligible element of this program, especially in existing MF low income housing projects.**

Green Jobs as a Priority Co-Benefit

The source of much pollution in our state rests on the fact that our industries are not all “green².” To address this, California needs to put a high priority on training people to start careers in green industries. As awardees administer their various grant programs, they should be required to train and employ residents from targeted communities to ensure the maximum benefit of that investment in that community.

- **All agencies and grant awardees must demonstrate that they train and employ residents of targeted communities in green jobs as much as possible. To the extent feasible, awardees should explain how these jobs for these residents will be sustained after the project is complete.**

Ensuring Equitable Access and Improved Use of Funds

SB 535 prioritizes funding to the most disadvantaged communities in our state, but competition for those funds may inadvertently redirect funding from going to communities with the most need. Competition also discourages collaboration, transparency, and project planning when funding can't be assured to a certain project from one year to the next. This also makes it hard for community members to track and influence applications. Assembly Bill 32 requires that public and private investment be directed toward the most disadvantaged communities in California to provide an opportunity for community institutions to “participate in and benefit from statewide efforts to reduce greenhouse gas emissions.” Measures should be taken to ease public access to this process.

- **Utilize a type of formula-systems distribution approach of some cap and trade funds, which would go directly to cities and counties. In this way local jurisdictions could anticipate that they will have a certain amount of funding to work with each year. They could then plan and deliver priority projects, especially in disadvantaged communities, where it may take a while to pull together funding. Similar to community development block grant funds where you can work with the community in advance, prioritize their projects and develop a delivery schedule based on typical annual allocations. Formula**

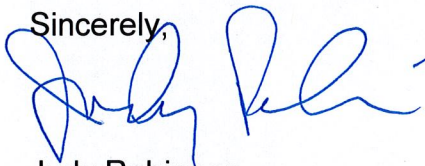
² Green jobs are defined by jobs in businesses, public agencies or community organizations that produce goods or provide services that benefit the environment or conserve natural resources.

distribution provides certainty where other funds can be leveraged to complete needed projects. Each jurisdiction would be allocated a certain amount of funding, then in order to receive it, be required to submit project applications with estimated GHG reductions, in order to qualify the project for the funding. All the other project reporting would still be required.

- The ARB and administering agencies should require at least three weeks for review of new policy documents before closing public comment or holding public meetings.
- Administering agencies should post all grant review criterion, applications received, and projects funded by region or county, on a single user friendly central website to promote transparency and public engagement.
- All agencies administering GGRF should provide technical assistance to community based organizations to promote the engagement of disadvantaged communities. Agencies should also make provisions to have the authority to reduce or waive match funding requirements for applicants that may not have the means to provide that funding.
- Grant recipients should conduct data collection and report on the realization of proposed project co-benefits. Data collection and reporting should also be an eligible expense from grant funding.
- The ARB and administering agencies should require applicants to illustrate community support for the application, in addition to outlining their community engagement process in the development of the application.
- The ARB and administering agencies should require applicants to get at least one letter of support from the local jurisdiction where the project will occur to ensure alignment with local initiatives and planning efforts and delivery of a quality project.
- State funding should include a set aside to aid regions in coordinating project applications and implementations of GGRF funds. The intermediaries would coordinate actions of applicants and awardees, provide technical assistance, facilitate community engagement, track regional outcomes, improve project efficiencies, and maximize GGRF benefits.

Please feel free to contact me if I can be of assistance or provide further insight into these comments. Thank you again for your consideration of these comments and recommendations.

Sincerely,



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