



September 1st, 2015

Mary Nichols
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Re: Investment Plan Concept Paper

Dear Chairwoman Nichols, fellow members of the Board, and staff:

The undersigned members of the Sustainable Communities for All Coalition and the SB 535 Coalition appreciate the opportunity to submit the following comments regarding the Draft Investment Plan Concept Paper. We commend the Department of Finance, ARB, and other State agencies for the document's acknowledgement of the importance of integrated strategies to reduce GHG emissions, achieve other public benefits in accordance with AB 32, AB 1532, SB 535, SB 375, and SB 391, and lay a strong foundation for achieving the goals of Governor Brown's Executive Order B-30-15.

1. Promote and achieve more integrated projects and programs

We appreciate and agree with the emphasis on integration in Section III. D and E and offer the following recommendations to achieve both systems and project integration.

Focus a systems approach on leveraging investments across sectors and programs

Integrated projects and programs hold the greatest potential for maximizing GHG, equity, and co-benefit impacts. Projects that combine elements from different sectors including transit, active transportation, affordable TOD, energy efficiency, and green infrastructure such as urban forests, parks, open space, and green alleys among others will further these objectives.

Currently opportunities for funding integrated projects are limited. The majority of funding programs are focused on important but often narrow project eligibilities. As an illustration, the Urban and Community Forestry (UCF) Program has a number of grant project types that produce GHG reductions and public benefits ranging from improved air, soil, and water quality, to wildlife habitat, and improved quality of life. Integration with other programs and project types has the potential to achieve the goals of this program and others. For example, Affordable Housing and Sustainable Communities projects that include the planting of trees along sidewalks and bike paths that connect to housing developments and high quality transit will have the benefit of providing shade that can facilitate additional walking, biking, and transit ridership VMT in addition to the benefits listed above.

An integrated approach is clearly critical for funding transformation projects and strategies. We request that the Investment Plan reflect deep integration between the different investment areas as a priority and goal.

2. Use GGRF to advance the state's anti-poverty goals

Section III B “Benefits for All Californians” misses an opportunity to direct climate investments not only to disadvantaged communities but also to other disadvantaged households around the state. AB 1532 (Perez, 2012) specifically requires the state to “Direct [GGRF] investment toward the most disadvantaged communities and households in the state.¹” (Emphasis added.) The most disadvantaged communities highlighted on the CalEnviroScreen should continue to be prioritized for funding. However, GGRF investments that don’t qualify under SB 535 should be directed to prioritize providing benefits to the millions of lower income households that live outside CalEnviroScreen disadvantaged communities that would benefit significantly from GGRF investments in transit, urban forestry, electric vehicles, and other programs. With constrained fiscal resources, the administration should take advantage of every opportunity to lift working Californians, seniors, children and others out of poverty. Expanding Section III.B to include them gives direction to implementing agencies that otherwise may not consider their programs' potential impact on poverty.

3. Addressing displacement

¹ California Health and Safety Code. **Section 39712(b)(4)**. <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=hsc&group=39001-40000&file=39710-39723>

² TransForm and California Housing Partnership Corporation. ***Why creating and preserving affordable homes near transit is a highly effective climate protection strategy.*** <http://www.transformca.org/transform-report/why->

We applaud the concept paper's acknowledgment, on page 13, that more must be done to “prevent potential displacement pressures to ensure all Californians benefit from” transportation and sustainable communities investments. Affordable homes near transit have been shown as critical for maximizing GHG reductions² and have significant equity benefits. We recommend that the concept paper reflect the need for all agencies to make additional efforts to prevent potential displacement. Additionally, to achieve our near- and long-term GHG and equity goals, it is important that agencies address both direct physical displacement and economic displacement. Both socially and scientifically, this is the right approach. Including this in the Investment Plan would set a clear priority to address displacement throughout the suite of GGRF funded programs.

4. Benefitting disadvantaged communities

The focus on disadvantaged communities throughout the paper is welcome. As many of the programs continue to evolve it is important that investments truly respond to community needs and have long, meaningful, and lasting impacts. While not as specific or operational as the ARB Funding Guidelines, the Investment Plan does have an important role in identifying priorities for ensuring these goals are met.

Provide meaningful benefits

To ensure that the benefits provided by SB 535 investments are meaningful, they must be responsive to the high priority needs of disadvantaged communities. No project should be counted toward meeting the SB 535 set asides unless it **directly addresses community needs**, provides **multiple or significant co-benefits**, and **avoids substantial burdens** including increased health risks or the displacement of disadvantaged community residents. The Funding Guidelines should require these as threshold requirements for all SB 535 investments.

We acknowledge that specific requirements such as these carry with them a degree of administrative burden. However, this consistency and transparency is necessary for ensuring robust SB 535 implementation.

5. Prioritize funding for active transportation

In the current suite of programs under the Transportation and Sustainable Communities investment area, there is limited eligibility and no dedicated funding for active transportation:

² TransForm and California Housing Partnership Corporation. *Why creating and preserving affordable homes near transit is a highly effective climate protection strategy*. <http://www.transformca.org/transform-report/why-creating-and-preserving-affordable-homes-near-transit-highly-effective-climate>

- a) AHSC – While a wide range of active transportation projects are eligible under the program, their GHG benefits are significantly undercounted. This acts as a disincentive for applicants to include robust active transportation elements in their projects.
- b) LCTOP – This program has limited eligibilities for bicycle and pedestrian investments restricting them to vehicle improvements such as bike racks and transit station improvements.
- c) TIRCP – The capital program contains no clear language identifying what kinds of active transportation investments can be made
- d) Low Carbon Transportation Program – There is no eligibility under this program to increase the affordability of high quality bicycles such as electric bikes, cargo bikes, folding bikes, or other commuter bicycles

The Active Transportation Program (ATP) has been significantly oversubscribed and overall federal, state, and local funding has generally been flat and in some cases declining in recent years despite a significant number of trips and an increasing demand for streets safe for walking and biking. Dedicated GGRF funding and increased eligibility and incentives within specific programs such as the AHSC, TIRCP, LCTOP, and Low Carbon Transportation Program are important to ensure we maximize GHG reductions and co-benefits from investments in transit and smart land-use, as well as take advantage of the numerous health, economic, and quality of life benefits of active transportation.

6. Include a complete needs assessment for transportation and housing

To act as a sufficient framework for guiding future GGRF investments, the Investment Plan should provide a comprehensive needs assessment for transportation and housing. The concept paper accomplishes this in Part IV.A.3 in regards to zero emission and plug-in hybrid vehicles, but fails to do so for active transportation, transit, and homes affordable to lower income households near transit. For example, the ATP is dramatically oversubscribed and active transportation overall is woefully underfunded. The investment plan could show how additional funding to the ATP could result in larger grants that create walking and bicycling networks in neighborhoods so children can safely walk or bicycle to school and residents could walk or bicycle to key neighborhood destinations. While in aggregate transit and housing programs have much more funding they face similar realities in terms of funding demand and availability. As a result, we recommend that this section be changed to reflect that active transportation, virtually every state housing program, and transit are also oversubscribed, as well as outline comprehensive needs for each sector.

7. Continued Investment in Urban Forestry and Other Natural Resources Integration Projects

We applaud the continued emphasis on investments in urban forestry and the recognition of the significant but under-utilized role of their GHG and other benefits. CAL FIRE's Urban and Community Forestry Program is poised to provide significant benefits to disadvantaged communities – and all Californians – in the years ahead. Urban forests can be readily integrated into an extremely wide variety of sustainable community, transit, housing, and active transportation projects cost-effectively and with significant added benefit.

Many of these potential benefits can also be realized in “carbon-smart” green infrastructure projects in urban areas that include green alleys, schoolyards, parks, riverways and greenways. These investments also reduce GHG emissions while achieving multiple strategies simultaneously that connect, cool, absorb and protect our state's disadvantaged communities. Multi-benefit carbon-smart green infrastructure investments are an essential strategy to reduce GHG emissions, green our cities, and incentivize innovative, carbon-smart development.

Finally, as the Concept Proposal notes, “Investing in multiple project types to cut greenhouse gases in one geographic area would allow the State to emphasize the synergistic effects that exist between many of the strategies.” While a number of local governments, such as counties and cities, are developing plans and strategies to reduce GHG emissions, many have yet to include urban and non-urban natural resources as part of their strategy. To optimize these GHG reductions and public benefits across sectors, local governments, like counties and cities, should integrate natural and working lands in their GHG reduction plans. The State should therefore invest in these integrated plans using a “design-build” approach, whereby a portion of the funds could support the integration of myriad natural resources in a GHG reduction plan (the design) with significant funds also dedicated to implementation (build) to achieve the reductions identified in the plan.

8. Ensuring broad co-benefits

Projects throughout the GGRF programs can result in a wide variety of meaningful and significant co-benefits. As such it is important that the Investment Plan includes at a minimum the broad categories that encompass the range of possibilities.

For example, Part IV.A.5 includes a discussion of co-benefits that is limited to air quality and public health benefits. Co-benefits are wide-ranging and include health, equity, environmental, and economic factors. While we are certain that the paper was not written to intentionally omit this more comprehensive list we nevertheless request that the Investment Plan reflect emphasis on a more global set of co-benefits.

Once again we very much appreciate the opportunity to provide input on the concept paper. This plan provides a critical framework for successfully guiding GGRF funding to projects and programs that maximize near- and long-term GHG reductions and co-benefits and we look forward to working with you to achieve these goals.

Sincerely,

Ryan Wiggins
Cap-and-Trade Campaign Manager
TransForm

Alvaro S. Sanchez
Director, Environmental Equity
The Greenlining Institute

Denny Zane
Executive Director
Move LA

Richard Mastrodonato
Senior Government Relations Manager
The Trust for Public Land

Marybelle Nzegwu
Staff Attorney
Public Advocates

Bill Magavern
Policy Director
Coalition for Clean Air

Megan Kirkeby
Policy Director
California Housing Partnership
Corporation

Julie Snyder
Legislative Advocate
Public Advocates

Lisa Hershey
Sustainable Communities Coordinator
Housing California

Chuck Mills
Director, Public Policy
California ReLeaf

Mari Rose Taruc
State Organizing Director
Asian Pacific Environmental Network

Chanell Fletcher
Senior California Policy Manager
Safe Routes to School National Partnership

Jeanie Ward-Waller
Policy Director
California Bicycle Coalition

Michelle Passero
Senior Climate Policy Advisor
The Nature Conservancy