



PolicyLink



CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE



September 1, 2015

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

RE: Comments on Draft Concepts Paper for the Cap-and-Trade Auction Proceeds Second Investment Plan

Dear Chairwoman Nichols, Board Members, and Staff,

On behalf of the undersigned organizations, we thank the California Air Resources Board (CARB) for your leadership in developing the Draft Concepts for Public Discussion (Draft Concept Paper or Concept Paper) for the Second Investment Plan (Investment Plan). We commend CARB for promoting meaningful public input by allowing sufficient time to review the Concept Paper and by holding public workshops throughout the state. As organizations committed to improving health and increasing access to opportunity for California's most vulnerable communities, we look forward to working with CARB staff to develop and implement the Second Investment Plan.

Overarching Themes

Beyond 2020

We are supportive of the Concept Paper's focus on meeting California's mid- and long-term climate targets and goals, and in particular the commitment to invest in programs and projects necessary to support the transition to an economy less reliant on carbon and other greenhouse gases. We urge CARB to consider the potential impacts and opportunities of this transition on and for disadvantaged communities as defined by

the California Environmental Protection Agency and other lower income Californians. Accordingly, the Investment Plan should articulate and ensure programs that secure benefits, and avoid burdens, to the state's most vulnerable populations. It is these populations that have borne, and continue to bear, the brunt of climate change's impacts; as we reverse our dependence on carbon and other energy sources that contribute to climate change, we too must reverse the negative impacts that investment and energy policies have had on disadvantaged communities and lower income residents throughout the state to create healthy and thriving communities. Opportunities that this program creates include: developing training, job and career opportunities, improving air quality, promoting investment in existing communities, increasing healthy transportation options, and investing in parks and greenspace. We will discuss these potential opportunities and risks embedded in this Second Investment Plan throughout this correspondence, and throughout the update process.

Benefits for All Californians

We agree that the investment plan should ensure and exceed required benefits to disadvantaged communities and that CARB and other administering agencies should maximize and prioritize such benefits in program and project development and selection. We look forward to working with CARB and other stakeholders throughout development and implementation of the Investment Plan and Funding Guidelines to build on and improve the benefits and opportunities that strategic investments can provide.

We enthusiastically support an assistance program for disadvantaged and lower income communities to facilitate participation in GGRF programs. Disadvantaged communities and other lower income communities are in the highest need for GGRF investment, yet many residents of these communities are unaware of the opportunities that exist, and many entities responsible for applying for funds have neither the resources nor technical capacity to apply. Technical assistance should include outreach and education, as well as assistance in applying for funds and implementing programs to ensure benefits to disadvantaged communities and lower income residents. Such a program will expand the reach of the GGRF, thereby expanding its benefits and expanding the number of Californians gaining from and contributing to the state's ambitious climate goals.

We are particularly concerned that the benefits of California's climate change policy extend to rural areas and rural communities. Accordingly, we urge CARB to assess opportunities for rural places to effectively compete for GGRF resources necessary to participate in a transition away from carbon and other climate pollutants. We understand that some programs have already implemented targeted rural programs and preferences to ensure participation of rural areas, and recommend that CARB consider where such programs and preferences are necessary to secure the necessary reach and scope of GGRF investments.

As we stated in our comment letter regarding the Funding Guidelines, we urge the Air Resources Board to better define "benefit" and ensure that projects and programs that nominally benefit disadvantaged communities do in fact perform in this regard. We have attached that correspondence hereto for your reference.

Innovative Technologies

We support the Concept Paper's call for funding of research and analysis to reduce greenhouse gas GHG emissions, in particular its recommendation to invest GGRF proceeds in demonstration projects to identify and strengthen new and emerging strategies. Such demonstration projects are especially helpful to develop best practices in rural areas of the state with less experience implementing, and less available data to support, climate change efforts.

Systems Approach

We are supportive of program integration to maximize GHG reduction but also to maximize co-benefits and benefits to disadvantaged communities. While there are myriad examples of how a cross-sector approach could increase and enhance climate, public health, economic and environmental goals, we question the example included in the concept paper (waste diversion) due to its potentially negative impacts on neighboring communities.

Integrated Projects in Disadvantaged Communities to Support Local Climate Action

Multiple investment projects in a disadvantaged community can catalyze transformative change, in addition to GHG emission reductions. Such a strategy must be driven by the community and communities it is meant to benefit. Processes and metrics must be in place to ensure community engagement and communication between residents and applicant agencies from project identification through project implementation. Inclusion and integration of both residents and organizational stakeholders with longstanding relationships in target communities is critical to program success.

We appreciate the acknowledgement that “jobs are needed to improve areas that have traditionally lacked investment”, however we are concerned by the limited focus within the GGRF to meaningfully prioritize and incentivize applicants to not only advance innovative GHG reduction projects but to target training and job opportunities to individuals facing the largest barriers to employment (i.e. formerly incarcerated, underemployed, low-income, individuals with limited education/skills attainment, etc.). AB 32 and SB 535 has created the opportunity to not only improve our climate, but to secure greater economic growth and prosperity for the State and regions. The GGRF should follow the state’s lead on an equity and opportunity based environmental sustainability strategy by rewarding applicants that involve groundbreaking local partnerships with community based entities preparing low-income youth and young adults for employment, community workforce agreements, and/or project labor agreements with targeted hire commitments.

Efficient Financing Mechanisms to Maximize Investment

We support exploration of financing programs to maximize investments and are especially supportive of a revolving fund that could create a sustained and sustainable funding source for grant-funded projects benefiting disadvantaged communities. A transition to a revolving loan fund must not put resources out of reach for disadvantaged communities, rural towns and small cities; grant programs must be maintained to ensure benefits throughout California. Additionally, CARB should consider other mechanisms to sustain the investments that the GGRF supports including through fees levied on greenhouse gas emitters.

Short-Lived Climate Pollutants

We support increased attention to short-lived climate pollutants and in particular those pollutants that are also criteria air pollutants or otherwise negatively impact public health and air quality. For example, CARB should prohibit the GGRF from facilitating a decrease in greenhouse gas emissions that concomitantly increase criteria air pollutants.

Rural Communities and Small Businesses

We are pleased that rural communities are at the forefront of this investment discussion and offer the following broad suggestions as to how the Investment Plan can maximize benefits and opportunities in rural areas. We look forward to expanding on this discussion throughout development of the Investment Plan.

The Concept Paper highlights the important role that rural areas can play in furthering the state's climate goals, especially with respect to working and natural lands. However, rural communities can and must play a significant role in climate action beyond protection and utilization of lands for carbon sinks and carbon sequestration. The GGRF and complementary programs can play a critical role in creating robust economies and healthier rural communities that contribute to a transition away from carbon and other energy sources that contribute to climate change. Such strategies include improving transit and active transportation options; facilitating infill development that will create thriving communities while protecting surrounding open space and agricultural fields; creating of "cluster" housing developments coupled with public transport in agricultural regions to allow for workers to live closer to their employment and travel to work easily; investing in economic opportunities in a changing economy to support job and career development; developing parks and greenspace in communities; and investing in affordable and distributed energy systems that will, among other benefits, allow families to transition away from wood fires for heating.

Draft Investment Concepts

Transportation and Sustainable Communities

The Concept Paper lays out current effort to reduce GHG emissions through transportation and sustainable communities strategies, including the High Speed Rail and implementation of sustainable communities strategies (SCS). CARB and other agencies charged with administering investments into the high speed rail must ensure that such investments are not directly or indirectly harming disadvantaged communities and lower income residents, thereby undermining the very goals of the GGRF program to improve conditions and opportunities for disadvantaged communities.

CARB should require sustainable communities strategies and similar planning documents to allocate a fair and adequate share of growth and investment to existing small cities and rural communities, and otherwise promote strategic and equitable planning and investment. Our experience has shown us that Metropolitan Planning Organizations (MPOs), concerned primarily with meeting GHG reduction targets, fail to consider equitable growth and investment as part of their SCS development. CARB should incorporate such considerations into SCS review. More relevant to the Investment Plan, CARB should target resources to support implementation of sustainable communities strategies that promote equitable investment, invest in the health and sustainability of existing communities, and protect natural resources including groundwater and surface water resources. Investments should include investments in transit and active transportation facilities, infrastructure to support infill development and incentives to support existing communities as opposed to new town and sprawl development.

The Concept Paper notes the need to invest more in zero emission (ZEVs) and plug-in vehicles and suggests that current programs don't target incentives as strategically as they should. Programs designed to promote use of ZEVs should prioritize benefits to those residents and communities that could benefit most from the transition to ZEVs, such as the most polluted regions of the state. Similarly incentive and rebate programs must be structured to promote equitable access to vehicles through a variety of different mechanisms including car share programs, deeper rebates and subsidies based on income, support for long term maintenance of vehicles, etc. Additionally, as the Concept Paper notes, a transition to more efficient and ZEVs cannot substitute for improved land use and transportation planning that will facilitate increased reliance on transit, carpool and vanpool opportunities, and active travel. Investments in enhanced transportation options are especially important for those Californians who do not have the resources to purchase and maintain electric vehicles and those residents who are, and will remain, reliant on public transportation and active transportation to access work, school, and basic services.

The Investment Plan should call for investment in innovative transportation programs that fit the needs of California's diverse communities. For example, rideshare and vanpools programs may provide the greatest opportunities in many rural communities. Vanpools and other car-share programs can expand to serve residents beyond farmworkers, including workers in the tourism industry and students. Additionally, the Investment Plan should emphasize the importance of investing in pedestrian and bike facilities and programs to support active transportation.

The Concept Paper notes that half of the Low Carbon Transportation and the Affordable Housing and Sustainable Communities investments "benefit" disadvantaged communities. We repeat that the term "benefit" must be better defined to reflect demonstrated community priorities and that any benefits attributed a project and program be verified. For example, as stated in our previous comments, we continue to be concerned with the geographic location of a project as a proxy for benefitting disadvantaged communities. For projects that are located a half mile from a disadvantaged community (DAC) census tract, or within a zip code that contains a DAC census tract, it remains unclear how this constitutes a direct, meaningful and assured benefit given the large distances and physical barriers that can easily prevent access for low-income families and children in many disadvantaged communities, particularly within rural communities. Additionally, the Investment Plan should state explicitly that no GGRF investment may harm, directly or indirectly, a disadvantaged community.

Clean Energy and Energy Efficiency

Energy efficiency programs should ensure inclusion of residential projects and programs, and in particular projects that benefit lower income Californians and disadvantaged communities. The Investment Plan should continue to invest in weatherization programs for lower income residents and should secure benefits for tenants as well as home-owners. Additionally, water efficiency programs must include residential programs and projects designed to increase efficiency and reduce system leaks that result in water loss and high costs for many low income residents. We endorse CARB's commitment to reducing reliance on wood-fire for heating. The Investment Plan should expand access to affordable energy to facilitate the transition away from wood fire in disadvantaged communities and lower income households.

Clean Energy and Energy Efficiency programs offer an indispensable opportunity to create employment and career opportunities especially in those areas that are hardest hit by changes created by and designed to confront climate change. The Investment Plan should encourage targeted job and career development through each strategy including efforts to promote clean energy and energy efficiency.

On farm water efficiency programs offer an important opportunity to create integrated approaches to climate change in agricultural practices, including reducing reliance on nitrogen, fumigants and pesticides. CARB should require that farm operations receiving GGRF investments for water and energy efficiency take measures to reduce reliance on nitrogen as well as fumigants and pesticides with climate impacts.

Natural Resources and Waste Diversion

While we recognize the importance of waste diversion as a means of reducing emissions and, when appropriate, creating alternative energy sources, we do not approve of projects that directly and indirectly burden disadvantaged communities and other residential areas. We don't believe that dairy digesters benefit disadvantaged communities at all, and can in fact exacerbate the air pollution in immediately neighboring rural communities by increasing emissions of volatile organic compounds and truck traffic. Similarly other waste diversion activities can increase criteria air pollution, odor and traffic related emissions and do not provide benefits to communities in which they reside. We applaud CARB for including language in the Concept Paper that "efforts to expand composting, anaerobic digestion, and recycling should be pursued

strategically to avoid creation of environmental health issues for nearby communities.” The Investment Plan and associated projects must ensure that this intention becomes a reality.

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Questions or concerns regarding this comment letter may be addressed to Kaylon Hammond at 559-369-2790 or khammond@leadershipcounsel.org.

Sincerely,

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