

September 1 2015

Chairwoman Mary Nichols

California Air Resources Board

1001 I Street

Sacramento CA 95814

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

Dear Chairwoman Nichols, Board Members and Staff

On behalf of Comite Civico del Valle (CCV), San Joaquin Valley Leap (SJVL) and IVAN would like to thank the California Air Resources Board, for holding public workshops throughout California and at the Border Region, is dedicated to effective implementation of SB535, because communities that consist largely of low-income rural residents, many of whom are farmworkers, and other who work in heavy industry and agriculture, these communities are most at risk by the impacts of climate change. (CCV) (SJVL) and IVAN is committed to improving health and increasing access to opportunities to California’s most disadvantaged communities, we look forward to working with CARB, stakeholders from and serving disadvantaged communities should have a seat at the table in defining investment priorities for their particular community and more generally in defining what counts as a true benefit to disadvantaged communities under SB535. “ Because climate change does not affect everyone equally, the adverse impact of climate change are expected to disproportionately affect those who are socially and economically disadvantaged including the poor, the elderly, children, traditional societies, agriculture workers and rural population” (OEHHA)

We are supportive of the concepts papers focus on meeting California 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 a low carbon economy.

We urge CARB to consider the potential impacts and opportunities of this transition on and for disadvantaged communities in California and accordingly develop and implement programs that secure benefits, and avoid burdens, to the state’s most vulnerable populations. It is these vulnerable populations that have and continue to bear the brunt of climate change’s impacts, as we reverse our dependence of fossil fuels, we too must reverse the negative impacts that investment and energy policies have had on disadvantaged communities throughout the state to create healthy and sustainable communities. Opportunities that this program create include developing job and career opportunities, improving air quality, promoting investment in existing communities, increasing healthy equitable transportation and zero-emission to near zero-emission trucks and vehicles , urban forestry weatherization and renewables , capture of greenhouse releases and affordable housing options and investing in green spaces

We are encouraged by CARB’s efforts to increase transparency throughout the process of the selection of projects funded by the GGRF. We are hopeful that these additional guidelines on transparency will allow greater access by the public and stakeholders.

The Supplement states that “agencies must post basic information about all of the applications or proposals that are submitted for consideration,” and goes on to list “minimum items” that must be posted. The “minimum items” list must include co-benefits that result from the project and if said co-benefits are targeted to DACs, non-DACs, and/or lower income residents.

The Supplement identifies other transparency measures that will follow funding determination. The guidelines state “after projects are selected and all funds are encumbered” These transparency measures should not await encumbrance of funds which could take several months after funding decisions are made. Post-funding decision transparency measures must be implemented as soon as funding decisions are finalized. The draft supplement also states that after funding decisions, “agencies may choose to provide additional or updated information if they determine such information would be useful to promote transparency.” This is not sufficient. Each application - regardless of whether it was successful - and the scoring of each application, must be made publicly available after funding decisions are made.

All projects should be evaluated on the extent to which they provide benefits to disadvantaged communities and lower income residents, not just those projects competing for qualification as a project located within or providing benefits to disadvantaged communities. Guidelines and scoring criteria must prioritize and incentivize co-benefits, and in particular co-benefits for disadvantaged communities and lower income residents for all project applicants and application

The San Joaquin Valley and the Imperial County are the cornucopia of the state in agriculture and near future solar energy leader for the state.  Poverty and air pollution continue to be a tremendous challenge that undermine quality of health and life in the region.

Increase greenhouse gas funds so that the existing 10% floor becomes 20% to impact directly disadvantaged communities and take the 25% floor of the indirect community impacts which apparently includes the previous 10%, to 40%.  This can help speed up the greenhouse gas reduction in the communities that are most disproportionately impacted by pollutants and the co-pollutants.  But ensure that the projects are focused on projects that not only reduce greenhouse gasses but also reduce criteria pollutants, even if minimal, but an exchange of climate change for poor air quality is merely a neutralizing effect for the fence-line communities or the air basin itself to take the burden when we should observe a co-benefit for clean air in the process. (perhaps the co-benefit may not be so critical for non-disadvantaged, non-fence-line, non-EJ communities).  As time goes on and we fill gaps to achieve climate equity, then a revisiting or update process will be good to assess the success, challenges and necessary changes.  Perhaps an increase of resources for disadvantage community impacting projects residential, commercial and industrial.

Create a Valley set aside of at least 20% of the GGRF moneys for residents, small businesses, transportation, decentralized clean energy generation and building efficiency.

Set a categorical competitive system that will provide opportunity to the small communities to take heed to do the basic projects for carbon-redux as well as to come up with innovative projects that could be modeled for other areas. Of the resources apportioned for the air basin in the San Joaquin Valley and Imperial County should be organized in a way that will give the smaller and medium cities a fighting chance.  The rural farmworker communities do not have competitive edge to effectively acquire the necessary resources to considerably reduce greenhouse gasses.

All projects should also be evaluated on whether they harm or burden, directly or indirectly, a disadvantaged community. Such harm is inconsistent with the intent of the GGRF and the guidelines must prohibit use of funds that result in direct and/or indirect harm to the very communities we are intending to protect. Additionally, the guidelines should require administering agencies to assign equal weight in its scoring criteria to all identified co-benefits to disadvantaged communities of proposed projects, as it does to GHG emission reduction metrics. This guarantees the success of the overall program and its effectiveness in improving environmental, social, and economic well-being

The guidelines state that an applicant can demonstrate a benefit to a disadvantaged community by relying on benefits included in the table of common needs of disadvantaged communities. This does not guarantee a meaningful benefit, as must be ensured through these guidelines. If an applicant relies on a common need, the need must be corroborated by local information that demonstrates that the identified benefit is actually relevant to the particular community or communities targeted. Each disadvantaged community in California is unique and has distinct needs. The success of GGRF projects that are intended to benefit disadvantaged communities is dependent on the extent to which projects meet the needs of community residents and maximizes opportunities for that particular community. Meaningful participation and engagement of community residents in the planning, design, and implementation of projects is essential for the success of these projects. Project applicants should be required to submit explicit and deliberate steps they take to achieve a meaningful level of participation. The state’s Active Transportation Program requires project applicants to demonstrate meaningful public participation throughout design and implementation of proposed projects and assigns substantial weighting to that section in the scoring of those projects. CARB can point to this program in its guidance documents to administering agencies.

In the supplemental guidance, CARB has added important examples to common needs of disadvantaged communities. For example, we appreciate CARB’s clarifying language on mechanisms to target jobs and career development opportunities in disadvantaged communities. However, as we noted in our correspondence regarding the initial draft guidelines, all projects that have job creation or retention components should create quality jobs and professional development opportunities for disadvantaged communities and lower income residents.

We also request that language be expanded under the “create quality jobs, etc.” bullet. Examples of tools/strategies that support targeting training and hiring to individuals with barriers to employment should be clarified here to state (see underlined portion): *project labor agreements with targeted hire commitments, community benefit agreements, community workforce agreements, partnerships with community-based workforce development and job training entities that serve individuals with barriers to employment, etc.*

Additionally, we appreciate recognition of displacement pressures on certain communities and applaud the inclusion of anti-displacement language in the table. However, this language provided must be developed. As noted in our initial correspondence, CARB must go beyond recommending that administering agencies prioritize projects that include anti-displacement measures. Rather, CARB must reflect the need to ensure anti-displacement protections where necessary while not creating an obstacle for jurisdictions and communities that do not confront displacement pressures, and therefore have not yet developed anti-displacement policies and strategies.

The “Program Design” section states that a portion of funding for projects with benefits should be set aside. We believe that a set-aside for disadvantaged community projects has already been identified, but are supportive of increasing the minimum set-aside established by SB 535 and securing a set aside for those programs that do not have one. As noted in our initial correspondence, all GGRF funded projects must be assessed on the extent to which they provide co-benefits to disadvantaged communities not just those projects located within or benefitting disadvantaged communities. While we appreciate CARB’s guidance that all projects be designed to avoid substantial burdens to disadvantaged communities, we reiterate that *all* GGRF funded projects must avoid any and all burdens to disadvantaged communities that are already disproportionately burdened by multiple sources of pollution.

We also appreciate guidance offered in the “Competitive Solicitations” section aimed at maximizing benefits to disadvantaged communities. However, the guidelines must go beyond merely providing a list of possible strategies instead requiring administering agencies to provide extra points for projects that clearly demonstrate how the proposed project addresses community needs and provides multiple co-benefits to disadvantaged communities. These incentives should be extended to all projects and not just those located in and/or benefitting disadvantaged communities. For example if an applicant is providing both health, environmental, *and* economic co-benefits, they should be scored higher than an applicant providing co-benefits in just one category as the former has a greater degree of maximizing benefits. Furthermore, all applicants must demonstrate how stated co-benefits will be actualized.

As well, we appreciate language in the supplemental guidance that emphasizes the importance of early and ongoing outreach through culturally relevant methods. We recommend that in addition to focusing outreach efforts to community residents, administering agencies should also reach out to local nonprofits and government agencies that work with disadvantaged communities on a regular basis.

While we appreciate and commend the CARB for taking steps to provide technical assistance to disadvantaged communities, we believe that provision of technical assistance must be strengthened, particularly for disadvantaged communities. Disadvantaged communities are most in need of additional resources to both develop and implement GGRF projects. Agencies and organizations representing disadvantaged communities do not have the technical and financial capacity to put forward competitive project proposals that reduce GHG emissions and maximize co-benefits. Therefore, CARB’s suggestion that a CARB staff member or private contractor be hired to connect communities to liaisons at administering agencies for programs is not sufficient. Furthermore, it is problematic that it is not expected that resources be available to assist in the preparation of proposals or completion of applications on behalf of disadvantaged community applicants. Greater technical assistance such as grant writing assistance is also necessary in smaller communities and communities without resources to access funding.

There are some project that that appear to be deemed projects located in and/or benefiting disadvantaged communities. Several of these projects and the apparent determinations of “benefit” do not conform to the letter or spirit of SB 535. We intend to continue to push CARB and the administering agencies to create guidelines that promote and ensure projects and programs that meaningfully and assuredly benefit disadvantaged communities. Some projects are receiving SB 535 credit simply due to proximity to a disadvantaged community; as they are located in the same census tract as a disadvantaged community, within a half-mile of a DAC census tract, or within a zip code that contains a disadvantaged census tract. However, these projects do not necessarily benefit the community, and thus, must not be used as a proxy for SB 535 credit. In fact, many of these projects - including waste diversion projects and dairy digesters - may even directly or indirectly create additional burdens and environmental harms for disadvantaged communities. We will continue to assess GGRF investments, especially those receiving credit per SB 535, for their benefit to, and potential negative impact on disadvantaged communities.

We thank you for your tireless commitment to this work, and for the continuous development of the Funding Guidelines towards a more equitable and inclusive process. The incorporation of the above recommendations into the Funding Guidelines will help to support the success of the GGRF investment projects, and will ensure that benefits credited toward disadvantaged communities are not only targeted, but maximized in our communities with the greatest need in truly meaningful ways. Significant environmental, public health, and economic outcomes as outlined in SB 535 and AB 32 can be achieved if the GGRF process is transparent, accountable, and most importantly, inclusive.

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