October 2019

Clerk of the Board

California Air Resources Board

1001 I Street

Sacramento, California 95814

Comments on Item (**Advanced Pay 2019)**, CARB Board hearing, October 24, 2019.

Community Housing Development Corporation (CHDC)

***Proposed Additional Requirement for Advance Payment of Certain Funds Regulation***

Community Housing Development Corporation respectfully submits the following comments regarding the Proposed Additional Requirement for Advance Payment of Certain Funds Regulation (“Advance Payment”).  CHDC is a non-profit in Richmond that was selected to implement the first Financing Assistance Pilot Project in 2015 within 6 Bay Area Counties. We have subsequently scaled up to offer this program to 12 Counties within Northern California and are in the second phase of the Financing Assistance Pilot Project. Having adequate funds to implement this project is essential to us since we don’t always have the resources larger organization have to implement such projects. We are appreciative of the fact that funds are available when needed to accelerate the implementation of projects through advance pay however, we believe the regulation is too limiting and restrictive and should be amended to accommodate CBOs with contracts with CARB. **CHDC has completed two advance pay applications** and while the ability to acquire additional funds to continue with the project is appreciated, the process is too cumbersome.

**The Advance Payment process and structure should be streamlined.**

CHDC has completed two Advance Payment application and the paperwork is tedious and cumbersome in its current structure. The current structure is time consuming and requires non-profits to forecast funds needed which could pose as a barrier to ensure we accurately project the amount of funds that will be needed within the quarter or timeframe. Based on capacity, if said projection is not adequate based on demand, then the application process will have to be completed all over again within a short timeframe. Additionally, the time from application to approval and receipt of funds should be shortened. The wait time is too long which puts financial burden on small non-profits and CBO’s, propelling them to look for or shift resources from other projects to make up the shortfall until funds are received. While larger agencies may have reserves to cover administrative costs, and the financial capacity to float these expenses, smaller nonprofit organizations such as CHDC does not. To be fair and equitable, improvements to the Advance Payment process would create significant benefits for non-profits that contract with CARB. A simplified Advance Payment process will allow equity projects to scale in service to disadvantaged and low-income individuals and families throughout California.

**Secondly, Nonprofits who are qualified for Advance Payment should be allowed to advance pay sub-contractors like what is allowed under these regulations for Air Districts.**

We respectively recommend that CARB modify the language in the proposed regulation and allow nonprofit grantees who have qualified for Advance Payment the ability to provide advance payment to their sub-grantees/contractors to complete projects. The proposed regulation in consideration prohibits this, and by passing this regulation CARB would adversely limit the ability for nonprofit grantees to establish partnerships that can enhance and scale the impact of the project. CARB's current proposed language provides this permission for Air Districts, even though nonprofits have a greater need for this flexibility for the reasons described above. This modification will not only make it easier for CARB to work more with community-based organizations and nonprofit grantees but will also easily subcontract with grassroots CBOs in the communities they serve with limited resources. We believe this would be a significant win for CARB's goals around environmental justice and equity.

CHDC appreciates the opportunity to provide these comments on this important regulation. Please do not hesitate to contact us if you require additional information or have any questions regarding these comments.  We look forward to continuing our working relationship with CARB to ensure that low-income families throughout the State have equitable access to California’s low-carbon transportation investments.