



Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear ARB Staff,

We appreciate the opportunity to comment and the incorporation of public comments on the proposed 2018 California Climate Investment Funding Guidelines. Leadership Counsel for Justice and Accountability works alongside low-income and disadvantaged communities throughout the San Joaquin Valley and Eastern Coachella Valley. We offer the following comments to ensure a robust investment framework that supports agency accountability and the timely meeting needs of for disadvantaged and low-income communities

**I. Avoiding Adverse Impacts in California Climate Investments**

We thank CARB staff for strengthening language with respect to avoiding negative impacts in already burdened communities. We particularly appreciate the change from “minimize” to “avoid” adverse impacts in addition to requiring administering agencies to avoid adverse impacts. We suggest CARB further strengthen this requirement by incorporating suggested language below to avoid any and all negative impacts. Finally, in achieving GHG reductions it is imperative that California Climate Investments do not perpetuate other environmental burdens as tradeoffs. Section III.D.3 states: “Administering agencies may also need to consider tradeoffs when selecting projects with high GHG-cost effectiveness versus projects that facilitate GHG emission reductions and provide other important co-benefits.” Impacted communities have long called for equitable and just investment that does not create additional burden in other areas in exchange for alleviation in some. Therefore, CARB should remove references to trade offs in investment decisions and instead ensure that there be no trade offs considered when there is a potential for negative impacts.

For example, the draft guidelines point to various potential trade offs in diverse projects. One example points to digester projects and potential trade off associated with this type of project. However, while we appreciate the state's attempt to address concerns we've raised concerning air pollution generated from certain digester technologies, the example fails to address the various negative impacts including the impacts of expanded dairy operations and increased movement and concentration of manure. These impacts include increased air and odor impacts from ammonia, hydrogen sulfides, nox and volatile organic compounds, and increased water impacts from nitrate contamination. These impacts stand in direct juxtaposition with CARB’s goal of avoiding negative impacts on these communities. The potential tradeoff considered in this example still ignores and perpetuates environmental and public health impacts on surrounding neighborhoods. Therefore, references to trade offs should be eliminated in the final guidelines.

## **II. CARB Should Prioritize Community-Identified Priorities**

In working directly alongside several rural and unincorporated communities, residents have been unequivocal in wanting to see direct meaningful investments occur in their community that align with their priorities. Priorities that rise to the top are those such as adding green space, basic infrastructure, affordable and healthy housing, and so on. Also on top of that list is reducing truck traffic and unhealthy land uses, both of which dairy digester facilities increase. As CARB allows applicants to use “documented support”, we recommend staff require applications to meaningfully engage community and demonstrate that a project was derived from such engagement. As we use the term “meaningful community engagement” we recommend staff to ensure engagement is completed with translation provided both materials and direct language, in accessible locations, and at appropriate times.

## **III. Strengthen requirements for reporting on benefits beginning at project application**

We suggest that CARB require all administering agencies to consider a project’s potential co-benefits prior to being awarded funds. It is a concern and priority of community members to maximize co-benefits and are concerned the lack of mandate results in proposed projects that reduce GHG emissions but miss a key opportunity to advance social equity and provide timely benefits to disadvantaged and low-income communities. As such we recommend that either project scoring is increased for voluntary completion of a co-benefits analysis or that CARB establishes this as a requirement for CCIs.

## **IV. Rural Set Aside**

We recommend that CARB require all agencies administering a program to adopt a rural set aside of a minimum of 25% and with a focus on priority populations such that, within the rural set-aside, at least 50% of funds support projects that benefit disadvantaged and lower income communities.

By fostering a policy framework that ensures that the unique needs of rural communities are met in a timely fashion CARB can facilitate appropriate funding to low-income and disadvantaged communities to ensure equitable investments and opportunities. For example, the Affordable Housing and Sustainable Communities Program, administered by the Strategic Council and implemented by the Department of Housing and Community Development funds various GGRF projects that will both achieve GHG emissions and benefit disadvantaged communities. To ensure that resources are accessible to these areas, the agency developed a set-aside of 50% of the available funds for projects benefiting disadvantaged communities in addition to appropriating 10% to Rural Innovation Project Area (RIPA), funding 6 projects estimating a total

of \$ 113,865,927 in 2016. <sup>1</sup> This program has proven truly catalytic in rural California, supporting and furthering innovative mitigation and adaptation projects and approaches throughout the state. A rural set aside in other program areas will similarly that the needs of disadvantaged communities are met alongside those of larger, urban applicants and that capacity is built among small MPO's, agencies, and other applicants with limited financial and staff capacity.

**V. Strengthen language to require community involvement to facilitate identification of projects with substantial burden to disadvantaged communities**

While we appreciate CARB's efforts to include guidelines language that addresses potential substantial burdens for projects located in disadvantaged communities, we believe that the proposed language can be strengthened to highlight the importance of community engagement in this process. We recommend that any project with potential adverse impacts to low-income disadvantaged communities include a public participation requirement mandatory for all applicants. We propose the following language revisions to section III.D.7:

III.D.7. Avoid potential substantial burdens to disadvantaged communities and low-income communities

“Administering agencies are **required** ~~encouraged~~ to engage community members and community advocates in identifying **any** potentially substantial burdens.”

To this end, we recommend that policy language be incorporated into the final draft to analyze and address any potential burden resulting from relevant project types. Such analysis should include the full, lifecycle impacts of any potential projects including, for example, increased waste in disadvantaged communities or increased manure generation on dairies or trucking of feedstock to dairies and landfills. We have seen increased herd size on dairies slated for dairy digester investments, for example, which in turn increases both water, air and odor impacts from dairies. These investment related increases should be captured in analysis and mitigation strategies.

Accordingly, we recommend that funding guidelines incorporate the following or similar language to ensure that any negative impacts from CCI investments for certain project types that can threaten air and water quality, in particular for waste-to-energy projects, be assessed and fully mitigated on site:

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<sup>1</sup> [http://sgc.ca.gov/meetings/council/2018/docs/20180628-Item\\_8\\_AHSC\\_Rd3\\_Staff\\_Report.pdf](http://sgc.ca.gov/meetings/council/2018/docs/20180628-Item_8_AHSC_Rd3_Staff_Report.pdf)

Prior to awarding grant funds from moneys, the applicant and/ or administering agency must identify potential adverse impacts of a proposed project and develop measurable and enforceable mechanisms to fully mitigate those impacts on site. Such analysis should include the lifecycle impacts of the project including any changes made at a facility that are related to development or implementation of the project. A project shall not receive funding from the awarding agency unless the applicant has made certain demonstrations to the funding agency, including but not limited to assurances that the implementation of the project will not result in increased odor, air pollution or water degradation in a disadvantaged community.

Along these lines we also endorse recommendation to ensure that no displacement of lower income communities occurs as a result of project implementation.

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Thank you for taking the time to consider our recommendations, we look forward to continuing to collaborate with the AIr Resource board to ensure equitable investments in low-income and disadvantaged communities through the San Joaquin and Coachella valley. If you require any further information, please do not hesitate to contact Pedro Hernández at [phernandez@leadershipcounsel.org](mailto:phernandez@leadershipcounsel.org) or Abigail Ramirez at [aramirez@leadershipcounsel.org](mailto:aramirez@leadershipcounsel.org).

Sincerely,

Abigail Ramirez and Pedro Hernández