



MAYOR ASHLEY SWEARENGIN

April 23, 2013

Mary Nichols
Chairman
California Air Resources Board
P.O. Box 95812
Sacramento, California 95812

RE: City of Fresno Comments on Draft Cap-and-Trade Auction Proceeds Investment Plan

Dear Ms. Nichols:

Thank you for the opportunity to comment on the Draft Cap-and-Trade Auction Proceeds Investment Plan. Although City staff will be providing comments at the hearing on April 25, 2013, I wanted to emphasize a priority for funding infill infrastructure by adding the existing HCD Infill Infrastructure Grant as a funding mechanism.

As I wrote in my comments to you on March 8, 2013, investment in capital infill infrastructure is an important investment priority in terms of providing Fresno with a tool needed to implement our General and Specific Plans, which contain growth and focus development in prime activity centers.

By permitting the HCD Infill Infrastructure Grant mechanism to be funded and utilized for capital projects, some initial shovel-ready projects in Fresno are in a position to catalyze significant private investment. One of those projects is the rehabilitation of the Fulton Mall in Fresno, a severely underutilized pedestrian mall in downtown that once served, prior to the 1960's, as the main street of a busy and flourishing downtown.

- Request that the HCD Infill Infrastructure Grant (IIG) be included as an existing program funded through near-term Cap-and-Trade auction revenues and prioritize projects near future high-speed rail (HSR) stations.
 - Currently, the "Draft Cap-and-Trade Auction Proceeds Investment Plan" released by ARB **only includes the Transit-Oriented Development Housing Program under HCD**. The IIG program allows funding to be used for actual capital infrastructure needed to catalyze private interest in infill development in Fresno and throughout the State.
- Improve IIG grant guidance to permit the following:
 - Allow Large Multi-Phased Qualified Infill Projects and funding not to exceed \$15 million. Also, allow funds to be obligated within 3 years.
 - Require local governments to be co-applicants.

- Enable IIG to more aggressively encourage infill development in designated High Speed Rail Station Areas:
 - Prioritize those capital improvement projects identified in a Specific Plan or HSR Station Area Master Plans for future infill projects. This will allow HSR Station Areas to be poised and ready for infill housing and mixed-use development, enabling dense development at or before the time HSR service begins, rather than waiting for development projects to be proposed (e.g. reactionary vs. proactive) before putting the necessary infrastructure in place.
 - Consistent with this goal, within HSR Station Areas, fund infrastructure improvements that will encourage future infill development, even if not required as conditions of approval for development projects. Fixing the depressed Fulton Mall in downtown Fresno is one example of this kind of investment.

Thank you for your careful consideration of these comments and your attention to our interests and concerns.

Sincerely,



Ashley Swearengin
Mayor