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Ms. Mary D. Nichols, Chair
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812-2815

Dear Chair Nichols:

Subject: Cap-and-Trade Auction Proceeds Revised Draft Third Investment
Plan: FY 2019-2020 through 2021-2022

The San Diego Association of Governments (SANDAG) appreciates the opportunity to comment on the Cap-and-Trade Auction Proceeds Revised Draft Third Investment Plan: FY 2019-20 through 2021-22.

As the Metropolitan Planning Organization for the San Diego region, SANDAG is responsible for preparing a Sustainable Communities Strategy (SCS) that integrates the region's land use and transportation plans to show how future investments will reduce greenhouse gas (GHG) emissions. The California Climate Investments Program is an important source of funding for implementation of the SCS and a critical component of the State's efforts to achieve GHG emissions reductions and other important co-benefits for California, including benefits to disadvantaged communities.

With this in mind, SANDAG would like to comment on the following components of the Revised Draft Third Investment Plan.

Sustainable Communities Strategy/Local Climate Action Plans

SANDAG appreciates the addition of language on page 9 that underscores the potential of California Climate Investments to support SCS and local Climate Action Plan (CAP) implementation and urges the Air Resources Board (ARB) to support a programmatic focus on these efforts going forward.

SANDAG provides a Roadmap Program to its member agencies that has been instrumental to advancing local climate action planning in the San Diego region. Services available to member agencies at no cost include consultant services on various CAP components such as GHG-reduction measure quantification, CAP document preparation, benefit-cost analysis, and implementation plan development. This SANDAG program has proven successful in encouraging local CAP development in the region. To date, 18 of the 19 local jurisdictions in the San Diego region have either adopted or are in the process of developing local CAPs.

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The Roadmap Program primarily is funded through a Local Government Partnership with SDG&E through December 2020. California Climate Investments could be a critical source of funding for these activities to continue into the future to update and monitor the implementation of these plans.

Small, Community-Focused Grants

SANDAG supports the direction to the Legislature and administering agencies added on page 18 to consider using funds to support small grants for community-focused projects. Despite their clear benefits to the local community, it is difficult for active transportation projects to compete well on their own under current Climate California Investment programs like the Affordable Housing and Sustainable Communities Program.

Small, community-focused grants also could be an important resource for innovative mobility planning and implementation activities. For example, SANDAG has developed a Regional Mobility Hub Strategy to demonstrate how transportation services, amenities, and supporting technologies can work together to make it easier for communities to access shared mobility choices and minimize single-occupancy vehicle trips. Dedicated funding to support operations, services, and infrastructure to implement Mobility Hubs would be a great way to advance these concepts at the community level.

Multi-Year Funding Commitments

SANDAG supports the movement towards multi-year funding commitments through the Climate California Investment programs. In addition to supporting greater collaboration and coordination among the funding agencies, longer-term funding commitments can help agencies like SANDAG properly plan for and invest in multi-modal, sustainable transportation infrastructure.

Innovative Technologies

SANDAG supports the comments of other stakeholders in recognizing the importance of being able to use Climate California Investment funds for innovative technologies and requests that ARB encourage the administering agencies to consider these when determining eligible projects within their existing programs.

Intelligent Transportation Systems

As technologies continue to advance, solutions to encouraging mode choice may not always focus primarily on capital investments. It is important that Climate California Investment funds provide the flexibility needed to allow applicants to use technology to better coordinate and proactively drive travel behavior in support of state and regional mobility and sustainability goals.

For example, the SANDAG SMART Center is a ready-to-go project that would use technological advancements to integrate nearly a dozen regional transportation management systems into one unified platform. Upon implementation, it would reduce congestion, improve safety, and create opportunities for enhanced mobility across all modes and corridors in San Diego County without adding any new physical capacity to the regional transportation system. It would do this by using cutting-edge technology to operate and manage freeway, surface street, and transit networks as one network. Approximately \$24 million is needed to match almost \$25 million in local, regional,

and state investments to implement the SMART Center; however, there currently is not a Climate California Investment funding program that would directly support this type of project.

There are some Climate California Investment programs that currently allow operational costs as a component of a larger capital project. Expanding project eligibility to allow technological/operational investments to serve as the entire project use and broadening the types of technology that can be funded to reduce greenhouse gas emissions, rather than limiting it to only near zero- and zero-emission technologies, would help to fund transformative data-sharing efforts like the SMART Center.

Micromobility Services

Micromobility services like dockless bikeshare, e-scooters, and neighborhood electric vehicles quickly have become popular mobility choices in the San Diego region. These low-speed travel modes offer convenient travel alternatives to single occupant vehicle trips. SANDAG has established a Regional Micromobility Coordination effort to support local jurisdictions as they deploy micromobility programs while building consensus among cities and other stakeholders in the areas of data sharing, micromobility parking and passenger loading, education/outreach, and equity. Climate California Investment funds could help to advance these efforts at the local, regional, and statewide level.

Environmental Justice

SANDAG continues to encourage ARB to focus on the access provided rather than the location of the actual project when considering the objectives of improving equity and achieving environmental justice through the Climate California Investment programs. The objective of transportation projects is to provide enhanced mobility between key destinations; solely geographic-based criteria does not allow for these access and connectivity benefits to be fully recognized. As shown in Attachment 1, many residents in San Diego's state-designated disadvantaged communities commute outside of their neighborhoods for work. Limiting projects to those based entirely within a particular geographic space could preclude more impactful and sustainable transportation projects that connect disadvantaged/low-income communities and/or low-income households to education and employment opportunities throughout the region.

Thank you for the opportunity to comment on the Revised Draft Third Investment Plan. If you have any questions, please feel free to contact Robyn Wapner, Senior Government Relations Analyst, at (619) 699-1994 or by email at robyn.wapner@sandag.org.

Sincerely,



KIM KAWADA
Chief Deputy Executive Director

KKR/RWA/fwe

Enclosure