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Chairperson Mary D. Nichols and Executive Officer Richard Corey  
State of California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

### **Comments on the June 16, 2015 Draft Funding Guidelines of the California Air Resources Board Cap-and-Trade Auction Proceeds**

Dear Chairperson Nichols and Executive Officer Corey:

The City of Los Angeles Housing + Community Investment Department (HCIDLA) supports liveable and sustainable neighborhoods by promoting, developing and preserving decent and affordable housing. The HCIDLA welcomes the opportunity to provide comments on the June 16, 2015 draft of the Cap-and-Trade auction proceeds funding guidelines for agencies that administer California Climate Investments.

#### **Increase Investment located within Disadvantaged Communities (DACs)**

Disadvantaged communities are disproportionately burdened by Green House Gas (GHG) impacts. Per SB 535 (De Leon), one quarter of the Cap-and-Trade proceeds must benefit DACs but only 10% of the funds must be located within DACs. The City of Los Angeles contains 26% of the State's share of disadvantaged communities, and is disproportionately impacted by greenhouse gas emissions compared to other regions in the State. Reducing the impact that GHGs have on the most disadvantaged communities will benefit all by ensuring that differences are made within our key target areas.

**Recommendation:** We urge a minimum of 35% of the Greenhouse Gas Reduction Funds (GGRF) to be invested directly within disadvantaged communities.

#### **Define a Public Comment Period for the Quantification Methods**

Although ARB plans to carefully develop the GHG quantification methodologies through support from experts, peer-reviewed research and empirical data, the highly technical nature of the various methodologies may be difficult to understand. Many entities that implement the GGRF funded programs may not be subject matter experts and will need to make a significant time investment to study the proposed methodologies and thereby better interpret the impacts to funded projects. For this reason, a mandatory public meeting and a defined public comment period for the revised/final quantification method is necessary. This will enable the public at large, not only subject matter experts, to provide their input.

**Recommendation:** On page 18, under Proposed Process, require a public meeting and a minimum 30 day comment period after the final quantification methods for new programs and project types are updated or developed.

**Include Program Experts and Practitioners in the development of the GHG quantification methodologies**

Scientific consensus can be difficult to achieve. Often, similar research studies show varying results. While it is important to have updated methodologies that reflect the latest science available, the technical expertise should be complemented with input from practitioners that may not be the scientific experts. For example, the CalEEMod is a statewide land use emissions computer model used in measuring GHG reductions in the Affordable Housing and Sustainable Communities (AHSC) funded projects. While scientific experts developing the model must have technical expertise in environmental and air quality impacts, affordable housing developers can bring expertise about the housing types and populations that may best contribute to GHG reductions. The more contextual details can help bolster and improve the refined CalEEMod metrics and reporting templates that are used to measure GHG goals.

**Recommendation:** Include program experts and practitioners that implement the GGRF funded programs in the ARB contracts to provide an independent review in the development and update of the quantification methods.

We appreciate the time and energy that ARB has spent developing these funding guidelines. We hope that our comments are carefully considered. We welcome any requests for additional information. If you have any questions on these matters, please contact the Public Policy and Research Unit Director, Claudia Monterossa at (213) 808-8650. Thank you for your commitment to these important programs.

Sincerely,



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General Manager