LEADERSHIP COUNSEL FOR JUSTICE & ACCOUNTABILITY

CCAC
CENTRAL CALIFORNIA ASTHMA COLLABORATIVE

September 14, 2018

Re: Cap and Trade Auction Proceeds Draft Third Investment Plan: Fiscal Years 2019-20 and 2021-22

We thank CARB for the opportunity to comment and provide recommendations on the third Cap and Trade Auction Proceeds Investment Plan. This document offers an opportunity to reduce pollution and GHGs in disadvantaged communities throughout California as well as an opportunity to meaningfully involve community members to provide input in projects that provide multiple co-benefits. However, although the Investment Plan provides for the continuance of programs that have successfully reduced GHGs, we believe that the Investment Plan should be revised and updated to maximize the environmental, public health, and economic benefits to low-income and disadvantaged communities across the state. As such, we urge CARB to incorporate the following policy and program recommendations into the Investment Plan to ensure the Greenhouse Gas Reduction Fund affirmatively advances projects and efforts that truly support the intended outcomes of relevant state mandates.

1)Further Public Participation Requirements and Community-focussed Investments

We appreciate and acknowledge the efforts related to incorporating community input throughout project development and implementation. Community input throughout project development and implementation is critical to ensure that projects respond adequately to a prioritized need for the community. As demonstrated in the Fresno TCC process, community participation is integral to project development and implementation. As such we recommend that administering agencies require local participation to allow community members to take leadership roles in providing solutions and defining meaningful benefits in all program and project types. The current draft states:

> "Agencies can also modify existing programs to facilitate community-level projects....administering agencies may be able to facilitate community-wide solutions by collaborating with other administering agencies….All programs can also strategize on how to maximize community benefits, even if direct community participation is not possible." (14)

We further recommend that CARB ensure effective public participation practices at all applicable phases of project development by requiring all administering agencies to incorporate the recently finalized co-benefit assessment methodology for community engagement to gauge meaningful participation and award funding to applicants who meaningfully incorporate community needs and priorities into proposed projects.

2) Further Develop Policies to Prohibit and Prevent Negative Local Impacts from GGRF Investments

Although the draft document includes an emphasis on providing co-benefits to disadvantaged communities we firmly believe GGRF investments should not create or exacerbate existing environmental, health, economic and/or other burdens in any community in California while attempting to reduce GHGs. We remain concerned about existing programs that fund or potentially fund projects that can result in negative, unmitigated local impacts, including but not limited to:

- Biomass utilization can increase air pollution from incinerator burning and vehicle emissions from hauling logs into disadvantaged communities and vulnerable air basins while delaying a transition to clean energy and clean technology. For example, the Rio Bravo biomass facility located in the Southeast Fresno community of Malaga. In order to meet new energy demands with the newly signed SB 100, energy generation that is predicated upon stationary emissions further delays a transition to clean energy in addition to the San Joaquin Valley's PM 2.5 attainment.

- High Speed Rail projects have resulted in and threaten further unmitigated impacts such as noise, dust, and displacement on local communities and economies; for example Three Palms Mobile Home Park in Fresno and the community of Fairmead, a a disadvantaged unincorporated community in Madera County. The Three Palms Mobile Home Park was not incorporated into HSR's EIR and as a result did not include specific measures for project mitigation for issues relating to noise, housing, traffic impediments to key service areas, nor was there notification with affected residents. Community outreach conducted by LCJA has demonstrated the benefits of including affected residents in project development and implementation. Conversely, the community of Fairmead is slated to be bisected by the HSR and threatens to displace several homes. As a result, we recommend the HSR program be amended to include Community Benefit Agreements and other commitments relating to fully mitigating negative impacts during project construction and implementation.

- Manure management practices can increase air and water contamination in vulnerable and disadvantaged communities while delaying a transition to clean energy. To the extent that manure management is funded through California Climate Investments there should be enforceable assurances that the funded practice - and resulting changes to the dairy's operations - have no negative impacts on nearby communities. In addition to any impacts that result directly from digester operation, we remain concerned that incorporation of digester technology on a dairy will lead to increased herd sizes and increased concentration of dairies,which itself will contribute to increased emissions, pollution, and odor.

    - As an additional matter, implementation of the manure management programs have demonstrated a preference for methane production and utilization for the purposes of natural gas development. We question the short and long term efficacy of dairy digesters in achieving our states climate and environmental goals. Environmental and sustainable agricultural goals would be better served by increasing emphasis on methane prevention strategies available through the AMMP program and other investments rather than the status-quo preference for methane creation and digestion.

- Waste Diversion projects can similarly result in negative local air, water, odor, and traffic impacts. There should be enforceable assurances that the funded practice have no unmitigated negative impacts on nearby communities.

We further recommend that administering agencies incorporate language to avoid negative community impacts into each program language similar to the California Climate Investment funding guidelines:

> When designing programs, administering agencies must consider whether a given project type has the potential to result in substantial economic, environmental, and public health burdens (e.g., physical or economic displacement of low-income and disadvantaged community residents and businesses, increased exposure to toxics or other health risks) in disadvantaged communities and low-income communities, and design programs in such a way as to avoid potential substantial burdens.[1]

To this end as well, statutory language related to deployment of the dairy digester program can be modified for other program areas to ensure community outreach and prevention of net negative impacts. In pertinent part, the statute reads as follows:

> 16428.86. (a) Prior to awarding grant funds from moneys made available from the Greenhouse Gas Reduction Fund, the Department of Food and Agriculture shall review the applicant's analysis identifying potential adverse impacts of the proposed project, including a net increase in criteria pollutants, toxic air contaminants, and hazardous air pollutants; groundwater and surface water impacts; and truck traffic and odor.
> (b) A project shall not receive funding unless the applicant has demonstrated to the Department of Food and Agriculture that the applicant has done all of the following:
> (1) Conducted outreach in areas that will potentially be adversely impacted by the project.
> (2) Determined potential adverse impacts of the project.
> (3) Committed to measures to mitigate impacts.
> (c) In making awards, the Department of Food and Agriculture shall prioritize projects based on the criteria pollutant emission benefits achieved by the project.
> (d) A project funded by the Department of Food and Agriculture that results in localized impacts in disadvantaged communities shall not be considered to provide a benefit to disadvantaged communities for the purposes of Section 39713 of the Health and Safety Code.

To further the state's goal of preventing negative impacts, in particular in disadvantaged communities, CARB should require agencies administering climate investments to incorporate similar language into guidelines, scoring criteria, and evaluation metrics.

---

[1] https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/2018-funding-guidelines.pdf pg 15-16.

3) Expand funding and improve programs for even greater benefits for priority populations

The GGRF has provided funding for important programs which further California's GHG goals and also provide meaningful co-benefits to receiving communities. To continue these positive strides in reducing GHG emissions, we are hopeful that existing programs can be expanded and improved to increase funding access to priority populations in the following ways:

- *Low Income Weatherization Program*: To ensure that LIWP reaches the most vulnerable populations we recommend that the program addresses built in barriers to public participation and focus investments on hard to reach areas including rural communities. Secondly, the program should be allocated much more than $10 Million as this represents a drastic reduction in overall allocation from the GGRF. Furthermore the LIWP should consider roofing and other housing stock retrofitting to increase access to low-income renters. Often times, when residents are considering applying for the LIWP, the roofing conditions are a larger barrier which prevent residents from gaining access to programs like LIWP which further the goals of SB 398 (2017).

- *Urban Greening Program:* The Natural Resources Agency should eliminate obstacles to community participation. The Urban Greening program should not require low income communities to front the high cost of projects, should include operations and maintenance in funding packages, should conduct more robust outreach to potential beneficiary communities, and should focus investments on hard to reach areas including low-income, rural communities. Many rural communities have no greenspace, have limited resources to invest in parks and other green infrastructure, and are increasingly impacted by increasing heat and extreme heat days. For example, in 2018 the San Joaquin Valley is on record for having the most consecutive days over 100 degrees. Parks and green infrastructure are critical mitigation and adaptation interventions for exactly these types of communities as they increase outdoor activity, can mitigate flooding, and reduce heat island effect.

- *Transformative Climate Communities*: The Strategic Growth Council should expand and include investment in rural and unincorporated communities. We recommend that the investment plan call for robust funding of this program area to catalyze and ensure sustainability of transformative investments in communities throughout the state. The last round of TCC has demonstrated the success of the program and its potential. However, the current allocation of $40 million is a drastic decline from the $150 allocated in its first cycle. We further recommend that the TCC program allow for unincorporated communities to apply for implementation funding as well. For example, the Eastern Coachella Valley houses many disadvantaged unincorporated communities and although Riverside County was awarded TCC planning funds, the categorical exclusion for implementation funds effectively prevents priority communities from accessing GGRF investments.

- *Affordable Housing and Sustainable Communities*: The AHSC program has provided catalytic investments through California in housing, transportation, and connections between the two. The inclusion of a rural set-aside has ensured the programs benefits reach rural communities, like Lamont in Kern County which has benefited from strategic investments in both housing and active transportation. The AHSC program - and likely similar programs - should consider additional targeted funding pots to ensure that cities and communities throughout the state can benefit form the program, including small cities which are not eligible for the RIPA program and are not as competitive as larger cities in the ICP program area.

- *Active Transportation Program*: This program encourages non-motorized transportation options, GHG reductions and other co-benefits in low-income communities. Considering the success of the past cycles and the trend of increasing project applications, the GGRF should fund active transportation-type projects or allocate funds to the Active Transportation Program's current and future cycles in order to respond to the need by leveraging existing funds to meet growing demand for active transportation infrastructure and facilitate GHG reduction targets mandated by SB 375.

- Water efficiency and water energy projects should include water efficiency and energy efficiency investments in public water systems and mutual water companies. Not only will water and energy efficiency lead to decreased energy emissions from pumping, treating and distributing water, but it will also increase affordability and long term sustainability in critically overdrafted basins. Water efficiency programs should also consider investments in household level infrastructure to prevent leaks and improve efficiency for the same reasons.

4) Incorporate Rural Set Aside for Certain Programs

In order to maximize GHG reductions and meaningful co-benefits, policy statements must be supported with funding that reaches both rural and urban communities in need. Building climate resiliency is a largely unmet need in disadvantaged rural and unincorporated communities throughout California which face particular needs and barriers to accessing state grant programs including minimal funds for planning, limited political representation, and lack of technical assistance. Although many programs have demonstrated investment in disadvantaged communities at large, rural disadvantaged communities have not benefited proportionally to the levels of investment being made. Since rural communities comprise some of the most polluted communities through the state and also face unique obstacles - and unique opportunities - relating to GHG emissions including inadequate public transit, lack of pedestrian and bicycling infrastructure, small water systems, and poor housing stock the GGRF provides a source of funding to meaningfully address these community-level deficiencies while adding value via reduction of GHG emissions.

In recognition of these barriers and opportunities we recommend that administering agencies incorporate a rural funding set-aside in certain programs as appropriate including urban greening, energy efficiency, TCC and transportation programs. Within existing state programs, acknowledgement of lack of rural beneficiaries has lead to development of the Small

Infrastructure allocations in the ATP program and Rural Innovation Project Area in the AHSC program. Not only will intentional rural investment increase access to funding for prioritized populations, this recommendation falls well within the purview of existing GGRF statuture including SB 535, Ab 1550, AB 398, and SB 859. Furthermore, focused rural GGRF investments can leverage other state investments that targeting rural disadvantaged communities like Proposition 1's drinking water investments that fund solutions relating to climate change's negative affects community groundwater resources and provide infrastructure such as reliable wastewater services to support affordable housing developments.

As stated in previous correspondence with respect to Climate Investments, any investment deemed to benefit a disadvantaged community must demonstrate and include enforceable mechanisms to ensure meaningful and significant benefits to disadvantaged communities. For example, while the dairy digester program and other programs may be located in rural areas, they are not necessarily beneficial to those communities or are developed in partnership with those communities. While we have seen that applicants to the program have relied on assumptions with regards to both air emissions, air emission reductions, and leaching of groundwater, they are unsubstantiated and lack mechanisms in place to monitor or verify decreased claimed reductions. . To summarize, climate investments should focus more - likely through the use of targeted set-asides - on programs and projects that benefit communities and contribute to their resilience.

5) Expand Technical Assistance and Capacity Building

We recommend that the Investment Plan retain at least similar or expanded levels of TA funding from current years. Technical assistance programs should also focus on building capacity of community based organizations and effective nonprofits with established track records of meaningful community inclusion in public processes. Assistance should also be extended for project implementation and should include incorporate meaningful public participation in program project selection metrics.

Expanding TA eligibility to facilitate access to funding and capacity building in priority communities will be essential to meaningfully implementing programmatic public participation requirements in GGRF programs. Existing programs such as the AB 617 community implementation programs, SGMA, and Proposition 1 technical assistance programs have been essential to facilitating community involvement in key community-level issues from project development to implementation.

6) Focus on Long-Term Investments as a Focus of the Third Investment Plan

Long term investments should focus on the state's short and long term, overlapping climate and equity goals. Long term investments should be focused on addressing the deep disparities with respect to both economic access and environmental health across the state and within small and large communities and cities alike. Accordingly, all long term investments should include a primary focus on improving environmental, health and economic well-being in disadvantaged urban and rural communities.

Similarly, climate investments should further our clean energy goals by focusing on on clean energy and zero emission technology, Investment in expanding our natural gas resources, for example through investment in anaerobic digesters contradicts the draft document which states that“Major infrastructure projects should be selected with the 2050 targets in mind, incorporated measures and supporting practices that will help all Californians reduce GHG emissions and adapt to the unavoidable effects of climate change whenever possible” (15) Rather than only “major infrastructure projects” we recommend that all projects should be selected with the 2030 and 2050 targets in mind.

7) Strengthen and Expand Existing Programs and Invest in Community Health and Sustainability

We suggest incorporation of other project types within existing programs or as new programs. Some potential areas of fruitful investment include:

- Vanpools within smaller, rural disadvantaged communities provide transportation options that compliment or replace traditional fixed route transit. Since traditional, fixed-route transit faces farebox requirements and costly maintenance, mirco-transit has emerged as a trailblazing resource to meet the unique needs of isolated and smaller rural communities. For example, the unincorporated community of Cantua Creek in Fresno County operates a community-run van share program and Dinuba, a rural city in Tulare County is launching another rural vanpool program. In order to expand access to community-driven vanpools, funding and applications should be broadened to include community groups and community-based organizations for eligibility.

- Roofing and other retrofitting for the Low-Income Weatherization Program - Although we are pleased to hear CARB is considering housing condition of Farmworker housing in the new iteration of LIWP, it should be noted that there is a shortage of farmworker housing in the San Joaquin Valley. As a result, the LIWP program should expand this consideration to renters and property owners of regular housing stock and mobile homes since many farmworkers find residence in rural unincorporated communities.

- Land-use planning - the Greenhouse Gas Reduction Fund and other climate investments should fund appropriate land use planning processes that further the state’s climate mitigation and adaptation goals. Effective and equitable land use planning furthers climate mitigation and adaptation through a variety of strategies including reducing vehicle miles traveled, increasing green space, preserving open space and agricultural land, expanding transit opportunities, and controlling and conditioning proliferation of emission sources. Yet small cities and counties throughout the state lack resources necessary to conduct effective land use planning processes without state investments. Past state funding programs supported land use planning processes that have been instrumental in facilitating long term sustainability of communities - in particular disadvantaged communities. For example, Proposition 84 Sustainable Communities Planning Grants allowed Tulare County to complete a round of 20 community and legacy plans for rural unincorporated communities that had gone for decades without having any formal community plan. There are still many disadvantaged communities without plans throughout the state that would benefit from investment in planning for long term health and sustainability in the face of challenges and opportunities presented by climate change impacts.

* * * *

We look forward to working with CARB and administering agencies to ensure the GGRF Investment Plan affirmatively furthers California's climate goals while meeting the needs of both urban and rural disadvantaged communities. For any questions or concerns regarding the issues included in this comment letter may be addressed to Pedro Hernández at phernandez@leadershipcounsel.org or (559) 369-2790.

Pedro Hernández
Policy Advocate
Leadership Counsel for Justice and Accountability

Kevin Hamilton
Chief Executive Officer
Central California Asthma Collaborative