

Action for Climate Equity (ACE)



CALIFORNIA RURAL LEGAL
ASSISTANCE FOUNDATION
Advocates for Justice

June 29, 2015

California Air Resources Board
1001 I St.
Sacramento, CA 95814

RE: Recommendations to Cap-and-Trade Auction Proceeds Funding Guidelines

Dear Chairwoman Nichols, Board Members, and Staff,

On behalf of the Action for Climate Equity (ACE) workgroup, we thank the California Air Resource Board (CARB) for your leadership in developing the draft Funding Guidelines for investments from the Greenhouse Gas Reduction Fund. Additionally, we thank you for the opportunity to review the discussion draft and to voice our concerns and suggestions regarding development and implementation of the draft Guidelines at this stage.

The ACE workgroup is committed to improving health and increasing access to opportunity among California's most vulnerable communities, we thank you for considering our input on several key areas of the Funding Guidelines draft. Although the Funding Guidelines present an important step forward in elevating the importance of strategic and equitable investment, more must be done to maximize environmental, public health, and economic benefits to disadvantaged communities across the State as outlined in Senate Bill 535 and Assembly Bills 1532 and Assembly Bill 32. As such, we strongly urge the CARB to incorporate and address the following recommendations in its Guidelines to ensure that Greenhouse Gas Reduction Fund (GGRF) investments advance projects and efforts that truly support the intended outcomes of relevant state mandates.

Ensure a Meaningful and Robust Public Process

Short Timeline for Review Undermines CARB's Articulated Commitment to Public Engagement

Meaningful public participation in prioritization and allocation of GGRF investments is a fundamental component of maximizing benefits to disadvantaged communities. As organizations that work closely with residents and community partners to ensure equal access to decision making processes, we are disappointed by CARB's unnecessarily rushed effort to adopt final guidelines. Earlier this year we were assured by CARB staff that this process would allow plenty of time for meaningful public input via ample review periods and community workshops similar to last year's process. However, the short time frame for public review of these Draft

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Guidelines undermines the very nature of public participation and contradicts the intent of SB 535. In fact, it undermines the very guidance that CARB is providing to administering agencies of ensuring early and ongoing engagement of disadvantaged communities in each agency's own guideline development and implementing activities. Accordingly, we respectfully request that CARB extend the timeline for adoption of guidelines until its August board meeting to allow for meaningful public input and to allow staff to both respond to concerns and to host workshops in key regions of our state.

Require Community Resident Participation in the Planning and Design of GGRF Projects and Ensure Investments Awarded Reflect Community Identified Priorities and Needs

The overall success of GGRF projects that benefit disadvantaged communities is largely dependent on the extent that projects meet the needs of community residents as identified by the actual residents that the project is intended to serve. Meaningful participation of community residents in the planning and design of projects is essential for the success of these projects. Project applicants should be explicit on the deliberate steps they take to achieve a meaningful level of participation. While we appreciate that the Guidelines touch upon engagement to DACs on page 11 in Chapter V -- especially with regard to providing outreach and notification of funding opportunities to DACs -- this language needs to be strengthened to focus on the requirement of significant public participation in the development of GGRF project proposals. Additionally, while model benefits to disadvantaged communities identified in the draft guidelines is useful to illustrate what type of benefits project applicants should seek, these exemplars must not serve as a substitute for community identified priorities and demonstrated community needs and opportunities

In its guidance to administering agencies, CARB should require all agencies to prioritize projects that have strong public participation and planning processes by assigning greater weight to public participation in their scoring criteria. All GGRF project proposals must demonstrate how the local agency, non-profit or private entity engaged and responded to community priorities. For example, all agencies should require their applicants to identify the community-based public participation process and outreach that culminated in the project proposal, and how this process allowed for community identified needs to emerge and be meaningfully reflected in the project, including a clear articulation of the deliberate steps that were taken to ensure the process was culturally and linguistically appropriate and accessible to the residents of the project area. They must also identify how the local agency plans to engage community stakeholders in its implementation activities. Only through these means can projects realize meaningful, direct and assured benefits as reiterated throughout the draft guidelines. We would like to take this opportunity, however, to note that local opposition to affordable housing development in communities where there is demonstrated need for such housing opportunities has often impeded much needed affordable housing development. Administering

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agencies and project proponents need not consider such opposition to affordable housing development.

The Guidelines must articulate CARB's commitment to robust public participation from project design through implementation and provide the tools and authorities necessary to accomplish these goals. We endorse CARB's recommendation of technical assistance to reach vulnerable communities and recommend that CARB further articulate the need to create technical assistance resources for outreach and to assist in project development and implementation.

Expand Eligible Uses of GGRF Dollars

In the General Guidance section, guiding principles state that "investments may only support planning activities for achieving GHG reductions if the planning component is directly tied to a project that results in quantifiable GHG reductions, furthers the purposes of AB 32, and results in a product that will achieve GHG reductions when implemented." We believe this principle directly undermines the ability of disadvantaged communities to ultimately develop projects that reduce GHG. Disadvantaged communities do not count on necessary resources to develop projects with demonstrated quantifiable GHG reductions until they engage in a planning process to identify those projects. Further, Health and Safety Code section 39712(c)(4) (AB 1532) states that funding may be allocated to projects that "reduce greenhouse gas emissions through strategic planning and development of sustainable infrastructure projects, including, but not limited to, transportation and housing." Accordingly, CARB should require administering agencies to allow expenditure of GGRF funds for planning activities and infrastructure projects when such activities will lead to further investments and projects that reduce GHG through, for example, increased infill development and improved transportation opportunities.

Our work in low income small cities and rural communities illustrates the need for additional research to better qualify and quantify GHG emission reductions for certain types of programs and projects, including, but not limited to affordable housing projects and transit programs. We believe that an effective means of developing and distributing this much-needed research and data can come from investing in pilot projects that can demonstrate GHG reduction through their implementation and thus elevate best practices. Health and Safety Code section 39712(c)(7) states that GGRF funds may be allocated to "research, development, and deployment of innovation technologies, measures, and practices related to programs and projects funded [from the GGRF]." We suggest that CARB require appropriate administering agencies to invest in projects that can demonstrate GHG reductions through implementation and study of projects, programs and strategies that currently lack adequate data with respect to their GHG emission reduction potentials.

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All Projects Should Be Evaluated on their Potential Benefits to Disadvantaged Communities

In order to maximize GGRF project benefits to disadvantaged communities as outlined in SB 535, AB 32 and SB 862, administering agencies should evaluate all GGRF project proposals on the extent to which a project furthers co-benefits generally and specifically for our state's most vulnerable people. Evaluation criteria for project co-benefits for DACs must apply not only to those projects credited towards achieving the SB 535 targets for investments in disadvantaged communities, but *all* project proposals.

Further, evaluation criteria for co-benefits for DACs should be based on how clearly the project provides a direct co-benefit to DAC(s), and how co-benefits are expected to be achieved. CARB should also direct agencies to place a greater prioritization on this area of their scoring criteria and to provide a separate scoring component for each co-benefit category such as environmental, health, and economic co-benefits. For example, we recommend a scoring section on providing health co-benefits to DACs, a scoring section on providing economic co-benefits to DACs, etc., rather than combining all co-benefits under one scoring section in an "and/or" approach. This will ensure adequate weight is assigned to each co-benefit in the scoring of projects and maximize co-benefits to DACs in the GGRF.

Maximize GGRF Co-Benefits to Disadvantaged Residents and Communities

At \$2 billion dollars and growing, the GGRF presents an enormous opportunity to ensure significant benefits and opportunities to both disadvantaged communities and residents throughout the state.

Ensure employment and career development opportunities through GGRF investments

All GGRF investments that involve training and/or hiring create valuable training and job opportunities and benefits for those that need them the most and build stronger local, regional and state economies. This includes disadvantaged urban and rural areas where access to education, career pathways and quality and diverse jobs are limited for low-income residents. Consistent with the economic goals of our statewide climate laws and US DOT's recent local hire provision¹ CARB should strengthen its guidance directed to agencies on maximizing economic co-benefits for DACs. All GGRF projects that involve training and/or hiring should be scored based in part on if they *recruit, hire, and train local, low-income, re-entry, and/or disconnected youth and adults, and other disadvantaged workers regardless of whether the project is seeking SB 535 credit.*

¹ US DOT Geographic-Based Hiring Preferences in Administering Federal Awards
http://www.dot.gov/sites/dot.gov/files/docs/2105-AE38%20LOCAL%20HIRING_0.pdf

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We recommend including the following language in the GGRF Funding Guidelines:

Priority should be placed on all GGRF projects that contain any of the following:

- (a) Project labor agreements with targeted hire commitments;*
- (b) Community workforce agreements that connect low-income local residents to jobs or training opportunities;*
- (c) Partnerships with training entities that have a proven track record of placing disadvantaged workers in career-track jobs.*

Targeted hire means an adopted policy aimed at increasing employment of disadvantaged individuals, who are underserved or have faced historical or other barriers to employment. This includes:

- *Long-term unemployed or underemployed workers, low-income individuals, formerly incarcerated individuals, farmworkers, workers on public assistance, workers with a history of homelessness, and at-risk youth.*
- *Individuals residing in areas that have high poverty rates, high unemployment rates, or other markers of economic distress.*
- *Underrepresented groups of people such as women and veterans.*
- *Low-income individuals residing within close proximity to the project site.*

Increase Housing and Transit Opportunities for Lower Income Resident and DACs

GGRF funds also provide much needed resources to address housing and transit needs within and beyond Disadvantaged Communities as defined by SB 535. Guidelines should require administering agencies to target GGRF moneys to support housing and transit opportunities for lower income residents throughout the state. For example, AHSC money not invested in or for the benefit of DACs must be restricted to providing affordable housing opportunities in non-DAC communities. Through this dual strategy of investing in quality housing in disadvantaged communities and investing in affordable housing opportunities where such opportunities may be limited, CARB will support a comprehensive strategy to address California's multi-dimensional affordable housing needs and opportunities.

GGRF Investments Must Not Directly or Indirectly Harm Disadvantaged Communities

Deliberate steps must be taken to ensure that GGRF investments do not inadvertently harm vulnerable, low-income residents of existing communities that are targeted for increased investment.

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Ensure Anti-Displacement Protections When Appropriate and Necessary to Prevent Displacement

Displacement continues to present a threat to lower income residents living in many neighborhoods targeted for GGRF investments. CARB must go beyond merely suggesting that administering agencies consider incorporating anti displacement policies in their respective guidelines but rather require agencies to include them. We understand that displacement is a concern in several communities but not in others. Accordingly, such guidelines must reflect the need to ensure anti-displacement protections where necessary, but not create an obstacle for jurisdictions and communities that do not confront displacement pressures and therefore have not yet developed anti-displacement policies and strategies.

Low-income residents who are displaced from their homes and communities will not have the opportunity to enjoy improved access to transportation, affordable housing, energy efficient buildings, etc., and will continue to be pushed away from jobs and other critical services. Ultimately, these outcomes will have detrimental impacts on low-income families who are then forced to spend larger percentages of their income on transportation costs and will inevitably exacerbate the effects of climate change on our most impacted communities, rather than alleviate them. These outcomes and others stand counter to the intended goals of SB 353 and AB 32, and we strongly recommend that criteria be included in the guidelines and application materials that protect communities from harm.

Unhealthy Land Uses in Residential Communities

Placement of certain project types - e.g. waste diversion projects - can potentially negatively impact communities - be they disadvantaged communities or not. For example, they can create odor and diminish air quality, increase traffic and negatively impact the quality and character of neighborhoods. CARB must direct agencies implementing these and other potentially harmful projects to create and implement methodologies to ensure that such projects do no harm.

Major transit projects can negatively impact local communities through increased traffic and emissions as well as through displacement. Displacement, in these circumstances can both displace families and industrial and other unhealthy land uses that relocate to residential neighborhoods. For example, in Fresno County the High Speed Rail Authority has begun to displace homes, business and industrial facilities in preparation for initial stages of construction. It is currently proposed to relocate displaced industrial businesses to neighborhoods already disproportionately burdened by multiple sources of pollution that rank among the top 5% of impacted census tracts according to CalEnviroScreen. This is unacceptable and in fact further threatens the quality of life of the very communities we are trying to protect and that this program prioritizes.

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CARB must Improve Criteria for Assessing Benefit to DAC

Several of the criteria included in Appendix A to volume two are simply inadequate or inappropriate to demonstrate a direct, assured and meaningful benefit to DACs. There are several examples of this deficiency and accordingly we request that CARB work with stakeholders to review and rewrite this critical component of the guidelines. We offer some examples below as an illustration of our concerns with respect to some key criteria, not as an exhaustive list.

Locating zero emissions vehicles in disadvantaged communities does not necessarily provide a benefit to those disadvantaged communities

CARB identifies the domiciling of zero emissions vehicles, as well as use of zero emissions vehicles, in disadvantaged communities as a benefit to such communities. We question whether or not this in fact represents a benefit to these communities. We are concerned that in many circumstances, such a project could negatively impact a neighborhood by increasing traffic and diminishing the neighborhood aesthetic and character without providing any real benefit.

Increased Job opportunities alone are not sufficient to demonstrate a benefit to disadvantaged communities

As noted above, all projects should further employment and career opportunities for disadvantaged communities and residents and scoring criteria should reflect that mandate. Job creation, on its own, should not qualify projects as benefiting disadvantaged communities in most program areas. For example, the AHSC program must not consider that a housing program satisfies a benefit to a DAC if it does not provide housing to the benefit of the DAC or DAC residents. Job creation in a DAC must be an additional co-benefit to other identified benefits of a project - e.g. improved housing, transit, air quality and park space.

Half Mile Proximity and Zip Codes as a Proxies for Benefit to Disadvantaged Communities Is Inadequate

We remain deeply concerned with that the Draft Guidelines consider that several project types constitute a benefit to disadvantaged communities, by definition, if they are located within a ½ mile of a disadvantaged community. As we noted in previous correspondence to CARB on interim funding guidelines, proximity as a proxy for a benefit are inadequate and misplaced. Improvements made to transit stops, transit stations or AHSC projects located ½ mile away from disadvantaged communities do not translate to and result in direct benefits to residents of vulnerable neighborhoods. Walking a ½ mile to a transit stop or station, for instance, is not feasible if residents face multiple barriers to reach that destination. These include walking long distances with heavy items such as groceries, being accompanied by children or elders, passing through unsafe areas, lack of pedestrian safety (sidewalks, lighting, paved roads, crosswalks), walking alongside high speed

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traffic, and the presence of physical barriers such as freeways, railways, fences, etc. We recommend that CARB eliminate ½ mile proximity requirements and instead require project applicants to demonstrate how proposed projects directly benefit residents of disadvantaged areas without having to overcome proximity burdens.

Additionally, projects located within zip codes that include disadvantaged communities do not necessarily benefit the DAC at all. All criteria that assume a benefit to a DAC for projects located within a zip code that includes a DAC must be eliminated.

Waste Diversion and Utilization Program Area Must Redraft Criteria Demonstrating Benefits to Disadvantaged Communities

In last year's funding cycle, an anaerobic co-digester in Tulare County received \$2.9 million from the Waste Diversion and Utilization fund. The project is located within a disadvantaged community. The project contains a food rescue component but there is no discussion of the scope or reach of that component. and, no discussion of the impact of the project in general on the community in which it resides. The project threatens to compound air quality and odor concerns in the community. In fact, residents opposed the project, citing in their opposition that project proponents failed to meaningfully analyze air and water quality impacts. Community residents were not aware that project proponents were seeking funds for the project while residents were voicing their opposition to it based on potential environmental concerns. The community at issue - Matheny Tract - currently ranks among the top 10% of impacted census tracts according to CalEnviroScreen.

Facilitate Technical Assistance to Disadvantaged Communities

Disadvantaged communities are most in need of additional resources to both develop and implement GGRF projects. Agencies and organizations representing disadvantaged communities lack the technical and financial capacity to put forward project proposals that reduce GHG emissions and maximize co-benefits. The first cycle of AHSC funding demonstrates a dire need for technical assistance to disadvantaged communities to apply for housing and transportation related investments. Technical assistance, along with revised application procedures and guidelines that we will work with along with administering agencies, is also needed to strike geographic balance to ensure that all of our regions enjoy equal access to much needed funding. Our experience in working directly with small cities and counties in the San Joaquin Valley, Imperial County and the East Coachella Valley demonstrates a need for ongoing outreach and assistance in developing projects, preparing applications and implementing activities once funding has been awarded. We have heard from local decision makers and staff that they do not have the capacity to develop and implement project ideas without additional support and guidance. Additionally, we believe that technical assistance will ensure that funds reach and improve the quality of life for the intended recipients of the investments.

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Accordingly, the Guidelines must promote and ensure support within agencies and from third party providers to conduct outreach and help develop and implement project proposals.

Ensure Transparency in GGRF Investments

In Volume 1, Section II.B, the Guidelines read, "The goal [of the guidelines] is to align investments with the environmental, economic, public health and other public policy goals of the GGRF, while providing consistent and transparent implementation of all GGRF programs" (Page 6). Several agencies have failed to make applications for GGRF investments available for public review or otherwise provide information regarding applications, in particular those applications that were not successful. CARB should require administering agencies to post all applications received and the related scoring evaluations for each application received. This will ensure transparency in all GGRF programs and will allow the public and administering agencies to regularly evaluate the effectiveness of the programs and make adjustments to ensure equitable distribution of funds. By requiring agencies to publicly post all program related materials a transparent and accountable process will be created from beginning to end; one in which public input is valued and respected.

-Linguistic inclusion in outreach efforts: It is critical that ARB oversee the translation of grant guidelines and solicitation materials, particularly for competitive grants for businesses, farms, and individuals. In order to ensure participation by disadvantaged community residents and small farm and business-owners, administering agencies must conduct outreach efforts in-language and in-culture, and must use administrative funds towards these ends. CRLA has already provided a list of languages to ARB staff for inclusion in the guidelines: Spanish, Hmong, Vietnamese, Chinese (Cantonese and Mandarin), Punjabi.

-GHG Quantification Methodology/ Cal EE Mod: Disadvantaged communities have higher emissions figures due to climate, topography, and concentration of toxic industries. Cal EE Mod's testing is dependent on land-use and site specifications determined per-area, with a sustainability criteria dependent on existing lifestyle and infrastructure within the community. For example, proposed Affordable Housing and Sustainable Communities projects in communities such as San Francisco test positively due to their existing sustainability indices, i.e. existing low-emissions transportation, existing use of bike and pedestrian transit, and the ability of a proposed project to "link in" and avail of these existing green elements. This causes a weight against disadvantaged communities for a lack of existing infrastructure in conjunction with existing greenhouse gas emissions and criteria air pollutants, and appear negatively on Cal EE Mod reports. For the purposes of grant administrations that utilize Cal EE Mod as a methodology for GHG reductions quantification, ARB must look into updating the quantification software or using a set of criteria for GHG emissions reductions that levels the scale for disadvantaged communities.

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-GHG Quantification Methodology/ COMET-Farm: For quantifications of GHG reductions under CalFIRE and CDFA, resources must be made available to understand the GHG reductions capacity of diversified agriculture. COMET-Farm is an advanced modeling tool that is suited to large-scale agriculture and is excellent for carbon foot-print mapping for rangeland, pasture, and large scale irrigated crop land. Residents of DACs, small farmers and community gardeners who are pioneering greenhouse gas reductions projects in their communities require a modeling tool that can allow non-profits, small farms and business owners to receive the same spatially-explicit data on climate and soil carbon sequestration available to large-scale growers to determine their eligibility for CalFIRE and CDFA funds.

Appendix 2.B- Show all regional maps. Alternative, show regional maps of Urban Area, Rural Agricultural Area and Rural Border Region.

Table 2.B-1 & Table 2.B-2, add 1 example each of project type specific to rural, rural agriculture and rural border region.

TABLE 2.A-8 Waste Diversion and Utilization (step 2-D) Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least **25-50%** of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

Table 2.A-2 Transit Projects. (Add to Step 2- Provides Benefits To) Project provides greater mobility at the California International Border Crossings and increased access to clean transportation for disadvantaged community residents by placing services that are accessible by walking of a disadvantaged community and provide GHG Reduction Benefits to Disadvantaged Communities in close proximity to the California International Border Crossing, including ride-sharing, car-sharing, or other advanced technology mobility options associated with transit (e.g., neighborhood electric vehicles, vanpooling, shuttles, bike sharing services); or

Public Process

Your agency released the documents for public comment on June 16, 2015 with the understanding that the public comment period would be closed on June 29, 2015. This effectively provided 13 days for public participation. The length of this comment period is offensive as it relates to a document that contains about \$2.3 billion in funding. Furthermore, the ARB documents were not presented in any language other than English. We know that English-only effectively and quite obviously limits the participation of Spanish & Hmong speaking populations. Even more, ARB decided to host one single workshop and public hearing in Sacramento to discuss these guidelines. In recent months, our ACE workgroup members independently and combined with many others across the state requested to have as many as 10 hearings across the state. Those requests were obviously disregarded.

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Interpretation of Statute

In the current funding guidance, it is specified that 25% of the proceeds are to be used providing benefits to disadvantaged communities, 10% of which has to be located directly within a disadvantaged community. This is consistent with the interim guidelines proposed last year; however, it sets for a problematic interpretation of the law. Under statute, SB 535 directs the state “to allocate 25% of the available moneys in the Greenhouse Gas Reduction Fund to projects that provide benefits to disadvantaged communities, as specified, and to allocate a minimum of 10% of the available moneys in the Greenhouse Gas Reduction Fund to projects located within disadvantaged communities, as specified.” We interpret this language to mean that 10% within disadvantaged communities must be used in addition to 25% to provide benefits to disadvantaged communities. Even if ARB is uncertain about the language of this passage in the legislation, it is correct to assume that the intent of the bill was to provide important and needed benefits to disadvantaged communities across the state. Under the current interpretation that the agency is exercising, it is taking a conservative view and disregarding the intent of the law in the process. By not adding 10% to the 25% established, the agency is taking a conservative stand that moves to provide less benefits to disadvantaged communities, clearly making a backwards step against the intent of the law.

Scope of Funding Agencies

Although the following is not totally within the authority of the California Air Resources Board, we must make this suggestion in this context because it speaks to a firm belief within our workgroup. One important way to reduce GHG emissions from several sources, and to provide benefits to disadvantaged communities is to include a program for “targeted compliance and enforcement actions” administered by Cal-EPA and/or the Air Districts. The scope of this program, can serve the rest of the agencies as they conceptualize their own projects, and can help to bring immediate benefits to disadvantaged communities.

Context

One of our ACE workgroup members-Central California Environmental Justice Network currently hosts two resident reporting networks of environmental hazards that allow community members to inform compliance and enforcement actions in severely impacted communities in Kern and Fresno counties. Over the last several years of operations, the projects have been successful at preventing pollution from unregulated and regulated sources by informing regulatory agencies about potential violations to environmental law. These projects have prevented and/or corrected emissions from dairies, oil extraction operations, biomass power plants, agricultural burning, pesticides, contaminated soils, composting facilities, hazardous waste facilities, mobile sources, etc. These preventable emissions have undoubtedly helped disadvantaged communities, and helped to reduce GHG emissions. It is important to note that often-regulatory agencies at Cal-EPA or the Air Districts cite lack of resources as a problem that limits their ability to provide pro-active and coherent enforcement

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Applicability

Within the context of the GGRF funds, there are several programs that can benefit from stronger enforcement and compliance efforts, including the Low Carbon Transportation, Water & Energy Technology, Agricultural Energy and Operational Efficiency, Healthy Soils, and Waste Diversion programs. Furthermore, this program can stand on its own and significantly reduce GHG emissions via targeted enforcement and compliance actions in disadvantaged communities. For these reasons we firmly believe that this program should be included.

Job Opportunities

In almost all of the programs, ARB sets forth guidelines for providing benefits to community in relation to work hours. Currently, ARB is setting forth that the project may 1) result in at least 25% of project work hours performed by residents of a disadvantaged community, or 2) result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry recognized credentials or certifications. We contend that these numbers should be raised to at least 50% and 25% respectively, adding emphasis and points to projects that demonstrate their ability to provide wages and/or salaries that mirror those of the state's median household income. Furthermore, we request that you add the following benefits to all programs that relate benefits via work hours with the distinction that these are "and" statements rather than "or" and thus will not count if the project only meets one of these:

1. Project prioritizes job security for residents of a disadvantaged community that are hired to complete the project, and maintain those residents through operations and maintenance of the project in future years.
2. Project provides full-time positions with benefits for residents of disadvantaged communities.
3. Project complies with all relevant laws prohibiting discrimination based on a protected status for all new hires.
4. Project submits plans for providing incentives for new employees to use alternative transportation to and from work sites.

In providing benefits to a disadvantaged community, providing only 25% or 10% of work hours to residents of that community is not enough to enhance the quality of life for the community. Furthermore, any lack of attention paid to wages and labor practices can have the opposite effect than intended and serve to further perpetuate income inequalities within already struggling communities.

On Affordable Housing And Sustainable Communities Projects

Under the draft guidelines, the section for located within that mentions that the project must be "designed to avoid displacement of disadvantaged community residents and businesses" is weak and must be strengthened. From an environmental justice perspective, this statement sounds very much like problematic legal requirements that have played out in many court cases regarding the placement of toxic waste facilities and other undesirable land-uses. The

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problematic elements that often, projects that are not explicitly designed to displace disadvantaged residents, do end up causing those displacements anyway. This statement should be edited to detail a few key ways to ensure that the projects in fact avoid displacement. We propose that the statement read:

A majority (50%+) of the project is within one or more disadvantaged communities and reduces vehicle miles travelled, and the project is designed to avoid displacement of current disadvantaged community residents and businesses by 1) providing a record of public participation and public interest in the project, 2) require an economic displacement mitigation plan, 3) provide a plan for community benefits outside of the proposed project.

Furthermore, when directly talking about affordable housing projects, ARB must establish a guideline for more points to projects that allow low-income residents to reach homeownership. This can further prevent displacement in the future and allows for residents of disadvantaged communities to improve their quality of life. These projects are to provide housing that is decent, safe, and sanitary, modest in size design and cost that allows for residents to afford owning them.

Lastly, line A under the Provides Benefits to section should be updated to reflect $\frac{1}{4}$ mile as opposed to $\frac{1}{2}$ mile from a disadvantaged community. This will ensure that the project is much more accessible to community members.

On Energy Efficiency and Renewable Energy

Under the criteria to qualify as located within, we suggest that you add “mobile homes” as buildings that can receive improvements. From working with low-income, minority populations in the San Joaquin Valley, we often see that mobile homes are not terribly mobile, but do tend to need costly repairs that can aid with energy conservation, but also to improve the quality of life of these residents.

On Water Use and Energy Efficiency

Under the criteria to qualify for projects located within, ARB should consider adding a section C that helps to improve, repair, or replace private water well infrastructure in disadvantaged communities. Working with these communities in the San Joaquin Valley, we often run into problems where low-income residents are dependent on private well that have not been serviced in many years. Some of these wells have begun to go dry, and/or use antiquated diesel pumps, and/or have leaks that serve to waste water and energy. In the past, it has been difficult to provide assistance to these residents given that they are on private water wells and are solely responsible for their maintenance. Nonetheless, there is room here to include them and be able to provide assistance that will ultimately serve to improve the residents’ quality of life, energy, and water efficiency.

On Waste Diversion and Utilization

The current thinking for approaching this program is a bit problematic given that these types of land uses are not always considered benefits, and more often considered undesirable land uses. Therefore, presenting them as benefits when located within communities is somewhat problematic and could be contested by many community

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members who live near these types of land uses. This applies to things like biomass, anaerobic digesters, recycling centers, dairy digesters, etc. For these reasons, we propose that ARB make the distinction that in order for newly proposed projects to be considered benefits while proposed to be located within a disadvantaged community must comply with all of the following:

1. Provide a record for a robust public process that shows meaningful community input and community interest in the project.
2. Requires Best Available Control Technologies (BACT) to sequester GHG emissions, and criteria pollutants to a nearby community.
3. Provide a comprehensive Conditional Use Permit and Community Benefits Agreement that incorporate community mitigation methods and community requirements.
4. Provide a local hire prioritization mechanism that seeks to get a total of 60% facility employment hired from the local community.

For projects that are already located and operating within a community, the current guidelines detailed in the draft proposal for “located within” can still apply. Furthermore, ARB can provide scoring guidelines that require incentivize or provide more points for measures like traffic divergence outside of disadvantaged communities, the use of low-emission trucks, etc.

The incorporation of the above recommendations into the Funding Guidelines will help to support the success of GGRF investment projects, and will ensure that benefits credited toward disadvantaged communities are not only targeted, but maximized in our communities with the greatest need. Significant environmental, public health, and economic outcomes as outlined in SB 353 and AB 32 can be achieved if the GGRF process is accountable, transparent, and, most importantly, inclusive. Once again we thank you for your leadership and commitment to this work, and respectfully ask for your support of these important recommendations as you finalize the Funding Guidelines.

Sincerely,

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