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March 20, 2018

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: 2018 California Climate Investments Funding Guidelines  
Discussion Document**

To Whom It May Concern:

The Sierra Business Council (SBC) is a non-profit network of more than 4,000 business, local government, and community partners working together to foster vibrant, livable communities in the Sierra Nevada. We appreciate the opportunity to comment on the proposed changes to the Funding Guidelines for Agencies that Administer California Climate Investments (Funding Guidelines).

We appreciate the efforts of the 2017 Draft Funding Guidelines and the proposed updates to help address the needs and avoid displacement of low-income households and communities as they work toward a path of adapting to climate change. While the Sierra Nevada and other rural regions struggle with the effects of climate change, rural areas do not receive a proportional amount of support. At the same time, impacts of climate change are not limited just to local residents. Extreme events like severe wildfire, tree mortality, and drought also affect downstream urban communities that rely on the resources coming from forested rural parts of the state.

Here are our comments on the 2018 Funding Guidelines Discussion Document:

- **Item #1 – GHG Emission Reductions.** Allowing agencies to demonstrate how a program's combined investments facilitate GHG emission reductions can spur projects that emphasize climate adaptation, public health, and ecological benefits in addition to GHG emission reductions. **We support this approach to accomplishing the state's climate goals – emphasizing potential co-benefits achieved through GHG reduction projects will help California achieve its broader climate and economic goals, such as resilience from climate impacts.** Sierra Nevada communities face significant challenges adapting to climate change impacts, like wildfire and flooding, due to economic disadvantage, marginalization, and isolation. Investments in forest and watershed restoration projects not only achieve GHG emission reductions but also help these impacted communities adapt to future climate conditions. In addition, a programmatic approach to GGRF investments offers a mechanism to

help implement several existing and forthcoming state plans such as the Bioenergy Action Plan and Forest Carbon Plan. Both plans call for investments that expand the state's bioenergy infrastructure, reduce fire risk, and increase carbon sequestration in California's forests.

- **Item #1 – GHG Emission Reductions.** As the California Air Resources Board (CARB) continues to develop guidance for agencies on methods to demonstrate compliance with statutory requirements, it should **work with the California Air Pollution Control Officers Association (CAPCOA) and local air districts to update the California Emissions Estimator Model (CalEEmod) to include more accurate modeling for quantifying GHG emissions reductions in rural areas.** As CARB requires CalEEmod in GGRF program quantification efforts, it is important that the model allow more flexibility in rural density and VMT choices. For instance, rural projects in community centers ought to have the option to choose “urban center” as opposed to being limited to the low density suburban category, as rural community centers are much more similar to urban centers than low density suburbs. The absence of this function puts rural communities at a severe disadvantage when competing for statewide funding programs such as the Affordable Housing and Sustainable Communities Program. Any new guidance should include this functionality. Due to the lack of research on this matter we recommend investing in or soliciting research or partnering with the Strategic Growth Council through their new Climate Change Research Program to conduct any studies necessary to determine more accurate rural modeling.
- **Item #2 – Project Analysis.** The amount of GGRF invested within and benefiting communities or individuals living in low-income communities should be increased to better reflect the enormous geographic area of rural poverty not considered disadvantaged communities, including the North and Central Coast, Inland Empire, Sierra Nevada and other regions. As mentioned above, low-income rural communities face even greater challenges adapting to the impacts of climate change due to economic disadvantage, marginalization, isolation and other factors. Moreover, these communities are often gateway communities and stewards of California's natural resources, including National Monuments, critical watersheds, food systems, and carbon sinks. As written, CARB's funding guidelines preclude much – needed projects and investment in both these natural resources and their stewards. Most low income rural communities are required through the Funding Guidelines to compete for the same funding as non – DAC urban communities, and yet often lack the capacity and technical resources these urban communities possesses. Although such rural communities exist in a



majority of the state<sup>1</sup>, AB 1550 (Chapter 369, Statutes of 2016) requires a minimum of only 5% of proceeds to be invested here. **As CARB updates its Funding Guidelines, it should direct agencies to allocate at least between 10 and 25% of proceeds to projects that are located within and benefiting individuals living in low-income communities or benefiting low-income households statewide** (without requiring a minimum distance from a DAC for this allocation).

In closing, we want to emphasize that dedicating resources to support California's rural areas is imperative in order to support the State's climate mitigation and adaptation goals. Setting priorities with the Draft Revised 2018 Funding Guidelines will not only help with GHG emissions, adaptation and resiliency to climate change, but improve human health, wildlife habitat, air and water quality, food production and quality of life – for all Californians.

Thank you for your leadership on this critical issue, and we look forward to working with the CARB in advancing GGRF investments in natural and working lands.

Sincerely,

A handwritten signature in black ink that reads "Steve R. Frisch". The signature is written in a cursive, flowing style.

Steve Frisch  
President  
*Sierra Business Council*

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<sup>1</sup> California Air Resources Board. *Disadvantaged and Low-Income Communities Investments, map*. Retrieved February 12, 2018.  
<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemapfull.htm>