

November 13, 2015

Mary D. Nichols, Chair
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Re: Cap-and-Trade Auction Proceeds Draft Second Investment Plan

Dear Ms. Nichols,

Thank you for the opportunity to comment on the Cap-and-Trade Auction Proceeds Draft Second Investment Plan (Second Investment Plan). The Trust for Public Land conserves land and builds parks, gardens and other natural places, ensuring livable communities for generations to come. Our mission is to create a healthy and climate-smart California with access to nature for all.

We appreciate the effort ARB has put into revising the July 2015 Draft Concept Investment Plan and the thorough public engagement process. We fully support ARB's commitment to integrated investments in disadvantaged communities throughout the Second Investment Plan. We also appreciate the emphasis on crosscutting strategies to meet California's greenhouse gas reduction targets, as listed on page 21, by maximizing co-benefits in GGRF projects (page 4). We believe that with this direction, California can meet its climate targets while making the state resilient and sustainable and improving Californian's quality of life.

We would like to provide comments on several areas of the Second Investment Plan, particularly spanning the Sustainable Communities and Natural Resources sections.

Support for Greenhouse Gas Reduction Co-benefits and Integration across Concepts

In our comment letter to ARB in response to the Concept Investment Plan dated 9/1/2015 we proposed a crosscutting new program for Carbon-Smart Green Infrastructure, to be based on the 2012 Urban Greening for Sustainable Communities Program, overseen by Strategic Growth Council and administered by Natural Resources Agency as a multi-benefit approach to building sustainable, resilient, low-carbon communities.¹ The Second Investment Plan stresses a need for integrated projects that support energy and transportation solutions, smart growth, and urban forestry within communities (page 28). We are pleased to see this this new green infrastructure program well supported by the direction in the Second Investment Plan, cutting across investment categories, and delivering multiple benefits, particularly to disadvantaged communities. These strategies are critical to the long-term sustainability of our state – they will help us meet our 2030 and 2050 climate goals, while tackling other critical statewide issues like the drought. In fact, we

¹ A list of projects funded by the Urban Greening program is available here: <http://www.sgc.ca.gov/docs/Urban-Greening-Round-3-Awards.pdf>

believe that all investments of public funds made by the state should be multiple-benefit, and address both climate change and the drought.

To that end, we suggest the following changes to the Second Investment Plan:

- Under IV. D. Investment Categories, Figure 7 (page 20), to the Strategic Planning for Sustainable Infrastructure box, suggest “Reduce GHG emissions through strategic planning and development of sustainable infrastructure projects – including, but not limited to, transportation, housing, *and green infrastructure*”.
- We are pleased that ARB has acknowledged the need for new strategies to meet our long-term goals and that the state has conducted a gap analysis to this effect (page 27). We recommend that the language regarding greening in the Natural Resources and Waste Diversion box in Figure 10 (page 28) be made stronger. We suggest “Planting trees in urban areas and greening the built environment to sequester carbon *and absorb stormwater*”. We believe that a multi-benefit green infrastructure would address a critical statewide need for greening and water sustainability.
- We believe that an additional goal is necessary on page 35 in Figure 13 under water, regarding local groundwater recharge and the need to reduce reliance on long-distance transportation of drinking water (and associated greenhouse gas emissions and energy costs).
- Under 5. Co-benefits in the second paragraph on page 47, we suggest “Urban forests cool communities, reduce energy used to cool homes, *recharge groundwater with green infrastructure*, and create comfortable conditions that encourage active transportation.”

Remove Barriers to Funding for Disadvantaged Communities

We understand that state agencies are allocated GGRF funds to distribute through competitive grant programs and have a certain amount of flexibility and autonomy when designing GGRF program guidelines. However, we believe that the ARB should mandate baseline requirements regarding accessibility to disadvantaged communities and co-benefits across all programs. Currently many GGRF programs are not set up to be user-friendly for communities with fewer resources, less capacity, or experience in applying for highly competitive public funds. The Second Investment Plan stresses that disadvantaged communities should be able to compete themselves for GGRF. To be accessible by communities hit first and worst by climate impacts, we recommend the following:

- Technical assistance should be provided early in the process in order to assist applicants in making their projects more competitive. This includes technical support for the required greenhouse gas calculations to ensure broad participation in the program. This will also assist ARB and agencies implementing GGRF programs to ensure consistency with greenhouse gas quantification as well as in gathering defensible, and comparable data across the state. We acknowledge that the state is moving in the right direction in this regard, such as the Strategic Growth Council’s \$500,000 pilot project to provide support to disadvantaged communities for its Affordable Housing and Sustainable Communities Program.
- Incentives for grant applicants to directly engage members of disadvantaged communities in project planning, design, and development, and relevant applications should demonstrate project design and development strategies that mitigate displacement.

- Bonus points should be awarded for applications that demonstrate a multiple-benefits strategy, including incorporating green infrastructure, native trees and vegetation, climate resiliency strategies, health outcomes, and active transportation benefits.
- Matching funds requirements should be waived for all projects located within disadvantaged communities.
- Funding, through set-asides within GGRF programs, for planning, decision-making tools, and community engagement, with the intent that the planning would lead to projects resulting in greenhouse gas reduction.
- Nonprofits should be eligible applicants for each competitive program – in order to increase the variety of projects that are brought forward and to encourage a greater diversity of partnerships.

Recommendations for Enhancing Existing Investments

Note that below references to current levels of investment are from 2014/15.

➤ *Direct GGRF Transportation Funds Toward Innovative and Alternative Transportation Projects – Including the Active Transportation Program*

- GGRF transportation programs should be directed toward finding solutions to our dependence on carbon-intensive fuels and modes of transportation (including zero-emissions vehicles and public transit) and should not be used to fund roadway repairs
- The Federal funds to the state’s Active Transportation Program come with rigid guidelines related to how they can be used. Augmenting the ATP with GGRF funding would allow greater flexibility and innovation for projects that get people out of their cars.

➤ *Increase Funding For Forest Conservation and Urban Forestry*

We strongly agree with the Second Investment Plan’s concept to “protect existing natural and working lands threatened by conversion to more carbon-intensive land uses,” but we simply are not making large enough investments to make a difference. One-third of California’s landscape is forested. These trees – both in urban and rural areas of the state – are the state’s most effective option to remove and store carbon on a large scale, and are essential to protecting our water supply and water quality. Large-scale investments in forest conservation and management will result in long-term carbon sequestration while also complimenting the goals of the California Water Action Plan, State Wildlife Action Plan and Safeguarding California.

- We acknowledge that in most cases, conservation easements are the most cost-effective tool for forest conservation. However, the conditions associated with a conservation easement are not always as attractive to landowners as selling outright. We would recommend including fee acquisition as eligible for GGRF programs as a tool to prevent landowners from selling natural lands for more carbon intensive uses.
- There is currently a \$4.2 million allocation to CALFIRE’s Forest Legacy program. This amount is far less than needed to meet demand² and does not reflect the critical role forest conservation plays in achieving our greenhouse gas reduction goals. It should be increased.

² Demand for conservation easements from willing landowners has been estimated by both The Trust for Public Land and CALFIRE at close to \$100 million.

- In San Francisco alone, it is estimated that the city's trees sequester nearly 200,000 tons of carbon and filter 260 tons of atmospheric pollutants each year.³ The current \$15.7 million investment through CALFIRE in urban forestry projects should also be increased.

➤ ***Maintain funding for Agricultural Conservation Easements and Management Incentives***

- Agricultural conservation easements are an essential tool to store carbon, help cities combat sprawl, and maintain working lands close to where people live. With careful management, rangelands and cropland sequester carbon in soils. Appropriate incentives can help landowners achieve these results.
- The Strategic Growth Council's Sustainable Agricultural Lands Conservation Program should be continuously funded at 10% of the funding the Affordable Housing and Sustainable Communities Program receives.

➤ ***Increase and Broaden Funding for Wetland and Watershed Protection and Restoration***

- Protection of wetlands on private land, in combination with restoration, is essential to ensure durability of restoration efforts and to realize the greenhouse gas benefits of wetland conservation. Moreover, without the acquisition of privately owned wetlands available as a tool, the state is not able to target wetlands of highest statewide importance for protection and restoration. The Department of Fish and Wildlife's Wetlands Restoration for Greenhouse Gas Reduction program funds restoration, but does not enable the permanent protection of wetlands. Funding for this program should be increased and expanded to include conservation easement or fee title acquisition of key watershed and wetland areas for durability.

Thank you for the opportunity to comment on the Second Investment Plan and for ARB's commitment to the public engagement process. Please contact me if you would like to discuss any of the above in greater detail. I can be reached at 415-495-4014.

Sincerely,



Mary Creasman
Director of Government Affairs

³ San Francisco Planning Department, San Francisco Urban Forest Plan. 2014. p.6.