Local Government Commission

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July 26, 2015

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

Dear Chairman Nichols and Executive Officer Corey:

The Local Government Commission welcomes the opportunity to provide comments on the current draft ***Auction Proceeds Funding Guidelines***

The Local Government Commission (LGC) is a nonprofit organization fostering innovation in environmental sustainability, economic prosperity and social equity. From our formation in 1980 LGC has been a pioneer cultivating innovative local approaches to improving communities. We were an early leader on climate mitigation and have been at the forefront of work on adaptation.

California has been tremendously successful in developing and executing mitigation strategies to respond to the challenge of climate change. In recent months, the urgency and opportunity of addressing climate change through accelerated mitigation and adaptation activities have become even more clear, as Governor Brown outlined in his recent Executive Order (B-30-15).

We are grateful to see the administration's key principles and concepts reflected in the current draft, especially those related to climate impacts and resiliency. We are also very appreciative that the guidelines recognize the importance of coordination with local governments. It is clear to us that ARB is listening closely, learning from the experience of the first year of GGRF funding and working to provide guidance that helps the state and local participants realize the full intent of the program. As we look to accelerate our greenhouse gas reductions across the state, we know you are aware that local government has a critical role to play but are challenged to respond. To realize success, we hope to see the GGRF program further empower local communities to implement investments that strengthen the state's overall economic, environmental, and social resilience. Within this context, we offer a few broad comments that might strengthen the ability of local governments to participate in the program and meet our shared goals.

We enthusiastically support ARB's guidance on coordination and leveraging of funds across agencies, as this reflects an awareness of the challenges local participants face in responding to complex programs across multiple agencies. We ask that the ARB consider formalizing this coordination by creating a performance based local innovation fund that would draw from multiple agency programs to meet statutory goals and allow local governments to optimize greenhouse gas emissions and community benefits by facilitating integrated projects. Further coordination can be enabled through a common application and soliciting local government input.

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Beyond coordination of the funding itself, local technical capacity to participate in the program - especially for the disadvantaged communities who are a primary target of the program - is an important factor in program participation. As you have heard throughout the past year, and we certainly have heard from our membership - the capacity to participate in the GGRF program is not equally distributed across California's communities. To fully realize the goals of the program in the long-term, we need to close this capacity gap. As a step in this direction, we encourage ARB to consider more substance regarding technical assistance. For example local participants — from disadvantaged communities in particular— would benefit from direct support to identify suitable projects, navigate the new funding applications and requirements and to model greenhouse gas emission reductions. Additionally tracking and reporting on unsuccessful applications would help the state to identify and respond to regional or programmatic capacity gaps.

Lastly we recommend that future climate impacts be considered as they relate directly to achievement of GHG reductions (e.g. flooding of an affordable housing or TOD project) versus strictly a co-benefit as indicated in this draft. This assessment would represent a risk management strategy for ensuring funded reductions are realized. Such an approach would align with the guidance in E-30-15 that "state agencies shall take climate change into account in their planning and investment decisions, and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives." We recognize there will be additional direction on co-benefits quantifications in later guidelines and we look forward to weighing in further at that time.

Thank you for your leadership. We welcome the opportunity to provide additional clarification or support development of specific language as desired.

Sincerely,

Kate Meis

Kate Meis
Executive Director