April 9, 2018

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: California Climate Investments 2018 Funding Guidelines Discussion Document

Dear Chair Nichols and Staff:

The Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) welcomes the opportunity to provide comments on the California Climate Investments 2018 Funding Guidelines Discussion Document (Guidelines).

ARCCA is a robust network of leading regional climate collaboratives – each encompassing a diverse group of public agencies, nonprofits, universities, and private sector companies – working together to build resilience to climate change impacts throughout California. As a statewide network, ARCCA brings together some of the leading voices and thinkers on climate adaptation at all levels of society.

We appreciate the proposed revisions to the Draft 2017 Funding Guidelines to streamline program implementation and provide flexibility for a variety of project types. We offer a few recommendations and comments to make California Climate Investments more impactful.

First and foremost, we recommend prioritizing adaptation in the Guidelines to accurately convey the imperativeness of pursuing adaptation and resiliency strategies in conjunction with mitigation efforts and to align with existing State policies and guidance. Communities throughout California are already experiencing the devastating impacts of climate change – both in terms of direct impacts (e.g. extreme heat) and disasters exacerbated by climate change (e.g. wildfires). For California communities, especially under-resourced and vulnerable populations, to thrive in the face of a changing climate, adaptation and resiliency must be accounted for and integrated into all planning and implementation efforts. The importance of pursuing adaptation measures is reflected in numerous state policies including Executive Order B-30-15, which requires state agencies to take climate change into account in their planning and investment decisions by prioritizing actions that both build climate preparedness and reduce GHG emissions. Furthermore, the anticipated effects of climate change are very likely to directly impact the realization of state GHG emissions reduction goals. For example, exacerbated drought reduces availability of hydropower, negatively impacting energy sector targets; sea level rise may adversely affect low-emission developments under consideration, which would impact VMT targets; wildfires reduce carbon sequestration benefits, which would negatively impact natural and working lands targets. As climate change accelerates and implications to community health and well-being worsen, California Climate Investments must take an integrated approach that combines mitigation and adaptation priorities.

1. Moneys facilitate the achievement of reductions of GHG emissions.

- We support the approach to allowing agencies to demonstrate how a program's combined investments facilitate GHG emission reductions. We believe that the additional flexibility that this approach provides will result in more holistic outcomes for communities by connecting GHG emission reductions to community-defined priorities including public health, economic vitality, ecosystem restoration, and more. In order to achieve this vision, as noted above, we recommend prioritizing climate change adaptation and resiliency to address the climate impacts that communities throughout California are already experiencing. Due to the uncertainty of future climate impacts, effective adaptation requires an iterative process that needs to be informed and refined on an ongoing basis. As such, it is critical for the State to escalate the importance of adaptation by providing necessary support and resources. Forest management, green infrastructure, urban greening, and park creation are just a few strategies that can help to reduce GHG emissions, avoid future GHG emissions, and provide immediate community benefits to adapt to the impacts of climate change.

- Many state agencies have produced climate change-related plans and strategies that are often implemented and tracked separately without sufficient coordination across agencies. This has also presented challenges for local agencies with limited staff capacity to effectively engage with the State. While there have been some efforts to build connections across state agencies, many programs and plans still seem disjointed. Through the Greenhouse Gas Reduction Fund, the Board has a unique opportunity to demonstrate how various state plans can converge at the grant making and funding distribution stage. We recommend including key goals and strategies of relevant state plans in the final Guidelines and working with lead agencies to incorporate additional strategies and project concepts in program-specific guidelines. Relevant state plans and efforts include the Forest Carbon Plan, the Bioenergy Action plan, the Tree Mortality Task Force, Safeguarding California, various Caltrans climate change studies and plans, and public health guidance and recommendations from the Department of Public Health.
- 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. We recommend the Board to 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 emission reductions in rural areas.
- We recommend prioritizing proposals that demonstrate existing multi-stakeholder partnerships across sectors and jurisdictions in order to achieve the goals of this program and to advance the overarching field of practice. We encourage the Board to leverage existing networks, such as ARCCA and our member regional collaboratives, as resources for grant applicants.

2. Target funding to disadvantaged communities, low-income communities, and low-income households as appropriate and maximize benefits of disadvantaged communities.

- We appreciate and support the revisions made to the Guidelines based on community feedback. We agree that program designs should avoid or minimize substantial burdens on communities including physical or economic displacement. We encourage including additional guidance for applicants to identify meaningful strategies and pathways to avoid unintended consequences that negatively impact under-resourced communities. For example, guidance on effective engagement with the real estate and development industry, as well as property owners and managers, to avoid displacement and gentrification would be helpful for projects taking place in "disadvantaged communities."

- In order to allocate funds in a more equitable manner, we recommend establishing regional investment floors to ensure that all regions throughout the state—both urban and rural—benefit from California Climate Investments and receive resources to accelerate climate action in their communities. These floors should also be applied to targeted funding for disadvantaged and low-income communities, recognizing that each community faces unique challenges with unique assets and capabilities that can be leveraged, in order to ensure that funding for disadvantaged communities is equitably distributed throughout the state.
- We recommend setting aside funds targeted for low-income rural communities. Low-income rural communities face even greater challenges to mitigating and adapting to the impact of climate change due to economic hardship, marginalization, isolation, and limited access to social services. Moreover, these communities are often gateways to and stewards of California's precious natural resources including National Monuments and critical watersheds, food systems, and carbon sinks. As such, climate investments in these areas offer the opportunity to boost resilience to future climate conditions on natural and working lands and invest much-needed resources to support the health and vibrancy of rural, low-income communities. We recommended creating a low-income and/or rural set-aside that is greater than the amount required by the Board's Guidelines on allocations to low income and disadvantaged communities. We suggest updating the Guidelines to more effectively address rural poverty experienced in the enormous geographic areas throughout the state that are not considered "disadvantaged" communities including the North Coast/State, Central Coast, Inland Empire, and Sierra Nevada.

3. Report on status and outcomes of project funded.

- Due to the wealth of information and data captured through California Climate Investment programs and projects, we recommend identifying opportunities to leverage this information to improve existing and ongoing state programs, both within and outside of GGRF programs.

We hope these comments are helpful to your efforts and welcome the opportunity to provide additional clarification or draft language.

Sincerely,

Jonathan Parfrey, ARCCA Chair
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