



Cap-and-Trade Auction Proceeds

Funding Guidelines for Agencies that Administer California Climate Investments

September 2015



California Environmental Protection Agency

 **Air Resources Board**

Agenda



- What are “California Climate Investments”?
- Public process to develop Funding Guidelines
- How Funding Guidelines support investment requirements and goals
- Upcoming activities
- Public comment



Sustainable Communities and Clean Transportation



- Transit-Oriented Affordable Housing
- Active Transportation
- Increased Transit
- Clean Vehicles
- Vanpools & Car Sharing



Energy Efficiency and Clean Energy



- Weatherization
- Renewable Energy
- Water–Energy Efficiency



Natural Resources and Waste Diversion

- Wetlands Restoration
- Composting and Digesters
- Forestry
- Agricultural Conservation



Who will be using the Funding Guidelines?

- All agencies that administer GGRF appropriations – current and future
- Each agency designs and implements its own program, consistent with statute and Funding Guidelines



Public Engagement During Development of Funding Guidelines

Public Access to Information

- ARB website is a central portal for all programs:
arb.ca.gov/auctionproceeds
- Agency websites provide public access to:
 - Funding opportunities
 - Application materials
 - Funding awards
- ARB on-line tracking system is under development

What's New

- Proposed Funding Guidelines have been released.
Board Hearing Sept. 24-25
- ARB releases draft Investment Plan Concept Paper for public comment
Sept. 1 - Comments due
- Transit and Intercity Rail Capital Program Workshops
Sept. 1st - Los Angeles
Sept. 3rd - Sacramento
- Application period open for ARB Low Carbon Transportation Projects
Until Sept. 24

Public Input

- Nine workshops from June to August
 - Sacramento (two), Fresno (with video feed to Bakersfield and Modesto), Oroville, Oakland, Fontana, Los Angeles (two), San Diego
- More than **500** attendees, representing more than **250** organizations or individuals
- Over **80** written comments



Changes Made in Response to Comments

- Expanded public process and more time for review and comment
- Made revisions to address comments on:
 - Public transparency
 - Outreach and technical assistance
 - Maximizing disadvantaged community benefits
 - Reporting on jobs and job training
 - Prioritizing projects that meet community needs and avoid displacement
 - Clarified some criteria for evaluating benefits

Proposed Funding Guidelines

***Volume 1:* General Guidance**

***Volume 2:* Investments to Benefit
Disadvantaged Communities**

***Volume 3:* Reporting Requirements**

How Funding Guidelines Support Investment Requirements and Goals

Provide direction on:

Volume 1

- Accountability and transparency
- Making GHG reductions a top priority
- Designing and implementing programs

Volume 2

- Maximizing benefits to disadvantaged communities

Volume 3

- Tracking and reporting for “California Climate Investments”

Volume 1: General Guidance

Topics include:

- Statutory Requirements
- Guiding Principles
- Program Design
- Program Guidelines and Solicitation Materials
- Expenditure Record and Fiscal Procedures
(supersedes Interim Guidance from Aug 2014)



Volume 1: Key Objectives

Provide direction for agencies to:

- Make GHG reductions a threshold requirement and a priority in agency programs
- Use ARB quantification methodologies to determine GHG reductions
- Incorporate statutory requirements and Funding Guidelines in agency programs
- Establish strong accountability measures, starting with the Expenditure Record
- Improve public transparency

Volume 1: Improved Public Transparency

- Funding Guidelines require agencies to post a summary of all submitted applications
- *Before awarding funds*
 - Applicant name
 - Project description and location
 - Dollars requested
 - Disadvantaged community benefits
- *After awarding funds*
 - Status of all applications
 - Amount of funding awarded

Volume 2: Investments to Benefit Disadvantaged Communities

Topics include:

- Identification of Disadvantaged Communities
(Top 25% of census tracts)
- Approach to Evaluate Investments and Meet SB 535 Targets
- Maximizing Benefits to Disadvantaged Communities
- Criteria for Evaluating Benefits



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Volume 2: Expanded Guidance on Maximizing Benefits

- Clarified how agencies & applicants identify projects that meet the needs of communities
- Expanded the list that describes common community needs
- Strengthened guidance to recommend that agencies prioritize projects that:
 - Meet community needs
 - Provide significant co-benefits
- Required agencies to describe benefits and funding estimates in Expenditure Record

Volume 2: Outreach and Access

- ARB will hire a staff member and a contractor to increase outreach and access to funding



ARB contractor will:

- Act as first point of contact
- Provide general information
- Connect communities with agencies

Community liaisons at key agencies provide:

- Advice
- Information on eligibility and application requirements

- \$500,000 for AHSC pilot project
- Hands-on application assistance

Volume 3: Reporting Requirements

Topics include:

- Annual Report to the Legislature
- Roles and Responsibilities
- General Reporting Requirements
- Reporting Requirements by Project Type



Volume 3: Reporting Outcomes

- Agencies must submit data annually
- Project profile data with estimated benefits
 - Project description, location, amount of funding
 - Schedule and status
 - GHG reductions and co-benefits
 - Benefits to disadvantaged communities
- Ongoing status updates and follow-up reporting to document achieved benefits
- Future online tracking system
 - Public access to interactive map and data

Upcoming Activities

- October 2015
 - ARB release of *Final Funding Guidelines*
- October 2015 to Early 2016
 - Continue development of next Investment Plan
 - CalEPA review of disadvantaged communities
- December 2015
 - ARB Board Hearing for proposed Investment Plan

Staff Recommendation

Approve Board Resolution 15-37, including:

- Finalize the Funding Guidelines
- Delegate to the Executive Officer responsibility for future updates of the Funding Guidelines to respond to –
 - Funding for new programs
 - New legislative direction
 - Changes to disadvantaged community definitions