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August 27, 2024

Ms. Deldi Reyes, Director
Office of Community Air Protection
California Air Resources Board
1001 I Street Sacramento CA, 95814

Submitted electronically to: airgrants@arb.ca.gov.

Subject: Business stakeholder comments on the Community Air Protection Program's Community Air Grant Draft Request for Applications.

Dear Ms. Reyes:

The undersigned organizations appreciate this opportunity to comment on the California Air Resources Board's (CARB) Community Air Protection Program Community Air Grant Draft Request for Applications (RFA), dated July 2024. Based on the express language in Blueprint 2.0 and our ongoing dialogue with Office of Community Air Protection (OCAP) staff, it is our understanding that CARB intends to use CAGs as a primary mechanism to drive the program reform initiatives outlined in Blueprint 2.0. To accomplish that purpose, the draft RFA will need to be expanded and amended along the lines discussed in the following comments.

Timeline for Public Engagement on the Draft RFA is Inadequate

CARB's draft Community Air Grants Cycle 5 Request for Applications Draft Engagement Plan and Timeline, dated August 2024 ([CAG Draft-C5 EngagementPlan 080524.pdf](#)), includes a schedule for finalization of the draft RFA that does not allow sufficient opportunity for meaningful public review and comment on the draft RFA. The Timeline indicates that the Cycle 5 RFA development process occurred between January and July of 2024, yet CARB provided no opportunities for informal public input during this timeframe. The current public comment period began with CARB's July 19 notice issuing the draft RFA and concludes on August 25. A 37-day comment period is not adequate for a document that is intended to serve as a primary mechanism for implementing the Community Air Protection Program expansion concepts described in Blueprint 2.0. Moreover, CARB is proposing to limit itself to 9 days to address any public comments received by the August 25 deadline in a final RFA (CARB projects a release date of September 3), and this 9-day period spans a holiday weekend. This coalition remains concerned that CARB's actions to implement Blueprint 2.0 appear to actively discourage public input and effectively position first draft work products as near-final deliverables.

Align Eligible Project Types and Expenditures with Statutory Requirements

The Program Alignment analysis described in Table 1, Section 6 (Scoring Criteria – Format and Specific Information Required for Evaluation), is focused only on alignment with the program implementation goals described in Blueprint 2.0. It does not address the need for alignment of

project proposals with minimum statutory requirements. CARB frequently cites the language at Health and Safety Code section 44391.2 (d) as the basis for issuing grants supporting “community participation” in implementation of AB 617. However, this code section limits CARB’s grant authority to three specific purposes.¹ The first is technical assistance, which CARB differentiates from “Educational” projects in Section M of the draft RFA. The second is implementation of Health and Safety Code section 44391.2, which authorizes development of community emissions reduction programs (CERPs), and the third is implementation of Health and Safety Code section 42705.5, which authorizes development of community air monitoring programs (CAMPs). Thus, one-time grants supporting a “community capacity building” project, “education on CARB statewide regulatory actions,” or “education on air quality enforcement, including community-focused enforcement concepts” reach beyond the scope of CARB’s AB 617 grant authority. Furthermore, such projects would not by themselves achieve the purpose of the Program as stated by CARB in Section B of the draft RFA, “to reduce harmful emissions and exposures to communities most impacted by poor air quality.”²

Accordingly, the “educational” project types described in Section M must be expressly linked to one of the three purposes authorized in Section 44391.2 (d). CARB should require project applicants to explain in their applications how proposed educational projects will be linked to future development of community air monitoring programs and community emissions reduction programs. CARB should also amend Section M to describe the three project types as a sequence for on-boarding new communities into the AB 617 program, with grant funding for educational projects being contingent on subsequent applications for Technical and Focused projects. This sequential approach is consistent with language in the draft RFA stating that “applicants are strongly encouraged to first apply for a Technical project to develop a CAMP before applying for an L-CERP.” This sequence presumably is intended to generate the data necessary to inform the design of an L-CERP. We request that CARB revise and expand this statement to stipulate that it will not approve applications for L-CERPs unless the applicant can adequately document air quality conditions in the community, including sources contributing to emissions of priority pollutants and the relative contributions from those sources.

As we have indicated in recent correspondence on this topic, CARB will also need to undertake a more transparent budgeting process for future CAG cycles to support: 1) Program expansion into consistently nominated communities, 2) achievement of Program goals in those communities over time, and 3) ongoing grant funding needs in formally designated communities.

Incorporate Adequate L-CERP Guidance

The “Focused” project category outlined in Section M includes L-CERPs and a new project type called Emissions Reduction Strategies Expansion (ERSE). We appreciate language in the draft RFA encouraging participation in L-CERP projects by non-community stakeholders, including business and industry, emphasizing the importance of developing an adequate technical foundation (noted above), and securing sufficient resources to support the development of an L-

¹ Health and Safety Code section 44391.2 (d): The state board shall provide grants to community-based organizations for technical assistance and to support community participation in the implementation of this section and Section 42705.5.

² Community Air Protection Program, Community Air Grant Draft Request for Applications, July 2024 Draft RFA, Section A, CARB Community Air Grant Program, page 7: The Program’s focus is to reduce harmful emissions and exposures to air pollution in communities most impacted by poor air quality.

CERP. In particular, we support the requirement in the draft RFA for L-CERP applications to be accompanied by one or more letters of commitment (LOC) for leveraged funding, in-kind support, and supplemental resources. As a practical matter, CARB's proposed \$500,000 grant award cap for L-CERP projects is only a down payment – the cost to complete an L-CERP that “leads to identification, evaluation, exposure reduction, or facilitation of air quality impact reductions” is likely to exceed this amount by a substantial margin. The additional resources provided through LOCs should increase the likelihood of a successful project outcome that achieves the above noted program goals.

Apart from these statements, and a few examples of potential L-CERP project activities listed on page 19, there is no guidance in Section M, or elsewhere in the draft RFA that describes how to develop an L-CERP (or an ERSE) project, and no indication that CARB intends to develop separate guidance for L-CERPs. We note that some of the examples listed on page 19 are the same types of activities typically undertaken for traditional CERPs developed pursuant to the 2018 Blueprint, such as creating a charter for governance and decision making, identifying and prioritizing sources of air pollution, and developing strategies to reduce emissions from those sources. It is unclear how L-CERP grant recipients would be able to design these project elements without further guidance, except by reference to similar program elements approved by air districts and CARB in existing CERPs for formally designated communities. Moreover, CARB's August 13, 2024 response to prior comments and recommendations from this coalition, referenced below, states on page 7 that the primary difference between a CERP and an L-CERP is that the latter is developed and implemented by community based organizations or California Native American Tribes and is financially supported through CAGs.³ Therefore, in the absence of guidance to the contrary, we can only conclude that L-CERPs are structurally and functionally similar to traditional CERPs, should be designed in the same manner, should be subject to the same checks and balances required for CERPs by AB 617, and that L-CERP applications should be scored and prioritized for CAGs accordingly.

At a minimum, CARB should include multiple examples of previously approved and potential L-CERP projects that clearly define the range of eligible project types and designs. CARB should also include minimum design elements for L-CERP projects in the final RFA to encourage greater consistency, quality, and approvability in L-CERP project applications, and to streamline the application review process.

Recommendations for Minimum Application Screening Requirements

We support the proposed two-step application review process, starting with minimum pass/fail screening criteria in Section O, which should help focus the in-depth application review step (2) on the most viable subset of project applications. As noted above, we also support as an initial

³ An L-CERP is distinguished from a CERP in that the L-CERP is developed and implemented by community-based organizations or California Native American Tribes, ideally with air district participation, and is financially supported through the Community Air Grants (CAGs). An L-CERP is a set of priority actions to improve local air quality developed and implemented by a Community Air Grantee and represents a key deliverable under the grant. As such, the L-CERP is not required to be adopted and approved by an air district board or the CARB Board. In contrast, AB 617 requires that CERPs resulting from the formal community selection process be approved by the air district board and the CARB Board. Grantees working on L-CERP projects are strongly encouraged to partner or coordinate with the local air district to support implementation and to evaluate the feasibility of proposed actions in their L-CERP projects.

screening requirement that L-CERP projects must include at least one letter of commitment for the implementation of the project. In addition to the seven proposed pass/fail criteria in this Section, we recommend that CARB add an additional criterion requiring the applicant to certify, under penalty of project termination, that the project will either directly support, or is a necessary precursor to, development and implementation of a CAMP and a CERP in the subject community.

Recommendations for Table 1 Application Scoring Criteria

CARB should reconsider the proposed weighting of Section 3: Partnerships, Collaboration, and Leveraging in Table 1 (Section S, page 27). CARB proposes to award a maximum of 5 points for this category, which includes “leveraged funds, in-kind support, and resources.” CARB appropriately requires these features for L-CERP project types, presumably based on the recognition that procurement of such resources will be critical to the success of L-CERP projects. However, CARB’s proposed 5 point maximum for this category diminishes its importance relative to other categories, which is likely to result in less effort on the part of project proponents to secure supplemental project resources. We recommend that CARB increase the maximum point total for this category and rebalance the totals for the other categories.

We also recommend that CARB expand the specific information requirements in other sections as follows:

- Section 2: Background (page 26) – In describing the connection of the organization to the community, applicants should be required to disclose whether their organization is physically located in the community, and whether the grant applicants and project team members live or work in the community and their prior experience working in the community. Applications with organizations and project team members who reside or own businesses in the community should be awarded additional points.
- Section 3 / 3A: Partnerships, Collaboration, and Leveraging (page 27) – In describing partnerships and letters of support or commitment, applicants should be required to describe the persons providing letters of support or commitment, including their role in the community (e.g. resident, business owner, elected official, local emergency services). Support or partnerships from persons who reside in or own business in the community should be awarded additional points.
- Section 4: Workplan – Tasks and Timelines, Task 1 (page 28) – In explaining how success will be measured, applicants should be required to discuss how the project will achieve meaningful reductions in “harmful emissions and exposures to air pollution” in the subject community.”
- Section 6: Programmatic Alignment (page 30) – We support the requirement to “Describe how the proposed project leads to the identification, evaluation, exposure reduction, or facilitation of air quality impact reductions.” With regard to the second requirement in this section, we note that Blueprint 2.0 takes some liberties in interpreting the statute, especially in terms of CARB’s vision for program expansion and the new L-

CERP project category. Moreover, Blueprint 2.0 is a guidance document, not a regulation. Accordingly, project proponents should be required to demonstrate alignment with applicable statutory requirements, which are designed to ensure efficient and effective deployment of program resources to achieve real-world emission reductions, such as requirements for CAMPs in the context of technical project applications, and requirements for CERPs in the context of L-CERP project applications.⁴

CARB should also clarify how it will evaluate multiple project applications for the same community. We request that CARB include language in the final RFA indicating whether it will approve only one CAG per community for each funding cycle or consider the particular focus of each project and determine whether more than one CAG is warranted for a given community.

Reconsider the Scope of Eligible Costs

We appreciate CARB's effort to differentiate eligible costs from ineligible costs in the draft RFA (Sections I and J, pages 12-16). In light of persistent program funding limitations, and in the interest of maximizing the benefit of every dollar allocated to a CAG, we recommend that CARB further refine the list of eligible costs, paying particular attention to the following items:

1. There is an allowance for "fringe benefits" on page 12 (1.b.) that is undefined.
2. CARB proposes to allow reimbursement for out of state travel provided prior written authorization is obtained from CARB prior to travel. It is unclear how any AB 617 project would benefit from out of state travel by project proponents.
3. The proposed ceiling for administrative costs is 20% of the awarded funds, which seems excessive and likely to waste limited grant funding.
4. CARB proposes to allow costs for a broad range of community engagement activities, including compensation for participation in meetings, childcare services, meals, and "youth-focused activities for community residents," which is also undefined.

These allowances also fail to recognize that current funding limitations will become more pronounced over time as CARB awards new grants to additional communities, and those communities apply for supplemental grants in future funding cycles to finish the work they started. While we appreciate CARB's desire to use CAG funding to increase community participation, it must strike a balance between that goal and the statutory imperative to achieve emissions and exposure reductions in highly impacted communities. More CAG funding allocated to indirect and administrative costs means less funding will be available for actual emissions and exposure reductions.

In the same vein, a \$300,000 maximum award for Educational projects, proposed in Section M, seems excessive given (1) reasonably expected costs for the listed project types and (2) that these projects divert funding from projects that deliver community-level emissions and exposure

⁴ Key requirements for CERPs include a methodology for assessing and identifying contributing sources and their relative contribution to air pollution exposure (Health and Safety Code §44391.2(b)(2)); consultation with affected sources and cost-effective measures (H&SC §44391.2(c)(2)(A)); and emissions reduction targets, specific reduction measures, a schedule for implementation of measures, and an enforcement plan (H&SC §44391.2(c)(3)).

reductions. We recommend that CARB significantly reduce the maximum award for Educational projects and prioritize funding availability for air quality monitoring, emissions and exposure reduction projects.

Increase Reporting Frequency

Section V specifies biannual reporting to CARB through the end of the grant term, or until all funds have been spent. Regular reporting on project implementation and expenditure of grant funds is a critical project oversight mechanism. Given the relatively short timeframe between first availability of grant funds and the end of the grant term (1-2 years), we are concerned that a 6-month reporting frequency will be inadequate to identify and remedy any problems that may occur with project implementation or expenditure of grant funding, which may not become apparent until after project grant funding has been fully expended. Therefore, we request that CARB increase the reporting frequency from biannual to quarterly. We also recommend that CARB revise the grantee “Subject to Audit” provisions in this section to put grant recipients on notice that CARB will conduct periodic project audits to encourage discipline, accountability, and consistency in expenditure of grant funds.

Clarify Screening Process for Projects Located in Disadvantaged Communities

We recognize that AB 617 references code sections intended to concentrate investment of CAG funding in disadvantaged communities. However, the tools developed to implement those laws, such as CalEnviroScreen Version 4.0, are not specific to air quality burdens. Rather, they evaluate a broad range of environmental and socio-economic indicators to characterize the cumulative burdens facing communities in a given geographic area. A composite CES 4.0 score in the top 25 percent of state census tracts may be driven by factors unrelated to air quality, such as groundwater contamination, the presence of a landfill, a high poverty rate, and low educational achievement. Similarly, composite scores for pollution burden may be driven by factors other than air quality. To ensure that the project application review and selection process is properly aligned with AB 617 requirements, CARB should specify in Section B that project applications will be prioritized based on evidence of disproportionate exposures to criteria air pollutants and toxic air contaminants in the subject communities.

Clarify Application Review Process

We support the goal articulated in Section U (Application Scoring and Review Process) “to identify and fund project proposals that balance the most meritorious science-based approaches and offer the highest promise to fulfill the programmatic goals set forth in the (RFA).” Evaluation steps 1 and 2 state that CARB will convene panels to conduct administrative, technical, and programmatic alignment reviews of project applications. Panel members would include governmental program staff and “non-governmental representatives” from other associations, health or philanthropic organizations. While we generally support the idea of convening multi-disciplinary panels to assist CARB in the application review and approval process, we ask that CARB provide additional specificity on the types of associations, health, and philanthropic organizations that would be considered for this purpose, and whether these candidate pools

adequately reflect the full spectrum of AB 617 stakeholder interests. We also ask that CARB provide additional detail on the process for selecting panel members.

CARB's August 13 Letter Responding to Prior Business Coalition Comments is Incomplete

We appreciate the information provided in CARB's August 13, 2024 response to comments and recommendations from this coalition and the California Manufacturers and Technology Association in separate letters dated June 18 and July 15, 2024. As CARB's letter indicates, some of our requests have been partially addressed in the draft RFA, including provision of specific criteria to prioritize CAG applications, reporting requirements for approved projects, and a mechanism for conducting random project audits. However, CARB's letter is not responsive to comments and recommendations seeking greater insight into how CARB intends to balance competing objectives related to rapid program expansion into consistently nominated communities and corresponding increases in demand for finite program resources. In particular, the information provided in responses 1(a) through (c) offers an historical perspective on how CARB has allocated program resources in prior budget cycles that is no longer relevant in light of the program expansion agenda described in Blueprint 2.0. While we appreciate that there is inherent potential variability in program funding from one fiscal year to the next, the California Department of Finance provides budget projections that can be used to anticipate potential program funding in future budget cycles. We recommend that CARB use this information to develop a program budget forecast that balances reasonably expected program revenues against reasonably expected funding demands. This information would enhance transparency regarding CARB's vision for program implementation for all AB 617 stakeholders.

CARB's August 13 letter also states that "a full plan for engaging with the consistently nominated communities over the five years is in development" (response to comment 6, page 7). We request that CARB provide additional information on the scope and timing of this separate plan as soon as possible.

We appreciate OCAP's continued engagement with business and industry representatives on AB 617 implementation, and we look forward to further revisions to the RFA to address the above issues before the Cycle 5 CAG process commences.

Sincerely,



Robert Spiegel, Vice President, Government Relations
California Manufacturers and Technology Association

cc: Liane Randolph, Chair, California Air Resources Board
Dr. Steven Cliff, Executive Officer, California Air Resources Board
Brian Moore, Office of Community Air Protection (OCAP)
Kevin Olp, OCAP

Organizations Signing On To Letter:

California Alliance of Small Business Associations
California Asphalt Pavement Association
California Building Industry Association
California Chamber of Commerce
California Citrus Mutual
California Cleaners Association
California Construction and Industrial Materials Association
California Cotton Ginners and Growers Association
California Fresh Fruit Association
California Fuels & Convenience Alliance
California Independent Petroleum Association
Construction Industry Air Quality Coalition
California Manufacturers & Technology Association
California Metals Coalition
California Walnut Commission
Central Valley BizFed
Construction Industry Air Quality Coalition
Council of Business and Industries West Contra Costa County
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Garden Grove Chamber of Commerce
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The Industrial Association of Contra Costa County
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Los Angeles Area Chamber of Commerce
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San Gabriel Valley Economic Partnership
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Western Agricultural Processors Association
Western Propane Gas Association
Western States Petroleum Association