

Appendix H: Addressing California Climate Investments Funding Guidelines Requirements Related to Priority Populations

CARB's Funding Guidelines for Agencies that Administer California Climate Investments (Funding Guidelines)¹ provide direction for agencies that administer programs funded by appropriations from the Greenhouse Gas Reduction Fund (GGRF). The Funding Guidelines include requirements and recommendations on how to provide meaningful benefits to priority populations, which include disadvantaged communities and low-income communities and households, as defined by Senate Bill (SB) 535 (De León, Statutes of 2012) and Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016).

Appendix H outlines the steps CARB is taking to meet the Funding Guidelines requirements regarding priority population investments for Clean Transportation Incentives described in the Fiscal Year (FY) 2024-25 Proposed Funding Plan (Proposed Funding Plan), particularly for the three projects that are proposed to receive funding this year: the Innovative Small e-Fleet Pilot Project (ISEF), the Clean Off-Road Equipment (CORE), and the Zero-Emission Truck Loan Pilot (ZE-TLP). Although the Advanced Technology Demonstration and Pilot Projects did not receive additional funding in the Proposed Funding Plan, the Legislature reappropriated the FY 2021-22 General Fund appropriation for Emerging Opportunities to GGRF funding in the 2024 Budget Act, so these projects are discussed in this Appendix as well.

While these requirements formally only apply to programs and projects funded by the GGRF, CARB is committed to maximizing priority population benefits for all Clean Transportation Incentives, regardless of the funding source. As such, CARB staff applies these requirements to projects funded with non-GGRF appropriations, including the Air Quality Improvement Fund.

The Funding Guidelines, per AB 1550 and SB 535, require that a minimum of 35 percent of California Climate Investments funding is invested in projects that benefit priority populations. CARB collaborates with administering agencies to develop investment targets for each program to help ensure statutory requirements are met and guide programs towards investments that achieve direct, meaningful, and assured benefits to priority populations.

¹ *"Funding Guidelines for Agencies that Administer California Climate Investments."* California Air Resources Board, Accessed 3 September 2024, <https://ww2.arb.ca.gov/resources/documents/funding-guidelines-agenciesadminister-california-climate-investments>

Funding Guidelines Overarching Principle

Assess program structure for potential opportunities to target investments to benefit priority populations (e.g., set asides, scoring criteria for competitive solicitations). For example, when selecting projects, give priority to projects that maximize benefits to disadvantaged communities and provide clarity in how that priority is given.

CARB Action

Staff expects that the projects funded in the Proposed Funding Plan will provide benefits for priority populations. The descriptions of the three projects in this Funding Plan describe anticipated AB 1550 benefits.

The demonstration and pilot projects are limited to disadvantaged communities and include a priority population component in the grant solicitation. Applications that show a benefit to a priority population score higher which aids the selection of the qualifying project. Both ISEF and CORE have additional voucher enhancements available for the projects that benefit small businesses and priority populations. CORE and ISEF also provide higher voucher amounts for zero-emission trucks, buses, and off-road equipment that operate in disadvantaged communities.

For each project, staff will use the criteria listed on the [California Climate Investments Quantification, Benefits, and Reporting Materials](#) webpage to evaluate the AB 1550 benefits and to develop project solicitation and grant requirements, if applicable.

Funding Guidelines Overarching Principle

Target funding, to the extent feasible, for projects that benefit priority populations, and when selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities.

CARB Action

Generally, the Funding Plan includes a mix of projects, several of which are available statewide on a first-come, first-served basis and several that are limited to priority populations. Many of CARB's equity projects are limited to disadvantaged and low-income communities or low-income households to ensure that these innovative clean transportation projects focus exclusively on benefiting priority populations. In cases where projects are not limited to disadvantaged communities, many grant agreements include a requirement to focus outreach and engagement to disadvantaged communities to increase participation in those communities.

For the statewide first-come, first-served projects such as ISEF and CORE, staff have incorporated project criteria intended to increase funding and outreach support to priority populations. For both ISEF and CORE, voucher amounts are higher for vehicles that operate

in disadvantaged communities to encourage fleets to use ZEVs and equipment funded with these incentives in the most impacted communities.

Advanced Technology Demonstration and Pilot Projects undergo a competitive solicitation process, but all projects must either benefit or be located in an area that is designated as a priority population. Some funding sources mandate that projects benefit priority populations to be eligible for the funding. For all other projects, the scoring criteria incentivize the projects that benefit priority populations.

Outreach and engagement are increasingly focused on priority populations. Specifically, CARB is increasing outreach efforts to focus on communities that have been historically marginalized such as Black and tribal communities. In prior years, CARB has dedicated transportation equity funds to support outreach and engagement, community transportation needs assessments, technical assistance, capacity building, and the Access Clean California project. These project elements are designed to increase awareness of, and enable more efficient implementation of, CARB's Low Carbon Transportation equity projects and expand participation by residents of priority populations.

Funding Guidelines Overarching Principle

Create or modify program guidelines or procedures to meet or exceed program-level investment targets for benefits to priority populations.

CARB Action

This Proposed Funding Plan outlines the procedures CARB is taking to meet or exceed its program targets within each project section.

Funding Guidelines Overarching Principle

Design programs and select projects that avoid potential substantial burdens or harms to priority populations, such as physical or economic displacement of low-income or disadvantaged community residents or businesses, including small businesses, and/or women- or minority-owned businesses, or increased exposure to toxics or other health risks.

CARB Action

In designing the projects in the Proposed Funding Plan, staff take care to avoid or minimize potential substantial economic, environmental, and public health burdens. Any potential substantial burdens are identified early in the project development process and are discussed with interested parties through the public workshop and public workgroup process.

Funding Guidelines Overarching Principle

Provide direct outreach and promote community engagement of local community residents and community-based organizations (CBO) in disadvantaged and low-income communities.

These actions should begin in the early stages (e.g., during development of guidelines and solicitation materials) and continue through project implementation, as feasible.

CARB Action

CARB has taken multiple outreach actions to engage with priority populations.

- **Hire dedicated staff:** CARB has hired dedicated staff to assist with outreach to priority populations on Clean Transportation Incentives and to help ensure that these communities are aware of funding opportunities. As part of this, CARB is working with liaisons from State agencies administering Funding Guidelines to better share information at community events, so citizens have access to all relevant California Climate Investments opportunities. This includes participating in the inter-agency California Climate Investments Outreach Workgroup and collaborating with the Strategic Growth Council (SGC) on the Funding Guidelines Outreach and Technical Assistance Program.
- **Conduct outreach to help potential applicants access funding, particularly for priority populations:** CARB’s multi-faceted outreach effort to support its Clean Transportation Incentives and help ensure priority populations are aware of funding opportunities is summarized earlier in this appendix. These outreach efforts include the following elements:
 - *Outreach events and pilots:* CARB has an enhanced outreach/education program on the Low-Carbon Transportation Program with a disadvantaged community focus. An important part of the effort is dedicated to assessing the needs of the communities and piloting training and fellowship opportunities. CARB is partnering with stakeholders, such as grassroots CBOs, community advocates, and environmental justice groups to provide training and conduct outreach at community events aimed at explaining available incentives and increasing the community’s awareness of these programs. CARB reports on the outreach events for its Low Carbon Transportation Program as part of each year’s Annual Report to the Legislature on California Climate Investments. The list of public meetings held in 2023 across all the State’s California Climate Investments programs is available in an Excel file on the Annual Report website.²
 - *Website:* CARB revamped its website in spring 2024 to make it more user--friendly and to promote Low Carbon Transportation projects and increase awareness about funding opportunities and projects that have been funded.

² “Annual Reports.” California Air Resources Board, Accessed 24 June 2024, <https://www.caclimateinvestments.ca.gov/annual-report>

- *Outreach by grantees:* As a part of project solicitations, CARB requires that applicants provide information on how they will outreach to disadvantaged communities, and their applications are scored in part on the quality of the outreach proposal. Each of CARB's grantees conducts outreach related to their project by focusing on increasing outreach for priority populations, including historically marginalized communities such as Black and tribal communities.
- *Access Clean California:* CARB implements Access Clean California to address a priority recommendation identified in CARB's SB 350 Guidance Document to increase awareness for low-income residents by expanding education and outreach on clean transportation and mobility options. One of the primary objectives of Access Clean California is to provide coordinated community-based outreach and education to maximize Low Carbon Transportation program participation and promote advanced technology vehicle adoption in disadvantaged communities, low-income communities, and low-income households. Additionally, CARB is implementing several outreach coordination strategies through Access Clean California identified in the SB 350 Strategic Outreach Roadmap as outlined below. CARB continues to hear from Black communities and tribal governments that meaningful outreach has not occurred in their communities, and because of this, they have not had the same opportunities as others to benefit from incentives. CARB is working to identify outreach strategies and funding opportunities to ensure communities are involved in the decision-making process for investments and have equitable access to funding.
- *Outreach Plan:* CARB led the development of the Strategic Outreach Roadmap to increase low-income residents' awareness of clean transportation and mobility options to address a priority recommendation identified in the SB 350 Guidance Document. CARB is leading implementation of the SB 350 Outreach Strategic Roadmap with the goal of improving State and local coordination and content development, tailoring and delivery of information, as well as strategies that will increase awareness of clean transportation and mobility options through improved education and information access for low-income residents across the State. The Strategic Outreach Roadmap includes actions intended to strengthen collaboration and partnerships, outreach to low-income residents in black communities and other communities of color; urban and; rural, and tribal communities based on community identified needs and increase the ability to participate in CARB, or related, incentive programs. During the development of the roadmap, CARB convened workgroups consisting of both internal and external stakeholders to solicit feedback and identify outreach and community engagement best practices.

Funding Guidelines Overarching Principle

Ensure transparency and accountability and provide public access to program information.

CARB Action

All CARB grant agreements with funding recipients require these recipients to collect and report to CARB all data necessary regarding AB 1550 benefits. This includes all information described in *Section VI (Reporting Requirements) of the Funding Guidelines*. CARB uses this information to provide input for the Annual Report to the Legislature on California Climate Investments Using Cap-and-Trade Proceeds including the AB 1550 benefits of Clean Transportation Incentives. In addition, there are CARB webpages maintained by the Mobile Source Control Division that provide general programmatic information on eligibility and how to apply along with other resource materials.

Funding Guidelines Overarching Principle

When evaluating projects for benefits to priority populations, implementing agencies must assess how potential projects meaningfully meet a community or household need. Letters of community support can also be used to document that investments address a community need.

CARB Action

Staff has reviewed the commonly identified needs of priority populations in the Funding Guidelines. The needs being met by ongoing and proposed Clean Transportation Incentives in the Proposed Funding Plan.

Administering agencies, applicants, and funding recipients are encouraged to engage local community residents and organizations to identify and address community needs. This can be done through community meetings, workshops, consulting organizations, focus groups, or surveys. If direct engagement isn't feasible, they can either obtain broad support documentation or identify key factors impacting disadvantaged communities using CalEnviroScreen. If these methods aren't possible, they can use additional resources to identify common needs. The chosen approach must be documented, including the level of engagement and how community input influenced project design. Prioritizing direct community engagement is strongly recommended.

In addition, CARB staff also meets routinely with community and environmental groups during each year's Funding Plan development process to get their direct input on the projects they would like to see funded. Additionally, staff meet with these groups after the Funding Plan is adopted to ensure that community groups' input is incorporated into the project implementation phase.

Funding Guidelines Overarching Principle

In addition to the requirements summarized above, the Funding Guidelines list several recommended program design strategies for targeting investments to priority populations.

CARB Action

In developing the Proposed Funding Plan, staff used a number of these strategies, including:

- **Encourage projects that contribute to other State climate goals:** As explained in the Proposed Funding Plan, many of the projects in this Proposed Funding Plan contribute to a variety of the State’s climate goals. CARB’s climate goals as they relate to the Funding Plan may be found on [CARB’s Climate Investment and Funding Plan Goals webpage](#).³
- **Coordinate investments and leverage funds where possible to provide multiple benefits and to maximize benefits:** CARB staff coordinates with other agencies and meets with interested parties individually, in public workgroup meetings, and in workshops to discuss ways to maximize project benefits. Several of the projects leverage private investments and other government investments where possible. CARB is actively working to better coordinate its heavy-duty ZEV investments closely with CEC’s infrastructure investments, so it is easier for fleets to access infrastructure funding when they purchase ZEVs. CARB is also partnering with CEC to co-fund zero-emission workforce training and development projects in low-income and disadvantaged communities through the IDEAL ZEV Workforce Pilot and planned transportation electrification pre-apprenticeship program.

³ [Climate Investment and Funding Plan Goals webpage](https://ww2.arb.ca.gov/resources/documents/climate-goals), California Air Resources Board, <https://ww2.arb.ca.gov/resources/documents/climate-goals>