



Department of  
Resources Recycling and Recovery

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To: Greenhouse Gas Reduction Fund Program

From: Jared Blumenfeld  
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Date: January 22, 2020

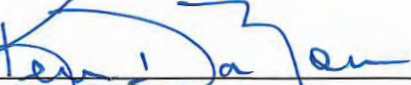
Subject: Greenhouse Gas Reduction Fund:  
Department of Resources Recycling and Recovery

Expenditure Record for Fiscal Year 2019–20 Community  
Composting for Green Spaces Grant Program

This Attestation Memorandum documents that the Department of Resources Recycling and Recovery completed the attached Expenditure Record on January 22, 2020, for the Community Composting for Green Spaces Grant Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to California Air Resources Board (CARB) for public posting on the CARB website at: [www.arb.ca.gov/caclimateinvestments](http://www.arb.ca.gov/caclimateinvestments). Questions on this Attestation Memorandum or Expenditure Record may be directed to Michelle Martin at [Michelle.Martin@calrecycle.ca.gov](mailto:Michelle.Martin@calrecycle.ca.gov) or (916) 341-6116.

  
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**Greenhouse Gas Reduction Fund: Expenditure Record**

CalRecycle  
Community Composting for Green Spaces Grant Program  
December 2019

**Authorizing legislation:** Item 3970-101-3228 of the Budget Act of 2019, appropriates \$25,000,000 to CalRecycle for Greenhouse Gas Reduction Grant Programs.

**Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.**

▪ Agency that will administer funding	▪ Department of Resources Recycling and Recovery (CalRecycle)
▪ Amount of proposed expenditure and appropriation reference	▪ The amounts reflected in this Expenditure Record are based on the Fiscal Year 2019–20 authority amount of \$25,000,000 per appropriation 3970-101-3228. ▪ In Fiscal Year (FY) 2019–20, CalRecycle has allocated \$1,350,000 to the Community Composting for Green Spaces Grant Program. The remainder of the allocation will fund the Recycled Fiber, Plastic, and Glass Grant program, the Organics Grant Program, the Pilot Reuse Grant Program, and the Pacific Coast Collaborative Food Waste Reduction Project. (Separate expenditure records will be submitted for each program.) ▪ Allocations to each of the programs are dependent on the number of qualified applications received and CalRecycle’s plans to expend the full allocation.
▪ Estimated amount of expenditures for administering agency administrative costs	▪ As stated in the FY 2019–20 Budget Act (AB 74, Ting, Chapter 23, Statutes of 2019), not more than five percent of the amount appropriated in this item may be used for administrative costs. Of the \$25,000,000 allocated from the FY 2019–20 authority amounts, \$1,250,000 is reserved to CalRecycle to cover program administration costs. ▪ CalRecycle will reduce administrative expenses when feasible and will continue to track the amount of funds expended on CalRecycle staff.
▪ If applicable, identify laws or regulations that govern how funds will be used	▪ The FY 2019–20 Budget Act provides funding for assistance programs specified in Section 42999 of the Public Resources Code. ▪ PRC section 42999: (a) Any additional moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, to the department shall be used to administer a grant program to provide financial

assistance to reduce the emissions of greenhouse gases (GHGs) by promoting in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products. The moneys shall be expended consistent with the requirements of Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code and Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code.

(b) From moneys appropriated for purposes of this section, the department shall provide grants, incentive payments, contracts, or other funding mechanisms to public and private entities for in-state infrastructure projects or other projects that reduce the emissions of GHGs by any of the following:

- (1) Organics composting.
- (2) Organics in-vessel digestion.
- (3) Recyclable material manufacturing.
- (4) Activities that expand and improve waste diversion and recycling, including, but not limited to, the recovery of food for human consumption and food waste prevention.

(c) For the purposes of this section, eligible infrastructure projects that reduce GHG emissions include, but are not limited to, any of the following:

- (1) Capital investments in new facilities and increased throughput at existing facilities for activities, such as converting windrow composting to aerated-static-pile composting to use food waste as feedstock.
- (2) Designing and constructing organics in-vessel digestion facilities to produce products, such as biofuels, bioenergy, and soil amendments.
- (3) Designing and constructing or expanding facilities for processing recyclable materials.
- (4) Projects to improve the quality of recycled materials.

(d) In awarding a grant for organics composting or anaerobic digestion pursuant to this section, the department shall consider all of the following:

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(1) The amount of reduction in GHG emissions that may result from the project.

(2) The amount of organic material that may be diverted from landfills as a result of the project.

(3) If and how the project may benefit disadvantaged communities.

(4) For a grant awarded for an anaerobic digestion project, if and how the project maximizes resource recovery, including the production of clean energy or low-carbon or carbon negative transportation fuels.

(5) Project readiness and permitting that the project may require.

(6) Air and water quality benefits that the project may provide.

(e) To the degree that funds are available, the department may provide larger grant awards for large-scale regional integrated projects that provide cost-effective organic waste diversion and maximize environmental benefits.

- SB 970 (Leyva, Chapter 365, Statutes of 2016) requires CalRecycle to consider certain factors when awarding grants for organic recycling projects such as the amount of GHG emission reductions and the amount of organic material that may be diverted from landfills. It also permits the department to provide larger grant awards for large-scale regional integrated projects that provide cost-effective organic waste diversion and maximize environmental benefits. These changes were incorporated in SB 859 (Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016) including trailer bill language that is specified above.
- AB 1532 (Pérez, Chapter 807, Statutes of 2012), SB 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32 (Núñez, Chapter 488, Statutes of 2006).

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▪ Continuation of existing Expenditure Record

- This is a new program that does not have an existing Expenditure Record.
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<ul style="list-style-type: none"> <li>▪ Project type(s)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eligible projects must be located in California and result in the creation of new, improved, or expanded community composting sites.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Describe the projects and/or measures that will be eligible for funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ This program will fund community composting and associated equipment, environmental education, employment, and training.</li> <li>▪ Eligible projects include: construction, renovation, or expansion of small-scale community composting sites to increase composting of organics.</li> <li>▪ Eligible costs and activities may include: <ul style="list-style-type: none"> <li>○ Development of site solicitation and selection process and materials</li> <li>○ Workshops, webinars, and other solicitation support</li> <li>○ Management, purchasing, and accounting for all grant activities</li> <li>○ Site data collection, aggregation, and verification</li> <li>○ Preparation of draft and final reports</li> <li>○ Overhead for grant administration</li> <li>○ Travel expenses to visit project sites</li> <li>○ Grantee employee labor at project sites to manage composting</li> <li>○ Training for Grantee employees or community members on composting best management practices</li> <li>○ Composting bins or systems</li> <li>○ Vermicomposting bins or systems</li> <li>○ Materials to build composting bins or systems</li> <li>○ Aeration systems for composting</li> <li>○ Solar infrastructure to power aeration systems</li> <li>○ Tools to assist in composting</li> <li>○ Fencing to protect green spaces or composting area</li> <li>○ Infrastructure to access water supply for composting</li> <li>○ Signage for composting area</li> <li>○ Trees and materials to protect or support trees</li> <li>○ Training and environmental education for community members</li> <li>○ Community outreach and volunteer event support</li> <li>○ Soil/compost testing</li> <li>○ Bicycles or tricycles, including e-bikes, and bicycle trailers for collection of feedstocks or delivery of compost</li> <li>○ Compost thermometers and logbooks</li> <li>○ Bulking agents or chipping services to facilitate hot composting</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>▪ Intended recipients</li> </ul>	<ul style="list-style-type: none"> <li>▪ Nonprofit organizations (except private schools) registered with the federal government under 501(c)3, (c)4, (c)6 or (c)10 of the Internal Revenue Code. Must be qualified to do business in California and be in good standing with all applicable California</li> </ul>

state agencies, including being registered and current in the Registry of Charitable Trusts.

- Private, for-profit entities. For purposes of this program, a “private, for-profit entity” is defined as a business intended to operate at a profit and return a profit to its owners. The business must be qualified to do business in California and be in good standing with all applicable California state agencies, including, but not limited to, the Secretary of State and the Franchise Tax Board. Any and all subsidiaries, divisions or affiliated businesses are considered part of the primary business entity for the purpose of applying for and receiving a grant award under the program. A business is considered an “affiliated business” if it has at least one owner with a forty (40) percent or greater interest in another applicant business.
- Qualifying Indian Tribes. A “Qualifying Indian Tribe” is defined as an Indian tribe, band, nation or other organized group or community, residing within the borders of California, which:
  1. Is recognized for special programs and services provided by the United States to Indians because of the status of its members as Indians; or
  2. Can establish that it is a government entity which meets the criteria of the grant program.

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| <ul style="list-style-type: none"><li>▪ Program structure and process for selecting projects for funding</li></ul> | <ul style="list-style-type: none"><li>▪ CalRecycle anticipates releasing the Community Composting for Green Spaces Grant Program application in January 2020 with announcement of award in April 2020.</li><li>▪ Staff will review all grant applications for completeness and eligibility.</li><li>▪ Eligible applications will be scored by a CalRecycle panel based on the scoring criteria, as approved by CalRecycle’s Director. An application may receive a maximum of 100 possible points. Applicants must receive a minimum passing score of 60 points to be considered for funding.</li><li>▪ Scoring criteria include the following categories:<ul style="list-style-type: none"><li>○ Program Implementation</li><li>○ Community Benefits</li><li>○ Data Collection and Greenhouse Gas Emission Reductions</li><li>○ Financial Management</li><li>○ Qualifications</li><li>○ Outreach Strategy</li></ul></li><li>▪ CalRecycle will grant funds to one entity (Grantee) who will select and manage community composting project sites throughout the state that will receive support via this program.</li><li>▪ Using its experience in working with disadvantaged communities (DAC) and low-income communities, the</li></ul> |
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Grantee will reach out to organizations throughout the state to solicit project sites. This may be done through partner groups located in communities throughout California.

- CalRecycle will collaborate with the Grantee to further develop site selection criteria. The Grantee will use its experience in community composting to identify the needs of each potential community partner and project site, determine whether the grant program can meet those needs, and select those project sites with the highest chance of success.
- Groups submitting applications for their site must demonstrate broad-based community support. Proof that the project site is authorized for use for the grant term will be required, and the project site must be publicly accessible for at least four hours per week.
- After minimum qualifications are met, Grantee will sort project sites geographically and rank them to prioritize DACs and low-income communities.
- Project site selection will be ranked as follows:
  - Rank 1 will include project sites located in and serving communities identified as DAC.
  - Rank 2 will include project sites located in and serving communities identified as low-income communities.
  - Rank 3 will include project sites providing benefits to, but not located in, communities identified as DAC or low-income.
  - Rank 4 will include all remaining project sites.
- After project sites are selected, the Grantee will work with community partners to develop, expand or improve community composting sites that provide organic waste composting, environmental education, compost-related job training and other services to their communities.

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**Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.**

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| <ul style="list-style-type: none"><li>▪ How the expenditure is consistent with the Investment Plan and the Scoping Plan</li></ul> | <ul style="list-style-type: none"><li>▪ The Cap-and-Trade Auction Proceeds Third Investment Plan lists waste diversion as an eligible investment category, stating “investments in organic waste management and waste diversion decrease GHG emissions as well as criteria and toxic air pollutants by reducing the amount of municipal solid waste that is disposed of in landfills.” Soil health and conservation, vehicle miles traveled, climate adaptation and community</li></ul> |
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engagement are all addressed by this program and are listed as “co-benefit metrics.” The investment plan also directs investments toward DACs and low-income communities, which are specifically targeted by this program.

- The 2017 Scoping Plan Update identifies the need for material diversion from landfills to preserve resources and minimize landfill gas production, specifically highlighting the benefits of the diversion of organics from the waste stream to composting or digestion facilities. Food waste is highlighted as the largest component of organics disposed in landfills. The 2017 Scoping Plan Update estimates that 100,000 green jobs could be generated by meeting statewide recycling goals.
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**Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

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| <ul style="list-style-type: none"><li>▪ Describe how expenditures will facilitate the achievement of GHG emission reductions in the State</li></ul>             | <ul style="list-style-type: none"><li>▪ Expenditures will achieve GHG emission reductions by increasing the number and capacity of community groups operating small-scale composting programs.</li><li>▪ These resources will increase the ability of community groups to divert materials from landfilling and achieve GHG emission reductions by reducing methane emissions from landfills.</li><li>▪ The grant program may fund tree planting and care in association with community composting, which will increase the probability for tree survival, rapid growth, and associated carbon storage.</li></ul>   |
| <ul style="list-style-type: none"><li>▪ Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained</li></ul> | <ul style="list-style-type: none"><li>▪ GHG emission reductions and/or co-benefits are expected to begin six to nine months after award. After award, the Grantee will conduct outreach and commence the site selection process. Once project sites are selected, the grantee will conduct a needs assessment and then provide identified equipment, training, environmental education, and jobs to increase diversion of organic material from landfill and reduce methane emissions.</li><li>▪ GHG emission reductions that result from avoided landfill methane emissions will continue as the project sites will continue to divert organic materials from landfills.</li></ul> |
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**Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**



<ul style="list-style-type: none"> <li>▪ Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community composting projects will yield economic, environmental, and public health co-benefits. These projects are expected to provide jobs in California both during project implementation and afterward.</li> <li>▪ Community composting projects will result in additional GHG emission reductions through carbon sequestration as a result of increased production, distribution, and use of compost.</li> <li>▪ Community composting projects are likely to result in increased public access to green space and outdoor community gathering spaces.</li> <li>▪ Community composting projects will reduce transport distances for hauling waste material, resulting in additional GHG emission reductions and reduced emissions of toxic pollutants and fine particulates that result from the operation of heavy-duty diesel vehicles.</li> <li>▪ Use of the compost produced in the community composting project sites can increase yields of community gardens, providing fresh food for communities included in the program.</li> <li>▪ Trees planted through the program can provide fresh fruits, store carbon, and reduce urban heat island effects for public gathering spaces for communities included in the program.</li> </ul>
<ul style="list-style-type: none"> <li>▪ How the project will support other objectives of AB 32 and related statutes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Directs public and leverages private investment towards DACs and low-income communities in California.</li> <li>▪ Maximizes additional environmental and economic co-benefits for California.</li> <li>▪ Provides an opportunity for small businesses and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Percentage of total funding that will be expended for projects that are located in and benefit priority populations<sup>1</sup> per CARB guidance</li> </ul>	<ul style="list-style-type: none"> <li>▪ The administering agency has established an investment target for CalRecycle for FY 2019-20 of a minimum of 20 percent of funding benefiting DACs, 10 percent of funding benefiting low-income households or low-income communities anywhere in the state, and 5 percent of funding benefiting low-income households that are outside of, but within ½-mile of, DACs or low-income communities that are outside or, but within ½-mile of, DACs. DACs are those identified using CalEnviroScreen version 3.0.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Describe the benefits to priority populations per CARB guidance</li> </ul>	<ul style="list-style-type: none"> <li>▪ These expenditures can support projects that provide direct, meaningful, and assured benefits to DACs and/or low-income communities and meaningfully address an important community need. CalRecycle will prioritize projects that meet the criteria for providing benefits to DACs and/or low-income</li> </ul>

<sup>1</sup> Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

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	<p>communities listed in CARB's 2018 Funding Guidelines Benefit Criteria Table(s) (Waste Diversion and Utilization, and Jobs Training and Workforce Development) and meaningfully address an important community need (as described in Table 5 of CARB's 2018 Funding Guidelines).</p> <ul style="list-style-type: none"><li>Investment in community composting waste diversion projects located in DAC and/or low-income communities can provide access to jobs/job training, environmental education, increase food access, improve soil health and divert waste from landfills for DACs and/or low-income community residents, while providing resources to support community organizations representing DACs and/or low-income communities among other benefits.</li></ul>
<ul style="list-style-type: none"><li>Explain strategies the administering agency will use to maximize benefits to disadvantaged communities</li></ul>	<ul style="list-style-type: none"><li>During the competitive site selection process DACs and low-income communities will receive priority funding.</li><li>The Grantee will work directly with DAC or low-income community groups to implement projects, provide education regarding community composting, provide technical assistance to project sites, and build organizational capacity for the community partner groups.</li></ul>
<ul style="list-style-type: none"><li>Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens</li></ul>	<ul style="list-style-type: none"><li>This project will provide direct benefits to DACs and low-income communities. Community composting project sites will be small and directly controlled by the community. Any burdens are expected to be minimal and can be mitigated directly by the community managing the site with guidance from the grantee and/or CalRecycle. Benefits from the projects, such as increased fresh food, soil health, and climate adaptation accrue directly to the community.</li><li>To assess the need and desire for this program, CalRecycle staff conducted conversations with community composting organizations and visited with advocates at community gardens and urban farms throughout the state.</li><li>To further assess community needs and aspirations, in October 2019, CalRecycle released a comprehensive stakeholder survey to solicit input about community-scale composting and to help prioritize the types of assistance needed.</li><li>CalRecycle will maintain an email address and web page where communities can provide direct input to grant program managers.</li></ul>

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**Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.**

<ul style="list-style-type: none"> <li>▪ How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance</li> </ul>	<ul style="list-style-type: none"> <li>▪ The administering agency will require funding recipients to maintain records and submit quarterly status reports. In addition, the administering agency will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the administering agency’s guidelines and the grant agreement.</li> <li>▪ Grantee is required to submit quarterly progress reports and a final report at the close of the grant project.</li> <li>▪ A post-grant term annual survey may be requested every year for three years after the end of the grant term.</li> <li>▪ Project tracking and reporting will be conducted as described in CARB’s 2018 Funding Guidelines.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grantee will calculate the net GHG emission reductions from waste diversion projects using the CARB approved Community Composting for Green Spaces Grant Program Quantification Methodology and Waste Diversion GHG Emission Reduction Calculator Tool as found on the <a href="http://www.arb.ca.gov/cci-resources">CCI Quantification, Benefits, and Reporting Materials website</a> (www.arb.ca.gov/cci-resources).</li> </ul>
<ul style="list-style-type: none"> <li>▪ Type of information that will be collected to document results, consistent with CARB guidance</li> </ul>	<ul style="list-style-type: none"> <li>▪ To determine the job creation and training benefits, the Grantee will compile data from funded recipients consistent with CARB’s 2018 Funding Guidelines and transmit that data to CalRecycle.</li> <li>▪ The Grantee will collect data on project site locations, the location and types of trees planted, the cubic yards of compost produced during the expected quantification period, and other data as specified in CARB’s 2018 Funding Guidelines.</li> <li>▪ The Grantee will report on data required by CARB’s 2018 Funding Guidelines, which includes expenditure amounts, project site descriptions, locations, and status, as well as GHG emission reductions, estimates of other applicable co-benefits, jobs created, and description of benefits to DAC and/or low-income communities.</li> </ul>
<ul style="list-style-type: none"> <li>▪ How the administering agency will report on program status</li> </ul>	<ul style="list-style-type: none"> <li>▪ CalRecycle will provide bi-annual updates on expenditures, project statuses, and benefits in reports prepared according to CARB’s 2018 Funding Guidelines. At a minimum, the reports will include expenditure amounts, project description and locations, current estimates of GHG emission reductions and tons of material diverted from landfills, estimates of other applicable co-benefits, jobs created, and description of benefits</li> </ul>

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to DACs and/or low-income communities and associated  
census tracts for those communities.

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