

**Metropolitan Transportation Commission
Legislation Committee**

June 14, 2019

Agenda Item 3c

AB 352 (Garcia, E.): Transformative Climate Communities

Subject: AB 352 would broaden eligibility for the Transformative Climate Communities (TCC) Program, a Cap and Trade-funded state grant program administered by the Strategic Growth Council (SGC), to include low-income communities that do not otherwise fall within the program's strict definition of "disadvantaged communities."

Background: The TCC was established in 2016 by AB 2722 (Burke), to fund projects that reduce greenhouse gas emissions (GHGs) through the development of neighborhood-level transformative climate community plans that include multiple, coordinated GHG emissions reduction projects that provide local economic, environmental and health benefits to disadvantaged communities, as currently defined by the state using the CalEnviroScreen3.0 (CES3.0) tool for identifying disadvantaged communities. The program has received two appropriations from the state's Greenhouse Gas Reduction Fund in the state budget in the last two years, and the Newsom Administration is recommending \$132 million for the program in FY 2019-20. The Legislature has not yet finalized its spending plan for Cap and Trade for FY 2019-20 so the final amount available for next year is currently unknown.

The Strategic Growth Council's guidelines for the TCC have limited eligibility not just to census tracts scoring in the top 25% of CES3.0, the common metric used in other Cap and Trade programs, but to those scoring in the top 5%. As such, only three Bay Area census tracts currently qualify for this program, all of which are in the City of Oakland. This has contributed to the fact that the region received zero funding in the second grant cycle, which totaled \$46 million and only a \$170,000 planning grant for the City of Oakland in the first grant cycle, which totaled \$140 million.

By broadening eligibility for the program to enable low-income census tracts to qualify as well, AB 352 could significantly expand opportunities for Bay Area projects to receive TCC grants. By comparison to only three census tracts eligible under the current program, the region has 142 census tracts, spread across each of the nine Bay Area counties, in the top 25% statewide for poverty.

AB 352 would also require the Department of Finance to expand its annual report on Cap and Trade-funded projects to include: (1) projects funded and their outcomes; (2) applications received, including the location of proposed projects, funding amount requested, and whether projects were funded in whole or in part with the funds. Requiring this information to be reported in one place will help increase transparency with regard to the use of funds as well as demonstrate the huge demand for them.

Lastly, the bill makes a finding that “special adjustments” are needed to ensure the California-Mexico border counties of Imperial and San Diego achieve their emission reduction goals. Additionally, the bill would such counties to include daytime populations in their applications to account for the significant number of vehicles involved in border crossings.

Discussion: Staff is supportive of the two main components of this bill—broadening eligibility to include low-income communities and requiring the state to provide additional details on grant applications received. We do have concerns, however, about the specific provisions related to Imperial and San Diego counties, which would set a dangerous precedent that would encourage more jurisdictions to turn to the legislative process to gain a unique advantage in statewide competitive programs. For this reason, staff recommends a “support if amended” position on the bill, with direction for staff to work with Assembly Member Garcia to revise the provisions specific to Imperial and San Diego to meet the underlying concerns without singling out specific counties in statute.

Recommendation: Support if Amended

Bill Positions: See Attachment A

Attachments: Attachment A: Bill Positions


Therese W. McMillan

AB 352 (Garcia, E.) Bill Positions

Support

Comité Cívico del Valle
Sierra Nevada Alliance
California Parks & Recreation Society
East Bay Regional Park District
Eastern Sierra Land Trust
Placer Land Trust
Coachella Valley Association of Governments
Truckee Donner Land Trust
Sierra Business Council
San Bernardino County
Watershed Conservation Authority
Imperial County
Sierra Foothill Conservancy
Tahoe City Public Utilities District
Imperial County Transportation Commission
Sonoma County Regional Parks
Bear Yuba Land Trust
Mammoth Lakes Recreation
Mammoth Lakes Trails and Public Access Foundation

Oppose

None on file