

March 25, 2015

The Honorable Lois Wolk  
Chair, Senate Budget & Fiscal Review Subcommittee #2  
State Capitol  
Sacramento, CA 95814

**Re: Recommendations for Additional 2015-'16 GGRF Investments  
in Disadvantaged Communities**

Dear Chair Wolk and Subcommittee Members:

Our groups are dedicated to effective implementation of SB 535 (de León), enacted in 2012. As you know, that law requires that a minimum of 10% of the Greenhouse Gas Reduction Fund (GGRF) be spent in California's most disadvantaged communities, with a minimum of 25% spent for the benefit of those communities. We stress that the levels in SB 535 are minimums, and we urge the Legislature to exceed them, because these are the communities most at risk from the health hazards and economic dislocation threatened by climate change.

After working for many years to pass SB 535, our organizations reached out to community groups around the state for input on the investment plan which was adopted in 2013 as required by the law. We found that these community groups prioritized funding for low-income weatherization and solar programs, public transit, affordable housing near transit, urban greening, and cleaning up freight engines that currently emit diesel exhaust in some of California's most polluted neighborhoods. We appreciate the fact that the Legislature and Governor included all of these programs in the 2014-'15 budget.

With the increase in proceeds from pollution allowance auctions, you now have the ability to expand funding for these worthy programs well beyond the current levels. Since 60% of the Greenhouse Gas Reduction Fund is continuously appropriated, these recommendations focus on the 40% which the Legislature and Governor will be allocating in the budget. **We support the following augmentations to the Governor's proposal:**

- **\$70 million for Heavy-Duty Vehicle and Equipment Projects**  
Pursuant to SB 1204 (Lara/Pavley, 2014), increased funding is needed for research, development and demonstration of zero-emission heavy duty vehicles, near-zero-emission long haul trucks, zero- and near-zero-emission off-road equipment, zero-emission trucks and buses, early commercial deployment of near-zero-emission heavy-duty trucks, and vouchers for hybrid and zero-emission trucks and buses. Cleaning up the freight sector is critical to meeting the Governor's goal of a 50% reduction in oil use in cars and trucks, and to meeting our air and climate standards.

- **\$55 million for low - income energy programs**  
 Weatherization and solar energy services for low - income households and building owners lead to both lower utility bills, job opportunities and decreased greenhouse gas emissions. Expanding the program is essential to meeting the Governor's goal of doubling the efficiency of existing buildings and deployment of renewable energy.
- **\$15 million for the Urban and Community Forestry Program**  
 Planting, cultivating and maintaining trees and related vegetation in urban areas helps to sequester carbon, cool the urban heat islands, and improve the quality of life in inner cities. The current program at to Department of Forestry and Fire Protection is going to be way over-subscribed.
- **Transit Passes for Low-Income Riders**  
 Transit operations, which are slated to receive a continuing appropriation of 5 percent of GGRF revenues, will continue to be seriously under-funded, and should continue to receive that 5 percent share. In addition to the need to *operate* more frequent and reliable transit service, low-income Californians need steps to address the *cost* of transit service. A separate GGRF program should be established to provide transit passes to low-income residents of disadvantaged communities. Doing so will reduce emissions by getting cars off the road, and will also help needy Californians get to their workplaces and schools. Therefore, we urge the Legislature to use some of the increased GGRF dollars to establish a program that funds transit agencies for providing passes to low-income riders, while preserving the Low Carbon Transit Operations program.
- **\$26 Million for Charge Ahead Initiative Equity Programs**  
 While this program was not identified by the SB 535 coalition as a priority program in 2014-2015 because it was established after our set of priorities were determined, the goals and funded activities of the program further the equity goals of SB535. Therefore we encourage the subcommittee to increase funding of programs authorized by SB 1275 (De León, 2014) to accelerate the deployment of advanced clean passenger vehicles and to improve access to clean transportation in disadvantaged communities. Funds go to assist low-income participants in the Enhanced Fleet Modernization Program to purchase used zero or near-zero emission vehicles when they retire high-polluting vehicles and to fund additional equity programs in disadvantaged communities, such as improving access to financing, the deployment of charging stations in multi-family residences, rebates for public fleets, and car/van sharing.

Finally, we urge the subcommittee to scrutinize the GGRF budget and work with the agencies to assure that the promised benefits are actually delivered to disadvantaged communities.

Respectfully,

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