



September 7, 2018

Ms. Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

**RE: DRAFT Cap-and-Trade Auction Proceeds Third Investment Plan**

Dear Chair Nichols, Members of the Board and ARB staff:

We commend the California Air Resources Board (CARB) for its ongoing leadership to address climate change and are writing to offer brief comments on the Draft Cap-and-Trade Auction Proceeds Third Investment Plan published last month. As the statewide organization charged with providing support and services to California's boots-on-the-ground urban forestry non-profits, we support the majority of the Invest Plan Recommendations outlined in Box 2 on page 11 of the draft, as follows:

1. Prioritize Community Transformation.

The goal of utilizing cap-and-trade auction proceeds to transform and revitalize California's communities, with emphasis on those areas hit first and worst by the devastating impacts of climate change, is the focal point of introducing and expanding urban forests across the state. The urban area in California encompasses 5% of the land base, but supports almost 95% of the population. According to California's Forests and Rangelands 2017 Assessment published last month, impervious surfaces statewide in census-defined Urban Areas (UAs) increased 20% between 2000 and 2010, to about 1.9 million acres, further exacerbating already difficult Urban Heat Island conditions. Authentic, effective community transformation must include significant green infrastructure and the ongoing resources to support that infrastructure. The Draft plan promotes this through other recommendations discussed below. The Draft plan also promotes the need to ensure cap-and-trade revenues, while technical assistance to access these revenues is prioritized to disadvantaged and underserved communities.

2. Develop multi-year funding commitments.

Virtually all CCI Programs would benefit from the certainty of sustainable funding, and urban forestry is no exception. Further, we believe those indicators for long-term investment need to be initiated by the Administration, which has tremendous influence over the final annual expenditure plan adopted each Fiscal Year. In this regard, the Administration has gone from supporting \$37 million for Cal Fire's Urban and Community Forestry Program in 2015 to eliminating the Program from the proposed Plan in 2017 and 2018. This creates tremendous uncertainty within the Program, which ultimately received as little as zero dollars in 2015, and as much as \$20 million in 2017. While California ReLeaf took no

position on the recently passed Wildfire package on the Governor's desk, we are pleased to see the first step toward long-term funding commitments through the six-year investment that will be made in healthy forests. We would encourage ARB to work with the Administration to put forward similar commitments for urban forests, climate-smart ag, wetlands, and other natural resources in the next proposed expenditure plan.

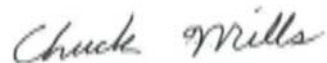
### 3. Support the existing suite of California Climate Investments Programs.

We strongly support this recommendation and must stress how important this is with regard to the natural resources sector. As noted on page 8 of the Draft plan, the total value that natural and working lands (including urban forests) can contribute to meeting our 2030 GHG reduction goals is unknown, as the adopted 2017 Scoping Plan does not yet feature that information. We believe this makes the entire sector a very easy target to be glossed over in key decision-making regarding investments, which is perhaps best evidenced by the record low investments in natural and working lands (save forest health) in the 2018-19 Expenditure Plan. What we do know, and have known for decades, is that this sector is the only sector that can reduce GHGs through carbon sequestration, while also avoiding emissions through energy savings and reduced vehicle miles travelled. The natural resources programs established and/or funded with cap-and-trade auction revenues to date – urban forestry, urban greening, healthy soils, wetlands and adaptation – are *very* effective. That's why all of them are captured either explicitly or implicitly as investment priorities in Assembly Bill 398.

Finally, we support the co-benefit metrics highlighted that include pollutant emissions, water and energy savings, adaptation, community engagement, and human health. Multiple peer-reviewed studies and science-based journals have repeatedly cited urban forests as a vital component to positively address all of these issues fundamental to California's quality of life.

We appreciate CARB's ongoing efforts to address climate change and appreciate the opportunity to comment on this Draft plan.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Mills".

Chuck Mills

Director of Public Policy and Grants