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Testimony of Veronica Eady  
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Committee on Financial Services  
Subcommittee on National Security, International Development, and Monetary Policy  
*Examining the Macroeconomic Impacts of a Changing Climate*

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Chair Waters, Subcommittee chair Cleaver, esteemed members of the House Financial Services Committee:

It is my great honor to be here today to discuss how California is addressing climate change, and how our programs facilitate investment in communities most vulnerable to the impacts of climate change.

I am here representing the California Air Resources Board. The California Air Resources Board (CARB) is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change. From requirements for clean cars and fuels to adopting innovative solutions to reduce greenhouse gas (GHG) emissions, California has pioneered a range of effective approaches that have set the standard for effective air and climate programs for the nation, and the world.

As part of the California Environmental Protection Agency (CalEPA), CARB works closely with its sister agencies in the implementation of its climate programs, while CalEPA plays a key role in leveraging the work of its agencies, facilitating cross-agency work, and achieving the California's climate goals, broadly.

As CARB's Assistant Executive Officer for Environmental Justice, I provide advice to CARB leadership on how our programs can address environmental justice issues and eliminate the disproportionate air pollution and climate change burdens facing California's low-income communities and communities of color.

#### Environmental Justice at CARB

Despite the dramatic progress made in improving air quality in California, there still exists disparities in air pollution exposure, susceptibility, and health, particularly for people of color and low-income communities. This disparity reflects the disproportionate siting of stationary sources and highways in and near their communities, some which were historically and intentionally segregated. Although greenhouse gases are global pollutants that do not themselves harm local neighborhoods that host sources of greenhouse gases, the effects of climate change caused by greenhouse gases disproportionately impact low-income communities and communities of color.

Furthermore, sources of greenhouse gases often emit criteria pollutants and toxic air contaminants, which can impact the health of residents who live, work, and go to school near these sources.

State law defines environmental justice as the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. Government Code, section 65040.12, subdivision (c). Environmental justice calls for transparency, inclusivity, and systemic change.

Environmental justice is one of CARB's core values and fundamental to achieving its mission. The Board approved its Environmental Justice Policies and Actions on December 13, 2001, to establish a framework for incorporating environmental justice into ARB's programs consistent with the directives of State law (ARB 2001). Since then, CARB has prioritized environmental justice when adopting, implementing, and enforcing regulations, when providing technical support, and when allocating funding. CARB strives for equity in the implementation of all its programs.

### California's Climate Goals

California has had programs to reduce both criteria and toxics and GHG emissions for decades. The historic passage of the California Global Warming Solutions Act of 2006 – established the first statewide GHG emissions reduction target of returning to 1990 levels by 2020. Today, California is on track to exceed its AB 32 climate targets, with an early start to achieve its SB 32 target of 40 percent below 1990 levels by 2030, and we are laying the groundwork to meet a 2050 target of 80 percent below 1990 levels and achieve carbon neutrality by mid-century.

California's 2017 Climate Change Scoping Plan (2017 Scoping Plan) lays out a cost-effective and technically feasible path to achieve our 2030 GHG target. From the beginning, each version of the Scoping Plan has included a mix of incentives, regulations, and market policies to help the State reduce its GHG emissions. This approach provides California with the greatest certainty in meeting the 2030 GHG target at the lowest cost while also improving public health, supporting investments and equity in disadvantaged and low-income communities, protecting consumers, and supporting economic growth, jobs and energy diversity.

As California adopts increasingly ambitious goals for addressing climate change and air quality, it recognizes that the transition to a low carbon California economy provides an opportunity to create a healthier environment for all Californians, especially those living in the state's most disadvantaged communities, which will likely be the first impacted and hardest hit by the effects of climate change.

### California Climate Investments

Many of California's disadvantaged communities disproportionately lack the financial capacity to invest in low-carbon practices, transportation, or climate resiliency. California is pioneering targeted environmental and economic development programs to help those most in need. Proceeds from the Cap-and-Trade Program, which are deposited into the Greenhouse Gas Reduction Fund (GGRF), facilitate comprehensive and coordinated investments throughout California that further the State's climate goals. These investments support programs and projects that reduce GHG emissions in the State and also deliver major economic,

environmental, and public health benefits for Californians, including meaningful benefits to the most disadvantaged communities. At least 35 percent of Cap-an-Trade proceeds must benefit “disadvantaged communities,” as defined by Senate Bill 535 through California’s pollution mapping tool, California Environmental Screen. To date, the California legislature has appropriated approximately \$11.9 billion to more than 20 state agencies implementing over 60 unique programs collectively known as California Climate Investments.

Communities where investments occur are realizing a wide range of benefits, including: increased affordable housing opportunities; improved mobility options through transit, walking, and biking; cleaner air through zero-emission vehicles; job creation, energy and water savings; and greener, more vibrant communities.

### Advancing Climate Equity in California

Many programs funded through California Climate Investments are specifically designed to promote equity. We have clean vehicle financing assistance, rebates, and vouchers that have income caps to direct funding to low-income households. Pilot projects aimed directly at improving mobility in disadvantaged communities has funded car sharing, agricultural workers van pools, and other new mobility options.

Certain programs, such as CARB’s Rural School Bus Program, specifically targets all funds in rural areas. Others, such as an Affordable Housing program, have established a funding set-aside for rural areas. This approach is particularly effective for this program where projects are ranked based on reductions in vehicle miles traveled, which is largely dependent on density, making rural projects inherently less competitive.

We also have a handful of targeted investments in the areas most impacted by air pollution. These communities, sometimes located next to major ports or freight facilities, are receiving dedicated funding ranging from heavy duty vehicle change outs and air monitoring equipment.

One program to highlight is CARB’s new Community Air Protection program was initiated in response to Assembly Bill 617, a landmark piece of legislation aimed at reducing air pollution exposure in the state’s most impacted areas. AB 617 was a companion bill to AB 398, which extends California’s Cap-and-Trade program to 2030. Its main object is to reduce criteria pollutants and toxic air contaminants in communities with the

## Examples: CCI Projects

- A 44-unit affordable housing development in Tulare County with integrated vanpooling service and discount transit passes is among more than 1,600 housing units funded statewide.
- The Cecchini Farm in Contra Costa County, whose fifth-generation owners decided not to sell after they were approved for a conservation easement, is among more than 250,000 acres of land statewide that will be preserved, from coastal watersheds and wetlands to mountain meadows.
- Los Angeles County’s Foothill Transit is purchasing 15 zero-emission electric buses to advance the agency’s goal to go all-electric by 2030 to reduce GHG emissions and improve air quality in the inland communities it serves.
- In California’s forests, California Climate Investments are protecting more than 1.4 million acres, funding projects to reduce fire risk, limit loss of life and property damage, and lower the cost of fighting wildfires. More than 14,000 trees have been planted to provide shade and limit the heat island effect in urban areas from Oakland and Stockton to San Bernardino and Los Angeles counties.
- Grants to farmers, businesses and individuals for more water-efficient technology will not only cut greenhouse gas (GHG) emissions but save more than 370 billion gallons of water throughout the state. And more than 150,000 rebates for zero-emission and plug-in hybrid cars are expected to reduce over 5,000 tons of criteria and toxic air pollutants in addition to GHG emissions.

highest exposure burdens as prioritized by local residents, regional air districts, and ultimately voted upon and designated by the CARB board.

A first of its kind program, AB 617 builds partnerships with local communities to address neighborhood-scale pollution, through local air monitoring and development of community emission reduction programs.

### Casa Familiar - Project Highlight

- Community-based organization, Casa Familiar, in border community of San Ysidro
- Sustain and expand a current network of community-operated air monitors
- Help identify, evaluate, and ultimately reduce exposure to harmful emissions
- Empower community members to participate in the AB 617 process



The legislature has thus far appropriated \$25 million from the GGRF for an AB 617 grants program to support local community-based organizations participation in the implementation of AB 617. Besides developing school curricula focused on air quality, performing local outreach and building awareness, several

grantees have established their own community-run air quality networks that provide real-time air quality conditions to residents who can access the data through an internet portal.

Another program receiving funding from the GGRF is California's Transformative Climate Communities Program, an initiative that empowers the communities most impacted by pollution to choose their own goals, strategies, and projects to reduce greenhouse gas emissions and local air pollution. The legislature has appropriated a total of \$150 million from the GGRF to support this program that takes a unique approach to addressing community needs by implemented places-based projects that are community-driven.

### Watts Rising - Project Highlight

- Community-led projects
- 6 workshops attended by 400 residents
- Set goals, GHG strategies, and voted to prioritize projects
- Components include:
  - 216 new affordable homes
  - 10 new battery-electric buses
  - 5 miles of new bike paths
  - 300+ construction and permanent jobs created



### Tracking Outcomes

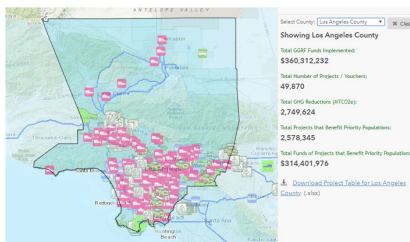
California Climate Investments must result in quantifiable greenhouse gas reductions. In addition to achieving a reduction of almost 40 million metrics tons of CO<sub>2</sub>e to date, California Climate Investments projects are also achieving additional important co-benefits.

We've seen investments foster job creation; improve air quality; provide opportunities for small businesses and other community institutions; and lessen the impacts and effects of climate change. Over half of the on-the-ground projects to date are benefiting the most vulnerable of California's communities.

CARB reports on CCI funding and attendant impacts annually, in an annual report. Over 80 percent of the funds support investments in the transportation, the largest source of greenhouse gases in California, and sustainable communities sector, including:

- Electric vehicles;
- Provision of cleaner and more buses and trains;
- Help for riders to save money through fare reductions;
- More bike paths;
- Support for compact infill development that brings affordable housing and jobs closer together;
- Protection of agricultural lands from sprawl development.

### Accountability and Transparency



CARB's climate programs have a global profile and have achieved an array of important benchmarks. We reached our 2020 target of ratcheting down greenhouse gases to 1990 levels back in 2016. With that goal now behind us, we are fully immersed in efforts to reach our 2030 targets of 40 percent below 1990 levels. Our Cap-and-Trade program and California Climate Investments will continue to play an integral role in reaching that goal.

### Conclusion

These are some highlights of how California's climate programs and helping us reach our greenhouse gas reduction targets, while bolstering our economy – now the fifth largest in the world. The success of our climate program depends heavily on the public that we serve. To that end, CARB has knitted principles of environmental justice and climate equity throughout our climate and air pollution programs.

I'm available for questions.

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