SUMMARY
AB 1550 (Gomez) helps Californians living in disadvantaged communities (DACs)\(^1\) and low-income households statewide to address climate change and poverty. It expands SB 535 (De León, 2012) to require 25% of Greenhouse Gas Reduction Fund (GGRF) investments to be located within DACs, and an additional 25% of GGRF investments to benefit low-income households across the state.

BACKGROUND
The California Global Warming Solutions Act of 2006 (AB 32) requires the Air Resources Board (ARB) to regulate the reduction of statewide greenhouse gas emissions. The cap-and-trade program is one of the strategies used to comply with AB 32. Funds received from the program are deposited into GGRF and appropriated by the Legislature to programs that further reduce emissions. SB 535 (De León), signed into law in 2012, requires that at least 25% of GGRF proceeds to fund projects that provide benefits to disadvantaged communities (DACs), and a minimum of 10% of the proceeds to fund projects located within those communities.

PURPOSE AND RATIONALE
1 Require that at least 25% of GGRF funding go to projects that directly benefit low-income households, whether or not they reside in a DAC.\(^2\) This provision will:
   • Add greater fairness and balance to the distribution of GGRF investments and associated benefits to low-income households living outside DACs, such as rural communities in northern and southeastern California as well as urban districts in places like the Bay Area and San Diego.
   • Address the fact that low-income households spend a larger share of their income on basic necessities – including, water, electricity, natural gas, and transportation – than higher-income households.\(^3\)
   • Align funding for low-income households with their share of the state’s population, which is about 21% based on the California Poverty Measure.\(^4\)

2 Maximize the benefits of GGRF funding to DAC residents and low-income households by making the investment requirements additive.
   • A single project cannot be double-counted toward the provisions for DACs and low-income households.

\(^1\) As defined by the California Environmental Protection Agency (CalEPA) using the California Communities Environmental Health Screening Tool Version 2.0 (CalEnviroScreen 2.0).

\(^2\) AB 1550 defines low-income as up to 80% of state median household income, or up to $49,500 per year.


\(^4\) California Poverty Measure developed by Public Policy Institute of California (PPIC) and Stanford University; poverty rates vary by county and by age group. PPIC. 2016. “Poverty in California.” http://www.ppic.org/main/publication_show.asp?id=261.
IMPLEMENTATION
AB 1550 funding requirements apply to the overall portfolio of GGRF investments, rather than to each individual project or program area and regardless of whether a program receives continuous appropriation or not.

A 25% minimum requirement for investments in DACs is easily attainable – 39% of existing investments are already located within DACs. The requirement for low-income households is also achievable, since several programs already have income criteria for participation.

SUPPORT
AB 1550 helps advance the principles of equal opportunity and equal protection for all, by strengthening the DAC funding requirement and expanding it to include low-income Californians statewide. A diverse array of organizations support AB 1550, including:

- Amigos de los Rios
- Asian Pacific Environmental Network
- Asian Public Policy and Planning Council
- California Association of Local Conservation Corps
- California Bicycle Coalition
- California Black Health Network
- California Environmental Justice Alliance
- California Housing Partnership Corporation
- California League of Conservation Voters
- California ReLeaf
- California Urban Forests Council
- California Vanpool Authority
- Canopy
- Catholic Charities
- Catholic Charities, Diocese of Stockton
- Center for Community Action and Environmental Justice
- Center on Race, Poverty and the Environment
- Central California Asthma Collaborative
- Central Coast Alliance United for A Sustainable Economy

http://www.arb.ca.gov/auctionproceeds.

6 These include the Affordable Housing Sustainable Communities Program, Low-income Weatherization Program, and several projects within the Low Carbon Transportation Program.

FOR MORE INFORMATION
Bill Magavern, Policy Director, Coalition for Clean Air: bill@ccair.org, 916-527-8051.