

AB 1550 (GOMEZ)
AS AMENDED MARCH 28, 2016
FACT SHEET BY THE SB 535 COALITION

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

❶ Raise the minimum level of GGRF funding for projects located within, and benefitting individuals living in, disadvantaged communities from the current requirement of 10% to 25%.

- This provision ensures the level of investment in DACs at least equals their share of the population, given that a quarter of Californians reside in a DAC.

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

❷ 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

❸ 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.

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

³ Morello-Frosch, Rachel, Manuel Pastor, Jim Sadd, and Seth Shonkoff. 2009. “The Climate Gap: Inequalities in How Climate Change Hurts Americans & How to Close the Gap.” <https://dornsife.usc.edu/pere/climategap/>.

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?i=261.

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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.⁵ The requirement for low-income households is also achievable, since several programs already have income criteria for participation.⁶

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

⁵ Air Resources Board. 2016. "2016 California Climate Investments Annual Report."

<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.

Coalition for Clean Air
Communities for a Better Environment
Community Health for Asian Americans
Energy Solidarity Cooperative
Environmental Health Coalition
Fallbrook Land Conservancy
Filipino/American Coalition for Environmental Solidarity
Fresno Economic Opportunity Commission
Fresno Interdenominational Refugee Ministries
Friends Committee on Legislation of California
Grayson Neighborhood Council
The Greenlining Institute
Greenpeace-The Cambria Land Trust
GRID Alternatives
Growing Together
Huntington Beach Tree Society, Inc.
Liberty Hill Foundation
Little Tokyo Service Center
Los Angeles Neighborhood Land Trust
Los Angeles Conservation Corps
Move LA
National Parks Conservation Association
The Nature Conservancy
Pacoima Beautiful
People Organizing to Demand Environmental and Economic Rights
Physicians for Social Responsibility – Los Angeles
Propel Fuels
Public Advocates
Regional Asthma Management and Prevention
Rural County Representatives of California
Sacramento Tree Foundation
Safe Routes to School National Partnership
SaveSFbay
Save the Bay
SCOPE
Sierra Club California
Solar-Oversight
Strategic Actions for a Just Economy
Tree Davis
Tree San Diego
Trust for Public Land
TRUST South LA
Union of Concerned Scientists
Urban Releaf
Valley Clean Air Now
Voices for Progress

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