**California Assembly Committee on Natural Resources**

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Dear Members of the Committee,

Thank you for allowing me to provide a few comments in support of AB 2722, the Transformative Climate Communities Program. My name is Alvaro Sanchez, I’m the Environmental Equity Director at the Greenlining Institute. The Greenlining Institute is a 23 year old policy, research, organizing, and leadership institute working for racial and economic justice.

We support AB 2722 because it is the type of initiative that delivers needed investment and equity to underserved communities. The Greenlining Institute works on a variety of major policy issues, from the economy to environmental policy, civic engagement and many others, because we recognize that economic opportunity doesn’t operate in a vacuum. We don’t see these issues as being in separate silos, but as interconnected threads in a web of opportunity. AB 2722 embraces the principles of our approach to catalytic community and economic development.

California cities have invested significant resources to develop climate action plans that address pressing, local environmental concerns. In some cases, community based organizations are leading the way crafting sustainability plans that also catalyze equitable economic development at the neighborhood level. Cities and community based organizations need help leveraging private capital markets and coordinating local agency investments and plans in order to accelerate the pace of implementing their sustainability plans.

Funding and access to capital are major barriers to implementation. Financial viability challenges are often a result of emerging technologies and practices that may have higher first costs that do not meet standard return on investments. New innovative technologies can also add a “risk premium” to projects that results in high project costs. Most projects are not integrated or optimized to meet multiple goals, leaving significant benefits and savings off the table. A program that provides critical up front financing to accelerate the implementation of neighborhood-scale sustainability plans is currently lacking.

AB 2722 addresses this key barrier by creating a state funded program that aligns with emerging work at the neighborhood level that can accelerate sustainability activities. Coordinating and streamlining funding for multiple, coordinated projects that are implemented at the neighborhood scale.

Currently, GGRF funded programs are not required or designed to leverage funding from each other or to create a simple and streamlined process to fund multiple projects in one location. This means that if a community has plans to invest in a coordinated way in public transit, urban greening, active transportation, and renewable energy, they would have to apply to several different agencies. AB 2722 will streamline this process by creating one program that can fund these multiple approaches, therefore reducing the administrative cost of applying for funding and maximizing the impact of these public dollars. We anticipate that neighborhood scale approaches to sustainability funded via AB 2722 will be able to attract private financing at a competitive rate given that the 2016 Department of Finance Report to the Legislature on the Cap-and-Trade Auction Proceeds that Climate Investment Programs have been able to leverage $3 for every public dollar invested. The potential for catalytic impact from this program is tremendous.

Something amazing is happening in California and we are setting the example for fighting climate change and poverty at the same time. The Transformative Climate Communities Program will foster an integrated, collaborative approach to comprehensively address the burdens of disproportionately impacted communities that have suffered from decades of environmental pollution and neglect. AB 2722 directs investments in overburdened communities that face a range of challenges and directly connects investments to residents most impacted by multiple sources of pollution.

I encourage you to vote in favor of AB 2722 and look forward to answering any questions.

Thank you.