# A FRAMEWORK FOR EQUITABLE INVESTMENT

## LESSONS FROM THE EFFORT TO ENSURE CLIMATE INVESTMENTS MEET THE NEEDS OF UNDERSERVED AND OVERBURDENED COMMUNITIES

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### AUTHOR BIO

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### ABSTRACT

Since 2012, California has generated billions of dollars from its market-based greenhouse gas emissions reduction program, commonly known as Cap-and-Trade. These revenues, deposited in the state's Greenhouse Gas Reduction Fund (GGRF), must be invested in projects that will reduce greenhouse gas emissions while maximizing benefits for disadvantaged communities and households. SB 535 (de León 2012), as amended by AB 1550 (Gomez 2016), requires at least thirty-five percent of these revenues to be invested in projects that benefit disadvantaged community residents and low-income households and communities. Implementing these statutory requirements has been the work of a coalition of policy-advocacy and organizing groups, who have too often seen public investment in environmental justice communities fail to meet the needs of low-income residents of color—or worse yet, actually harm them. This article presents the" disadvantaged community benefits" framework that this coalition developed, which is now incorporated in large part into statewide guidelines on climate investments. The framework offers a four-step process for evaluating whether a project meaningfully benefits a disadvantaged community: (1) whether a project meets an important need identified by underserved residents (2) in a way that provides them a significant benefit and (3) targets its benefits primarily to low-income people while (4) avoiding substantial burdens on a disadvantaged community. This article discusses the genesis of this framework and its importance in enabling local residents to shape investment decisions in their communities, and then assesses a GGRF investment in affordable housing according to this framework. A key lesson of California's experience in directing climate investments to benefit disadvantaged communities is that the same investments that promote the state's climate goals are also helping to tackle the crisis of extreme inequality.





## INTRODUCTION

For decades, public investment in underserved and polluted communities has systematically failed to meet the needs of low-income residents and people of color. What's more, these investments have often provided benefits to others at the expense of those residents. This was the case with many federal highway investments that razed low-income neighborhoods of color, displacing thousands, in order to connect the affluent white residents of segregated suburbs to downtown office jobs. Urban residents of color who were not directly displaced by these projects were left to suffer other harms—for instance, breathing the tailpipe emissions spewed by freeways in their backyards. Urban renewal programs of the same era provide many other examples of investments in underserved communities that benefited other populations (in particular, downtown business elites) at their expense.[1]

Federal environmental justice guidelines prohibit actions that impose disproportionate burdens on low-income and minority populations, or that fail to provide them with a fair and timely share of the benefits of public investment.[2] Despite these protections, the era of investments that benefit the privileged while harming poor communities of color is not yet behind us. A recent example was a nearly half-billion-dollar investment in building the Oakland Airport Connector (OAC), a Bay Area Rapid Transit (BART) link to the Oakland International Airport. On paper, this was a major investment in a high-poverty East Oakland community of color. In reality, however, it failed to address the transportation needs of local low-income residents, for whom it is inaccessible because of both cost and design. With a one-way fare of six dollars, the OAC costs three times the bus shuttle it replaced, and literally soars over a low-income neighborhood from a regional rail station to the airport with no stops along the way.  This is no accident: the head of the Bay Area Metropolitan Transportation Commission (MTC), which funded the project, explained that the OAC "was designed with a very special class of transit rider in mind," by which he meant air passengers. "Air passengers prize reliability. You pay a premium to get that reliability."[3] What East Oakland residents actually need is more frequent and affordable local bus service, something that the agency consistently refuses to fund adequately.

Because it places the needs of "a very special class of transit rider" above those of low-income people, MTC prioritized $70 million in federal stimulus funds for the project—funds that could have been spent to meet the needs of the community by expanding bus service. Public Advocates filed an administrative complaint with the Federal Transit Administration (FTA), asserting that BART violated Title VI of the Civil Rights Act of 1964 by failing to conduct an equity analysis. FTA agreed, and redirected that $70 million to local transit agencies.[4] Still, the OAC was eventually built using other public funds. It brings virtually no benefit to East Oakland residents, who were projected to make up only 4.3 percent of the OAC's ridership.[5] In fact, in addition to the elimination of an affordable bus route to the airport, the project may be contributing to the current wave of gentrification in Oakland that is displacing untold numbers of long-time residents of color, fueled by increasing land values and rents.[6]

Social- and racial-justice advocates in California were determined to change the course of this long and ongoing history when a new source of public investment became available in 2014. That was when the state began its unprecedented experiment in equitably investing revenues from its market-based greenhouse gas (GHG) emissions reduction program, known as Cap-and-Trade. The program was created by the California Air Resources Board (ARB) under Assembly Bill 32 (Nuñez 2006), which charted a course for reducing GHG emissions to 1990 levels by 2020 in a manner that is equitable[7] and maximizes economic, environmental, and public-health benefits for the state.[8]

To date, this program has generated proceeds of over $4 billion for the Greenhouse Gas Reduction Fund (GGRF) by auctioning carbon emission "allowances" to polluters that are unable to reduce their carbon emissions below the "cap" set by the ARB.[9] By state law, GGRF revenues must be invested to further GHG emissions reductions and be directed toward "the most disadvantaged communities and households."[10] Specifically, California Senate Bill 535 (SB 535) (De León 2012) requires that a minimum of twenty-five percent of that investment "provide benefits to" disadvantaged communities identified by the California Environmental Protection Agency,[11] and a minimum of ten percent to be spent within those communities.[12] California Assembly Bill 1550 (AB 1550) (Gomez 2016), which was signed into law by Governor Brown in 2016, amends SB 535 by requiring that at least twenty-five percent of GGRF investments inboth be located within, andto benefit residents of, disadvantaged communities. Additionally, AB 1550 creates the new requirement that at least ten percent of GGRF investments benefit low-income households and communities.[13] The promise that the benefits of public investment will be targeted to communities and families who have been most harmed and least served by past investment decisions brings an exciting new tool to public policy—one that is already being applied in other areas.[14] Realizing that promise, however, requires a robust framework for answering a seemingly simple question: How do we know whether a proposed investment will, in fact, meaningfully benefit the residents of a disadvantaged community?





## THE DISADVANTAGED COMMUNITY BENEFITS TOOL

The long history of investments that systematically fail to benefit disadvantaged and low-income communities demonstrates that existing tools for assessing the equity of public investment are not working.[15] To fill the gap, advocates developed a simple four-step analytical framework for assessing whether climate investments meet statutory requirements to truly benefit and empower the poorest and most polluted communities.[16]

That framework asks: (1) whether a project fills an important need identified by under-served residents (2) in a way that provides them significant benefits and (3) targets its benefits to low-income people, while (4) avoiding substantial burdensto a disadvantaged community.

## *WILL THE INVESTMENT MEET AN IMPORTANT COMMUNITY NEED?*

Too often, public agencies define social equity and environmental justice in a loose and ineffectual manner. This first question frames the meaning of equity around a concrete assessment of whether community needs are being met. As the BART example illustrates, simply spending money within an underserved community does not by itself meet the needs of residents of that community. Rather than using the location of a project as a proxy for equity, this first question recognizes the history of harmful investment in underserved communities by asking whether the particular kindof investment will meet the specificneeds that existing low-income residents in the community have prioritized.

Low-income residents of underserved communities have characteristic needs that differ from those of the population at large. One clear indication of what residents value in their communities is what they ask for when they organize with their neighbors to improve the lives of their families and communities. Their campaigns most often focus on winning specific benefits that more advantaged communities take for granted, such as things like public-health benefits (e.g., reduced health disparities or improved public safety), economic benefits (e.g., increased family income or reduced costs of housing, transportation, and energy), improved mobility and access to opportunity, and equal access to high-quality services (e.g., quality public education or health care).[17]

California now officially recognizes that a benefit is only meaningful to residents of disadvantaged communities if it meets their specific needs. In its Funding Guidelines for Agencies that Administer California Climate Investments (Final Guidelines),[18] the Air Resources Board equates a benefit to a disadvantaged community with one that "*meaningfully address[es] an important community need*."[19] The Final Guidelines suggest that agencies or project applicants could determine community needs generally by using a list of common disadvantaged community needs like those mentioned above,[20] looking at factors in CalEnviroScreen, hosting community meetings, or demonstrating documentation of community support.[21]



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Although these suggestions are helpful, projects can only meaningfully meet community needs when they are driven by the real experts—the residents themselves. One way that agencies can meaningfully engage communities is by building relationships directly with community members. Several agencies have designated liaisons to provide education and outreach to disadvantaged community residents regarding various programs.[22] Ultimately, the needs and priorities of each community are distinct, and the experts in making that decision are the community residents themselves, not public agencies, project proponents, or private investors who lack first-hand experience of what residents needs to thrive in the community.[23] Real community decision-making processes, like participatory budgeting, have been shown to result in dramatically greater and more meaningful engagement than a merely advisory voice,[24] and can also yield decision-making outcomes better aligned with actual community needs.

## *ARE THE BENEFITS SIGNIFICANT?*

Not only must public investment focus on the priority needs of the community, but the benefits to the community must be significant. Too often, public policy views underserved communities as merely incidental or "trickle-down" beneficiaries of policies primarily benefiting others. That was the case with the BART airport project, where only 4.3 percent of the beneficiaries were projected to be local residents.

In its Final Guidelines, the Air Resources Board has taken the important first step of acknowledging that climate investments present an opportunity for agencies to "yield significant benefits for disadvantaged communities."[25] Now, the ARB has turned to the administering agencies for setting thresholds of significance that can be tailored to each GGRF investment program.[26]

Assessing whether a benefit is significant must take into account the full range of benefits the investment provides. For instance, an investment in a commuter rail line that passes through an underserved community may offer two kinds of benefits: greater mobility to the commuters who ride the service and reduced air pollution in an underserved community through which the line passes. Only a paternalistic assessment would conclude that this investment provides a significant benefit to underserved residents where the only benefit they actually receive is that they are harmed less by transportation that serves others.

### ARE LOW-INCOME RESIDENTS OR HOUSEHOLDS THE PRIMARY BENEFICIARIES?

Low-income residents of color are among the most vulnerable to climate change impacts.[27] The danger remains, however, that investments will be made in their communities that primarily benefit more affluent residents of those communities, such as new residents who move into gentrifying communities.

Existing California law recognizes this challenge. For instance, AB 32 provides that the ARB shall ensure activities undertaken to comply with AB 32 regulations "do not disproportionately impact low-income communities."[28] AB 1532 (Pérez 2012) also directs climate investments using this fund to "the most disadvantaged communities *and* households."[29]

Despite these directives in existing statute, the Final Guidelines do not address them. To correct that deficiency, AB 1550 (Gomez 2016) now requires that at least ten percent of climate investments from the GGRF benefit low-income households and communities.[30] Targeting benefits to low-income residents will help ensure, for instance, that electric-vehicle charging stations are not determined to benefit a disadvantaged community unless a significant majority of those who actually use them are low-income people.[31]

### DOES THE INVESTMENT AVOID SUBSTANTIAL BURDENS?

Finally, a kind of Hippocratic Oath to avoid all harm must also be brought to investment policy. Climate investments, like other types of investment projects, present an opportunity to address the priority needs of underserved communities, but also the well-documented



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risk that investments will bring negative impacts to long-time residents. That is the lesson of the ongoing history with which we began, a history of urban-renewal projects that dislocated families to make way for expanded downtown business districts and freeways to benefit affluent suburban commuters.

The Final Guidelines have incorporated this principle by requiring state agencies to "[d]esign projects to *avoid* substantial burdens, such as physical or economic displacement of low income disadvantaged community residents and businesses or increased exposure to toxics or other health risks."[32] It is important to emphasize the difference between merely mitigatingharms—something that some environmental statutes require—and the stronger requirement to avoid them altogether.

This stronger requirement, however, must be effectively implemented. One way the Air Resources Board can ensure agencies avoid investments that harm existing community residents is to require the engagement of these residents in designing projects that meet their needs, and then require robust reporting on the outcomes of the projects they fund. In addition, the ARB should require project managers to quantitatively or qualitatively track whether and how a project has resulted in or has avoided economic and physical displacement of low-income families and businesses, and whether it has resulted in less or more exposure of local residents to air, soil, and water pollutants. Reporting will also allow agencies to share data with one another and the public, lending insight into how to better assess the pros and cons of similar projects in the future.

## APPLICATION OF THE DISADVANTAGED COMMUNITY BENEFITS TOOL

What could an equitable climate investment look like on the ground? We assess a case study, the Rolland Curtis Gardens (RCG) development. RCG is a 140-unit affordable housing and commercial development that is being built with GGRF funding near the Metro Expo Line and bus rapid transit stations in South Los Angeles, which includes planned commercial space and an"East Wing" ("Rolland Curtis East") that would provide seventy affordable units. All 140 planned units of the development will be affordable to households making thirty to sixty percent of area median income (AMI),[33] with at least twenty percent of the units held for households making thirty percent of AMI.[34] In addition, RCG contains community-proposed features including a green space, a health and dental clinic that will primarily serve low-income families, a community room, an open-air parking lot that could be converted into a community space, and a bicycle parking room and repair kiosks.[35] This development is led by T.R.U.S.T. South LA, a community land trust, and Abode Communities, a non-profit housing developer. It was selected by the Strategic Growth Council to receive funding from its Affordable Housing and Sustainable Communities (AHSC) program, which provides funding for transit-oriented affordable housing developments.

How well does this project meet the four prongs of the Disadvantaged Community Benefits Tool?[36]

First, RCG is addressing important community needs. RCG is redeveloping an existing low-income housing complex for forty-eight families who faced eviction when the previous owner attempted to market the complex for students.[37] It was designed by the current low-income tenants and community members living within a half-mile radius of the complex with the goal of protecting affordable housing in South Los Angeles, where affordable housing is rapidly disappearing as new light-rail stations contribute to gentrification.[38] The open space and other features of the project will also meet important recreational, health, and safety needs of the community, since they were planned and designed by RCG and local residents.[39]

Second, RCG's community benefits have the potential to be significant. RCG will provide affordable housing near major transit lines, which will reduce future residents'GHG emissions while enhancing their mobility. T.R.U.S.T. South LA will also work with the Los Angeles Bike Coalition to promote community-wide mobility and GHG emissions reductions through expanding biking and walking programs to the surrounding neighborhood.[40] Furthermore, the proposed health clinic will primarily serve low-income families, and the contractor involved with the project has demonstrated a firm commitment to





hiring local workers for the construction process.[41] Thus, RCG will likely provide significant health and economic benefits for its residents and the neighborhood.

RCG will also primarily benefit low-income residents, as all 140 planned units will be affordable to low- and very low-income households, as mentioned above. Section 8 voucher holders will also be eligible for most of the units.[42]

Finally, this development will provide the opportunity for low-income families to continue living in the South LA neighborhood, thus avoiding the harm of physical and economic displacement for these families. Other anti-displacement measures that project proponents are taking include providing financial assistance and guidance for relocating the existing forty-eight families, as well as providing these families the first right of return for RCG once it is completed in 2018.[43] Additionally, T.R.U.S.T. South LA is partnering with financial institutions that work with potential applicants to improve their credit so that they could be more competitive for residency at RCG or other affordable housing.[44]

## LESSONS LEARNED

The four-step Disadvantaged Community Benefits framework captures some key principles of social equity and help keep investments focused on providing benefits to the state's low-income and disadvantaged communities. California's experience in directing climate investments to benefit disadvantaged communities shows that the same investments that promote the state's climate goals can also help tackle the crisis of extreme inequality.

This basic framework can readily be applied to all GGRF-funded programs, and could be extended to other contexts. For example, a fair share of federal, state, and regional transportation investments could be held to the same requirements. In addition to these four steps, other important questions must be asked of these investments: Are they allocating a fair share of investment to meet the needs of underserved communities, as California law requires for its climate investments? And are investments that meet the priority needs of those communities being made in a timely manner, as required by federal law?[45] Too often, when they are included at all, they are buried in the outer years of long-term plans, such as long-range transportation plans.[46] Finally, ensuring community engagement in the planning process—and providing planning funds to community groups to lead that process—is an important emerging frontier,[47] particularly in the field of participatory budgeting.[48]

Equally important, this four-step framework is one that is readily adapted to engaging the unique expertise of community residents. Unlike other analytical tools,[49] this framework invites the active engagement of residents in shaping the investment projects that will be proposed in their communities.

California's climate investments are unique in that they go beyond merely requiring polluters to address the harms they have caused to communities and the environment; these investments also seek to remedy the economic and health harms polluters have caused those communities and individuals living in pollution and poverty, while taking care not to produce new harms. To do so, they must be shaped by the residents of low-income and disadvantaged communities who are the experts in identifying their own needs and how to meet them, thoroughly weigh both the pros and cons of each investment, and implement the projects in a manner that provide direct and significant benefits to the underserved residents of these communities. Only when we include those most impacted by poverty, pollution, and climate change at the decision-making table can we begin to build the trust in each other that is necessary for these investments to be truly effective. As we make equitable climate investments that benefit everyone, California will continue to inspire the rest of the world to focus on equity in not only climate policy but all decision-making.



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## NOTES

**1** See Hartman, C. *Yerba Buena: Land Grab and Community Resistance in San Francisco.* Glide Pubs., 1974; Self, R. *American Babylon: Race and the Struggle for Postwar Oakland.* Princeton. 2005; Rosen, M. and W. Sullivan, "From Urban Renewal and Displacement to Economic Inclusion: San Francisco Affordable Housing Policy 1978-2012." 2012. Available at: http://www.prrac.org/pdf/SanFranAffHsing.pdf.

**2** See, e.g., U.S. Dept of Transportation. "Order on Environmental Justice." May 2, 2012. (Defining "the denial of, reduction in, or significant delay in the receipt of" benefits as an "adverse effect," and also defining "disproportionately high and adverse effect.") Available at: http://www.fhwa.dot.gov/environment/environmental_justice/ej_at_dot/orders/order_56102a/dot56102a.pdf.

**3** Roth, M. "The Oakland Airport Connector: BART's Little Engine that Could?" *Streetsblog* (Sept. 8, 2010). Available at: http://sf.streetsblog.org/2010/09/08/the-oakland-airport-connector-barts-little-engine-that-could/.

**4** Letter from P. Rogoff, U.S. Dept. of Transportation Federal Transit Administration, to S. Heminger, Metropolitan Transportation Commission, and D. Dugger, San Francisco Bay Area Rapid Transit District. Feb. 12, 2010. Available at: http://www.publicadvocates.org/our-work/transportation-justice-issues/letter-to-mtc-and-bart-on-federal-compliance-in-oac-complaint/. See also Ellis, J. and M. Abdul-Salaam. "Oakland Airport Connector Ignored Civil Rights Laws." Mar. 31, 2010.

**5** Gosling, G.D., W. Wei, and D. Freeman. "Case Study Report: Oakland International Airport Bart Connector." p.10. May 2012. Available at: http://transweb.sjsu.edu/PDFs/research/2503/2503_cases/2503-cs3-oak-airport-connector.pdf.

**6** See, e.g., BondGraham, D. "Oakland's Housing Crisis Is a Prescription for Sicker, Shorter Lives." *East Bay Express* (Aug. 30, 2016). Available at: http://www.eastbayexpress.com/SevenDays/archives/2016/08/30/county-health-director-oaklands-housing-crisis-is-a-prescription-for-sicker-shorter-lives. See also "Mapping Displacement and Gentrification in the San Francisco Bay Area." Available at: http://www.urbandisplacement.org/map/sf.

**7** In particular, AB 32 requires the ARB to design all regulations adopted under it "in a manner that is equitable, seeks to minimize costs and maximize the total benefits to California, and encourages early action to reduce greenhouse gas emissions." Cal. Health & Safety Code § 38562(b)(1).



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**8** A subsequent bill (AB 1532) provides that revenues generated from Cap-and-Trade shall be used, where applicable and to the extent feasible, to "maximize economic, environmental, and public health benefits to the state." Cal. Health & Safety Code § 39712(b)(1).

**9** California Environmental Protection Agency Air Resources Board. "California Cap-and-Trade Program February 2016 Joint Auction #6, California Post Joint Auction Public Proceeds Report." p.3. Feb. 2016. Available at: http://www.arb.ca.gov/cc/capandtrade/auction/feb-2016/ca_proceeds_report.pdf. See also Rabin, J.L., C. Callahan, and J.R. DeShazo. "A Guide to Greenhouse Gas Reduction Fund Program Designs, Expenditures, and Benefits." p.5. Available at: http://innovation.luskin.ucla.edu/sites/default/files/Final%20081915.pdf (explaining that "the Cap-and-Trade program sets a cap or limit on total GHG emissions that declines over time. Large emitters, such as oil refineries and power plants, can buy, sell, and trade carbon allowances during quarterly auctions").

**10** Cal. Health & Safety Code § 39712(b)(4).

**11** CalEPA designated disadvantaged communities based on assessing the cumulative impacts of pollution burden (e.g., high ozone concentrations, toxic cleanup sites) and population characteristics (e.g., high concentrations of children and elderly, high poverty levels) on census tracts throughout the state. This assessment tool is known as the California Communities Environmental Health Screening Tool 2.0.

**12** Cal. Health & Safety Code § 39713.

**13** Stats. 2016, Chap. 369 (amending Cal. Health & Safety Code § 39713).

**14** One significant example is the Local Control Funding Formula (Education Code § 52060 et seq.), which targets $65.7 billion in 2015-16 in public education funding to meet the educational needs of low-income students, English language learners, and foster youth. See Public Advocates. "California's New School Finance Law: Local Control Funding Formula." Available at: http://www.publicadvocates.org/our-work/education/public-school-funding/lcff/.

**15** For instance, metropolitan planning organizations (MPOs) are required by the U.S. Department of Transportation to undertake an "equity analysis" of their long-range investment plans. For an assessment of why those equity analyses fail, see Marcantonio and Karner, at 38-39. In 2015, the U.S. Department of Housing and Urban Development adopted a new regulation on "affirmatively furthering fair housing," which requires recipients of federal community development funds to undertake a more robust analysis.

**16** The Disadvantaged Community Benefits Tool was developed by Public Advocates on behalf of the California Climate Equity Coalition (formerly known as the SB 535 Coalition), which Public Advocates co-leads with the Asian Pacific Environmental Network, Coalition for Clean Air, the Greenlining Institute, and Strategic Concepts in Organizing and Policy Education (SCOPE).

**17** See California Air Resources Board. "Funding Guidelines for Agencies that Administer California Climate Investments." Table 2-2 (listing co-benefits for Cap-and-Trade investment projects that community representatives and advocates identified). Available at: http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/arb-funding-guidelines-for-ca-climate-investments.pdf [hereinafter Final Guidelines]. This Table is based on one developed by the coalition.

**18** See Final Guidelines. The ARB was responsible for issuing SB 535 implementation guidelines that all state agencies receiving GGRF funds must follow. The ARB released the interim Guidelines in August 2015, and adopted the Final Guidelines in December 2015. In 2017, the ARB will begin updating the Guidelines to implement AB 1550.

**19** Final Guidelines at 2-6.

**20** Table 2-2 of the Final Guidelines includes public health and safety, economic, and environmental needs of disadvantaged community residents as identified by the California Climate Equity Coalition. See Final Guidelines at 2-13 & 2-14.

**21** See, e.g., Final Guidelines at 2.A-16, on urban forestry and urban greening. See also Final Guidelines at 3-8.

**22** Namely, the California Department of Transportation regarding the Transit and Intercity Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP); the Strategic Growth Council regarding the Affordable Housing and Sustainable Communities program; the Air Resources Board regarding the Low Carbon Transportation Program; and the Consumer Services Department for the Low Income Weatherization Program. See, e.g., Cal. Dept. of Transportation. Disadvantaged Communities (DAC) Liaison. Available at: http://dot.ca.gov/hq/MassTrans/dac.html.

**23** See Marcantonio, R., and S. Tepperman-Gelfant. "Seizing the Power of Public Participation." p.1-8. Clearinghouse Article (October 2015). Available at: http://www.publicadvocates.org/wp-content/uploads/2016/04/seizing_the_power_of_public_participation.pdf (Provides that "successful public engagement is rarely due to the initiative of agency officials. On the contrary, where public engagement succeeds, it is because residents have come together powerfully to influence decisions that affect them.")





**24** Goldfrank, B. *Deepening Local Democracy in Latin America: Participation, Decentralization, and the Left*. University Park, PA: Penn State University Press, 2010.

**25** Final Guidelines at 2-3, 2-9. The Final Guidelines also require benefits to underserved communities to be "direct, meaningful and assured." Final Guidelines at 2-6.

**26** The ARB is currently working to establish methodologies to quantitatively or qualitatively measure the public health, economic, and environmental benefits projects are required to bring to disadvantaged community residents. Govt. Code § 16428.9(b). Agencies can then adopt the methodologies to measure whether benefits are indeed significant.

**27** See generally California Energy Commission's California Climate Change Center. "Social Vulnerability to Climate Change in California." July 2012. Available at: http://www.energy.ca.gov/2012publications/CEC-500-2012-013/CEC-500-2012-013.pdf. See also Pastor, M., R. Morello-Frosch, J. Sadd, and J. Scoggins. "Minding the Climate Gap: What's at Stake if California's Climate Law Isn't Done Right and Right Away." Available at: https://dornsife.usc.edu/assets/sites/242/docs/mindingthegap_executive_summary.pdf.

**28** Cal. Health & Safety Code § 38562(b)(2).

**29** Cal. Health & Safety Code § 39712(b)(4).

**30** Stats. 2016, Chap. 369.

**31** The ARB is currently revising its funding guidelines in 2017 to implement the new requirements of AB 1550.

**32** Final Guidelines at 2-12 (emphasis added). This language was developed based on the California Climate Equity Coalition's recommendation.

**33** The development is receiving funding from the California Tax Credit Allocation Committee (CTCAC), meaning it defines low-income for the purpose of affordable housing as households with thirty to sixty percent AMI at county levels. The CTCAC application process is highly competitive, to have the best chance to secure funds one must score as many points as possible as per the program's guidelines. The thirty to sixty percent AMI figure was necessary to maximize the number points RCE had in order to have the best chance to secure funds. Access the current application under the "9% Competitive Tax Credit" section: http://www.treasurer.ca.gov/ctcac/2016/application/index.asp.

**34** In addition, the future units of RCG must be maintained at the same affordability for at least fifty-five years. Holly Benson, Vice President Housing Development, Abode Communities, Rolland Curtis Gardens Interview (Sept. 26, 2016) [hereinafter Holly Benson Sept. 2016 Interview]. Sandra McNeill, Executive Director, T.R.U.ST. South L.A., Rolland Curtis Gardens Interview (Sept. 23, 2016) [hereinafter Sandra McNeil Sept. 2016 Interview].

**35** Sandra McNeill, Executive Director, T.R.U.S.T. South L.A., Rolland Curtis Gardens Interview (June 24, 2016) [hereinafter Sandra McNeil June 2016 Interview].

**36** See "Annual Report to the Legislature on California Climate Investments Using Cap-and-Trade." Mar. 2016. App. A. Available at: http://arb.ca.gov/cc/capandtrade/auctionproceeds/cci_annual_report_2016_final.pdf. In October 2016, the Strategic Growth Council approved funding an additional seventy affordable units that would make up the second, "West Wing" of the project. See Table 1: Staff Recommendations: AHSC 2015-16 Awards (approved by SGC on Oct. 11, 2016). Available at: http://sgc.ca.gov/resource%20files/10112016AHSC1516AppendixA1&2.pdf.

**37** T.R.U.S.T. South LA and Abode Communities acquired the complex in 2012. See "A Guide to Community-Driven Transit Orientated Development Planning." p.5-6. Available at: http://trustsouthla.org/~trust/todguide/uploads/images/TOD_130929.pdf [hereinafter Guide to Community-Driven TOD].

**38** See Guide to Community-Driven TOD.

**39** Guide to Community-Driven TOD, pp. 26-29.

**40** Sandra McNeil June 2016 Interview.

**41** Sandra McNeil June 2016 Interview.

**42** Holly Benson Sept. 2016 Interview.

**43** Sandra McNeil Sept. 2016 Interview.

**44** Sandra McNeil Sept. 2016 Interview.

**45** Federal Environmental Justice requirements prohibit "the denial of, reduction in, or significant delay in the receipt of benefits by minority and low-income populations." U.S. Dept of Transportation. "Order on Environmental Justice." May 2, 2012.



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**46** See Marcantonio, R. and A. Karner. "Social Equity in Transportation Planning: A Community-Based Framework." *Progressive Planning Journal* 206 (2016): 38-41.

**47** See Final Guidelines at 2-11 & 2-12 (regarding requirements for agencies implementing GGRF programs to conduct outreach and engagement to disadvantaged community residents). See also AB 1613 (Committee on Budget 2016) (appropriating funding for the Strategic Growth Council to provide technical assistance to disadvantaged community residents). See also Arnstein, S.R. "A Ladder of Citizen Participation." *Journal of the American Institute of Planners* 35.4 (1969): 216-224. Available online: http://geog.sdsu.edu/People/Pages/jankowski/public_htm.

**48** The See Participatory Budgeting Project. "Real Money, Real Power: A Report on the First Five Years of the Participatory Budgeting Project." Available at: http://www.participatorybudgeting.org/wp-content/uploads/2014/04/PBP-5-Year-Report.pdf (providing examples of how government agencies and residents collaboratively determined, designed, and implemented large investments).

**49** Such as the black-box computer modeling that many transportation agencies use to "check the box" on civil rights and environmental justice compliance. For a critique of modeling as a means of addressing social equity, see Karner, A., and D. Niemeier. "Civil Rights Guidance and Equity Analysis Methods for Regional Transportation Plans: A Critical Review of Literature and Practice." *Journal of Transport Geography* 33 (2013): 126–134. http://doi.org/10.1016/j.jtrangeo.2013.09.017.