



Department of
Resources Recycling and Recovery

Yana Garcia
Secretary for Environmental Protection

Rachel Machi Wagoner
CalRecycle Director

TO: Greenhouse Gas Reduction Fund Program

FROM: Yana Garcia
Secretary
California Environmental Protection Agency

Rachel Machi Wagoner
Director
Department of Resources Recycling and Recovery

DATE: March 1, 2023

SUBJECT: Greenhouse Gas Reduction Fund:
Department of Resources Recycling and Recovery

Expenditure Record for Fiscal Year 2021–22 Community
Composting for Green Spaces Grant Program

The Community Composting for Green Spaces Grant Program was originally allocated with fiscal year (FY) 2021–22 General Fund monies, however, this program was put on hold in January 2023 when the proposed 2023 State Budget recommended pulling back these funds to assist with the State Budget shortfall. CalRecycle is requesting to use \$4,750,000 of the \$70 million (FY 2021–22, Greenhouse Gas Reduction Fund) previously allocated to the Organics Grant Program via an Expenditure Record approved on January 24, 2023.

CalRecycle presented and approved the criteria for the Community Composting for Green Spaces Grant Program at the CalRecycle Public Meeting on August 16, 2022. This year, the grant program consists of two cycles. The first cycle will award one applicant per region to implement community compost projects with a focus on priority populations. The second cycle will directly fund California Native American Tribes to create or expand community compost site on lands within their control.

The solicitation for the first cycle was release in August 2022 with applications due in November. Awards are ready to be distributed upon approval of this Expenditure Record. The second cycle focused on California Native American Tribes is anticipated to start immediately after this Expenditure Record is approved.

This Attestation Memorandum documents that the Department of Resources Recycling and Recovery completed the attached Expenditure Record on March 1, 2023, for the

Community Composting for Green Spaces, fiscal year 2021–22. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 and with the California Air Resources Board (CARB) Funding Guidelines for Agencies that Administer California Climate Investments to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to CARB for public posting on the CARB website at: www.arb.ca.gov/caclimateinvestments. Questions on this Attestation Memorandum or Expenditure Record may be directed to Michelle Martin at Michelle.Martin@calrecycle.ca.gov or (916) 341-6116.


Eric Jarvis (Mar 29, 2023 14:59 PDT)

Yana Garcia
Secretary
California Environmental Protection
Agency



Rachel Machi Wagoner
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Department of Resources Recycling
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Attachment

cc:
Mario Cruz, Branch Chief, California Air Resources Board
Bailey Smith, Manager, California Air Resources Board
Zoe Heller, Deputy Director, CalRecycle
Michelle Martin, Branch Chief, CalRecycle

Greenhouse Gas Reduction Fund: Expenditure Record

CalRecycle
Community Composting for Green Spaces Grant Program
February 2023

Authorizing legislation: Public Resources Code section 42999 added to statute by the enactment of Senate Bill (SB) 862 (Statutes of 2014, Chapter 36) and revised by SB 859 (Statutes of 2016, Chapter 386), further amended by SB 155 (Statutes of 2021, Chapter 258), authorizes the California Department of Resources Recycling and Recovery (CalRecycle) to award grants and loans for capital investments that expand waste management infrastructure resulting in greenhouse gas emission reductions, with a priority for projects that benefit priority populations.

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

Agency that will administer funding:

- Department of Resource Recovery and Recycling (CalRecycle)

Amount of proposed expenditure and appropriation reference:

- The fiscal year (FY) 2021–22 Budget, as amended by SB 170 (Chapter 240, Statutes of 2021), allocates \$70,000,000 to CalRecycle from the Greenhouse Gas Reduction Fund (appropriation 3970-101-3228) with five percent available for administrative costs, as authorized in the Budget, and shall be used to provide grants for the purposes of paragraphs (1), (2), or (5) of subdivision (b) of Section 42999 of the Public Resources Code. The full amount was previously allocated to the Organics Grant Program via an Expenditure Record approved on January 24, 2023. This Expenditure Record is requesting to use \$4,750,000 for Community Composting for Green Spaces Grant Program. CalRecycle plans to award \$4,750,000 for two cycles of Community Composting for Green Spaces grants, Cycle 2 (CCG2) and Cycle 3 (CCG3). CalRecycle will award \$4,240,000 for community composting projects to create, improve, or expand community composting at multiple sites within geographic regions in California in CCG2. CalRecycle intends to award the remaining \$510,000 in a separate grant cycle (CCG3) for community composting projects, available only to California Native American Tribes with a focus on lands within their control.
- Amounts for each of the programs are dependent on the number of qualified applications received and CalRecycle plans to expend the full allocation.

Estimated amount of expenditures for administering agency administrative costs

- Administering agency administrative costs from this allocation is \$3,500,000.

If applicable, identify laws or regulations that govern how funds will be used

Relevant statutes to include:

- The FY 2021–21 Budget Act provides funding for assistance programs specified in Section 42999 of the Public Resources Code.
- Section 42999 of the Public Resources Code:
 - (a) Any additional moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, to the department shall be used to administer a grant program to provide financial assistance to reduce the emissions of greenhouse gases (GHGs) by promoting in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products. The moneys shall be expended consistent with the requirements of Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code and Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code.
 - (b) From moneys appropriated for purposes of this section, the department shall provide grants, incentive payments, contracts, or other funding mechanisms to public and private entities for in-state infrastructure projects or other projects that reduce the emissions of GHGs by any of the following:
 - (1) Organics composting.
 - (2) Organics in-vessel digestion.
 - (3) Recyclable material manufacturing.
 - (4) Activities that expand and improve organic waste diversion and recycling, including, but not limited to, the recovery of food for human consumption and food waste prevention.
 - (5) Preprocessing organic materials for composting or organics in-vessel digestion.
 - (6) Co-digestion at existing wastewater treatment plants.
 - (c) For the purposes of this section, eligible infrastructure projects that reduce GHG emissions include, but are not limited to, any of the following:
 - (1) Capital investments in new facilities and increased throughput at existing facilities for activities, such as converting windrow composting to aerated-static-pile composting to use food waste as feedstock.
 - (2) Designing and constructing organics in-vessel digestion facilities to produce products, such as biofuels, bioenergy, and soil amendments.
 - (3) Designing and constructing or expanding facilities for processing recyclable materials.
 - (4) Projects to improve the quality of recycled materials.
- (d) In awarding a grant for organics composting or anaerobic digestion pursuant to this section, the department shall consider all of the following:
 - (1) The amount of reduction in GHG emissions that may result from the project.
 - (2) The amount of organic material that may be diverted from landfills as a result of the project.
 - (3) If and how the project may benefit disadvantaged communities.

(4) For a grant awarded for an anaerobic digestion project, if and how the project maximizes resource recovery, including the production of clean energy or low-carbon or carbon negative transportation fuels.

(5) Project readiness and permitting that the project may require.

(6) Air and water quality benefits that the project may provide.

- (e) To the degree that funds are available, the department may provide larger grant awards for large-scale regional integrated projects that provide cost-effective organic waste diversion and maximize environmental benefits.
- AB 1532 (Pérez, Chapter 807, Statutes of 2012), SB 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32 (Núñez, Chapter 488, Statutes of 2006).

Continuation of existing Expenditure Record

- This is an update to an existing Expenditure Record for Community Composting for Green Spaces Grant Program.
- FY 2021–21 will support a continuing program that will fund the same types of projects that have already been funded under an existing Expenditure Record. The Expenditure Record elements being updated include the following:
 - The requirement that grants funded by the \$4,240,000 amount for Cycle 2 support multiple sites within one geographic region. CalRecycle will award one grantee per region, eight in total.
 - The restricting of eligible applicant types for the \$510,000 Cycle 3 to California Native American Tribes.

Project Type(s)

- Eligible projects must be located in California and result in the creation of new, improved, or expanded community composting sites.

Describe the projects and/or measures that will be eligible for funding

- Eligible grant projects for CCG2 include regional plans for outreach for the grant project and collaboration with community groups on the creation, improvement, or expansion of community composting sites throughout the Region to increase composting of organics and reduce generation of methane from organic waste decomposing in landfills with a focus on providing benefits to Priority Populations.
 - Project sites must be publicly accessible for at least four hours per week.
- Eligible grant projects for CCG3 include creation, improvement, or expansion of community composting with a focus on land under control by California Native American Tribes.

Intended recipients

The eligible applicants for CCG2 include the following:

- Local Governments:
 - Cities, counties, and cities and counties as defined in Public Resources Code section 30109.
 - Regional or local sanitation agencies, waste agencies, or Joint Powers Authorities.
- Special Districts.
 - Defined as entities subject to the Minimum Audit Requirements and Reporting Guidelines for California Special Districts described in 2 CCR section 1131.2.
 - Including, but not limited to, Resource Conservation Districts, Parks Districts, or Sanitation District.
- Nonprofit organizations (except private schools).
 - Nonprofit organizations must be registered with the federal government under 501(c)3, (c)4, (c)6 or (c)10 of the Internal Revenue Code and must be registered in the State of California with the Department of Justice.
- State agencies (including offices, departments, bureaus, and boards).
- University of California campuses, California State University campuses, or the California Community College campuses.
- Qualifying Tribal Entities.

The eligible applicants for CCG3 include the following:

- California Native American Tribes.

Program structure and process for selecting projects for funding

- Competitive solicitation, evaluation, and selection of projects according to program guidelines.
- For CCG2, Funds will be awarded to the highest scoring, passing application in each of the Regions.
- For CCG2, each Region is provided a base amount of \$300,000. Regions with residents of a disadvantaged community will receive an increase in their allocation from the remaining funds for the program proportionate to the percentage of disadvantaged community residents living within the region according to Senate Bill 535 CalEnviroScreen 4.0 data.
- For CCG2, Grant Award amounts by region, as follows:
 - Inland Empire (Riverside and San Bernardino Counties): \$547,000

CalRecycle Expenditure Record for Community Composting for Green Spaces

- Greater Los Angeles Area (Los Angeles, Orange, Santa Barbara, and Ventura Counties): \$1,232,000
- San Diego and Imperial Area (San Diego and Imperial Counties): \$365,000
- Sacramento Valley (Butte, Colusa, El Dorado, Glenn, Placer, Sacramento, Shasta, Sutter, Tehama, Yolo, and Yuba Counties): \$358,000
- San Joaquin Valley (Fresno, Kern, Kings, Madera, Merced, San Joaquin, San Luis Obispo, Stanislaus, and Tulare Counties): \$716,000
- San Francisco Bay Area (Alameda, Contra Costa, Marin, Monterey, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and San Benito Counties): \$422,000
- Northern Area (Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Siskiyou, Trinity, and Sierra): \$300,000
- Central Sierra (Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, and Tuolumne): \$300,000
- For CCG3, California Native American Tribes may apply to create or expanding existing community composting site on lands within their control. All complete and eligible applications will be awarded unless the cycle is oversubscribed. If more funds are requested than what is available, CalRecycle will conduct a random selection process and allocate grant funds by lottery in rank order.

Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

How the expenditure is consistent with the Investment Plan and the Scoping Plan

- AB 1532 (Chapter 807, Statutes of 2012) requires that monies from the Fund be appropriated in a manner that is consistent with the three-year Investment Plan. The “Cap and-Trade Auction Proceeds Fourth Investment Plan: Fiscal Years 2022–23 through 2024–25” includes that reduction, diversion, and reuse of waste is one of the AB foundational funding priority investment areas that establish direction for investments moving forward while providing flexibility for emerging opportunities identified by AB 1532. Therefore, this expenditure is consistent with the Investment Plan.
- The Cap-and-Trade Auction Proceeds Fourth Investment Plan further notes that “organic waste in landfills accounts for 21 percent of the methane generated in California. Reducing waste sent to landfills through reduced waste generation, increased recycling and composting is an important component of achieving state climate goals. Supporting a circular economy that turns waste into valuable, reusable products can foster economic development and drive progress towards numerous environmental goals. Projects to divert organic waste (e.g., green waste, food waste) from landfills can reduce methane emissions and create beneficial products like

compost and low-carbon alternatives to fossil fuels. As the state pursues its waste diversion goals, source reduction and new infrastructure to accommodate increased volumes will both play key roles.” This program both diverts waste sent to landfills and supports a circular economy. Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan.

- The Cap and-Trade Auction Proceeds Fourth Investment Plan includes that “Advancing equity is a central principle in the state’s climate portfolio”, and that “Deliberately directing resources towards priority populations and other historically marginalized communities is one mechanism to work towards a more equitable future.” Priority populations, consistent with the definition in the Investment Plan, are deliberately targeted by this program.
- California’s “2022 Scoping Plan for Achieving Carbon Neutrality” or Final 2022 Climate Change Scoping Plan, includes compost in strategies for achieving success for the state’s climate goals, and further states that “Urban and community greening efforts such as green schoolyards, urban farms, rain gardens, community gardens, community composting, and many more provide numerous health benefits to communities.” This program supports compost and green spaces consistent with the Final 2022 Climate Change Scoping Plan.

Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Describe how expenditures will facilitate the achievement of GHG emission reductions in the State

- Expenditures will achieve GHG emission reductions by increasing the number and capacity of community groups operating small-scale composting programs.
- These resources will increase the ability of community groups to divert materials from landfilling and achieve GHG emission reductions by reducing methane emissions from landfills.
- The grant program may fund tree planting and care in association with community composting, which will increase the probability for tree survival, rapid growth, and associated carbon storage.

Explain when GHG emission reductions and/or co benefits are expected to occur and how they will be maintained

- GHG emission reductions and/or co-benefits are expected to begin six to nine months after award. After award, the Grantee will conduct outreach and commence the site selection process. Once project sites are selected, the grantee will conduct a needs assessment and then provide identified equipment, training, environmental education, and jobs to increase diversion of organic material from landfill and reduce methane emissions.
- GHG emission reductions that result from avoided landfill methane emissions will continue as the project sites will continue to divert organic materials from landfills.

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency

- Community composting projects will yield economic, environmental, and public health co-benefits. These projects are expected to provide jobs in California both during project implementation and afterward.
- Community composting projects will result in additional GHG emission reductions through carbon sequestration as a result of increased production, distribution, and use of compost.
- Community composting projects are likely to result in increased public access to green space and outdoor community gathering spaces.
- Community composting projects will reduce transport distances for hauling waste material, resulting in additional GHG emission reductions and reduced emissions of toxic pollutants and fine particulates that result from the operation of heavy-duty diesel vehicles.
- Use of the compost produced in the community composting project sites can increase yields of community gardens, providing fresh food for communities included in the program.
- Trees planted through the program can provide fresh fruits, store carbon, and reduce urban heat island effects for public gathering spaces for communities included in the program.

How the project will support other objectives of AB 32 and related statutes

- Directs public and leverages private investment towards Disadvantaged Communities (DACs) and low-income communities in California.
- Maximizes additional environmental and economic co-benefits for California.
- Provides an opportunity for small businesses and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions. This reduces toxic air pollutants and helps modernize California's energy infrastructure.
- Supports urban greening
- Reduces short-lived climate pollutants
- Promotes climate adaptation and resiliency

Percentage of total funding that will be expended for projects that are located in and benefit priority populations¹ per CARB guidance

For waste diversion allocations the administering agency has established a target to expend 50 percent overall of the total project funds to fund projects that provide benefits to priority populations. Our targets include 30 percent of total project funds for investments in and benefiting residents of disadvantaged communities, 15 percent in and benefiting residents of low-income communities, and 5 percent in the half-mile buffer.

Describe the benefits to priority populations per CARB guidance

- Projects will result in new, expanded, or improved open spaces, parks, greenbelts, community gardens, community composting sites, or recreational areas that are publicly accessible to residents of disadvantaged or low-income communities, or low-income households.
- Project provides food to residents in disadvantaged or low-income communities, or low-income households.
- Project provides compost to residents of disadvantaged or low-income communities, or low-income households.
- Project provides jobs to residents in disadvantaged or low-income communities or low-income households.

¹ Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B Funding Guidelines for more information on the definitions of priority populations.

Explain strategies the administering agency will use to maximize benefits to disadvantaged communities

- The Grantees in Cycle 2 will work directly with disadvantaged community groups to implement projects, provide education regarding community composting, provide technical assistance to project sites, and build organizational capacity for the community partner groups.
- For Cycle 3, Only California Native American Tribes will be eligible with a focus on lands under their control. This will help maximize benefits to DACs because Lands under the control of federally recognized Tribes are definitionally DACs according to the 2022 Update to Section VII.B on Priority Population Definitions.

Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens

- The projects funded by this grant program will provide direct benefits to DACs and low-income communities. Community composting project sites will be small and directly controlled by the community. Any burdens are expected to be minimal and can be mitigated directly by the community managing the site with guidance from the grantee and/or CalRecycle. Benefits from the projects, such as increased fresh food, soil health, and climate adaptation accrue directly to the community.
- To assess the need and desire for this program, CalRecycle staff conducted conversations with community composting organizations and visited with advocates at community gardens and urban farms throughout the state.
- To further assess community needs and aspirations, in October 2019, CalRecycle released a comprehensive stakeholder survey to solicit input about community-scale composting and to help prioritize the types of assistance needed.
- CalRecycle will maintain a program web page as well as an email address where communities can provide direct input to grant program managers.

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance

- The administering agency will require funding recipients to maintain records and submit quarterly status reports. In addition, the administering agency will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the administering agency's guidelines and the grant agreement.
- Grantee is required to submit quarterly progress reports and a final report at the close of the grant project.

- Project tracking and reporting will be conducted as described in CARB's 2018 Funding Guidelines

Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion

- Grantee will calculate the net GHG emission reductions from waste diversion projects using the CARB approved [Organics Programs Quantification Methodology and Waste Diversion GHG Emission Reduction Calculator Tool as found on the CCI Quantification, Benefits, and Reporting Materials website](http://www.arb.ca.gov/cci-resources) (www.arb.ca.gov/cci-resources).

Type of information that will be collected to document results, consistent with CARB guidance

- To determine the job creation and training benefits, the Grantee will compile data from funded recipients consistent with CARB's 2018 Funding Guidelines and Guidelines and the 2022 Update to Section VII.B on Priority Population Definitions and transmit that data to CalRecycle.
- The Grantee will collect data on project site locations, the location and types of trees planted, the cubic yards of compost produced during the expected quantification period, and other data as specified in CARB's 2018 Funding Guidelines.
- The Grantee will report on data required by CARB's 2018 Funding Guidelines, which includes expenditure amounts, project site descriptions, locations, and status, as well as GHG emission reductions, estimates of other applicable co-benefits, jobs created, and description of benefits to priority populations as defined in the 2022 Update to Section VII.B on Priority Population Definitions.

How the administering agency will report on program status

- CalRecycle will provide bi-annual updates on expenditures, project statuses, and benefits in reports prepared according to CARB's 2018 Funding Guidelines and the 2022 Update to Section VII.B on Priority Population Definitions. The reports will include expenditure amounts, project description and locations, current estimates of GHG emission reductions and tons of material diverted from landfills, estimates of other applicable co-benefits, jobs created, and description of benefits.