

Meeting the Need

Urban Forestry Investment Opportunities through Cap and Trade

Urban and community forests are a critical component to any cap and trade revenue investment plan seeking to meet the goals of AB 32 and a plethora of additional California statutes and laws. In fact, urban and community forests are one of California's core resources that inherently speak to virtually every aspect of what is required of sound legitimate and legal investments of cap and trade allowance auction revenues.

Urban Forests and Carbon Sequestration

Urban and community forests play a vital role in helping the state meet its AB 32 implementation goals by serving as a natural carbon capture mechanism and mitigation tool for heat island effects and heat transfer to surrounding air. In fact, the California Urban Forest Act of 1978 specifically sites "urban trees as playing a significant role in meeting the state's greenhouse gas emission reduction targets." California's existing urban forest of 200 million trees sequesters 4.5 million metric tons annually while also displacing an additional 1.8 million metric tons each year. As expected, these numbers reflect genuine reduction of greenhouse gas emissions, not simply avoidance. The U.S. Forest Service has identified 50 million more community tree planting sites currently available statewide.



Trees can reduce energy consumption by 30% in summer months.



Urban Forests and Co-benefits

Trees provide huge benefits above and beyond carbon sequestration. By shading buildings and releasing moisture into the air, trees can minimize the need for air conditioning in the hot summer months, reducing energy consumption by 30 percent. By serving as a wind buffer, they can save an additional 20-50 percent in energy used for heating. Urban forests also improve water quality, reduce polluted stormwater runoff, and encourage water conservation by utilizing sustainable landscape practices that incorporate the use of bioswales, porous pavement, and recycled water. By holding rainfall on leaves and branches, trees make the threats of flooding less likely. One-hundred mature trees catch about 250,000 gallons of rainwater per year.

Tree-lined streets reduce crime rates, promote a sense of safety, and encourage interaction among residents.



Urban Forests and Disadvantaged Communities

California is home to dozens of communities that endure chronic economic woes and adverse environmental conditions. Sadly, half of the nation's top ten cities suffering from the deadliest air pollution are located in California. Urban and community forests can help reverse that trend by mitigating urban heat island effect and removing deadly particulates from the atmosphere. Additionally, they also provide a source for job training to at-risk youth living in these disadvantaged communities and access to nature and multi-modal learning for these youth. Trees have consistently been shown to create lasting, positive effects on the sense of community in disadvantaged neighborhoods across the U.S.



Urban Forests and Economic Benefits

In 2009, California's urban and community forests supported more than 60,000 non-exportable jobs resulting in \$3.3 billion of individual income. They also added \$3.6 billion in value to the state's economy, and are commonly cited as a resource that raise residential property values by up to 10%.

Urban Forest and the Legal Nexus

California's investment of cap and trade allowance auction revenues will be held to one of the highest levels of public and legal scrutiny. In addition to meeting the requirements of AB 32, existing legal analyses assert projects supported by these revenues will need to meet the Sinclair Paint test and restrictions established under Proposition 26. Finally, AB 1532 and SB 535 impose another set of requirements regarding the allocation of these funds to specific project categories, and the role of disadvantaged communities within that framework.

Urban and community forests meet every test. The primary goal of AB 32 is to reduce California's greenhouse gas emissions to 1990 levels by 2020. AB 1532 further dictates that funds shall be used to reduce GHGs while also maximizing economic, environmental, and public health benefits to the state and fostering job creation. SB 535 directs investment toward the most disadvantaged communities in the state. And both Proposition 26 and Sinclair demand an appropriate nexus if these dollars are to be regarded as fees.

Consequently, a legal review prepared in March 2012 by the Emmett Center on Climate Change and the Environment at UCLA reinforces the need to rely on existing statutes to dictate appropriate expenditures of auction revenues. This study asserts that "projects that reduce greenhouse gases, paid for from the specialized auction revenue fund, will be low risk even if they aim to achieve multiple purposes. This is especially true when all purposes reflect AB 32 goals."

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The Investment Opportunity is Now

Urban and Community forest projects represent a low-risk, high-return investment for California that will reduce GHGs, provide myriad co-benefits, create jobs, aid disadvantaged communities and satisfy the high legal bar set for cap and trade revenue investments. Moreover, California already has a staffed and appropriate program in place to achieve these objectives through the California Department of Forestry and Fire Protection's Urban and Community Forestry Program which has a long, demonstrated record of success. Finally, there are dozens of public agencies, nonprofits, and community organizations statewide with specific expertise in creating and sustaining healthy, vibrant urban forests.

Appropriate investments in urban and community forest projects now will immediately move California communities towards filling those 200 million vacant tree-planting sites, while further strengthening our existing urban forests and the multiple benefits they provide towards enhancing California's quality of life.



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