

December 6, 2016

Subject: 2016-17 California Climate Investments Technical Assistance Program

Reporting Period: October – December 2016

Staff Lead: Allison Joe, SGC

Recommended Action:

For information only – no action required.

Summary:

AB 1613 (Chapter 370, Statutes of 2016) appropriates \$2.0 million from the Greenhouse Gas Reduction Fund (GGRF) to the Office of Planning and Research for the Strategic Growth Council to provide technical assistance to disadvantaged communities. This funding is intended for a broad range of assistance efforts for GGRF-funded programs. This staff report provides an overview of ongoing outreach efforts and an update to the SGC's own technical assistance pilot program from 2015-16. Based on that landscape, we outline a potential framework for a cross-GGRF technical assistance strategy.

Background:

California's Cap-and-Trade auction proceeds provide an opportunity for the State to invest in projects that help California achieve its climate goals, yield important co-benefits, and provide benefits to disadvantaged communities. These investments are collectively referred to as California Climate Investments (CCI). The State's portion of the auction proceeds is deposited into the Greenhouse Gas Reduction Fund (GGRF), which was established by Senate Bill (SB) 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012). Implementing statute requires that GGRF funds be used to facilitate the achievement of greenhouse gas emission reductions and further the purposes of Assembly Bill (AB) 32 (Núñez, Chapter 488, Statutes of 2006).

In 2012, the Legislature passed and Governor Brown signed into law AB 1532 (Pérez, Chapter 807, Statutes of 2012) and SB 535 (De León, Chapter 830, Statutes of 2012), which provides strong direction for how auction proceeds must be invested to benefit disadvantaged communities¹. The legislation provides the framework for investments that can meet multiple policy objectives by requiring funds be both invested in disadvantaged communities and for the benefit of those communities.

¹ SB 535 gives the California Environmental Protection Agency responsibility for identifying disadvantaged communities for the investment of GGRF monies specifically targeted for these communities. In October 2014, CalEPA released its list of disadvantaged communities for the purpose of SB 535. To inform its decision, CalEPA relied on the California Communities Environmental Health Screening Tool (CalEnviroScreen), a tool that assesses all census tracts in California to identify the areas disproportionately burdened by and vulnerable to multiple sources of pollution. For SB 535 purposes, disadvantaged communities are defined as the top 25% scoring areas from CalEnviroScreen. For additional information, please refer to: <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>

The SB 535 requirements for allocating funds to benefit disadvantaged communities are to:

- Allocate at least 25 percent of the available proceeds to projects that provide benefits to disadvantaged communities.
- Allocate at least 10 percent of the available proceeds to projects located within disadvantaged communities.

To meet or exceed the existing disadvantaged community investment targets, funding targets are established for projects located within and benefitting disadvantaged communities for each program. Additionally, the Air Resources Board (ARB) developed the “Funding Guidelines for Agencies that Administer California Climate Investments” (Funding Guidelines) to provide guidance on the implementation of programs. The Funding Guidelines include guidance on maximizing benefits to disadvantaged communities, ensuring funded projects meet common and specific community needs, performing community outreach to promote program access and participation, and avoiding substantial burdens to communities, such as displacement of low-income residents and businesses, or increased exposure to toxics or other health risks.

The passage of AB 1550 (Gomez, Chapter 369, Statutes of 2016) modifies the existing disadvantaged community investment requirements in SB 535, and further provides new investment targets for low-income households and low-income communities. ARB and agency partners are in the process of transitioning to full implementation of AB 1550 as part of FY 2017-18 funded programs. ARB will update the Funding Guidelines in 2017 to provide guidance on AB 1550 implementation.

Attachment A provides a list of California Climate Investment programs and funding available.

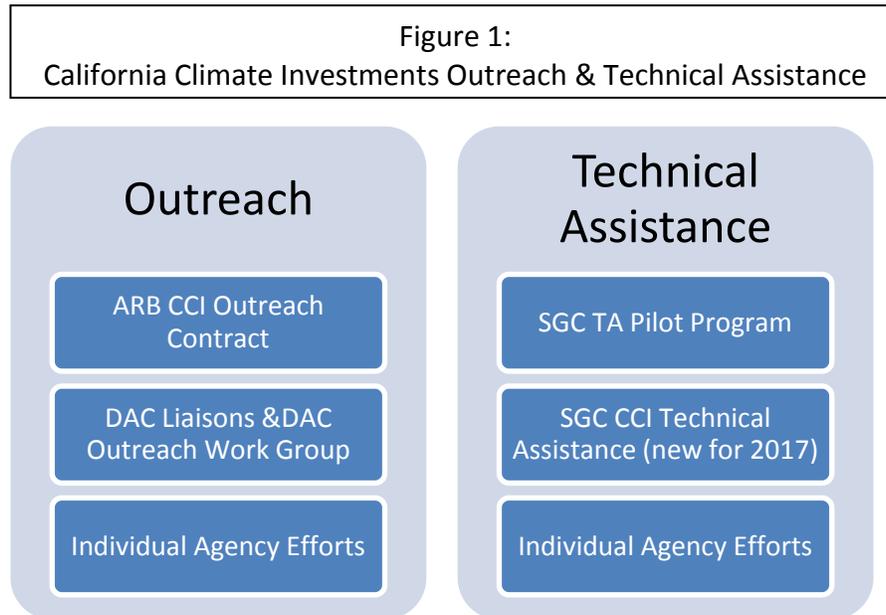
Defining Outreach & Technical Assistance to Disadvantaged Communities

Across state agencies, the definitions of “outreach” and “technical assistance” vary widely depending on the program, department, stakeholder, applicant, and end user. SGC staff recognizes that the California Climate Investments programs have different needs in regards to outreach and information-sharing, as well as regarding project development, the application process, and direct technical assistance. Oftentimes, all of these needs are informally grouped into a category of “technical assistance.”

Another consideration is what entity is best suited to conduct outreach and technical assistance to potential applicants. While there are efforts by the State to provide coordinated outreach and technical assistance for the broader CCI programs, some programs have extensive technical assistance built into the grant application process – including technical workshops and partnership development, supported by agency staff or contracted technical assistance providers. Other opportunities exist by leveraging existing community-based technical assistance and outreach programs and partnerships by non-profit organizations, academic institutions, and other qualified providers.

Current CCI Outreach & Technical Assistance Efforts:

Through conversations with stakeholders, agency staff, and program applicants, many disadvantaged communities have interest in applying for funds, but some may lack awareness of available programs or the ability, capacity, and expertise to apply. Every agency approaches this issue in the context of their respective programs. However, there have been a few initiatives that aim to look at this across programs. **Figure 1** depicts state efforts to date.



Air Resources Board: CCI Outreach Contract

The Air Resources Board (ARB) received \$500,000 in fiscal year 2015-16 to contract with a statewide entity to support State agency outreach efforts. This contract focuses on two primary goals:

- Developing and applying innovative outreach strategies to promote and expand participation of disadvantaged communities across the larger CCI program;
- Identify and implement outreach efforts that will raise awareness, build partnerships, leverage resources, and strengthen community capacities to successfully engage in the CCI programs.

The contract with [Young Invincibles](#), through the Foundation for Community College, aims to engage with disadvantaged communities to raise awareness of CCI programs, develop targeted outreach materials based on community characteristics, and direct interested parties to appropriate program representatives. Under this outreach contract, the contractor will serve as a point of contact statewide, and provide services and connections to disadvantaged communities to appropriate State agencies. A work plan for this contract will be initiated in early 2017.

Disadvantaged Community Liaisons & Disadvantaged Communities Outreach Work Group

In FY 2015-16, in response to feedback from disadvantaged communities seeking more connection to CCI programs, four Disadvantaged Community Liaison positions were funded to provide direct program outreach, specifically at the following agencies:

- Strategic Growth Council: Affordable Housing Sustainable Communities Program
- Air Resources Board: Low Carbon Transportation Program
- CalTrans: Low Carbon Transit Operations Program and Transit & Intercity Rail Capital Program
- High Speed Rail Authority: High Speed Rail

A multi-agency workgroup, led by the California Environmental Agency (CalEPA), supports agency coordination, participation, and priorities with respect to disadvantaged community outreach across California Climate Investment programs, including these liaisons.

Additionally, SGC, in partnership with CalEPA and the Air Resources Board, has served as the convener of a new Disadvantaged Community Outreach Work Group, comprised of the Disadvantaged Community Liaisons and outreach staff across all state agencies administering CCI programs. The Work Group is a new effort to better coordinate outreach efforts across CCI programs and foster meaningful relationships with communities and community-based organizations. The group meets twice monthly and is working to create a cross-program outreach strategy with the goal of leveraging staff, time, and resources to better reach disadvantaged communities with important funding opportunities. The group has already engaged key community-based and environmental justice organizations in the development of their strategy and goals, and will continue to proactively engage stakeholders in the development of an outreach plan.

SGC Affordable Housing & Sustainable Communities (AHSC) Technical Assistance Program

The Budget Act of 2015 (Chapter 321, Statutes of 2015) appropriated \$500,000 in GGRF monies for a pilot technical assistance program for the AHSC Program. Administered by the Strategic Growth Council, the program aims to maximize GHG reductions for projects located in disadvantaged communities. SGC staff has worked alongside three contracted technical assistance teams to provide

This pilot program focused on providing direct application assistance to select applicants for the 2015-2016 AHSC cycle. For the purposes of the Pilot, SGC-sponsored technical assistance (TA) was available for applicants whose projects were located in disadvantaged communities that were unsuccessful in securing funding during the 2014-2015 funding cycle. TA was available for both Concept and Full Application phases, with the TA Providers also charged with performing capacity-building activities for their respective regions.

Approximately half of the applicants that were eligible to participate in the Pilot submitted Concept Proposals in this Round (30 out of 62), with approximately half of those that applied subsequently invited to submit a Full Application (17 out of 30). Of the 17 that submitted Full Applications, five (5) were approved for funding in 2016, or 20% of the total AHSC awards.

A proportion of funds were also directed to invest in capacity building activities for the AHSC program, including convening transportation, housing, and local government interests to encourage partnerships which could result in AHSC applications in future rounds, deeper

technical workshops related to greenhouse gas emissions reduction approaches, and policy discussions related to impacts related to siting affordable housing near transit and impacts of increased housing density.

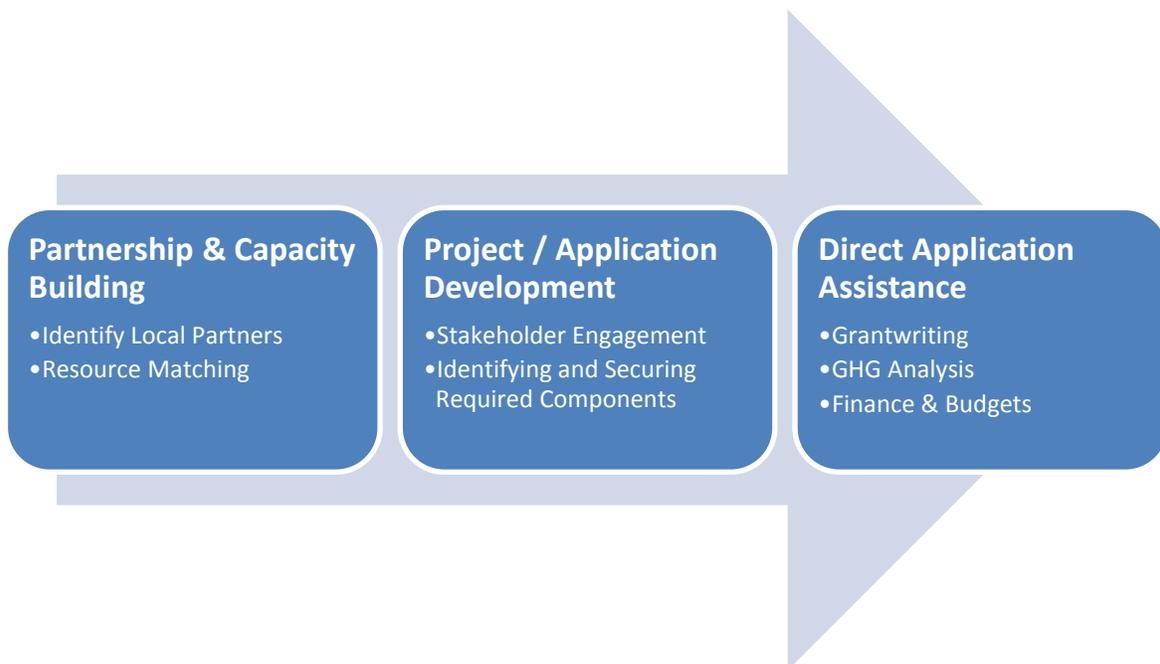
SGC has contracted with UC Davis researchers to conduct a third-party evaluation of our Pilot TA program, including feedback on program structure, TA recipient experience, TA provider expertise, and success of the program. The evaluation will include recommendations to SGC for future technical assistance opportunities, and can help inform outreach and assistance across a variety of GGRF programs. This evaluation should be available in Spring 2017.

Potential Framework for CCI Technical Assistance:

Given the various initiatives and agency efforts outlined above, and the range of technical capabilities of disadvantaged communities, it is admittedly challenging to create a one-size-fits-all strategy for technical assistance. As part of this new funding, SGC staff have been working with all CCI program agencies to identify high level technical assistance needs to support disadvantaged communities.

Figure 2 is a proposed approach to technical assistance, framed in the context of how CCI applications and prospective projects could be initiated, developed, and address application needs. While some CCI programs have different levels of need across these areas, this represents a general spectrum of CCI project development. SGC intends to support technical assistance investments which ensure assistance is broadly available to a wide range of applicants and entities reflecting geographic and capacity needs.

Figure 2: Proposed CCI Technical Assistance Framework



It will be important to fully understand the universe of applicants across all CCI programs, to coordinate delivery of effective technical assistance. A notable exception to the framework is for programs designed specifically for individuals and households. However, this framework could potentially be adapted to look at how regional contractors or other on-the-ground efforts can approach their work with prospective applicants.

SGC staff will continue to work with CCI Programs to refine the framework above, and to identify where technical assistance is most needed in their program.

Ongoing Challenges and Questions:

- What is the role of state agency staff play in providing technical assistance? Where are the opportunities to standardize or encourage program staff involvement with potential applicants across CCI programs prior to the application solicitation?
- How do we appropriately leverage ongoing (and non-state sponsored) outreach efforts, how do we layer and coordinate those efforts, and then efficiently plug in technical assistance resources?
- Are there opportunities to encourage greater State agency engagement with applicants and stakeholders during the program guideline development process?
- To what degree is capacity building included in this effort? What does this look like from a long-term investment?

Next Steps:

Although the current level of funding will not address all technical assistance needs, staff are hoping to establish a framework that is supportable as resources become available.

- **2016-17 CCI Technical Assistance Program.**
 - SGC will work with CCI Programs and stakeholders to identify the nature and scope of technical assistance needs by program.
 - Staff will also identify existing mechanisms for developing standard agreements and contracts to engage in third party technical assistance appropriate for each program.
 - Staff will prioritize CCI programs which have high potential for technical assistance needs: significant disadvantaged community investments, newer programs, and application periods open in the first half of 2017.
 - Some portion of the funds will be for direct technical assistance, partnership and capacity building, and application/project development.
 - Staff will finalize the technical assistance framework and solicit proposals from third party technical assistance providers in early Spring 2017.
 - SGC staff are also exploring the need for deeper, community-based outreach and assistance to achieve longer-term capacity building (including leadership development) should additional resources become available.
- **Ongoing CCI Program Outreach.**
 - SGC will also continue to play a leadership role in coordinating the various outreach efforts to make best use of these technical assistance resources.



**CALIFORNIA CLIMATE INVESTMENTS
FROM THE GREENHOUSE GAS REDUCTION FUND**



TRANSPORTATION AND SUSTAINABLE COMMUNITIES

	Prior Funding To Date (\$M)	FY 2016-17 Funding (\$M)
High Speed Rail Authority		
High Speed Rail <i>Funding for planning and design, right-of-way acquisition, and construction of Initial Operating Segment</i>	\$707	25% Continuous Appropriation
California State Transportation Agency		
Transit and Intercity Rail Capital Program <i>Funding for capital improvements to modernize and integrate transit and rail systems for increased, reliable and connected service</i>	\$208	\$135+ 10% Continuous Appropriation
California Department of Transportation		
Active Transportation Program – NEW for 2016 <i>Funding for infrastructure that encourages active transportation (walking/biking)</i>		\$10
Low Carbon Transit Operations Program <i>Funding for new/expanded bus or rail service to increase reliability and ridership</i>	\$116	5% Continuous Appropriation
Strategic Growth Council		
Transformative Climate Communities – NEW for 2016 <i>Support combined climate investments within a local area (e.g., energy, transportation, active transportation, housing, urban greening, etc.)</i>		\$140
Technical Assistance – NEW for 2016 Affordable Housing and Sustainable Communities Program <i>Funding for housing, land-use, and transportation projects</i>	\$496	\$2 20% Continuous Appropriation
Sustainable Agricultural Lands Conservation Program <i>Funding for land preservation projects</i>		
California Air Resources Board		
Low Carbon Transportation	\$325	
Clean Vehicle Rebate Project <i>Rebates for purchase or lease of new zero-emission and plug-in hybrid vehicles</i>		\$133
Light-Duty Projects: Enhanced Fleet Modernization Program and Pilot Projects <i>Rebates to replace old polluting cars with cleaner, more fuel-efficient cars; car sharing, mobility options, agricultural worker vanpools, financing assistance</i>		\$80
Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project and Other Heavy-Duty Pilot Projects <i>Vouchers for fleets to purchase clean trucks and buses; freight demonstrations, zero-emission truck/bus/freight pilots, low-NOx engines, rural school bus pilots</i>		\$150

*Funding amounts were rounded to the nearest million dollars.
For more information on California Climate Investments Program, visit
www.arb.ca.gov/auctionproceeds



CALIFORNIA CLIMATE INVESTMENTS FROM THE GREENHOUSE GAS REDUCTION FUND



CLEAN ENERGY AND ENERGY EFFICIENCY

	Prior Funding To Date (\$M)	FY 2016-17 Funding (\$M)
California Air Resources Board		
Woodsmoke Reduction Program – NEW for 2016 <i>Funding focused in rural areas to support projects that reduce woodsmoke</i>		\$5
California Department of Community Services and Development		
Low Income Weatherization Program <i>Installation of rooftop solar systems, solar water heaters and weatherization</i>	\$154	\$20
California Department of Food and Agriculture		
Healthy Soils Program – NEW for 2016 <i>Funding for healthy soils practices</i>		\$8
Dairy Methane Program <i>Funding for dairy digesters and non-digester manure management projects</i>	\$12	\$50
Agricultural Energy and Operational Efficiency Program <i>Funding for agricultural energy and water use efficiency improvements</i>	\$60	\$8
Alternative and Renewable Fuels Program <i>Funding for specifications for low carbon renewable biofuels derived from agricultural waste</i>	\$3	
California Department of Water Resources		
Water-Energy Efficiency Program <i>Funding for energy and water use efficiency improvements</i>	\$50	
State Water Project <i>Funding for upgrading hydroelectric renewable energy turbines</i>	\$20	
California Energy Commission		
Energy Efficiency in Public Buildings – Currently on hold <i>Retrofits and energy generation loans for public agencies</i>	\$20	

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**CALIFORNIA CLIMATE INVESTMENTS
FROM THE GREENHOUSE GAS REDUCTION FUND**

NATURAL RESOURCES AND WASTE DIVERSION



	Prior Funding To Date (\$M)	FY 2016-17 Funding (\$M)
California Natural Resources Agency		
Urban Greening Program – NEW for 2016 <i>Funding for green infrastructure projects</i>		\$80
California Department of Forestry and Fire Protection		
Forest Health Program <i>Funding for forest health restoration, conservation, reforestation, and biomass utilization</i>	\$24	\$25
Urban and Community Forestry Program <i>Funding for urban tree planting and urban tree biomass utilization</i>	\$18	\$15
California Department of Resources Recycling and Recovery		
Waste Diversion Program <i>Funding for organics composting/digestion, food waste reduction, increased recycling infrastructure</i>	\$31	\$41
California Department of Fish and Wildlife		
Wetlands and Watershed Program <i>Funding for restoration of wetlands and mountain meadows</i>	\$27	\$2

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