Transformative Climate Communities Program

**Round 4 Program Guidelines
FY 2021–2022**

December 15, 2022

Advance Pay Amendment

Program information can be accessed at: http://sgc.ca.gov/programs/tcc/.

To sign up to receive notices, updates, and information regarding the Transformative Climate Communities Program (and other Strategic Growth Council (SGC) grant programs and initiatives), visit the SGC website and click on the "E-list" link at: http://sgc.ca.gov/.

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Transformative Climate Communities Program
At-a-Glance

ABOUT THE TCC PROGRAM

Administered by the California Strategic Growth Council (SGC) in partnership with the California Department of Conservation, the Transformative Climate Communities Program:

- Funds the implementation of **neighborhood-level proposals** with multiple, integrated projects

- **Empowers communities** to choose their own strategies for reducing **greenhouse gas emissions** and achieving **community benefits**

- Prioritizes California's **most disadvantaged communities** – neighborhoods ranked in the **top 25 percent (25%)** of CalEnviroScreen

- The TCC program was developed through a transparent and **stakeholder-driven** process, including a Statewide Summit and workshops held throughout California

250 Stakeholders participated in a Statewide Summit to **inform the program's design**

ROUND 4 AWARDS

Implementation Grants: $105,000,000 available for 3 awards ($35,000,000 each)	**Planning Grants:** $1,200,000 available for 4 awards ($300,000 each)

CLIMATE INVESTMENTS

The TCC Program is currently funded under the General Fund's Climate Budget. TCC began as part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov.

CONTACT US

Program information can be accessed at: http://sgc.ca.gov/programs/tcc/.

Email inquiries can be sent to: tcc@sgc.ca.gov.

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SECTION I. INTRODUCTION

A. BACKGROUND

The Transformative Climate Communities (TCC) Program is part of the state's Climate Budget (Senate Bill 170), which funds ambitious measures to build climate adaptation and resilience through planning, research, capacity building, restoration, and sustainable infrastructure.

TCC began in 2016 as part of the California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in disadvantaged communities.

Assembly Bill (AB) 2722 (Burke, Chapter 371, Statutes of 2016) established the TCC Program to "…fund the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities as described in Section 39711 of the Health and Safety Code" (Pub. Resources Code § 75240).

In addition to reducing greenhouse gas (GHG) emissions in disadvantaged communities, AB 2722 includes the following goals:

- **Maximize community benefits**: "Projects shall maximize climate, public health, environmental, workforce, and economic benefits."

- **Avoid displacement**: "In adopting the guidelines, SGC shall consider whether eligible plans and projects avoid economic displacement of low-income disadvantaged community residents and businesses."

- **Comprehensive community engagement**: "SGC shall award grants for projects that demonstrate community engagement in all phases."

- **Leverage additional funds**: "By making such comprehensive public investments, it is the intent of the Legislature that private resources can be more effectively catalyzed to support innovative community and climate transformation in disadvantaged communities," and "SGC and all funded entities shall endeavor to identify additional public and private sources of funding to sustain and expand the program."

- **Technical assistance**: "SGC shall fund technical assistance providers to assist in application development and project development and implementation."

In addition to AB 2722, the following legislation governs the TCC Program:

- *Assembly Bill 32*: Requires California to reduce its greenhouse gas (GHG) emissions to 1990 levels by 2020 and tasks the California Air Resources Board with creating a Scoping Plan, enabling the development of the cap-and-trade program.

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- *Senate Bill 32*: Requires California to reduce GHG emissions to 40 percent (40%) below 1990 levels by 2030.

- *Senate Bill 535* (De León, Chapter 830, Statutes of 2012): Directs State and local agencies to invest in California's "disadvantaged communities," – as defined by the California Environmental Protection Agency (CalEPA) and CalEnviroScreen[1] – by spending a minimum of 25 percent (25%) of Greenhouse Gas Reduction Funds (GGRF) to benefit these communities.

- *Assembly Bill 1550* (Gomez, Chapter 369, Statutes of 2016): Expands requirements for GGRF to include other Priority Populations based on income. In addition to the 25 percent (25%) of the proceeds required by SB 535, AB 1550 requires an additional minimum of five percent (5%) of funds be invested in projects that benefit low-income households or communities statewide; and an additional five percent (5%) be invested in projects that benefit low-income households or communities that are within a half-mile of a disadvantaged community. Together, SB 535 and AB 1550 prioritize investments to disadvantaged and low-income communities and households in need of assistance.

B. PROGRAM SUMMARY

The Strategic Growth Council (SGC) administers the TCC Program in partnership with the California Department of Conservation (DOC). A $115 million FY 2021-2022 budget appropriation from the General Fund supports Round 4 of the TCC Program, which will award two (2) types of grants:

Implementation Grants

- Implementation Grants fund neighborhood-level proposals that include multiple, coordinated projects that reduce greenhouse gas emissions and achieve other community benefits.

- $105,000,000 is available for three (3) grant awards of $35,000,000 each.

- Grant terms are six (6) years: a five (5) year Project Completion Period, followed by a one (1) year Performance Period, during which project outcomes will be monitored.

- For more information about the program framework, eligibility, application, and grant administration, see Section II. Implementation Grants.

Planning Grants

- Planning Grants fund planning activities to prepare disadvantaged communities for future funding opportunities in programs that align with the TCC Program's objectives.

- $1,200,000 is available for four (4) awards of $300,000 each.

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[1] CalEnviroScreen is a screening tool developed by the Office of Environmental Health Hazard Assessment to help identify communities with high levels of social and economic vulnerability that are also disproportionally burdened by multiple sources of pollution. <https://oehha.ca.gov/calenviroscreen>

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- Grant terms are two (2) years, with the option to extend on a case-by-case basis.

- For more information about the program objectives, eligibility, application, and grant administration, see Section III. Planning Grants.

C. PROGRAM VISION

Vision for Racial Equity

The California Strategic Growth Council (SGC) is committed to achieving racial equity in its operations, investments, and policy initiatives and to achieving its vision that: *All people in California live in healthy, thriving, and resilient communities regardless of race.*[2]

Vision for Transformation

The TCC Program establishes a new framework for achieving California's climate goals. This framework represents an evolution in the State's typical funding models in four (4) significant ways.

- *Place-Based Approach*: A place-based approach allows the state to make significant, targeted investments that meet multiple needs of burdened communities. It also empowers communities to tackle climate change and equity challenges at a neighborhood scale. Communities propose systemic solutions to address their neighborhood's specific needs and assets.

- *Integrated Strategies and Projects*: Implementing multiple, integrated strategies and projects makes the whole of each grant greater than the sum of its parts. Integrating cross-sector activities into each proposal enables the state's investments to maximize greenhouse gas reduction goals and other community benefits.

- *Transformative Elements***:** Unique focus on ensuring the investment provides direct benefits to neighborhood residents. Robust community engagement and workforce development ensures that TCC proposals are designed with local residents' and stakeholders' needs in mind. Grantees also implement measures that will avoid displacement of existing residents and businesses so that they may benefit from the state's investments in the long run. Communities select projects that will build resilience in the face of current and future climate impacts on vulnerable populations and the built environment. The TCC Program is also a model for catalyzing local, multi-sector partnerships that leverage private and public funds to sustain community revitalization and equitable development. Additionally, long-term indicator tracking allows the state to continually assess program outcomes and apply lessons learned.

- *Developing Partnerships*: The TCC Program enables the development of long-term partnerships at multiple levels. First, Applicants are required to develop "Collaborative Stakeholder Structures" that bring together public agencies, non-profit organizations, residents, and other

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[2] California Strategic Growth Council. *Updated Racial Equity Action Plan (2019-2022)*. September 2021. <https://sgc.ca.gov/programs/healthandequity/docs/20211110-REAP.pdf>

local entities in a process that fosters long-term investment in the community's vision for transformation. Second, the TCC Program requires the state to establish partnerships with Applicants and Grantees through outreach and technical assistance. And lastly, the development of the TCC Program has resulted in partnerships at the state level, through consultation with experts from multiple agencies during the development of program guidelines, drafting of grant agreements, and review of applications.

Investing in Priority Populations

The TCC Program focuses investment on communities most burdened by environmental, socioeconomic, and health inequities. The CalEnviroScreen (CES) Tool identifies these communities, and the TCC Program developed an additional TCC Mapping Tool to identify disadvantaged unincorporated communities. The TCC Program has set the following thresholds for TCC Implementation and Planning Grants:

- Communities in which more than half of the area overlaps with census tracts designated as a disadvantaged community per CalEnviroScreen or the TCC Mapping Tool: within the top 25% of disadvantaged communities per CalEnviroScreen 4.0 or 3.0, all federally recognized tribal boundaries, or an eligible disadvantaged unincorporated area. The remaining area (49% or less) must overlap with census tracts in the top 25 percent (25%) of CES rankings, or with AB 1550 low-income tracts.

Communities defined as "disadvantaged" can include high populations of people with low incomes and a high concentration of sources of pollution. Residents of these types of communities commonly experience elevated rates of health problems, as well as socioeconomic and environmental vulnerability. Many of these challenges are the result of a history of inequitable land use and zoning policies, underinvestment, and lack of meaningful engagement with community residents in planning and policy decisions.

SGC recognizes that the term "disadvantaged" overlooks the many assets these communities also possess, and particularly the community residents for whom these places are home. In many of these communities, organized groups of neighborhood leaders are actively engaged in local planning efforts, policy campaigns, and other activities to make their communities healthier, safer, and more sustainable. These efforts are particularly important today since these communities will disproportionately experience the impacts of climate change. The TCC Program is structured to provide existing residents and businesses with the tools and resources to drive change and to ensure they are also able to experience the benefits of investment

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SECTION II. IMPLEMENTATION GRANTS

The following section describes the eligibility requirements, program framework, application process, and grant administration for TCC Implementation Grants.

A. ELIGIBILITY

Applicant Eligibility

Applications will be submitted by a Lead Applicant in collaboration with multiple Co-Applicants. Together, the Lead Applicant and Co-Applicants are collectively referred to as "Applicants."

Eligible Lead Applicants

Organizations eligible to serve as Lead Applicant may include but are not limited to: community-based organizations, local governments, nonprofit organizations, philanthropic organizations and foundations, faith-based organizations, coalitions or associations of nonprofit organizations, community development finance institutions, community development corporations, joint powers authorities, councils of governments, and California Native American Tribes.[3]

Past Awards

Organizations that were awarded a TCC Implementation Grant in previous funding rounds are eligible to re-apply as the Lead Applicant in Round 4 only if they demonstrate sufficient capacity to administer both grants simultaneously and the Project Areas are distinct. Organizations from the same jurisdiction are also eligible to apply, and project partners on current grants may apply as Lead Applicants or be included in Round 4 applications.

Organizations that were awarded a partial award in a previous round are eligible to re-apply for a Round 4 partial award in the same Project Area, as long as the sum of the two awards totals no more than $35 million.

Eligible Co-Applicants

Organizations eligible to serve as Co-Applicants include the organizations listed above in the Eligible Lead Applicants section, as well as the Eligible Project Leads described in Appendix B.

Public Agency Support

Either the Lead Applicant or one of the Co-Applicants must be a public agency.

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[3] Native American Heritage Commission (NAHC). *NAHC Tribal Consultation Policy.* <http://nahc.ca.gov/wp-content/uploads/2020/09/Signed-NAHC-Tribal-Consultation-Policy.pdf>

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If the Lead Applicant is a public agency, they must provide evidence of a passed formal resolution in the TCC Proposal that includes an authorization to apply for and accept a TCC Implementation Grant, and authority to execute all related documents if awarded.[4]

If the public agency is a Co-applicant, then the Applicant must provide a letter of support from the public agency in the TCC Proposal.

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[4] A lesson learned from previous grant cycles is to include this streamlining measure - to allow the Lead Applicant to execute agreements without the need to bring the agreement back for Council or Board approval. Otherwise, the final grant execution stage can extensively delay the project start date.

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Collaborative Stakeholder Structure

The Lead Applicant and all Co-Applicants must form a Collaborative Stakeholder Structure to develop and submit one (1) application. The Collaborative Stakeholder Structure also should include residents and community-nominated members such as community-based organizations that are not Co-Applicants. The inclusion of residents and/or other community-nominated members in the Collaborative Stakeholder Structure is a requirement that can only be waived if there are extenuating circumstances and approval is granted by SGC. Applications will be evaluated on the degree to which they incorporate community leadership.

Partnership Agreement

Applicants must develop a Partnership Agreement that is signed by the Lead Applicant and all Co-Applicants that describes the governance, organization, and financial relationships of the Collaborative Stakeholder Structure. Once the grant has been executed, Lead Applicants will be referred to as the "Grantee," and Co-Applicants as "Partners." For more information about the SGC relationship with Grantee and Partners, see Section II.H.
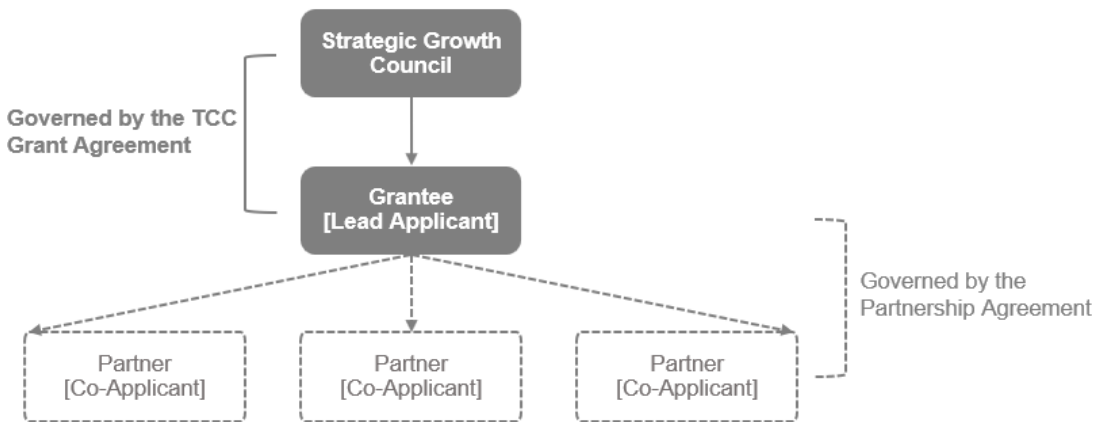
The Collaborative Stakeholder Structure will govern implementation of the entire TCC Grant. Applicants may design their Collaborative Stakeholder Structure to best align with their needs, but the Partnership Agreement must, at a minimum, define the following:

- Identification of the Grantee;

- Roles and responsibilities for the Grantee and all Partners, residents, and/or community-nominated members;

- Governance of the Collaborative Stakeholder Structure including: processes for handling disputes and procedures to change, add, or remove members;

- Legal and financial considerations including: liability provisions, financial relationships between the Grantee and Partners, the process Grantee will use to reimburse the Partners, and procurement processes;

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- Transparent decision-making processes;

- Non-discrimination clause;

- Meeting facilitation procedures including frequency of meetings, minimum number of meetings open to public, means for publishing meeting agenda and notes for public access;

- Process for involving community representatives and community-based organizations in decision-making; and

- If Tribes are included as Lead Applicants or Co-Applicants, Tribes' sovereign status should be respected and upheld through the development of the Collaborative Stakeholder Structure. The Partnership Agreement should additionally outline measures that will be taken to protect the confidentiality of Tribal data and Traditional Ecological Knowledge collected or shared as part of grant activities.

Memorandum of Understanding

Any Applicant whose Project Area crosses municipal boundaries, federally recognized tribal territory boundaries, or similarly relevant jurisdictional boundaries is required to submit a Memorandum of Understanding (MOU) that outlines how all public agencies and tribal governments in the Collaborative Stakeholder Structure will execute and manage the grant. See the Section II.A for additional detailed requirements.

Applicants may either submit a MOU separate from the required Partnership Agreement that outlines the Collaborative Stakeholder Structure or submit an all-encompassing MOU that defines the governance structure for both the a) TCC Project Area with multiple jurisdictions, and b) TCC Collaborative Stakeholder Structure. The MOU must, at a minimum, define the following:

- Arrangement and commitment of full-time equivalent positions from each public agency and/or tribal government to implement the TCC grant - including implementing capital projects, conducting planning activities, developing and implementing policies, and participating in collaborative governance.
- Systems designed to coordinate successful execution of the TCC grant. This should include the responsibilities, expectations, communication systems, staffing plans, and adequate budget for each entity.
- Public agency or tribal government responsible for leading coordination among government entities, including resolving any challenges arising from having multiple jurisdictions contained within the Project Area. This entity may be the Lead Applicant, a Co-Applicant, an independent project manager contracted by the Lead Applicant, or another appropriate arrangement.

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Applicant Capacity

Applicants must provide sufficient information to demonstrate their management and financial capacity:

Management Capacity

Lead Applicants' and Co-Applicants' ability to oversee, manage, and implement large infrastructure projects, such as transportation, affordable housing, and green infrastructure projects is essential. The Lead and Co-Applicants also must possess the capacity to implement the partner coordination, community outreach, evaluation and reporting components critical to the grant.

To demonstrate management capacity, the Lead and Co-Applicants must:

- Identify the Lead Applicant or Co-Applicant responsible for leading the implementation of each Project or Transformative Plan (the "Lead Entity");
- Provide evidence of the Lead Entity having successfully implemented a similar project in scope and size in California within the last 10 years;
- Describe the full or part-time staff that will be dedicated to TCC Program Implementation; and
- Provide a letter of support from one (1) reference who can speak to the quality and timeliness of work completed by the Lead or Co-Applicant.

Based on previous TCC Grantees, the Lead Applicant should allocate no less than two full-time staff dedicated to implementing the TCC project, and Co-Applicants should allocate sufficient capacity to grant administration and coordination depending on the size and complexity of the project.

Financial Capacity

Lead Applicants and Co-Applicants must possess the financial capacity to adhere to the reimbursement processes of the TCC Program and defined by the Partnership Agreement. See Section II.H for details about the reimbursement process.

To demonstrate financial capacity, the Lead and Co-Applicants will be asked to provide a current annual organizational budget, and recent financial statements, as specified in the application.

Non-profit organizations must submit a copy of their most recent Federal Form 990 and a copy of the organization's IRS 501(c)(3) Tax Determination Letter. Any Applicant that had an audit finding in the last five (5) years is required to enclose it in the application in an official letter.

Project Area Eligibility

Applicants must provide a description and map of the Project Area that demonstrate the Project Area meets all requirements below. Applicants can use the TCC Mapping Tool to design an eligible Project Area.[5]

Project Area Size

Applicants must define a contiguous Project Area that is no larger than approximately five-square miles (5 mi[2]).

Priority Populations – Incorporated Areas and Tribal Territories

At least 51 percent (51%) of the Project Area must overlap with incorporated areas or tribal territories in census tracts designated as disadvantaged communities through one or more of the following criteria:

- Within the top 25 percent (25%) of disadvantaged communities per CalEnviroScreen (CES) 4.0
- Census tracts scoring in the top 5 percent (5%) of the Pollution Burden indicator but without an overall CES 4.0 score due to unavailable or unreliable data.
- Within the top 25 percent (25%) of disadvantaged communities per CES 3.0
- All areas within federally recognized tribal boundaries in California[6]

The remaining 49 percent (49%) or less of the Project Area must overlap with either a disadvantaged community per the criteria above or a low-income community as defined by AB 1550.[7]

While this round expands eligibility to the top 25 percent (25%) of disadvantaged communities per CES, SGC will prioritize investment in California's most "disadvantaged" communities (please see "Investing in Priority Populations" in Section I.C for additional context regarding this term). Applicants will be asked to explain how the Project Area meets the goals of the TCC program and justify why the Project Area was selected over other eligible areas, particularly areas with higher CES scores (if applicable). SGC reserves the right to prioritize investment in the most disadvantaged communities.

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[5] Governor's Office of Planning and Research (OPR) and California Strategic Growth Council (SGC). *Disadvantaged Communities Mapping Tool for TCC*. Version 1 for Public Comment, last updated November 15, 2021. <https://gov-opr.maps.arcgis.com/apps/webappviewer/index.html?id=aad5277a3ff14f64a4e9db7368077887>

[6] All areas within federally recognized tribal boundaries in California, particularly tribal land held in trust and restricted fee lands. Land owned by a tribal member that does not constitute trust land or restricted fee land may qualify under other TCC priority population criteria.

[7] California Environmental Protection Agency. California Climate Investments to Benefit Disadvantaged Communities. <https://calepa.ca.gov/envjustice/ghginvest/>

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Priority Populations – Unincorporated Areas

Round 4 extends eligibility for Implementation Grants to disadvantaged unincorporated communities (DUCs).[8]

At least 51 percent (51%) of the Project Area must overlap with eligible DUC areas. Applicants from unincorporated areas may establish DUC eligibility through one of the following methods:

- Verified DUC status through the Local Agency Formation Commission (LAFCo) or another public agency and located within disadvantaged communities designated census tracts per CalEnviroScreen and these Guidelines.
- Eligible location per the TCC Mapping Tool[9] that overlaps with all the following criteria:
  - Cluster of unincorporated parcels at a density threshold of 250 parcels per square mile,[10]
  - Disadvantaged communities census tract per CES (top 25%), and
  - Hard-to-count census block group (score of 57 or higher) per the California Hard-to-Count Index (CA-HTC).
- Self-identified DUC that justifies designation with localized data that identifies population characteristics and density defined by a neighborhood-level assessment.
- Previous TCC Planning Grant recipients that included unincorporated areas within their Planning Area. The proposed Project Area must fall within the TCC Planning Area.

The remaining 49 percent (49%) or less of the Project Area must overlap with either an eligible DUC area or a low-income community as defined by AB 1550.

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[8] For additional information on the staff consultation and research process that informed the TCC Round 4 DUC eligibility criteria and development of the DUC spatial data analysis included in the TCC Mapping Tool, please see:

California Strategic Growth Council. June 29, 2021. *Staff Report: Transformative Climate Communities – Investment Framework for Disadvantaged Unincorporated Communities.* <https://sgc.ca.gov/meetings/council/2021/docs/20210629-TCC_DUC_Staff_Report_June_2021.pdf>

[9] Due to unreliable data on DUCs, staff developed a spatial data tool to assist applicants from unincorporated areas with determining eligibility for the TCC Program. See OPR and SGC's GIS Story Map, *Identification of Disadvantaged Unincorporated Communities for TCC,* for a full explanation of the data layers in the TCC Mapping Tool: <https://gov-opr.maps.arcgis.com/apps/MapSeries/index.html?appid=b7a5970e92924362be70a809d04d0a67>

[10] Because Mobile Home Parks are usually clustered together on a single parcel instead of having their own parcel, they are not captured by the parcel density analysis. TCC will accept localized data on mobile home parks that meet thresholds during the application phase.

Certain disadvantaged unincorporated communities may not all be captured by the parcel density analysis, due to the data layers used. TCC will consider localized data and other DUC designation justifications during the application phase, as described in this section.

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Priority Populations – Multiple Jurisdictions

A Project Area may contain any combination of incorporated areas, unincorporated areas, and federally recognized tribal territories if the following criteria are met:

- Each area (incorporated, unincorporated, tribal territory) within the Project Area must meet the corresponding eligibility criteria.
- Each area within the Project Area must be represented by an appropriate public agency or tribal government (e.g. city, county government, local agency, or a tribal government) as a Lead Applicant or Co-Applicant.
- To ensure that the grant can be successfully executed within the grant term, Applicants must submit a Memorandum of Understanding (MOU) that defines the terms outlined in Section II.A.
- Applicants must submit letters of support and commitment from all relevant public agencies and tribal governments included in the Project Area. As described under Applicant Eligibility, if the Lead Applicant is a public agency, they must provide evidence of a passed formal resolution in the TCC Proposal.
- Applicants must demonstrate during the application process that they have identified and are prepared to address any obstacles associated with a Project Area that spans multiple jurisdictions.

Past Awards

Project Areas proposed in Round 4 may not overlap with Project Areas from previous TCC Implementation Grant awards. However, proposed Project Areas may fall within the same municipal boundaries, federally recognized tribal territory boundaries, or similarly relevant jurisdictional boundaries as previous TCC Planning Grant awards.

Threshold requirements related to Strategies and Projects such as GHG emissions quantification and readiness requirements are explained in Section II.D.

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B. OVERVIEW OF PROGRAM FRAMEWORK

The Program Framework establishes the structure for all TCC Proposals. Proposals must be designed to address all three TCC Program Objectives and include the following inter-related components: a Vision Statement, Strategies, Projects, and Transformative Elements.
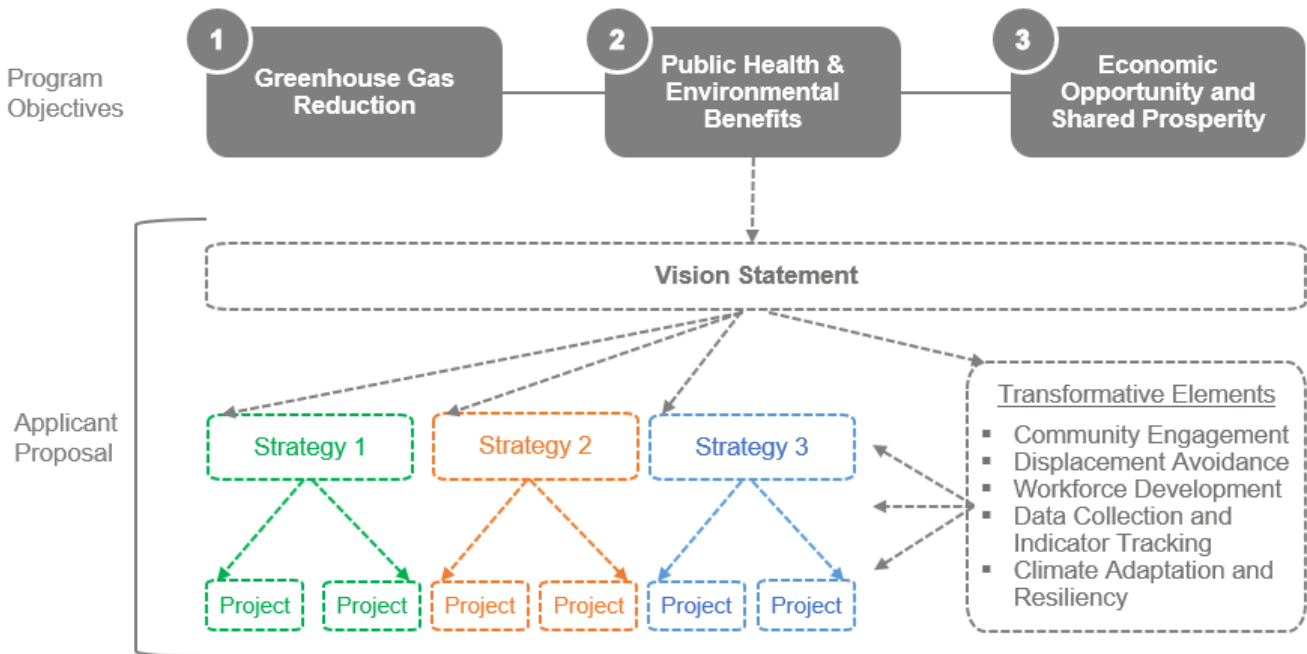
C. OBJECTIVES AND VISION

Applicants must develop a shared Vision Statement that describes how the TCC Proposal will achieve all three (3) Program Objectives, as described in AB 2722:

1. **Achieve Significant Reductions in Greenhouse Gas Emissions**

   Applicants must develop a proposal with integrated projects that will reduce GHG emissions and further the objectives of AB 32 and SB 32.

2. **Improve Public Health and Environmental Benefits**

   Applicants must describe how their proposal will improve public health outcomes for community residents and achieve environmental benefits for the Project Area.

3. **Expand Economic Opportunity and Shared Prosperity**

   Applicants must consider how the proposal will contribute to economic opportunities for the community and ensure that improvements are accessible and equitable.

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The Vision Statement serves as the investment framework and must articulate how the proposed Strategies, Projects, and Transformative Elements will be coordinated and integrated to achieve the vision for neighborhood transformation. In addition, the Vision Statement must capture the community resources, assets, and characteristics that make the Project Area ready for transformation.

D. STRATEGIES AND PROJECTS

Applicants will select Strategies and develop Projects that address the TCC Program Objectives.

Strategies

Applicants must select at least three (3) Strategies from the list below. Strategies should be thoughtfully selected and integrated to best meet the community's needs. Project activities eligible for funding under each Strategy are outlined in Appendix B. The majority of the TCC grant award (at least 67%) will be allocated to direct implementation costs for Projects under these Strategies.

1. *Equitable Housing and Neighborhood Development*
2. *Land Acquisition for Affordable Housing*
3. *Transit Access and Mobility*
4. *Solar Installation, Energy Efficiency, and Appliance Electrification*
5. *Water Efficiency*
6. *Recycling and Waste Management*
7. *Urban Greening and Green Infrastructure*
8. *Health and Well-Being*
9. *Indoor Air Quality*
10. *Community Microgrids*
11. *Brownfield Redevelopment*

Projects

Applicants must develop Projects using eligible elements, outlined for each Strategy in Appendix B. Applicants also must ensure Projects meet the following threshold requirements:

- At least three (3) Projects must be both quantifiable AND meet all readiness requirements at the time of application submittal;
- Projects that are both quantifiable and ready must account for at least fifty percent (50%) of the requested grant funds; and
- All Projects must meet readiness requirements within the first year of the grant term.

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- All Projects must be completed within the five (5) year Project Completion period. Shorter timelines are also acceptable.

Quantifiable Projects

Quantifiable Projects include elements that are quantifiable using GHG Quantification Methodologies approved by the California Air Resources Board. Quantifiable projects may include both quantifiable and non-quantifiable elements. Quantifiable elements are indicated with an asterisk (*) in Appendix B.

Readiness Requirements

Readiness requirements include California Environmental Quality Act (CEQA) documentation, site control, permits, project maps and designs, project schedules, operations and maintenance plans, and other Strategy-specific requirements. Strategy-specific readiness requirements are listed in Appendix B. Readiness requirements must be complete prior to beginning project implementation. Some Strategies are eligible for pre-development costs to meet readiness requirements as defined in Appendix B.

Eligible Costs

In addition to the eligible and ineligible direct implementation costs described in Appendix B, the TCC Program generally funds four types of costs:

Eligible Costs	Percent of Grant Award
Direct Implementation Costs	At least 67% (Up to 10% for water/wastewater connection)
Pre-Development Costs	Up to 5% (10% of an individual Project)
Indirect Costs	Up to 12%
Transformative Elements	Up to 16% (see next section)
TOTAL	**100%**

Direct Implementation Costs

Direct implementation costs must account for at least 67 percent (67%) of the total TCC grant award. Applicants that need to meet program policy requirements for basic infrastructure access may allocate up to 10 percent (10%) of the total TCC award to water and wastewater infrastructure connections.

Direct implementation costs are defined as costs directly tied to the implementation of the grant agreement including, but not limited to: personnel costs for project management and grant

administration, labor, subcontracts, equipment costs, travel expenses, translation and interpretation, etc. Eligible direct implementation costs are defined for each Strategy in Appendix B.

Travel reimbursements must adhere to the State rates and conditions established on the CalHR website (https://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx), with the exception of "incidentals" and out-of-state travel, which will not be reimbursable under this grant.

The Lead and Co-Applicants must ensure sufficient resources are allocated to grant administration, which includes indicator tracking in addition to grant invoicing and reporting. Based on previous TCC awards, the program recommends allocating 2 to 3 percent (2-3%) of direct costs to indicator tracking activities required for the grant, which includes data collection and participation in focus groups and interviews.

Pre-Development Costs

Pre-development costs may account for up to 10 percent (10%) of an individual Project budget but may not exceed five percent (5%) of the total TCC grant award.

Pre-development costs include, but are not limited to, soft costs for activities such as construction or project plans, specifications and estimates including but not limited to: planning, engineering, architectural, and other design work, environmental impact reports and assessments, appraisals, legal expenses, and necessary easements.

Pre-development activities and costs can be used to meet readiness requirements.

Indirect Costs

Indirect costs may account for up to 12 percent (12%) of the total TCC grant award, minus any funds for equipment purchases with a per unit cost of $5,000 or more. The 12% maximum of indirect cost applies to all entities including University of California (UC) and California State University (CSU) entities.

Indirect costs are costs of doing business that are of a general nature. These costs are not directly tied to the grant but are necessary for the general operation of the organization. Indirect costs include, but are not limited to:

- Personnel costs associated with administrative, supervisory, legal, and executive staff;
- Personnel costs associated with support units, including clerical support, housekeeping, etc.; and
- Operating expenses and equipment costs not included as part of direct project costs (functions such as accounting, budgeting, audits, business services, information technology, janitorial; and rent, utilities, supplies, etc.).

Documentation related to the determination of the Grantee's indirect cost rate must be retained by the Grantee for audit purposes.

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Reasonableness

All costs must be reasonable. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of this Grant Agreement;

- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of this Grant Agreement;

- Market prices for comparable goods or services for the geographic area;

- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to its employees, the public at large, and the State; and

- Whether the cost significantly deviates from the acquiring entity's established practices and policies regarding the incurrence of costs.

E. TRANSFORMATIVE ELEMENTS

In addition to selecting Strategies and developing Projects, Applicants must include six (6) Transformative Elements as part of a TCC Proposal. Transformative Elements are critical to furthering the TCC Program Objectives and supporting the implementation of Strategies and Projects.

The six (6) required Transformative Elements are:

1. Data Collection and Indicator Tracking
2. Community Engagement
3. Displacement Avoidance
4. Workforce Development and Economic Opportunities
5. Climate Adaptation and Resilience
6. Leverage Funding

Below is a brief description of each Transformative Element. Specific information about eligible activities, eligible costs, and additional requirements can be found in Appendix C.

- Some Transformative Elements may be paid for with grant funds, and others are integrated into the proposal or require outside funding.
- All Transformative Elements must last for the duration of the *entire* five (5) year Project Completion Period. Applicants must consider this when developing the Work Plans and Budgets for all Transformative Plans.

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Transformative Elements	Percent of TCC Grant Award
Data Collection and Indicator Tracking	3% required
Community Engagement ▪ Displacement Avoidance	Up to 8%* ▪ Up to 3% of the total 8% of community engagement funds can be used for displacement avoidance activities
Workforce Development and Economic Opportunities	Up to 5%
TOTAL	**Up to 16%**
Climate Adaptation and Resilience	*None - No grant funds may be allocated, but applicants must incorporate adaptation and resilience measures into their proposed infrastructure projects*
Leverage Funding	*None – Grantee must leverage additional funding sources that equate to least 50% of the total grant award*

Funding requests that exceed the eight percent (8%) cap will be reviewed on a case-by-case basis during the Post-award Consultation.

Data Collection and Indicator Tracking

Applicants must allocate a minimum of three percent (3%) of their budget for data collection and indicator tracking as follows:

- Three percent (3%) will be used to hire a pre-qualified third-party Evaluation Partner, which will assist with tracking and documenting the TCC Project's progress and impact (please see Section IV for more information); and
- In addition to the three percent (3%) budget allocation, the Lead and Co-Applicants must ensure adequate budget is allocated to costs to gather data and report to the Evaluation Partner and participate in evaluation activities such as focus groups, surveys, and interviews. Based on previous TCC awards, two to three percent (2-3%) of the total TCC award will cover Lead and Co-Applicant costs for indicator tracking and program evaluation activities. The Lead and Co-Applicants can include this in their direct costs.

Program Evaluation Goals

TCC grant recipients are required to work with a third-party Evaluation Technical Assistance Provider (Evaluation Partner) during grant implementation. The Evaluation Partner will develop a Site-Specific Program Evaluation Plan that provides a methodological framework for holistically evaluating the

environmental, economic, social, and health impacts of the awarded TCC Project.[11] The Evaluation Partner will also develop reporting tools and a technical assistance plan to support grant recipients with gathering and reporting data.

In addition to gathering and reporting progress data, the Evaluation Partner will conduct surveys, interviews, and focus groups with TCC Project participants to gather qualitative feedback on project progress and impact. The Evaluation Partner will also develop two brief narrative profiles on project participants and project features annually. The profiles will be used to communicate aspects of the TCC Project not captured by measurable data.

Finally, the Evaluation Partner will develop Annual Process Evaluation Memos that provide internal feedback and recommendations on the TCC Program's design and implementation process. TCC program staff will use this feedback to identify and make key program improvements on an adaptive basis.

Indicator Tracking Plan

TCC grant recipients will be responsible for gathering and reporting data according to the Indicator Tracking Plan, in addition to participating in other evaluation activities. The Evaluation Partner will support grant recipients with fulfilling this requirement by coordinating data collection, providing technical assistance, processing data, and delivering all required reports to SGC. Reporting is required during key stages of the grant cycle, as outlined in the following section.

The Indicator Tracking Plan will include data indicators defined by the California Air Resources Board (CARB) and additional indicators required by the TCC Program and identified by grant recipients.

California Air Resources Board Indicators

The TCC Program follows the California Air Resources Board's (CARB) Funding Guidelines for California Climate Investments framework to report on the benefits estimated from the GHG Quantification Methodology, employment outcomes for all projects, and actual outcomes for a subset of funded projects. For quantifiable projects, grantees are required to track and report project indicators listed in the reporting template for the applicable project type (www.arb.ca.gov/cci-resources).

TCC Program Indicators

In addition, SGC has worked with academic institutions to develop other indicators to track the overall impact of TCC investments. The TCC Evaluation Partner will also work with grant recipients to apply and develop other indicators relevant to the TCC Project goals.

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[11] The Evaluation Partner will adapt the original TCC Evaluation Plan to develop the Site-Specific Evaluation Plan for awarded TCC Projects: UCLA Luskin Center for Innovation and UC Berkeley Center for Resource Efficient Communities, November 2018. *Transformative Climate Communities Evaluation Plan: A Road Map for Assessing Progress and Results of the Round 1 Place-based Initiatives.* < http://sgc.ca.gov/programs/tcc/docs/20190213-TCC_Evaluation_Plan_November_2018.pdf>.

A sample list of general CARB and SGC required tracking indicators are available on the SGC website[12] and in the sample grant agreement in Appendix J. A list of specific indicators will be finalized for each Grantee by the TCC Evaluation Partner prior to grant execution. Tables below summarize the indicator reporting requirements during the grant cycle.

Reporting Timeline

One-time reporting is conducted during the Application and Awarded Phase. Annual reporting is required throughout the TCC grant life cycle during Project Implementation, and final reports are due during Close Out phases.

Applicants will work with a third-party Application TA Provider to collect and submit inputs needed to calculate greenhouse gas emission reductions and co-benefits for Projects with quantifiable elements using CARB-approved quantification methodologies. Estimates are submitted with final application documents and will affect the overall application score.

Awarded Applicants (TCC grant recipients) will work with a third-party Evaluation Partner to collect and submit inputs needed for annual reporting during the life of the grant term. TCC grant recipients will also participate in qualitative evaluation activities needed for other annual reporting deliverables such as narrative case studies and process evaluation memos.

Estimates of Greenhouse Gas Emission Reductions of TCC Projects. Submitted during application phase.	Initial report of **anticipated benefits** of TCC Project on job creation, GHGs, and co-benefits. One time report due following grant execution.	Annual report of **actual benefits** of jobs, GHGs from household projects, and co-benefits. Reports are due annually throughout the life of the grant term.	Final report of **actual benefits** of TCC projects. Projects are determined closed out once all work is completed, grant funds are expended and/or the grant term ends.
Application	Awarded Phase	Implemented Phase	Close out Phase

Evaluation Partner Selection

Applicants may propose an Evaluation Partner at application or select from a list of pre-qualified Evaluation Technical Assistance Providers. Upon award, the proposed Evaluation Partner will submit a

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[12] UCLA Luskin Center for Innovation and UC Berkeley Center for Resource Efficient Communities, November 2018. *Transformative Climate Communities Evaluation Plan: A Road Map for Assessing Progress and Results of the Round 1 Place-based Initiatives.* < http://sgc.ca.gov/programs/tcc/docs/20190213-TCC_Evaluation_Plan_November_2018.pdf>.
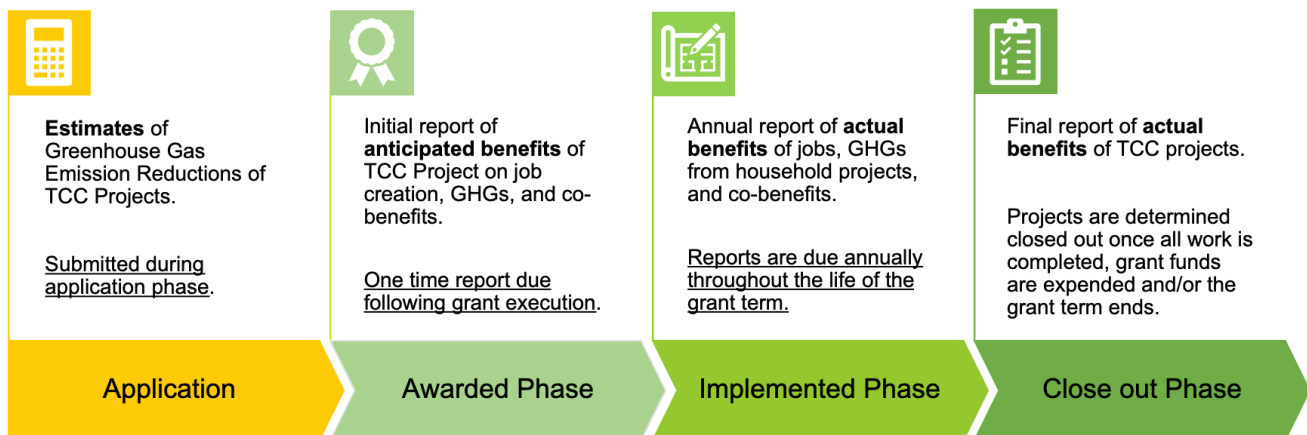
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qualifications package to SGC staff for review and approval. The Evaluation Partner must have the following qualifications:

- Expertise in urban planning, climate resilience infrastructure, and public policy research;
- Experience conducting socio-economic, environmental, transportation, and health data collection and program evaluation, or related technical assistance;
- Ability to collect and input data for greenhouse gas emissions methodologies, jobs reporting, and other outcomes reporting documents for government programs;
- Expertise in conducting both quantitative and qualitative research methods including interviews, focus groups, surveys, socio-economic data analysis, and greenhouse gas emissions quantification;
- Experience providing technical assistance to disadvantaged and low-income communities in California;
- Experience coordinating with public, private, and non-profit organizations;
- Demonstrated organizational capacity with a sound project management structure and approach.

Confidentiality of Tribal Data

During the Post-Award Consultation Process, SGC will work with each awarded Tribe and their Evaluation TA Provider to reach a mutually agreeable evaluation plan that protects confidentiality of Tribal data and Traditional Ecological Knowledge while also meeting SGC program evaluation goals. This may include modification of deliverables and Indicator Tracking Plan requirements.

Community Engagement

Applicants may allocate up to eight percent (8%) of their budget for eligible community engagement and outreach activities during grant implementation. The SGC recognizes that many effective strategies for conducting community engagement and outreach are cost-intensive. Funding requests that exceed the eight percent (8%) cap will be reviewed on a case-by-case basis during the Post-award Consultation.

To ensure that grant funds provide direct, meaningful, and assured benefits to disadvantaged communities, the TCC Program requires that Applicants work with community members and stakeholders through direct engagement. Applicants must involve residents and businesses from the Project Area and key stakeholders in all phases of TCC Proposal development and implementation. TCC Proposals should be designed to meet residents' needs that are identified through a documented outreach and engagement process.

Applicants must also use proven methods of engagement to facilitate direct participation of community residents, including ensuring translation of meetings and materials, scheduling meetings at times that are convenient to community members, and engaging community members in information gathering as well as outreach. See Appendix C for a list of recommended activities to ensure meaningful community engagement.

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TCC Proposals must develop a Community Engagement Plan with two (2) main sections:

Description of Community Engagement during Proposal Development

Priority will be given to TCC Proposals that meaningfully include residents and key stakeholders during proposal development, from the visioning process to selecting Strategies and Projects, using proven methods of community engagement such as Participatory Budgeting or the creation of an Advisory Board. This section of the Community Engagement Plan must describe, at a minimum:

- Key stakeholders and residents, including any existing neighborhood organizations or advisory councils serving the Project Area;

- Recent history of resident engagement in neighborhood issues of the proposed Project Area, including involvement in any planning or community development activities administered by the local government or other administrative entities; and

- Process used to identify the needs of residents and other stakeholders during the TCC Proposal development phase, selection of proposed projects, and if applicable, the relationship of this process to any pending planning activities or public improvements for the Project Area within the time frame of implementation.

Description of Future Community Engagement

This section must describe strategies and methods that will be used to engage residents and key stakeholders during grant implementation. Priority will be given to proposals that include a robust governance structure and combination of activities to meaningfully engage community stakeholders. This section of the Community Engagement Plan must describe, at a minimum:

- Mechanism(s) (group, advisory board, process, etc.) established to continuously inform and engage the community as well as to ensure ongoing participation of members of the community during the implementation of the project;

- Timeline of proposed community engagement activities (see Appendix C for list of recommended activities to ensure meaningful community engagement);

- How the public will be informed of implementation progress, including updates on project performance and other Indicators being tracked, as well as implementation progress on the Displacement Avoidance and Community Engagement Plans;

- The ways in which community will provide feedback on implementation of the project;

- Process that will be used to receive formal feedback from the community; and

- How the Collaborative Stakeholder Structure including the Partnership Agreement will support implementation of the Community Engagement Plan.

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Displacement Avoidance

Applicants may allocate up to three percent (3%) of the total Community Engagement budget to support displacement avoidance activities performed by technical assistance providers and nonprofit organizations.

TCC Proposals must include a Displacement Avoidance Plan that details the actions Lead Applicants and Partners will take to establish policies and programs to avoid the displacement of existing households and small businesses within the Project Area. Displacement Avoidance Plans must be directly informed by robust community engagement. Applicants will describe how their Displacement Avoidance will be successfully implemented and evaluated to ensure that it has the intended impact. See Appendix C for a list of example displacement avoidance policies and programs categorized by strategy.

The Displacement Avoidance Plan must include, at a minimum:

- Description of displacement vulnerability among existing households and small businesses within the Project Area;

- Description of the policies, plans, ordinances, or programs that are *already in place* to avoid displacement;

- Identification of additional *new policies or programs* that will be pursued to avoid displacement among existing households and businesses within the Project Area. Applicants must select policies and programs from examples provided in Appendix C:

    o At least three (3) new policies or programs to prevent the displacement of very low and low-income households.

    o At least two (2) new policies or programs to prevent the displacement of local and small businesses.

    o Applicants must select a combination of short- and long-term policies for the household and small business displacement avoidance plans (defined in Appendix C).
    o Applicants are encouraged to define quantifiable goals for selected policies through the community engagement process.

- Identification of the entities responsible for and involved in implementing each new policy and program, and whether the implementing entities are the Lead Applicant or Co-Applicants;

- For anti-displacement policies that require a vote from the local jurisdiction, the DAP must include a timeline of when a policy is expected to go before an elected body. All DAPs should be detailed and implementable; and
- If a project is subject to a relocation plan required by State Relocation Law (Gov. Code, § 7260 et seq.) and Section 6038 of the Relocation Assistance and Real Property Guidelines (25 Cal.

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[Code of Regulations, div. 1, ch. 6, § 6000 et seq](#).) for the Project Area, Applicants must provide a copy of the relocation plan at application or prior to beginning project work.

Workforce Development and Economic Opportunities

Applicants may allocate up to five percent (5%) of their budget to support workforce development and economic opportunities.

TCC Applicants must develop a Workforce Development and Economic Opportunities Plan that accomplishes the two (2) goals below. Applicants must develop workforce development training programs that prepare Project Area residents for high-quality career pathways, with a focus on preparing residents for careers in a future net zero economy. Applicants also must develop an economic opportunities plan for creating local, high-quality jobs in the Project Area.

TCC encourages training and job placement partnerships with small businesses in the Project Area owned by priority populations, including women; minority; lesbian, gay, bisexual, and transgender (LGBT); and disabled veteran-owned business enterprises.

Goal 1: Create workforce development and training programs with career pathways for residents of the Project Area.

TCC workforce development and training programs must include the following features:

- Target occupations and industries that support TCC Proposal implementation;
- Reduce barriers to employment;
- Address the range of employment readiness needs of local residents and individuals with employment barriers;
- Be developed in partnership with, or lead to partnerships with local workforce development boards and other key stakeholders, including organized labor and education providers;
- Align and enhance high-performing education and training programs that have a proven record of leading to high-quality, industry-recognized credentials and labor market advancement, and;
- Address critical skill issues emerging as industry faces challenges of climate change and environmental sustainability.

Applicants must demonstrate demand for the proposed education and training initiatives. Applicants will be asked to explain how workforce demand is determined and planned for in their local region. Applicants must explain how, or if, the required skill sets for the proposed workforce sector will be impacted by climate policy.

Education and training initiatives must result in recognized credentials relevant to the selected training sector. Credentialing is an important mechanism for regional employers to encourage desired skill sets and readily assess the abilities of regional job seekers, as well as a way for workers to understand the specific skills required for entry and advancement within a field. As

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benchmarks of skill attainment, eligible credentials can include, but are not limited to, certificates, degrees, licenses, and certifications. The ideal characteristics of a quality credential include being accessible, transparent, stackable, portable, meaningful, and connected to a clear career pathway.

For example, a workforce plan could include pre-apprenticeship programs that use industry standard developed curriculum such as the Multi-Craft Core curriculum developed by the North America's Building Trades Unions (NABTU) and are tied to state-certified apprenticeships.

Organizations leading the workforce development and training programs should use and build upon existing formalized pathways or partnerships with potential employers or industries, and have a demonstrated track record of providing training with sufficiently high rates of completion, post-training job placement, and job retention. Previous experience should be similar in scale, scope, and activities to the proposed TCC workforce development programs. Applicants may be asked to verify the track record of the organization through the Bureau for Private and Post-Secondary Education (BPPE), the Division of Apprenticeship Standards, their local workforce board, or by using outcome data provided by a State Agency funder (ex. ETP or Chancellor's Office).

If the Applicants propose an education or training initiative that does not result in direct job placement for trainees, such as an entrepreneurship or incubator program, the proposal must clearly explain how it will result in a high-quality career pathway for the program completers. For example, entrepreneurship programs must include the development of a business plan and start-up support (e.g., operational space, seed funding, etc.). Such programs should target emerging or underrepresented sectors in line with the TCC Program goals.

Applicants' proposed workforce development and training programs must meet <u>all</u> of the following criteria:

- Train participants for jobs and skills that are transferable;

- Result in recognized credentials (e.g., certifications, certificates, degrees, licenses, other documentation of competency and qualifications) to support long-term, stable employment and career development. Programs that provide recipients with more than one type of skill or credential should be prioritized;

- Reduce barriers to participation through the training program design and recruitment strategy;

- Focus job training and placement plans on high-quality employment. Factors commonly considered to influence job quality include, but are not limited to: local living wages; benefits provided: health insurance, paid leave, sick leave, childcare services; opportunities for advancement; geographic accessibility and commute distance; job strain, scheduling, flexibility; working conditions and health risks; and job retention or duration of employment;

- Increase capacity of firms and workers to adapt and compete in a net zero economy; and

- Recruit trainees who are residents of the Project Area.

Goal 2: Provide economic opportunities through the creation of high-quality jobs.

Applicants must develop a plan that will result in the creation of local, high-quality jobs that offer living wages, benefits, worker voice, predictable scheduling, and opportunities for advancement with clear access points for low-income residents in and near the Project Area. The jobs created may – but do not have to – be tied directly to Projects that are part of the TCC Proposal.

The plan should be informed by regional partnerships, including workers and employers, that identify evolving "skill needs" of local industries and works with education and training providers to align training pathways accordingly. In industries impacted by climate policy, the plan should increase the capacity of workers and organizations to adapt and compete in a net zero economy. Where possible, regional labor market data should be used to demonstrate the current or projected labor demand and skill needs for proposed plans.

Recruitment practices that are beneficial in the context of a TCC grant would use targeted recruitment strategies, consistent with federal and state law, to direct training opportunities to residents and/or businesses within the TCC Project Area, low-income residents, residents of disadvantaged communities, veterans, and/or residents displaced or otherwise impacted by project development. Organizations and individuals responsible for recruitment should have proven track records working amongst diverse populations and socioeconomic barriers by providing evidence of previous similar experience. Lead Applicant and/or partners can collaborate with local non-profit organizations for successful implementation of targeted hiring. Tools to support targeted hiring may include, but are not limited to:

- Community Benefits Agreement (CBA): A contract between community-based organizations and project proponents or agencies that identifies benefits to be provided as part of a project or program. CBAs commonly feature hiring priority for low-income individuals and prevailing wage requirements. CBAs may also include provisions for ongoing community engagement to ensure continued success.

- Labor agreements or community workforce provisions: Comprehensive agreements between labor unions and project proponents (e.g., contractors, developers) or local agencies (e.g., transit agencies, cities) to achieve a breadth of objectives including uniform labor standards. These agreements may extend across multiple projects. Applicants may choose to prioritize projects with established labor agreements or community workforce provisions that contain targeted hiring provisions.

- Contract provisions: Contract provisions between a Grantee and Partner or subcontractor that include criteria for targeted hiring that provides quality jobs.

▪ Establishing and/or supporting a Workforce Resource Center in the Project Area to facilitate recruitment for workforce training programs and supportive services to trainees.

Climate Adaptation and Resilience

Climate adaptation and resilience provisions should be integrated into the Vision Statement, Strategies, Projects, and Transformative Plans of the TCC Proposal.

Applicants must describe how the TCC investment and leverage-funded projects will increase resilience of the Project Area to the anticipated impacts from climate change. This includes describing:

▪ Climate change risks and exposures within the Project Area, such as additional days of extreme heat or precipitation, increased average temperatures, wildfire, flooding, sea level rise, and drought;

▪ Anticipated impacts of climate change risks and exposures on the community, including vulnerable populations; and,

▪ Anticipated impacts of climate change risks and exposures on the built environment.

Based on the risks and anticipated impacts, Applicants will describe the processes and community collaboration/stakeholder engagement approach they will use to identify and prioritize adaptation measures to:

▪ Address climate change-related impacts and exposures for vulnerable populations; and

▪ Increase resilience and functionality of proposed infrastructure projects.

Applicants must also identify any local, regional, or state climate adaptation plans, vulnerability assessments, or other climate resilience and adaptation frameworks and programs relevant to the project area and specify how the project will support any ongoing adaptation planning and implementation efforts.[13] See Appendix C for additional resources to support this analysis.

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[13] Senate Bill 379 (Jackson, 2015) requires cities and counties to address climate adaptation and vulnerability in the safety elements of their General Plans. For more information on the requirements of SB 379, see Government Code section 65302(g), the State's 2020 Adaptation Planning Guide or the General Plan Guidelines Chapter 4.

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Leverage

Applicants must leverage additional funding sources that equal a minimum of 50 percent (50%) of the total requested grant funds.

Applicants must leverage additional funding to support the implementation of the TCC Proposal. Leverage funds may come from a variety of sources, such as federal, state, local public, private and/or philanthropic. For additional information about eligible funding sources, refer to Appendix C.

Threshold

- The chart below illustrates how the 50 percent (50%) leverage funding requirement may be met.

Eligible Projects or Plans	Percentage of Leverage	Total Dollar Amount
Leverage funding for Grant-funded projects or Transformative Plans	At least 40%	$14,000,000
Stand-alone leverage projects	Up to 10%	$3,500,000
Total	50%	$17,500,000

- Applicants may exceed fifty percent (50%) but will not receive additional points for a higher leverage total.

- The specific leverage funds and projects that will count towards the 50 percent (50%) requirement for the grant will be finalized during the Post-award Consultation process.

Leverage Funding Requirements

- Leverage funding must be committed at the time of application submittal.

- Leverage funds may come from a variety of sources, such as federal, state, local public, private and/or philanthropic. For additional information about eligible funding sources, refer to Appendix C.

- Leverage funding must clearly support the implementation of the Strategies selected to achieve the TCC Program Objectives (see Section II.C).

- Leverage funding must be spent within the TCC Project Area and for the purposes of the TCC Project.

- Expenditure of leverage funding will only count towards the 50 percent (50%) threshold if it occurs *after the grant has been awarded by Strategic Growth Council* and before the end of the grant term.

- Leverage funding expenditures and progress will be reported on an annual basis.

Clarifications for "Stand-alone Leverage Projects"

- Stand-alone leverage projects must be clearly integrated into the overall TCC Proposal, aligned with the TCC Proposal timeline, and within the TCC Project Area. Applicants must

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demonstrate that the investment was initiated in anticipation of applying for the TCC Program, or that the investment is contingent upon a TCC award.

- o Existing stand-alone investments (on-going investments that were not initiated in anticipation of or contingent upon a TCC award) will not count towards the 50 percent (50%) leverage requirement. Applicants will describe existing stand-alone investments that make the Project Area ready for transformation in the application narrative, and that will be scored under the "Vision for Transformation" criteria.

- ▪ To ensure that stand-alone leverage projects are committed at the time of application and implemented during the project timeline, Applicants are required to include the leverage partners and scope of work in the TCC Project's overall Partnership Agreement.

- ▪ Leverage projects may not be removed from the TCC Proposal scope of work after the grant has been awarded by the Strategic Growth Council. SGC may consider the failure of a stand-alone leverage project to adhere to the terms of the Partnership Agreement and constitute a Grantee's non-performance under the Grant Agreement.

F. PROGRAM POLICY PRIORITIES

In addition to the TCC Program Framework, the following program policy priorities will be evaluated during the application process:

High Speed Rail Connectivity

This section is only applicable to Applicants from cities with planned High Speed Rail stations along the initial "Silicon Valley to Central Valley Line".

The California High Speed Rail Authority's 2018 Business Plan describes the plan to complete construction of the initial "Silicon Valley to Central Valley Line" from San Francisco to Bakersfield and begin providing passenger service by 2027. To leverage the State's investment in High Speed Rail and support its successful implementation, as well as to help ensure that economic benefits, job opportunities, and environmental improvements accrue to neighborhoods immediately surrounding the High Speed Rail station area, Applicants from cities with planned High Speed Rail stations along the initial "Silicon Valley to Central Valley Line" must assure that the TCC Project Area includes:

- ▪ Multimodal connectivity to the High Speed Rail station area; and
- ▪ Affordable and mixed-income housing (if proposed) is connected and accessible to the High Speed Rail station area.

Consistency with Existing Local Land Use and Transportation Plans

Applicants must demonstrate that TCC Proposals are consistent with all relevant land use plans including climate action plans, designations, zoning, building intensity and density requirements, design guidelines, and applicable goals, policies, and programs. Consistency shall be demonstrated by submittal of a letter from the local jurisdiction's Planning Department and Public Works Department describing the proposed TCC projects' consistency with all relevant plans. Applicants must demonstrate

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that the TCC Proposal is consistent with local growth and conservation planning elements and will not result in unmanaged greenfield or leapfrog development.

Access to Basic Infrastructure, Regional Services, and Job Centers

Applicants must demonstrate that the TCC investment will provide long-term benefits to the community. Applicants must demonstrate that residents in the proposed TCC Project Area have existing access or have developed plans and secured support/funding to implement:

- Basic environmental infrastructure including water supply and wastewater services, with long-term operations and maintenance plans, in compliance with State Water Board standards; and
- Transit connectivity to regional service hubs and major job centers through affordable, clean transportation projects.

SGC recognizes that the lack of this infrastructure is an existing barrier in many disadvantaged communities. TCC staff and technical assistance providers will work with potential Applicants during the pre-proposal phase to help make connections to other funding programs or resources that may help them meet the minimum requirements. Applicants can request up to 10% of requested funds to support projects that will connect residents to basic environmental infrastructure. Please see Appendix F for a list of resources to support applicants in meeting this requirement.

Air Pollution Reduction and Mitigation Policies

The TCC program will provide points for applications located in jurisdictions that have demonstrated substantial progress towards preventing future and mitigating existing stationary sources of localized air pollution by adopting policies or programs that rectify environmental justice issues. Points may also be awarded to applications that will reduce or mitigate pollution through their proposed TCC funded strategies and projects.

Examples of policies and programs that reduce or mitigate sources of pollution include, but are not limited to, the following: enforcement programs ensuring compliance with point-source emission limits; programs with clear implementation actions related to reducing pollution from existing heavy industries; and land use restrictions related to separating polluting land uses from sensitive receptors. For these policies to be eligible, each policy must include clear implementation actions and timelines, or dedicated activities related to the passage of such policies or programs. A list of qualifying Air Pollution Reduction and Mitigation policies are listed in Appendix E.

Prohousing Policies

The TCC program will provide maximum points for applications located in Prohousing designated jurisdictions. Partial points will be awarded to applications from jurisdictions that have applied for Prohousing and while not receiving the designation yet, have been determined by HCD to have adopted the VMT-reducing Prohousing criteria. A list of VMT-reducing Prohousing policies that qualify as Prohousing policies and further information on the Prohousing program are listed in Appendix D.

The Prohousing policy incentive will not apply to applications located in federally recognized tribal boundaries, and the TCC program will provide maximum points in this category for those applications.

G. APPLICATION

Application Components and Process

Implementation Grants will be evaluated and awarded through a competitive process. Applications will be submitted electronically and SGC will provide instructions with the Notice of Funding Availability and Application materials.

All applications and submitted materials will be treated in accordance with Public Records Act requirements and certain information subject to those requirements will be publicly disclosed. SGC will post a summary of all applications received prior to funding decisions.

Staff recommendations will be made available for public review 10 days prior to SGC's public meeting where the Strategic Growth Council will consider staff's award recommendations.

Application Review Process

- TCC Program Staff will first evaluate Proposals using the Program Thresholds below. Program Thresholds are based on eligibility and TCC Program requirements. If an Applicant is unable to meet the Program Thresholds, their Proposal will not proceed to the next step of the review process.
- If a Proposal meets all Program Thresholds, TCC Program Staff and an interagency review panel will evaluate the Proposal using the Scoring Criteria below. Applicants will receive a single score out of 205 points. TCC Program Staff will recommend awards based on these scores. The Strategic Growth Council will make final awards at a Council meeting.
- In addition to submitting Proposals, all Applicants who have met the Program Thresholds must host a site visit for TCC Program Staff and members from the interagency review panel. Site visits will be conducted during standard work hours and will be coordinated between Applicants and TCC Program Staff.

Application Components

Below is a brief summary of the application components:

- Program Thresholds Documentation (outlined below)
- Narrative descriptions of the Project Area and the Vision Statement

- Narrative descriptions of Strategies and how they will address Project Area needs

- Narrative descriptions of climate risks, exposures, and adaptation/resilience measures

- For all Projects and Transformative Plans:

    o Narrative questions

    o Work Plans with clear timelines, discrete tasks, and detailed deliverables

    o Budgets broken down by task and line item, accompanied by sufficient supporting documentation: Quotes must be provided for the purchase of any electronics, equipment above $5,000, and for subcontractors above $100,000

    o Readiness documentation and/or letters of support

Program Thresholds

Category	Threshold Requirement
General Completeness	☐ Application materials are fully completed. ☐ Application documents are properly labeled, stored in the proper file structure, and are easily accessible. ☐ Work Plans adhere to the five (5) year Project Completion Period and contain sufficient detail. ☐ Budgets contain sufficient detail and are accompanied by all necessary supporting documentation.
Applicant Eligibility	☐ Lead Applicant is an eligible organization. ☐ Co-Applicants are all eligible organizations. ☐ Lead Applicant or Co-Applicant are a public agency.
Collaborative Stakeholder Structure	☐ Partnership Agreement for the Collaborative Stakeholder Structure meets all requirements as described in Section II.A. ☐ Applicants with a Project Area that overlaps multiple jurisdictions have submitted a Memorandum of Understanding that meets all requirements described in Section II.A.
Project Area Eligibility	☐ Project is no larger than approximately five (5) square miles. ☐ Project Area meets all Priority Population requirements. ☐ Applicant has submitted a Project Area Map in all required formats.
Strategies and Projects	☐ Applicant has selected at least three (3) Strategies and proposed at least three (3) Projects. ☐ At least three (3) proposed Projects are both quantifiable and ready, and comprise of at least 50 percent (50%) of requested grant funds.

Priority Policies	☐ High Speed Rail (HSR): Applicants with planned HSR stations located along "Silicon Valley to Central Valley Line" corridor have included the following in their proposals:
	  ☐ Multi-modal connectivity to the HSR station area; and
	  ☐ Affordable and mixed-income housing is connected and accessible to the High Speed Rail station area.
	☐ Planning Consistency: Applicant has submitted a letter from the local jurisdiction's Planning Department verifying that the TCC Proposal is consistent with land use designations, building intensity, density, applicable goals, policies and programs, climate adaptation plans, and growth and conservation planning elements.

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	□ Basic Infrastructure: Applicant has submitted documentation of existing access to basic infrastructure (water supply and wastewater services) and long-term operations and maintenance plans, or a developed plan to obtain and maintain basic infrastructure. □ Regional Connectivity: Applicant has submitted documentation of existing transit connectivity to regional service hubs and major job centers, or a letter verifying the TCC Proposal will include affordable, clean transportation projects to provide connectivity.

Scoring Criteria Summary

SCORING CRITERIA	POINTS
Objectives and Vision	45 Points
Capacity	30 Points
Transformative Elements	75 Points
Projects	50 Points
Prohousing Policy Incentive	5 Points
TOTAL	**205 POINTS**

Scoring Criteria Details

OBJECTIVES AND VISION – 45 POINTS

Criteria	Points
Vision for Transformation 1. Vision Statement has been designed to meet the needs of the Project Area and achieve the TCC Program Objectives. 2. Strategies have been selected to effectively address the Vision Statement. 3. Projects and Transformative Elements are integrated to maximize benefits to the Project Area. 4. Proposed Projects demonstrate they provide benefits to priority populations as defined by CARB, CalEPA, CalEnviroScreen, and the TCC Program (further explained at https://www.caclimateinvestments.ca.gov/priority-populations). 5. Project Area prioritizes investment in California's most disadvantaged communities. 6. Applicant has provided a holistic, thoughtful description of the community resources, assets, and local characteristics that make the Project Area ready for transformation and able to achieve the Program Objectives.	**20 Points**
Greenhouse Gas Emissions Reductions Points for this section will be awarded on a sliding scale, determined relative to the estimated GHG emission reductions for all eligible applications submitted. 1. GHG Emission reduction estimates for top three (3) Projects with highest GHG reduction potentials using CARB approved quantification	**20 Points**

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Criteria	Points
methodologies and meet readiness requirements at time of Application submittal. 2. GHG Emission reduction estimates for all projects with CARB Quantification Methodology.	
Air Pollution Reduction and Mitigation Maximum points will be awarded to Project Area or jurisdiction that has demonstrated or proposes direct localized air pollution reduction and mitigation policies, which includes improved community exposure to particulate matter and toxic air contaminants. Partial points are available for indirect policies. Appendix E includes a tiered list of direct and indirect example policies. 1. Applicant has demonstrated substantial progress towards preventing, reducing, and mitigating existing sources of local air pollution through policy adoption, enforcement programs, land use planning, etc. 2. Applicant has proposed policies and programs that will make substantial progress towards preventing, reducing, and mitigating existing sources of pollution through TCC funded projects and strategies.	**5 Points**

CAPACITY – 30 POINTS

Criteria	Points
Financial 1. Lead Applicant demonstrates the experience, financial stability and capacity to manage program funds from multiple sources. 2. Co-applicants demonstrate the experience, financial stability and capacity to manage program funds from multiple sources. 3. The Proposal includes funding that meets the 50 percent (50%) leverage requirement.	**10 Points**
Management and Organization 1. Lead Applicant demonstrates organizational capacity to implement the TCC Proposal (e.g., has experience managing similar programs and/or long-term grant implementation). 2. Co-applicants demonstrate organizational capacity to support Lead Applicant in implementation of the TCC Proposal.	**10 Points**

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3. Public agency partner(s) demonstrates a strong commitment to support the implementation of projects and policies included in the TCC Proposal.	
Collaborative Stakeholder Structure 1. Lead Applicant and Co-applicants have established work history, sustained community engagement around climate change, and/or experience working with one or more of the following areas: disadvantaged communities, housing and community development, economic development, environmental, and public health issues. 2. Collaborative Stakeholder Structure is composed of a diverse representation of residents and key stakeholders (e.g., labor unions, nonprofits, faith-based groups, community-based organizations, academics, economic development institutions, workforce development groups, businesses, representatives from local School District, Community College District, and others), and incorporates robust resident and community leadership. 3. A signed Partnership Agreement for the Collaborative Stakeholder Structure that includes all components listed in Section II.A.	**10 Points**

TRANSFORMATIVE ELEMENTS – 75 POINTS

Criteria	Points
Community Engagement 1. Proposal includes a detailed description of the mechanisms through which residents and key stakeholders were meaningfully involved in the development of the Vision Statement and selection of Strategies and Projects. 2. Community Engagement Plan includes detailed descriptions and timelines of diverse and appropriate community engagement activities that will be used throughout the duration of the grant, including how the public will remain engaged and informed. 3. Community Engagement Plan presents an inclusive process to receive feedback from the community with diverse backgrounds. 4. Community Engagement is tied to a governance structure that presents the ways in which community members from diverse backgrounds will be represented and the community concerns at large will be taken into consideration.	**30 Points**

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5. Work Plans include clear timelines, discrete tasks, and detailed deliverables. Budgets have adequate detail and demonstrate financial feasibility.	
Displacement Avoidance 1. Proposal includes comprehensive description of displacement vulnerability among existing households and small businesses. 2. Proposal includes programmatic activities for implementation of previously adopted policies that avoid displacement of existing households and small businesses. 3. Proposal includes activities to promote the adoption of new policies to avoid displacement that align with risks identified in vulnerability assessment. 4. Proposal includes a combination of short- and long-term policies. 5. Work Plans include clear timelines, discrete tasks, and detailed deliverables. Budgets have adequate detail and demonstrate financial feasibility.	**15 Points**
Workforce Development and Economic Opportunities 1. Proposal includes workforce development and training programs that lead to industry-recognized credentials, career pathways, and high-quality jobs for residents of the Project Area and individuals with employment barriers. 2. Proposal includes an economic opportunities plan that will lead to the creation of local, high-quality jobs for residents of the Project Area and individuals with employment barriers. 3. Proposal demonstrates how the plan addresses current and projected labor demand and skill needs in a net zero economy. 4. Work Plans include clear timelines, discrete tasks, and detailed deliverables. Budgets have adequate detail and demonstrate financial feasibility.	**20 Points**
Climate Adaptation and Resilience 1. Proposal describes the climate change risks and exposures within the Project Area. 2. Proposal analyzes the impact of climate change risks and exposures on both the community and built environment. 3. Proposal describes process to identify and prioritize actions for addressing risks for vulnerable populations and to increasing the resilience of proposed infrastructure projects, including connecting efforts to local	**10 Points**

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planning documents and/or the CARB Climate Adaptation Questionnaire, available at www.arb.ca.gov/cci-cobenefit.	
4. Proposal demonstrates how infrastructure investments will both contribute to community resilience and itself be resilient to future climate impacts (e.g., through indicators and metrics).	

PROJECTS – 50 POINTS

Criteria	Points
Project Design and Feasibility 1. Projects are designed to meet the community's needs. This includes, but is not limited to, appropriate scope, scale, components, etc. 2. Work Plans include clear timelines, discrete tasks, and detailed deliverables. Budgets have adequate detail and demonstrate financial feasibility. 3. Readiness documentation (e.g., CEQA, site control, permits) demonstrate that readiness has been met at time of application or within one (1) year of grant execution.	**30 Points**
Implementation 1. Projects address climate adaptation and resilience goals for the Project Area and demonstrate the project itself will be climate resilient. 2. Projects provide multiple community benefits to the Project Area (e.g., education, ongoing engagement, economic opportunities). 3. Applicant has identified potential negative impacts of each project (e.g., temporary relocation, disruption during construction, potential displacement) and developed mitigation strategies and/or contingency plans. 4. Projects include clear plans for long-term operations and maintenance, including coordination with appropriate responsible parties.	**20 Points**

PROHOUSING POLICY INCENTIVE – 5 POINTS

Criteria	Points
Prohousing Policy Incentive	**5 Points**

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| Maximum points will be awarded to a Project Area designated as a Prohousing jurisdiction. Partial points are available to Project Area jurisdictions that have applied for, and are awaiting designation, and has been determined by HCD to have adopted VMT-reducing Prohousing criteria as listed in Appendix D. | |

H. GRANT ADMINISTRATION

Below is a brief description of the grant administration responsibilities and principles for the TCC Program. For additional information, refer to the sample grant agreement in Appendix J.

Grantees, Partners, and Subcontractors

Grants will be executed between SGC and the Lead Applicant only. SGC will not enter into any contractual relationship with any Co-Applicants or subcontractors.

Once the grant has been executed, the Lead Applicant will be referred to as the "Grantee" and Co-applicants will be referred to as "Partners".
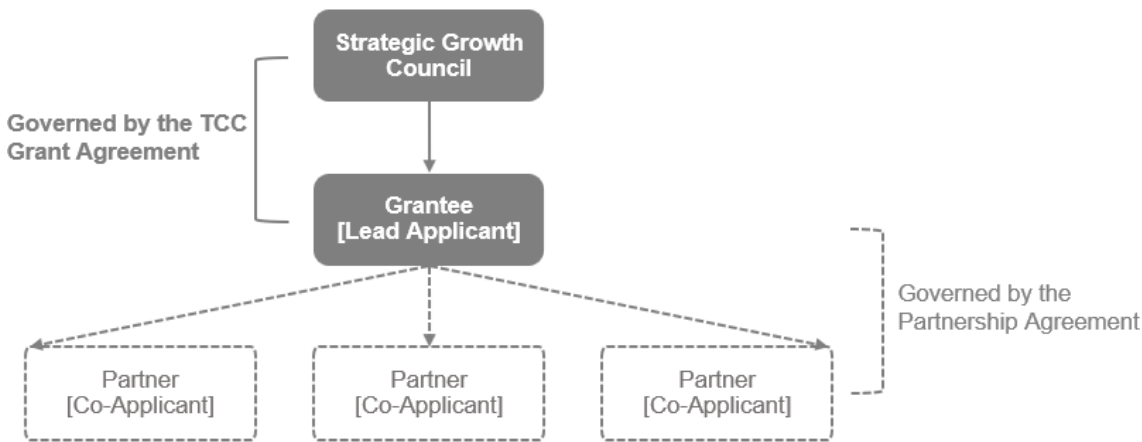
Strategic Growth Council and Department of Conservation

The TCC Program is administered by the Strategic Growth Council in partnership with the Department of Conservation (DOC). Round 4 grant agreements will be executed between the Grantee and SGC, but Grantees will work closely with DOC during grant implementation.

Disbursement and Accounting of Funds

- The Grantee cannot request advance payment or reimbursement for any costs incurred or work completed before grant execution.
- Grantees may request reimbursement from SGC on a bimonthly basis (every two months).
- SGC will retain the last five percent (5%) of each project budget, to be paid once the State has determined that the grant terms have been fulfilled.
- For reimbursement payments, Partners must invoice the Grantee before the Grantee submits an invoice to SGC. The Grantee will be responsible for compiling all invoices, supporting

documentation, and reporting materials for themselves and the Partners into a single package. Once the package has been approved for payment, funds will be disbursed to the Grantee. The Grantee is responsible for disbursing payment to their Partners in accordance with their signed Partnership Agreement.

▪ Tribes will not be required to sign a limited waiver of sovereign immunity to receive payments on a reimbursement basis from SGC through the TCC Program. SGC may require a limited waiver of sovereign immunity before disbursing funds via advance pay.

Advance Payment

Through an Advance Pay Pilot Program, SGC is authorized to provide Grantees advance payments for the TCC Program through July 1, 2025.[14] The Grantee must develop and provide a process for Partners to request and receive advance pay, and require all Partners to comply with the reporting terms.

SGC will prioritize advance payment to local agencies and nongovernmental entities, with modest reserves and/or limited cashflow that serve under resourced communities, to carry out approved program activities. Advance payments can be up to 25 percent of the total grant award, which can be provided in one payment or spread across a series of smaller installments and is to be determined in the Grant Agreement.

To receive advance pay, the Grantee must do the following:

▪ Demonstrate good standing with the IRS
▪ Compile and provide spending plans for each Partner receiving advance payment
▪ Complete an advance payment request form with supporting documentation
▪ Sign an agreement that they will:
  o Revert all unused moneys to the state if they are not liquidated within the timeline specified in the grant agreement or in the case of non-compliance/misuse of funds
  o Communicate and document changes to spending plan

Upon receipt of appropriate documentation, funds will be paid to the Grantee and the Grantee will be responsible for dispersing payment to Partners, as approved by SGC. Advance payment funds from SGC must be dispersed into a federally insured and interest-bearing Grantee account to track withdrawals and interest earned. Any accumulated interest is considered TCC Program funds.

All Native American tribes eligible for TCC may be also eligible for advance pay.

Reporting Requirements

Grantees are responsible for four categories of reporting:

Progress Reports

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[14] Added by Statutes of 2022, Chapter 569, Section 15 (AB 156).

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- Bimonthly progress reports will be submitted with each invoice and/or fiscal report and will track the work completed during the reporting period.
- Annual progress reports will report on the overall status of the grant. They will include high-level questions not captured in the bimonthly updates.

Budget Reports

- Leverage funding expenditures will be reported annually and at the end of the grant term.
- An inventory of purchased equipment will be reported annually and at the end of the grant term.
- Detailed Work Plans and Budgets, including tracking of expended advanced funds, will be revised on a regular basis. These documents will contain more detail than the grant agreement and will be used as administrative tracking tools between the Grantee and the state.
- Advance pay recipients will submit a Spending Plan prior to receipt and an Expenditure Report following the complete expenditure of an advance payment that includes a summary of work completed.

Data Collection and Indicator Tracking

- Grantees must comply with the stages of data collection and indicator tracking, as described in Section II.E.

Close-Out Reports

- Project Close-out reports will be submitted as each individual project completes all deliverables in the Work Plan.
- A Final report will be submitted at the end of the grant term.

Prevailing Wage Requirements

TCC-funded projects may be subject to State Prevailing Wage Requirements, pursuant to Section 1700 of the California Labor Code. The California Labor Code requires payment of locally prevailing wages to workers and laborers on state government contracts in excess of $1,000 for public works projects. A "public work" is the construction, alteration, demolition, installation, repair or maintenance work done under contract and paid for in whole or in part out of public funds. The definition applies to private contracts when certain conditions exist. Grantee can identify additional stipulations and exceptions under Cal. Labor Code § 1720 et seq.

Grantee must ensure the following on "public work" activities under this Grant Agreement:

- Prevailing wages are paid;

- The project budget and invoices for labor reflects prevailing wage requirements, or if exempt, provide the applicable exemption to SGC with the project budget; and

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- The project complies with all other requirements of prevailing wage law, including but not limited to, keeping accurate payroll records, and complying with all working hour requirements and apprenticeship obligations.

Grantee shall ensure that its Partners and Subcontractors, if any, also comply with prevailing wage requirements. Grantee shall ensure that all agreements with its Partners and Subcontractors to perform work related to this Project contain the above terms regarding payment of prevailing wages on public works projects.

The Department of Industrial Relations (DIR) is the primary resource for consultation on the requirements of California prevailing wage law.

- Grantee can identify the rates for prevailing wage on the DIR website[15]. Grantee may contact DIR for a list of covered trades and the applicable prevailing wage.

- If Grantee is unsure whether the TCC Project or individual projects receiving this award is a "public work" as defined in the California Labor Code, it may wish to seek a timely determination from the DIR or an appropriate court.

- If Grantee has questions about this contractual requirement, recordkeeping, apprenticeship, or other significant requirements of California prevailing wage law, it is recommended the Grantee consult DIR and/or a qualified labor attorney.

Ownership

The following section outlines the long-term governing principles for ownership of Project elements funded by the TCC grant.

Equipment

For any equipment purchased or built with funds that are reimbursable as a direct cost of the TCC Project, as determined by SGC, the Grantee, Partner, or Subcontractor, as applicable, must be the sole owner on title. During the Project Completion Period, equipment must be dedicated to the described use in the same proportion and scope as was in the Grant Agreement, unless SGC agrees otherwise in writing. On completion or early termination of the Grant Agreement, the State will either require that the equipment be returned or authorize the continued use of such equipment at the Project Area; in making that determination, the State will consider the useful life of the equipment, and the Grantee may be required to refund the State for the fair market value of equipment that continues to have a usable life, but is no longer required for Project implementation. Grantee will be required to maintain an inventory record for each piece of non-expendable equipment purchased or built with funds provided under the terms of a Grant Agreement.

Vehicles

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[15] California Department of Industrial Relations, July 2018. <http://www.dir.ca.gov>

For any vehicles acquired with funds that are reimbursable as a direct cost of the TCC Project, the Grantee, Lead Entity, or Subcontractor, as applicable, must be the sole owner on title. Vehicles acquired – including, but not limited to, bicycles, cars, buses, vans, rail passenger equipment – must be maintained in a state of good repair and dedicated to the described use during the grant term and to public transportation use for their full useful life.

Infrastructure

For any rights of way, real and personal property, leases, improvements and infrastructure funded as a reimbursable direct cost of the TCC Project, the Grantee, Lead Entity, or an appropriate public agency or subcontractor, as applicable, must be the sole owner of the title or leasehold. Each site acquired or improved upon with TCC funding must be maintained in a state of good repair and remain permanently dedicated to the described use for its full useful life.

If the ownership or use of equipment, vehicles, or infrastructure changes to a use not in accordance with the TCC Guidelines or Grant Agreement, the Grantee may be required to reimburse the State in a manner determined by SGC.

Publicity Requirements

TCC Grantees are required to use SGC and DOC names and/or logos for all publications, websites, signage, invitations, and other media-related and public-outreach products related to the TCC grant. See Appendix H for specific requirements.

Audit and Record Retention

All records, physical and electronic, must be adequately protected from loss, damage, or destruction for possible audit(s). The Grantee agrees that the State or designated representative will have the right during normal business hours to review and to copy any records and supporting documentation pertaining to the performance of the Grant Agreement and interview any employees who might reasonably have information related to such records.

Further, Grantee agrees to include a similar right of the State to audit records and interview staff of any Partners and Subcontractors related to performance of the Grant Agreement.

- Grantee, Partners, and Subcontractors must maintain copies of project records four (4) years after all terms of the Grant Agreement are fulfilled, unless a longer period of records retention is stipulated.

- The State retains the right to conduct an audit each year during the grant term and up to four (4) years after all terms under the Grant Agreement are fulfilled.

- The State may require recovery of payment from the Grantee, issue a Stop Work Order or terminate the Grant Agreement, as warranted, based on an audit finding, or any other remedies available in law or equity.

Performance

SGC has sole discretion to determine if Grantee is performing in accordance with the Grant Agreement. Non-performance issues can include but are not limited to: misuse of funding for ineligible expenses; inability to meet performance requirements, adherence to Spending Plans, or scheduled milestones; failure to complete or failure to make a good faith effort to complete the TCC Project as a whole or any TCC Project Components, including ensuring leverage-only projects adhere to the Partnership Agreement, and/or failure to comply with the Guidelines, administrative or statutory requirements, and/or terms and conditions of the Grant Agreement.

- SGC will notify Grantee, in writing, if non-performance is determined, and will provide instructions and a timeline to rectify all cases of non-performance.

- Grantee must respond to a determination of non-performance within thirty (30) days either by a) acting on corrective actions and notifying SGC of actions taken, or b) disputing SGC's findings in writing.

- SGC, without waiver of other rights or remedies, may require the Grantee to re-perform any actions defined in this Grant Agreement if determined to be not performed in accordance with the Grant Agreement. SGC may withhold any payments due to Grantee until the Grantee brings the individual project or TCC Project back into full compliance. Costs and expenses for these actions shall be borne by the applicable Grantee, Partner, or Subcontractor.

- SGC has the right to issue a Stop Work Order for an individual project or the TCC Project and suspend payments to the Grantee. SGC reserves the right to issue a Stop Work Order if there is a breach in the leveraged funding commitments that put components of the Project at risk of not being completed.

- Both SGC and the Grantee have the right to terminate the Grant Agreement prior to the end of the grant term upon thirty (30) calendar days of written notice. The written notice shall specify the reason for early termination and may permit SGC or the Grantee to rectify any deficiencies prior to the termination date.

SECTION III. PLANNING GRANTS

A. ELIGIBILITY

Eligible Lead Applicants

Eligible Lead Applicants may include but are not limited to: community-based organizations, local governments, nonprofit organizations, philanthropic organizations and foundations, faith-based organizations, coalitions or associations of nonprofit organizations, community development finance institutions, community development corporations, joint powers authorities, councils of governments, and California Native American Tribes.

Co-Applicants

There must be a minimum of one (1) Co-Applicant in addition to the Lead Applicant. More than one (1) Co-Applicant is strongly encouraged. Priority in scoring will be given to applications that are able to demonstrate strong and diverse partnerships, including with community-based organizations and other stakeholder groups. Applicants will be required to submit an explanation of the partnership structure and roles and responsibilities of each partner.

Collectively, "Lead Applicants" and "Co-Applicants" are referred to as "Applicants".

Eligible Planning Area

Applicants must define a contiguous Planning Area comprised of census tracts designated as disadvantaged communities per the CalEnviroScreen and TCC Round 4 Guidelines. Planning Areas may be located in eligible incorporated, tribal, or disadvantaged unincorporated areas.

At least 51% of the Planning Area must overlap with census tracts designated as disadvantaged communities per CalEnviroScreen and the TCC Mapping Tool: within the top 25% of disadvantaged communities per CalEnviroScreen 4.0 or 3.0, all federally recognized tribal boundaries, or an eligible disadvantaged unincorporated area. The remaining area (49 percent or less) must be within the top 25% of disadvantaged communities or a low-income community as defined by AB 1550.

Applicants will be required to submit a map of the Planning Area that will be the focus of the application's activities. Applicants with Planning Areas that cross jurisdictional boundaries will be required to submit a Memorandum of Understanding (MOU) as outlined in Section II.A.

Public Agency Support

Either the Lead Applicant or one of the Co-Applicants must be a public agency. If the Lead Applicant is a public agency, they must provide a formal resolution that includes an authorization to apply for and accept a TCC Implementation Grant if selected for an award, and authority to execute all related

documents if awarded.[16]

If the public agency is a Co-applicant, then the Applicant must provide a letter of support from the public agency.

Consistency with Existing Local Land Use and Transportation Plans

Applicants must demonstrate that TCC planning proposals are consistent with all relevant land use plans such as climate action plans, designations, zoning, building intensity and density requirements, design guidelines, and applicable goals, policies, and programs. Consistency shall be demonstrated by submittal of a letter from the local jurisdiction's Planning Department and Public Works Department describing the TCC proposal's consistency with all relevant plans as described above. Note that TCC planning proposals may also include efforts to revise land use plans consistent with the jurisdiction's goals and policies.

B. PROGRAM OBJECTIVES

The Planning Grants intend to support planning activities to prepare disadvantaged communities for future funding opportunities in programs that align with the TCC Program's objectives. Planning activities should focus on responding to planning issues or priorities that directly benefit low-income and disadvantaged communities.

1. Applicants must explain how the proposed planning activities will advance the objectives prioritized in local adopted plans and promote the Transformative Climate Communities Program's Objectives (see Section II.C).

2. Applicants must explain how the planning process furthers a neighborhood's ability to address one or more of the Implementation Grant's Transformative Elements, per Section II.E. Specifically, Applicants will describe how engaging in a particular task will:

    a. Consider the risks and develop potential policies and programs to avoid displacement of the Planning Area's current residents and businesses.

    b. Design or enhance innovative and meaningful community engagement programs and practices that will be built upon the input and expertise of community stakeholders – including local public agencies, community-based organizations, workforce development boards, and others.

    c. Enhance the Planning Area's potential to secure leveraged funds that are required for the TCC Implementation Grant proposal.

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[16] Note this streamlining measure will allow awarded entities to execute grants and start projects without additional procedural delays.

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    d.   Identify opportunities (e.g., projects) to reduce GHG emissions and further the purpose of AB 32 and SB 32.

    e.   Identify the impacts of climate change risks and exposures on the community, including vulnerable populations, and infrastructure/natural systems, and describe measures that will be taken to adapt and respond to anticipated impacts.

    f.   Identify the Planning Area's needs for economic development and career pathways for high quality jobs. Plan for new or enhanced workforce development and training programs.

3. Applicants must demonstrate consistency with the State's Planning Priorities contained in [Section 65041.1 of the Government Code](#). These priorities intend to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including urban, suburban, and rural communities.

C. EXAMPLES OF ELIGIBLE PLANNING ACTIVITIES

Some examples of eligible planning activities include:

- Building capacity both internally, among staff and departments, as well as externally, among stakeholders, by including the development of collaborations partnerships that connect land use development with environmental, economic and social justice priorities.

- Evaluating, updating, and streamlining various policies and codes currently enforced by the Planning Department and other local departments (e.g., public works, health and safety, fire, parks and open space, etc.).

- Completing fiscal analyses and studies, such as conducting a fiscal impact analysis to understand long-term service costs of future development and to determine fee structures.

- Preparing climate action and climate adaptation plans.

- Designing or enhancing community engagement that results in innovative and meaningful programs and practices built upon the input and expertise of local public agency staff, community-based organizations, workforce development boards, and overburdened individuals and groups.

- Engaging in activities that will prepare applicants to apply to a TCC Implementation Grant or other similar grant, including but not limited to: partnership development, stakeholder mapping, community needs assessments, community health needs assessments, and creation and/or formalization of a shared governance structure such as a Collaborative Stakeholder Structure. Activities that lead to the development of a Collaborative Stakeholder Structure are strongly encouraged for applicants who anticipate applying to a TCC Implementation Grant in the future.

- Identifying and preparing project sites for future development into community-serving uses, such as community land trust feasibility studies and site identification, climate resilience project identification, and planning for project readiness.

For past examples of awarded Planning Grants, visit the SGC website. For a map of past program awards, refer to Appendix I.

D. APPLICATION

Planning Grants will be evaluated and awarded through a competitive process. Applications will be submitted electronically and SGC will provide instructions with the Notice of Funding Availability and Application materials.

All Applications and submitted materials will be treated in accordance with Public Records Act requirements and certain information subject to those requirements will be publicly disclosed. SGC will post a summary of all Applications received prior to funding decisions.

Staff recommendations will be made available for public review ten (10) days prior to SGC public meeting, at which point Strategic Growth Council will consider staff's award recommendations.

Application Review Process

TCC Program Staff will first evaluate applications to ensure that they are both eligible and complete.

Then TCC Program Staff and an interagency review panel will evaluate applications using the Scoring Criteria below. Applicants will receive a single score out of 100 points. TCC Program Staff will recommend awards based on these scores. The Strategic Growth Council will make final awards at a Council meeting.

Application Components

Below is a brief summary of the application components:

- Documentation that the application meets all eligibility requirements described in Section III.A.
- Narrative descriptions of the Planning Area and community needs
- Narrative descriptions of how planning activities will address the TCC Program Objectives and Transformative Elements
- Work Plans with clear timelines, discrete tasks, and detailed deliverables
- Budgets with sufficient detail, broken down by task and line item

Scoring Criteria

PLANNING GRANTS SCORING CRITERIA – 100 POINTS

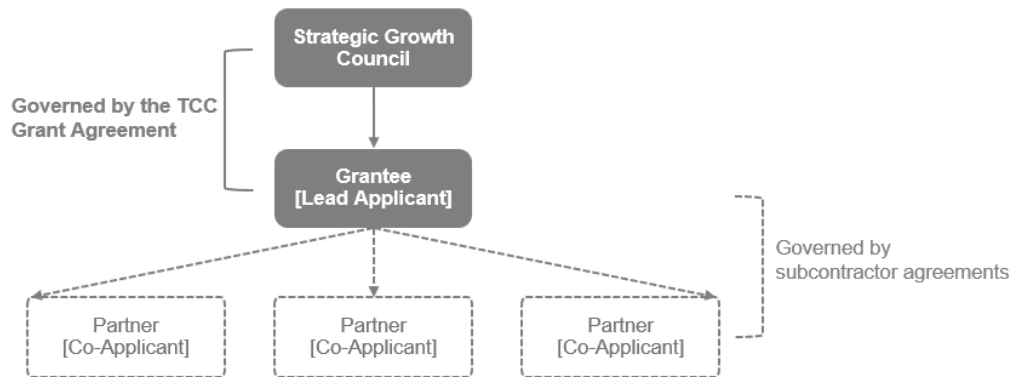| Criteria	Points

Vision and Program Objectives
 	
1. Applicant has provided a comprehensive description of the Planning Area and demonstrates an understanding of the local community's needs.
2. Extent to which the proposed planning activities focus on improving outcomes for priority populations.
3. Proposed planning activities will address Objectives of:
   • Achieving Significant Reductions in Greenhouse Gas Emissions
   • Improving Public Health and Environmental Benefits
   • Expanding Economic Opportunity and Shared Prosperity
4. Extent to which the proposed planning activities are consistent with the state's Planning Priorities, including promoting infill development, preserving agricultural lands, and encouraging location and resource-efficient new development.
	30 Points

Transformative Requirements and Project Identification
 	
Proposals are not required to address the entire list of TCC Implementation Grant transformative elements or project identification. Proposals may be awarded points based on both the number of transformative elements addressed, as well as the extent to which each transformative element is incorporated into the planning activities.
 	
1. The Proposed planning activities will assist the Applicants in meeting the TCC Implementation Grant Transformative Elements related to:
   • Community engagement
   • Displacement avoidance
   • Workforce development and economic opportunities
   • Climate adaptation and resilience
   • Leverage funding
   • Data collection and indicator tracking
2. Applicant demonstrates a process to identify projects based on the community need and prioritize these projects based on feasibility. Planning funds may not be used to initiate work on individual projects.
	50 Points

Organizational Capacity 1. Applicant demonstrates readiness and capacity to implement the proposed work on time and within budget.	**20 Points**

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2. Applicant proposes strong and diverse partnerships for implementing the planning activities.	

E. GRANT ADMINISTRATION

Grantees, Partners, and Subcontractors

Grants will be executed between SGC and the Lead Applicant only. SGC will not enter into any contractual relationship with any Co-Applicants or subcontractors.

Once the grant has been executed, the Lead Applicant will be referred to as the "Grantee" and Co-applicants will be referred to as "Partners".

Strategic Growth Council and Department of Conservation

The TCC Program is administered by Strategic Growth Council in partnership with the Department of Conservation (DOC). Round 4 grant agreements will be executed between the Grantee and SGC, but Grantees will work closely with DOC during grant implementation.

Disbursement and Accounting of Funds

- The Grantee cannot request advance payment or reimbursement for any work completed before grant execution.

- Grantees may request reimbursement from SGC on a quarterly basis (every three months).

- SGC will retain the last five percent (5%) of the grant, to be paid once the State has determined that the grant terms have been fulfilled.

- For reimbursement payments, Partners must invoice the Grantee before the Grantee submits an invoice to SGC. The Grantee will be responsible for compiling all invoices, supporting documentation, and reporting materials for themselves and the Partners into a single package. Once the package has been approved for payment, funds will be disbursed to the Grantee. The Grantee is responsible for disbursing payment to their Partners.

- Tribes will not be required to sign a limited waiver of sovereign immunity to receive payments on a reimbursement basis from SGC through the TCC Program. SGC may require a limited waiver of sovereign immunity before disbursing funds via advance pay.

Advance Payment

Through an Advance Pay Pilot Program, SGC is authorized to provide Grantees advance payments for the TCC Program through July 1, 2025.[17] The Grantee must develop and provide a process for Partners to request and receive advance pay, and require all Partners to comply with the reporting terms.

SGC will prioritize advance payment to local agencies and nongovernmental entities, with modest reserves and/or limited cashflow that serve under resourced communities, to carry out approved program activities. Advance payments can be up to 25 percent of the total grant award, which can be provided in one payment or spread across a series of smaller installments and is to be determined in the Grant Agreement.

To receive advance pay, the Grantee must do the following:

- Demonstrate good standing with the IRS
- Compile and provide spending plans for each Partner receiving advance payment
- Complete an advance payment request form with supporting documentation
- Sign an agreement that they will:
    - Revert all unused moneys to the state if they are not liquidated within the timeline specified in the grant agreement or in the case of non-compliance/misuse of funds
    - Communicate and document changes to spending plan

Upon receipt of appropriate documentation, funds will be paid to the Grantee and the Grantee will be responsible for dispersing payment to Partners, as approved by SGC. Advance payment funds from SGC must be dispersed into a federally insured and interest-bearing Grantee account to track withdrawals and interest earned. Any accumulated interest is considered TCC Program funds.

All Native American tribes eligible for TCC may be also eligible for advance pay.

Reporting Requirements

Grantees are responsible for the following reporting:

Progress Reports

- Quarterly progress reports will be submitted with each invoice and will track the work completed during the reporting period, including tracking of expended advanced funds as applicable.

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[17] Added by Statutes of 2022, Chapter 569, Section 15 (AB 156).

▪ Advance pay recipients will submit a Spending Plan prior to receipt and an Expenditure Report following the complete expenditure of an advance payment that includes a summary of work completed.

Close Out Reports

▪ A Final report on the overall status of the grant including lessons learned, barriers, and success stories.

Eligible Costs

Direct Costs

Direct costs incurred during the grant term and specified in the Grant Agreement will be eligible for reimbursement. Direct costs are defined as costs directly tied to the implementation of the Grant Agreement including, but not limited to: personnel, supplies, or travel expenses directly tied to the implementation of the grant. Grantees must adhere to the following requirements:

▪ Travel reimbursements must adhere to the State rates and conditions established on the CalHR website[18], with the exception of "incidentals" and out-of-state travel, which will not be reimbursable under this grant.

▪ Subcontractor procurement processes must adhere to local requirements.

The following costs associated with community engagement and outreach are considered eligible, in keeping with the program's objectives of increasing access and accountability to disadvantaged communities, and recognizing that public participation in community engagement activities is a benefit to the project and public:

• Translation and interpretation for meetings and written materials

• Participant compensation that is an exchange of payment for services rendered in the development of community work products, and appropriately documented with deliverables such as sign in sheets or written surveys.

• Provision of transportation services for community residents, such as a vanpool.

• Provision of childcare services for community residents.

• Food and refreshments that are determined to be an integral part of the event. Examples of activities where it would be appropriate to approve food purchase would include a design charrette held in the evening, where the meal is consumed as part of the event and replaces a meal otherwise missed by attending the event.

Indirect Costs

Indirect costs may account for up to twelve percent (12%) of the total TCC grant award, minus any funds for equipment purchases with a per unit cost of $5,000 or more. The 12% maximum

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[18] California Department of Human Resources. *Travel Reimbursements.* <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>

of indirect cost applies to all entities including University of California (UC) and California State University (CSU) entities.

Indirect costs are costs of doing business that are of a general nature. These costs are not directly tied to the grant but are necessary for the general operation of the organization. Indirect costs include, but are not limited to:

- Personnel costs associated with administrative, supervisory, legal, and executive staff.

- Personnel costs associated with support units, including clerical support, housekeeping, etc.

- Operating expenses and equipment costs not included as part of direct project costs (functions such as accounting, budgeting, audits, business services, information technology, janitorial; and rent, utilities, supplies, etc.).

Documentation related to the determination of the Grantee's indirect cost rate must be retained by the Grantee for audit purposes.

Ineligible Costs

The following costs are ineligible under the TCC Program:

- Indirect costs in excess of twelve percent (12%) of the awarded TCC funds are not reimbursable.

- The following costs associated with community engagement and outreach:
  - Direct cash benefits or subsidies to participants.
  - Alcoholic refreshments.
  - Participant incentives, such as door prizes, which are unrelated to specific community work products.
  - General Meetings that do not specifically discuss or advance implementation of the TCC Project

- Projects that fund additional parking infrastructure or other infrastructure projects that induce demand for additional parking

Publicity Requirements

TCC Planning Grantees are required to use SGC and DOC names and/or logos for all publications, websites, signage, invitations, and other media-related and public-outreach products related to the TCC grant. See Appendix H for specific requirements.

Audit and Record Retention

All records, physical and electronic, must be adequately protected from loss, damage, or destruction for possible audit(s). The Grantee agrees that the State or designated representative will have the right during normal business hours to review and to copy any records and supporting documentation

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pertaining to the performance of the Grant Agreement and interview any employees who might reasonably have information related to such records.

Further, Grantee agrees to include a similar right of the State to audit records and interview staff of any Partners and Subcontractors related to performance of the Grant Agreement.

- Grantee, Partners, and Subcontractors must maintain copies of project records four (4) years after all terms of the Grant Agreement are fulfilled, unless a longer period of records retention is stipulated.

- The State retains the right to conduct an audit each year during the grant term and up to four (4) years after all terms under the Grant Agreement are fulfilled.

- The State may require recovery of payment from the Grantee, issue a stop work order or terminate the Grant Agreement, as warranted, based on an audit finding, or any other remedies available in law or equity.

The Grantee agrees to include a similar right of the state to audit records and interview staff in any subcontract related to performance of this Grant Agreement.

Remedies for Non-performance

SGC has sole discretion to determine if Grantee is performing in accordance with the Grant Agreement. Non-performance issues can include but are not limited to: misuse of funding for ineligible expenses; failure to comply with Guidelines, administrative, or statutory requirements, inability to meet performance requirements, adherence to Spending Plans, schedule milestones, and/or failure to comply with the terms and conditions of this Grant Agreement.

- SGC will notify Grantee, in writing, if non-performance is determined, and will provide instructions and a timeline to rectify all cases of non-performance.

- Grantee must respond to a determination of non-performance within thirty (30) days either by a) acting on corrective actions, or b) disputing SGC's findings in writing.

- SGC, without waiver of other rights or remedies, may require the Grantee to re-perform any actions defined in this Grant Agreement if determined to be not performed in accordance with the Grant Agreement. SGC may withhold any payments due to Grantee until the Grantee brings the grant back into full compliance. Costs and expenses for these actions shall be borne by the applicable Grantee, Partner, or Subcontractor.

- SGC has the right to issue a Stop Work Order for the grant and suspend payments to the Grantee.

- Both SGC and the Grantee have the right to terminate the Grant Agreement prior to the end of the grant term upon thirty (30) calendar days of written notice. The written notice shall specify the reason for early termination and may permit SGC or the Grantee to rectify any deficiency(ies) prior to the termination date.

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SECTION IV. TECHNICAL ASSISTANCE

A. APPLICATION TA

To support the development of competitive proposals, SGC will offer application technical assistance (TA) from third-party providers (TA providers) to eligible Applicants for the *TCC Implementation Grants*.

TA Providers will also support Applicants from *tribal communities* and *disadvantaged unincorporated communities* with technical assistance for *both TCC Implementation and Planning Grants*.

Unfortunately, third-party technical assistance is not currently available for other Applicants to TCC Planning Grants, but staff will be able to answer questions from potential Planning Grant Applicants.

Important points about Application TA:

- All Implementation Grant Applicants are required to receive TA. This allows SGC to ensure that questions are answered consistently, and that feedback is given equitably.

- All Implementation Grant Applicants must complete a technical assistance survey that indicates intent to apply and willingness to participate in technical assistance within the first two (2) weeks following the release of the Notice of Funding Availability (NOFA) to be eligible for TA.

- All applicants must undergo a threshold review with TA providers during the first month of the application period. This review will help applicants determine if they can meet all Program Thresholds (see Section II.G Application) and help them to reach an informed decision on whether to complete a full Implementation Grant application. Applicants who do not continue with a full implementation application can choose to complete a Planning Grant application. The evaluation completed by the TA providers with the applicants will be used to inform, but not disqualify, the applicants.

- Receiving Application TA does not guarantee that an Applicant will be awarded an Implementation Grant.

- Previous TCC Applicants will receive targeted technical assistance to adapt previously submitted applications to the updated guideline requirements and application format.

Application TA activities may include, but are not limited to:

- Support for quantification of GHG reductions;

- Direct application assistance, including review of responses and application coordination;

- Financial analysis and budget development;

- Identification of Project Area, integration of Projects, and cost estimates;

- Assessment of project readiness; and

- Geographic Information System mapping assistance.

B. IMPLEMENTATION TA

Applicants awarded Implementation Grants will receive Implementation TA and other technical support from representatives of SGC, DOC, CARB and other State entities throughout the implementation of their TCC Proposal for a timeframe to be determined by SGC.

Additional support conducted by SGC may include but are not limited to:

- Assistance in attracting and leveraging additional financing;
- Assistance developing and promoting transformative plans; and
- Assistance strengthening organizational capacity to integrate implementation efforts.

C. EVALUATION TA

Applicants awarded Implementation Grants are required to allocate a minimum of 3% of awarded grant funds towards the hiring of a pre-qualified, third-party Evaluation Technical Assistance Provider to assist with data collection and indicator tracking throughout grant implementation. Note that Lead and Co-Applicants should allocate an additional 2-3% of funds towards indicator tracking and program evaluation activities. Please see Section II.F for more information.

Evaluation Technical Assistance Providers will support grantees with tracking and documenting the TCC Project's progress and impact through the following:

- Development of a Site-Specific Evaluation Plan to assess the holistic impacts of the TCC project;
- Development of reporting tools and a technical assistance plan to support grantee and partners with gathering and reporting of data;
- Assistance with processing of data and delivering required annual reports to SGC;
- Participation in evaluation activities such as focus groups, surveys, and interviews;
- Annual Process Evaluation Memos providing feedback on the TCC program design and implementation process.
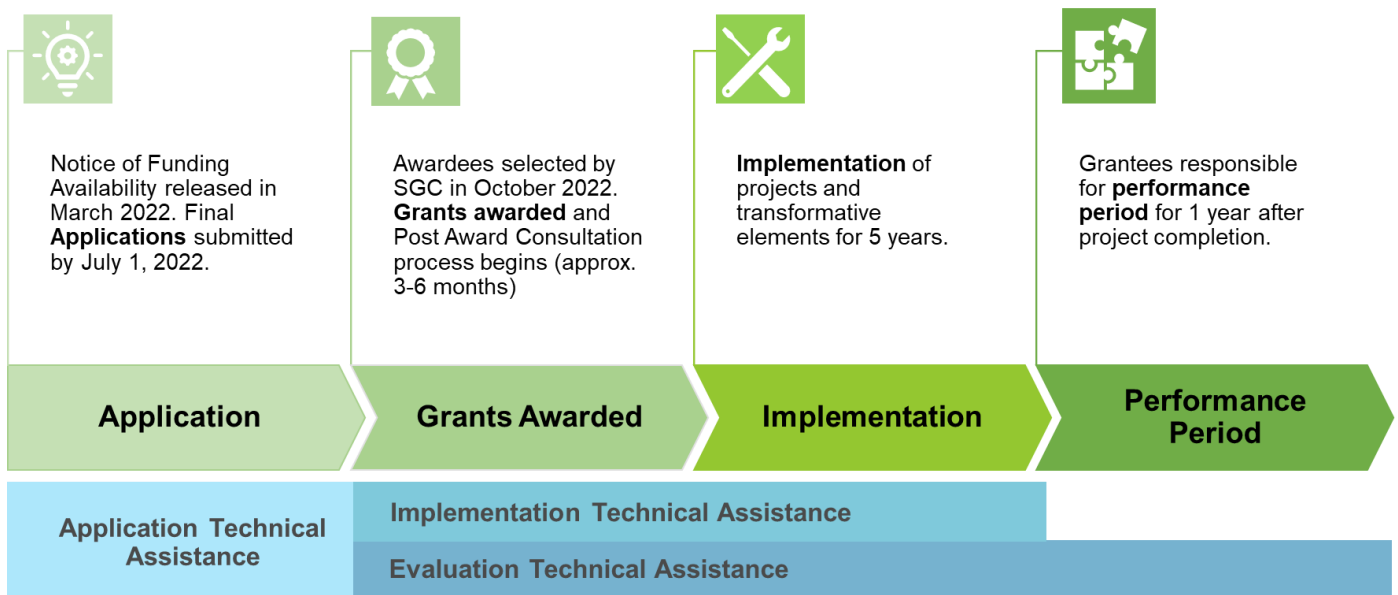
Reporting is required during key stages of the grant cycle:

- One time reporting during the Application and Awarded Phase
- Annually during the Implemented Phase
- Final Reports during Close Out Phases

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SECTION V. GRANT TIMELINE

The proposed timeline below is subject to change. The most up-to-date timeline can be found at https://sgc.ca.gov/programs/tcc/.

- **February 24, 2022**: Final Round 4 TCC Program Guidelines adopted by Council
- **March 8, 2022**: NOFA Release
- **March 11, 2022**: Application Workshop
- **March 25, 2022**: Requests for Application Technical Assistance due
- **April 22, 2022**: Application Pre-proposals due
- **July 1, 2022**: Final Applications due
- **October 2022**: Round 4 TCC Awards adopted by Council
- **Approximately 3-6 months**: Post Award Consultation Process before Implementation
- **Implementation Period**: 5 years from grant execution
- **Performance Period**: 1 year after project completion

Notice of Funding Availability released in March 2022. Final **Applications** submitted by July 1, 2022.

Awardees selected by SGC in October 2022. **Grants awarded** and Post Award Consultation process begins (approx. 3-6 months)

Implementation of projects and transformative elements for 5 years.

Grantees responsible for **performance period** for 1 year after project completion.

| Application | Grants Awarded | Implementation | Performance Period |

| Application Technical Assistance | Implementation Technical Assistance | |
| | Evaluation Technical Assistance | |

SECTION VI. APPENDICES

APPENDIX A – TERMS AND DEFINITIONS

APPENDIX B – TCC FUNDED PROJECTS BY STRATEGY

APPENDIX C – TRANSFORMATIVE ELEMENTS

APPENDIX D – PROHOUSING POLICIES

APPENDIX E – AIR POLLUTION REDUCTION AND MITIGATION

APPENDIX F – BASIC INFRASTRUCTURE RESOURCES

APPENDIX G – POST AWARD CONSULTATION PROCESS

APPENDIX H – PUBLICITY GUIDELINES

APPENDIX I – PAST PROGRAM AWARDS

APPENDIX J – SAMPLE GRANT AGREEMENT (ROUND 3 TCC PROGRAM AWARDS)

APPENDIX A – TERMS AND DEFINITIONS

Term	Definition
Applicant(s)	Lead Applicants and Co-applicants are collectively referred to as "Applicants." See definitions for "Lead Applicant" and "Co-applicant".
Application or Proposal	A submittal comprised of responses and supporting documents to apply for the either an Implementation or Planning Grant.
Awarded	An agency commits funding to implement projects (e.g., executed a grant agreement with a Grantee; transferred funds to another agency or program administrator).
California Air Resources Board (CARB)	The California Air Resources Board (CARB) was established by the California Legislature in 1967 to attain and maintain healthy air quality, conduct research into the causes of and solutions to air pollution, and implement measures to reduce air pollution caused by motor vehicles, the major cause of air pollution in the State. CARB provides funding guidance to state agencies that implement California Climate Investment programs, such as the TCC Program.
California Climate Investments (CCI)	Programs funded through the Greenhouse Gas Reduction Fund using auction proceeds from the Cap-and-Trade Program and administered by state agencies in transportation, energy, natural resources, and waste sectors. These programs fund projects that provide greenhouse gas reductions and other important co-benefits to California, including benefits to residents of disadvantaged communities, low-income communities, and low-income households.
California Native American Tribe	A Native American Tribe that is on the contact list maintained by the Native American Heritage Commission (NAHC) for the purposes of Chapter 905 of the Statutes of 2004 (Pub. Resources Code, § 21073).
Climate Adaptation	Adaptation to climate change refers to adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.[19]
Climate Resilience	Resilience as it relates to climate change is the capacity of any entity – an individual, a community, an organization, or a natural system – to prepare for disruptions, to recover from shocks and stresses, and to adapt and grow from a disruptive experience.[20]
Co-applicant	Entities other than the Lead Applicant that enter into a partnership with other organizations for the purpose of applying for a TCC grant.

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[19] Glossary of Climate Change Terms. Office of Air and Radiation/Office of Atmospheric Programs/Climate Change Division. September 9, 2013 " <https://www.epa.gov/climatechange>

[20] Rodin, Judith. 2014. *The Resilience Dividend: Being Strong in a World Where Things Go Wrong*. Philadelphia: Perseus Books Group (pages 3-4).

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Term	Definition
Community-based Organization (CBO)	A public or private nonprofit organization of demonstrated effectiveness that is representative of a community or significant segments of a community and provides educational or related services to individuals in the community.[21]
Community Service Facility	A community service facility is defined as a physical location designed to serve residents of the Project Area for cultural or community activities or for the provision of community services. Examples of community service facilities include but are not limited to the following facilities: Multifamily Housing, Senior Housing, Community Centers, Resource Centers, Community Food Access Centers, Cooling or Heating Centers, Medical/Health Centers, Fire Stations, Food Banks, Libraries, Community Colleges. Examples of Non-Qualifying Facilities: Airports, Industrial Uses, Commercial Uses
Community Engagement	The process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the well-being of those people.[22]
Direct Costs	Costs directly tied to the implementation of the TCC grant, including, but not limited to: personnel costs, subcontracts, equipment costs, travel expenses, etc.
Disadvantaged Communities	Designation of census tracts and physical locations used to identify the areas most affected by pollution and the people most vulnerable to its effects, based on geographic, socioeconomic, public health, and environmental hazards criteria. The California Environmental Protection Agency (CalEPA) historically bases designations on analyses conducted by the California Communities Environmental Health Screening Tool (CalEnviroScreen) but can also exercise discretion in developing other criteria and methods.
Displacement	Residential displacement is considered to be occurring when households are forced to move from, or are prevented from moving into a Project Area, which was previously accessible to them due to conditions that: • Are beyond the reasonable ability of households to control or prevent (e.g., rent increases); • Occur despite households having met all previously imposed conditions of occupancy; and • Make continued occupancy by households impossible, hazardous, or unaffordable.

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[21] U.S.C. § 9101(6). <https://www2.ed.gov/policy/elsec/leg/esea02/pg107.html>

[22] U.S. Department of Health and Human Services, June 2011. *Principles of Community Engagement.* <https://www.atsdr.cdc.gov/communityengagement/pdf/PCE_Report_508_FINAL.pdf>

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Term	Definition
	Displacement can result from gentrification when neighborhoods become financially out of reach for people or can occur at earlier stages through disinvestment, increasing vacancies and facilitating demographic turnover.[23]
	Displacement manifests itself in many forms, from physical (i.e., evictions or service disruption) to economic (i.e., very high and/or frequent rent increases and sharp increases in housing costs relative to comparable neighborhoods).
Element	Elements are distinct Project components that are fundable under the TCC Program. Elements can be classified as quantifiable or non-quantifiable per CARB's quantification methodologies for estimating greenhouse gas reductions. Projects proposed with quantifiable elements can count their respective Project toward TCC proposal readiness at the time of Application. See Appendix B for TCC fundable elements.
Enforceable Funding Commitments	A funding requirement for affordable housing project. These projects must demonstrate a level of committed funding that is 0.90 or greater by the following equation: *[Project funds requested + Enforceable Funding Commitments (EFCs) – Deferred Costs] / [Total Development Cost – Deferred Costs]*
Grant Agreement	Arrangement between the State and grantee specifying the payment of funds to be used for grants and/or loans, or a combination by the State for the performance of specific TCC Program Objectives within a specific grant performance period by the grantee.
Grantee	Designated Lead Applicant that has an agreement for grant funding with the State.
Greenhouse Gases (GHG)	Any gas that absorbs infrared radiation in the atmosphere. Greenhouse gases include, but are not limited to, water vapor, carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrochlorofluorocarbons (HCFCs), ozone (O_3), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6).
Greenhouse Gas Reduction Fund (GGRF)	Fund established via SB 1018 to receive the State's portion of proceeds from the quarterly Cap-and-Trade auctions.
High Quality Jobs	Job quality varies across industry, occupation, and region. Indicators of high quality jobs include: decent wages (family-sustaining jobs with prevailing wage or entry-level work with clearly defined routes to advancement into higher-wage jobs), benefits (like paid sick and vacation), adequate hours and predictable schedules, access to training, occupational health and safety, worker representation or right to organize, and no employer or subcontractor record of wage theft or other violations of labor law.

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[23] Adapted from Grier and Grier (1978) and Marcuse (1986) and included in the Urban Displacement Project found at urbandisplacement.org.

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Term	Definition
Implementation Grant	Funding for neighborhood-level development and infrastructure proposals, which include multiple, coordinated greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits.
Indicators	Quantitative measures, including project-related metrics that show changes in conditions over a period of time.
Indirect Costs	Expenses of doing business that are of a general nature. These costs are not directly tied to the grant but are necessary for the general operation of the organization. Examples of indirect costs may include but are not limited to: personnel costs associated with administrative, supervisory, legal, and executive staff; personnel costs associated with support units, including clerical support, housekeeping, etc.; and operating expenses and equipment costs not included as part of direct project costs. This definition supersedes any definition of indirect costs provided by other California Climate Investment programs.
In-kind Goods and Services	Non-cash donations from governmental or private sources, and includes volunteer labor, materials, and services.
Lead Applicant	An entity that enters into a partnership with other organizations for purpose of applying for a TCC grant and has been designated as the lead organization for the partnership.
Lead Entity	The Lead Applicant or Co-applicant responsible for leading the implementation of a specific Project.
Memorandum of Understanding (MOU)	An MOU is an agreement between two or more parties that is legally binding and outlines the responsibilities of each of the parties to the agreement. A Memorandum of Understanding is required for Implementation Grant Applicants whose Project Areas cross jurisdictional boundaries.
Nonprofit Organizations	Any nonprofit corporation qualified to do business in California, and qualified pursuant to subdivision (c)(3) under Section 501 of the Internal Revenue Code.
Operational	Project has reached a specified milestone and benefits from the investment are accruing.
Participatory Budgeting (PB)	Participatory Budgeting (PB) is a democratic approach to public spending that meaningfully and deeply engages people in government and the community. During PB, community members democratically decide how to spend part of a public budget, enabling them to make the fiscal decisions that affect their lives and the health of their communities. In the process, the community identifies priority needs and develops a range of alternatives to address those needs. PB is especially appropriate in low-income communities and communities of color that have been traditionally disenfranchised from transportation decision making processes.

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Term	Definition
Partner	Entities other than the Grantee that enter into a partnership with the grantee and other organizations for the purpose of implementing TCC grant activities. Referred to as "Co-Applicants" during the application stage.
Partnership Agreement	A Partnership Agreement is an agreement between two or more parties that is not legally binding and outlines the responsibilities of each of the parties to the agreement. This is required of all members of the Collaborative Stakeholder Structure.
Planning Grant	Funding for planning activities that implement local and regional land use plans and foster the development of sustainable communities.
Planning Area	Refers to the boundary for Planning Grants. A contiguous area that meets the priority population requirements as follows. At least 51% of the Project Area must overlap with census tracts designated as disadvantaged communities per CalEnviroScreen and these Guidelines: top 25% of disadvantaged communities, federally recognized tribal boundaries, or a disadvantaged unincorporated area per these Guidelines. The remaining area (49 percent or less) must be within the top 25% of disadvantaged communities or a low-income community as defined by AB 1550.
Post-award Consultation	Prior to execution of the grant agreement, period where terms and conditions of the grant agreement are determined and finalized.
Program Objectives	Program objectives are statements that describe the desired outcomes of the program. The TCC Program includes the following three program objectives: greenhouse gas reduction, public and environmental benefits, and economic opportunity and shared prosperity.
Project Area	Refers to the boundary for Implementation Grants. A contiguous area that is no larger than approximately five-square miles. At least 51% of the Project Area must overlap with census tracts designated as disadvantaged communities per CalEnviroScreen and these Guidelines: top 25% of disadvantaged communities, federally recognized tribal boundaries, or a disadvantaged unincorporated area per these Guidelines. The remaining area (49 percent or less) must be within the top 25% of disadvantaged communities or a low-income community as defined by AB 1550.
Projects	An attribute that defines the purpose of a Project as reflected in a proposal or scope of work. Projects proposed must include one or more TCC fundable elements. See Appendix B for TCC fundable elements.
Public Agency	A local or regional agency, such as a county, city, city and county, municipal corporation, district, metropolitan planning organization, joint powers authority, regional transportation planning agency, council of government, school district, political subdivision, duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity, or any board, commission or agency thereof, other local public agency, or entities that are legislative bodies

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Term	Definition
	of a local agency pursuant to subdivisions (c) and (d) of Section 54952 of the California Government Code.
Quantification Period	The quantification period varies for different administering agencies and CCI programs, as defined in CARB's quantification methodologies for estimating greenhouse gas reductions. For California Climate Investments, the quantification period typically covers the period of time during which GHG reductions are reasonably expected to occur, or the over which GHG reductions can be calculated and validated.
Small Business	In order for a small business to be eligible for certification, the small business must meet the following requirements: be independently owned and operated; not be dominant in its field of operations; have its principal office located in California; have the owners (or officers, if a corporation) domiciled in California; and including affiliates, be either:
	- A business with 100 or fewer employees; with average annual gross receipts of $15 million or less, over the last three tax years; - A manufacturer* with 100 or fewer employees; or - A microbusiness - A small business will automatically be designated as a microbusiness if gross annual receipts are less than $3,500,000, or the small business is a manufacturer with 25 or fewer employees
	*For Small Business Certification purposes, a manufacturer is a business that is both of the following: primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products, and classified between Codes 31 to 339999, inclusive, of the North American Industrial Classification System (NAICS) Manual, published by the United States Census Bureau, 2007 edition.
State	Refers to the California Air Resources Board, Strategic Growth Council, the Department of Conservation, and any other state agency, and/or their representatives.
Strategies	A plan of action or policy intended to achieve a particular outcome. Applicants must propose one or more Projects for each selected strategy.
Strategic Growth Council (SGC)	Strategic Growth Council (SGC) administers the TCC Program. SGC was established by Senate Bill 732 (Steinberg, Statutes of 2007, Chapter 729), and is charged with four main tasks to encourage the development of sustainable communities. These tasks include the following:
	Identify and review activities and funding programs of member state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006 and the strategies and priorities developed in the State's climate adaptation strategy, known as the Safeguarding California Plan, encourage sustainable

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Term	Definition
	land use planning, and revitalize urban and community centers in a sustainable manner.
	• Recommend policies and investment strategies and priorities to the Governor, the Legislature, and to appropriate state agencies to encourage the development of sustainable communities.
	• Provide, fund and distribute data and information to local governments, and regional agencies that will assist in developing and planning sustainable communities.
	• Manage and award grants and loans to support the planning and development of sustainable communities.
Technical Assistance (TA)	Aid and support provided to Applicants to facilitate development, selection and implementation of TCC Proposals.
Transformative Elements	Additional elements required for Implementation Grants to be considered for TCC funding. Transformative Elements include: community engagement, displacement avoidance, workforce development and economic opportunities, data collection and indicator tracking, and climate adaptation and resilience.
Very Low- and Low- Income Households	Households earning less than 80 percent (80%) of Area Median Income (AMI). The U.S. Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs. Income limits can be accessed at: https://www.huduser.gov/portal/datasets/il.html.
Vision Statement	A statement developed by Applicants that articulates how all of the Projects proposed in the overall TCC Proposal will be coordinated and integrated to achieve all three of the TCC Program Objectives
Vulnerable Communities/ Populations	Vulnerable communities or vulnerable populations include people that are vulnerable to the effects of pollution, the impacts of climate change, and other environmental, public health and economic burdens. Such people include but are not limited to: women; racial or ethnic groups; low-income individuals and families; individuals who are incarcerated or have been incarcerated; individuals with disabilities; individuals with mental health conditions; children; youth and young adults; seniors; immigrants and refugees; individuals who are limited English proficient (LEP); and Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning (LGBTQQ) communities; or combinations of these populations. (CA Health and Safety Code Section 131019.5)

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APPENDIX B – TCC FUNDED PROJECTS BY STRATEGY

The first section of Appendix B describes the Implementation Grant application's quantification and readiness requirements for the full application proposal, readiness requirements for all projects, and identifies ineligible costs. The second section of Appendix B outlines each Strategy's eligible project types and fundable elements, eligible costs, and additional requirements.

Eligible Proposal Requirements

Applicants must select a combination of Projects from at least three (3) Strategies.

- At least three (3) Projects included in the application must be both quantifiable using CARB quantification methodologies[24] AND must meet all readiness requirements at the time of application submittal.

- These projects that are both "quantifiable" and "ready" must account for a minimum of fifty percent (50%) of total requested funds.

All Projects must be ready within the first year of the grant term.

- *Quantifiable Projects*: Projects that contain "quantifiable elements" are quantifiable under CARB quantification methodologies and are indicated by an asterisk (*). Quantifiable projects may contain a combination of both quantifiable and non-quantifiable elements. The sum of the grant requests for both the quantifiable and non-quantifiable elements for the Project will be counted towards the fifty percent (50%) total requested funds requirement.

  For example, an applicant that proposes to include the "construction of new pedestrian facilities" as a Project under the Transit Access and Mobility Strategy, must include the quantifiable element "new walkways that improve mobility/access of pedestrians" for the Project to be quantifiable. The applicant may also include other TCC fundable elements that are non-quantifiable as part of the Project, such as the installation of "benches or street furniture". See CARB's TCC Round 4 Quantification Methodology for more information.

- *Readiness Requirements*: Readiness requirements include CEQA documentation, site control, permits, project maps and designs, project schedules, operations and maintenance plans, and other Strategy-specific requirements. Readiness requirements must be complete prior to beginning project implementation. Projects will be carefully vetted during the application review to ensure that readiness status is accurately reflected in application materials and additional documents may be requested of applicants in advance of the Round 4 awards.

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[24] California Air Resources Board. *CCI Quantification, Benefits, and Reporting Materials.* www.arb.ca.gov/cci-resources

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Ineligible Characteristics Applicable to all Strategies and Projects

The following Project characteristics will result in ineligibility:

- Projects without logical termini[25] or independent utility[26];

- Projects that are acquisition only[27];

- Projects that cannot demonstrate site control during the grant term;

- Projects that acquire property through eminent domain;

- Projects that are in active litigation;

- Projects without a long-term operations and maintenance plans;

- Projects that may induce demand for parking or lead to an increase in regional Vehicle Miles Traveled (VMT); or

- Projects that do not provide GHG reduction, public health, environmental, and economic benefits to the Project Area through the grant term and life of the Project.

Ineligible Costs Applicable to All Strategies

The following ineligible costs apply to all strategies:

- Exceeding cost caps for indirect or pre-development costs;

- Lobbying;

- Advocacy work, such as direct lobbying for the passage of specific bills or local propositions;

- Commission fees;

- Ongoing operational costs beyond the grant term;

- Using funds for mitigation activities that are already mandated by local or state governing bodies or agencies;

- Ceremonial expenses (including food and beverages);

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[25] Logical termini for project development are defined as 1) rational end points for a transportation improvement, and 2) rational end points for a review of the environmental impacts. See the U.S. Department of Transportation Federal Highway Administration for additional information:
https://www.environment.fhwa.dot.gov/legislation/nepa/guidance_project_termini.aspx

[26] Independent utility for project development defines such improvements as 1) usable and can function as stand-alone improvements without forcing other improvements which may have impacts, and 2) a reasonable expenditure even if no additional transportation improvements in the area are made.

[27] Projects that include eligible land acquisition costs must demonstrate that grant funds will also be used to complete a TCC fundable project. Projects being completed under the Land Acquisition for Affordable Housing Strategy (Appendix B-2), must demonstrate that development on the acquired land will be completed within the grant term, and may be paid for with either grant funds or leverage dollars.

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- Expenses for publicity not related to the awarded TCC Project implementation;

- Bonus payments of any kind;

- Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise;

- Services, materials, or equipment obtained under any other State program;

- Real estate brokerage fees and/or expenses;

- Stewardship of legal defense funds; and

- Costs associated with automobile or motorcycle parking (excluding electric vehicle charging infrastructure that may be located at a parking spot).

Readiness Requirements Applicable to All Strategies

California Environmental Quality Act (CEQA)

Before submitting an application, Applicants should consult with the public agency or agencies that have permitting authority over the projects in the application to determine what is required to comply with CEQA.

- For Projects that meet the readiness requirements at the time of application, the Applicant and/or Co-applicants must demonstrate and provide documentation showing that the project is CEQA compliant.
- For Projects that will be ready within the first year of the grant term, applicants must report on the projects' CEQA status and must demonstrate that any pending environmental review will be completed within the first year of the grant term.

Affordable Housing Development Capital Projects submitted under Equitable Housing and Neighborhood Development are *required* to have all necessary environmental compliance and project approvals at the time of application. All applicable time periods for filing lawsuits must have lapsed.

CEQA Documentation

The following documentation is required for projects that are categorically or statutorily exempt:

- A CEQA Notice of Exemption (NOE) that has been approved by the appropriate body pursuant to their obligations under CEQA, **OR**

- Documentation that the project is CEQA compliant, including but not limited to:

  - A resolution adopted by the legislative body (e.g., City Council, Board of Supervisors) confirming a project's exemption. If a resolution or similar mechanism is not available or does not exist, meeting minutes documenting the legislative body's consideration and approval of the project's CEQA compliance may be submitted.

  - A signed letter or similar document from the head of an administrative approving entity (e.g., Planning Director).

The following documentation is required for all other projects:

- A file-stamped Notice of Determination

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Statutes of Limitation

SGC will notify Grantees that they may begin work on a project once all readiness requirements have been met, including CEQA completion. However, projects are still subject to statutes of limitation for legal challenges, which vary depending on the type of CEQA filing and whether a CEQA filing occurs (Public Resources Code, § 21167):

- Filing a Notice of Determination: 30 days

- Filing a Notice of Exemption: 35 days

- No filing: 180 days

Grantees must notify SGC when the statutes of limitations have lapsed for each project, and if any legal challenges arise. If a legal challenge is brought against a project, SGC has the authority to issue a Stop Work Order, per Section 32 of the grant agreement.

Site Control

Applicants must demonstrate site control to demonstrate readiness prior to implementation. Applicants that want to establish facilities or expand existing facilities on property not owned by the Applicant, must prove a legally binding commitment or letters of commitment to sell that clearly states the ownership or leasehold interests of the parties. For Projects with multiple project sites that will be secured during the grant term[28], site control does not need to be complete at the time of the application. Applicants must report on the site control status and demonstrate that site control can be achieved for all sites within the grant term.

Permits

At the time of application, applicants must identify all permits required to implement the Projects, and that the permit(s) can be obtained within the grant term. Documentation of the permits will be used to evaluate the experience and management capacity of the Applicant.

Project Schedule

For each project, applicants must provide a baseline project schedule prior to implementation of that project. The project schedule must be cost loaded and utilize critical path methodology, and project activities and durations must be broken down in sufficient detail to manage the work.

Other Requirements

Applicants must also submit the following documentation required to implement the Projects:

- Project Map

- Project Designs

- Operations and Maintenance Plan

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[28] Examples of projects with multiple project sites that will be secured during the grant term: tree planting (Urban Greening and Green Infrastructure Strategy), single-family solar installations (Solar Installation and Decarbonized Energy Strategy), and electric vehicle charging site installation (Car Sharing and Mobility Enhancement Strategy). Projects are required to describe their site control plan at application.

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The State may request additional documentation to assess project readiness and feasibility. All Projects must align with applicable local/regional plans and regulations. See each Strategy table below for additional Strategy-specific requirements.

Strategy 1: Equitable Housing and Neighborhood Development

TCC will fund the development of affordable housing and related transit infrastructure and programs, according to the Affordable Housing and Sustainable Communities Program requirements. Below are the General Requirements, eligible project types and fundable elements, Applicant requirements, eligible project costs, readiness requirements, and special requirements for Strategy 1.

General Requirements

If an application includes a project under this strategy, the project must conform to the requirements of the Affordable Housing and Sustainable Communities Program as outlined in the AHSC Round 6 Guidelines ((http://sgc.ca.gov/programs/ahsc/resources/). A summary of AHSC guidelines is included below. The AHSC Round 6 Guidelines document contains further detail and will be the authority in the event of any discrepancies between these two documents, with the exception that TCC does not provide funding for market rate housing units. TCC projects under the Equitable Housing and Neighborhood Development strategy must conform to one of the following eligible housing project area types:

- Transit Oriented Development Project Area
- Integrated Connectivity Project Area
- Rural Innovation Project Areas

Proposed Affordable Housing projects should at minimum include one of the following projects:

- New or expanded transit service (bus, train, ferry, shuttle, or vanpool)
- Increased ridership
- New pedestrian facilities
- New, expanded, or enhanced bikeways (Class I, II, or IV)
- New or expanded bike share

Proposed transit and active transportation capital projects under Equitable Housing and Neighborhood Development Strategy are required to be connected to other proposed or existing transit or active transportation systems.

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Construction or substantial rehabilitation of affordable housing or mixed-use developments served by qualifying transit or high quality transit	- New, rehabilitated, or converted Affordable Housing Developments* - New construction - Acquisition and substantial rehabilitation including preservation of affordable housing at-risk - Conversion of one or more nonresidential structures to residential dwelling units - Affordable housing or mixed-use developments - Residential units that are rental, homeownership, or a combination of both* - Nonresidential uses that are compatible under local zoning (mixed-use)* - Integrated market rate and below market rate housing (TCC only provides funding for affordable housing units) - Must be infill with increased housing density achieved by compact design*

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Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
	• Scattered sites projects constituting a single, integrated Affordable Housing Development*
Housing related infrastructure	• Capital improvements required by a locality, transit agency, or special district as a condition of the approval of the affordable housing development.

New or expanded transit service (bus, train, ferry, shuttle, or vanpool)	• Operation of new or expanded transit service*
	   o Enhanced or expanded transit service by supporting construction or implementation of:
	     ▪ New or expanded bus or intercity commuter services, and urban rail projects
	     ▪ New or expanded water-borne transit (ferry)
	     ▪ Expanded intermodal transit facilities
	     ▪ Equipment acquisition
	   o Operation of alternative transportation services or flexible transit services (includes vanpool, shuttle, paratransit, and feeder bus systems that reduce vehicle miles travelled)
	• Capital or operational expenditures that increase transit mode share such as bus shelters/transit waiting areas and bicycle carrying structures on public transit

Capital improvements to transit systems that result in increased ridership	• Upgrades to transit stops, stations, or vehicles that encourage mode-shift*

Construction of new pedestrian facilities	• New walkways that improve mobility/access of pedestrians*
	• Non-capacity increasing streetscape improvements, including but not limited to:
	   o Installation of pedestrian lighting or lighting at pedestrian crossings
	   o Installation of signage and way-finding markers
	   o Other related amenities for pedestrians, cyclists and transit riders
	• Installation of new/improved pedestrian crossings or over-crossings
	• Benches or "street furniture"
	• Street crossing enhancements including accessible pedestrian signals
	• Traffic calming projects, including development of:
	   o Curb extensions
	   o Roundabouts or traffic diverters
	   o Median islands / road diets
	   o Lane narrowing projects

Construction of new bikeways (Class I, II, or IV)	• New, enhanced, or expanded context sensitive bikeways (Class I, Class II, or Class IV)[29]* • Non-motorized urban trails that provide safe routes for travel between residences, workplaces, commercial centers, and schools

[29] Context sensitive bikeways are defined as bikeways that consider functional classifications, travel forecasts, levels of service, purpose and transportation need, environment, safety, and place audits.

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Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Purchase of bicycles and/or purchase and installation of infrastructure in support of new or expanded bike share	• New or expanded bike share programs* • Publicly accessible bicycle parking • Bicycle repair kiosks • Bicycle carrying structures on public transit
Increased ridership *Required Element under AHSC Program*	• Distribution of vouchers for free or reduced transit fares*

Eligible Project Costs

Cost Category	Description

Eligible Costs	*Affordable Housing Development Capital Projects (AHD)*
	
	• Construction and substantial rehabilitation (with acquisition) of affordable housing; conversion of one or more nonresidential structures to residential dwelling units
	
	• Costs for a housing development, as specified in 25 CCR Section 7304 (a) and (b)
	
	• Affordable Housing Development and Housing Related Infrastructure Capital Projects must comprise at least fifty (50) percent of total AHSC funds requested
	
	Housing-Related Infrastructure Capital Projects (HRI)
	
	• Required environmental remediation necessary for the capital project where the cost is not to exceed 50 percent of AHSC Project costs
	
	• Real property acquisition of the project site and associated fees and costs (not to exceed 10 percent of the total AHSC Project costs)
	
	• Impact fees required by local ordinances (if used for the identified eligible capital project not to exceed 15 percent of the AHSC Project cost up to $300,000)
	
	• Installation of internet broadband conduit for the Affordable Housing Development from the public right of way or property line and provide pathways, wiring, cables, and other necessary infrastructure extended to each unit and public common space. or fixed wireless infrastructure, capable of accommodating broadband service speeds of at least 25 megabits per second for downloading and 3 megabits per second for uploading (25/3).
	
	• Affordable Housing Development and Housing Related Infrastructure Capital Projects must comprise at least fifty (50) percent of the total AHSC funds requested
	
	Sustainable Transportation Infrastructure Capital Projects (STI)
	
	• Capital improvements that result in the improvement or addition of infrastructure that encourages mode-shift by enhancing public transit access, pedestrian, or bicycle network, including:
	
	   o Open Network or transit vehicle only ZEV Charging Infrastructure;
	
	   o Transit Vehicle Procurement for service expansion;

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Cost Category	Description
	o Improvements aimed at increasing transit quality, such as: dedicated bus lanes as part of a BRT project, installation of at-grade boarding infrastructure, Transit Signal Priority technology systems • Operations expenditures for up to 5 years that directly expand transit service, including expansion beyond service levels offered during the COVID-19 pandemic, by supporting new, restored, or expanded routes and may include wages, fueling, maintenance, and other costs to operate those services. • Other capital project costs required as a condition of local approval for the capital project, as approved by the State • The total combined grant amount for Sustainable Transportation Infrastructure Capital Projects and Transportation-Related Amenities Capital Projects within a Project Area shall not exceed $10,000,000. *Transportation-Related Amenities Capital Projects (TRA)* • Capital improvements that are publicly accessible and provide supportive amenities to cyclists, pedestrians, and transit riders • Other capital project costs required as a condition of local approval for the capital project, as approved by the State • Energy efficiency, water efficiency, renewable energy and urban greening improvements • The total combined grant amount for Sustainable Transportation Infrastructure Capital Projects and Transportation-Related Amenities Capital Projects within a Project Area shall not exceed $10,000,000. *Program Related Funding (PRA)* • Those costs typically associated with 1) program creation, or 2) expansion of existing programs to serve new populations or offer new program service and implementation. Eligible costs may include operational costs. Programs include education, outreach and training for Active Transportation or Transit Ridership; air pollution exposure reduction; workforce development partnerships; Bikeshare program operations; tenant legal counseling services, and outreach, education, and subsidy to low-income residents for ZEV car sharing. • Total grant amount for these program costs shall not exceed 30 percent of the funding for the AHSC Project up to $500,000.
Ineligible Costs	• Routine maintenance of transportation infrastructure including transit fleet, but not including maintenance or operations associated with AHSC funded transit service expansion, including expansion beyond service levels offered during the COVID-19 pandemic • In lieu fees for local inclusionary housing programs • All costs associated with automobile or motorcycle parking (excluding electric vehicle charging infrastructure that may be located at a parking spot)

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Applicant Requirements

Lead or co-applicant must include one of the following:

- City or county
- Public housing authority
- Redevelopment successor agency
- Transit agency or transit operator
- Regional transportation planning agency
- Local transportation commission
- Congestion management agency
- Joint powers authority
- University and Community College District
- School district
- Facilities district
- Developer
- Program operator
- Duly constituted governing body of an Indian reservation or rancheria or any tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5 of the California Government Code

Additional Readiness Requirements

Readiness Category	Requirement
Environmental Review	At the time of Application, completion of all necessary environmental compliance (including the California Environmental Quality Act and if applicable, the National Environmental Policy Act) and project approvals related to the Equitable Housing and Neighborhood Development project is required. All applicable time periods for filing appeals or lawsuits must have lapsed within 30 days of the application due date with lawsuits or appeals filed. Also, at the time of application, all applicable time periods for filing lawsuits must have lapsed. However, non-housing components of a project are not required to certify completion and demonstration of approval of environmental clearances (NEPA or CEQA) until prior to the initial disbursement of grant funds. Applicants are not required to complete any necessary environmental clearances prompted exclusively by rental and/or operating subsidies prior to the application deadline.
Site Control	Applicants must demonstrate site control prior to submitting an application. Site control may be demonstrated with one of the following documents: • Fee title • A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit, prior to grant funding, compliance with all program requirements • An enforceable option to purchase or lease, which shall extend through the anticipated date of the Program award as specified in the NOFA

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Readiness Category	Requirement
	• An executed disposition and development agreement, right of way, or irrevocable offer of dedication to a Public Agency
	• An executed encroachment permit for construction of improvements or facilities within the public right of way or on public land
	• An executed agreement with a public agency that gives the applicant exclusive rights to negotiate with the agency for the acquisition of the site; provided that the major terms of the acquisition have been agreed to by all parties
	• A land sales contract or enforceable agreement for acquisition of the property
	• Other forms of site control that give the State equivalent to any of the above-listed indicators of site-control demonstrating assurance that the applicant or developer will be able to complete the Project and all housing designated in the application in a timely manner and in accordance with all the requirements of the Program.
Enforceable Funding Requirements	At the time of application, the project must demonstrate a level of committed funding that is 90 percent or greater calculated by the following equation: *Project funds requested + Enforceable Funding Commitments (EFCs) - Deferred Costs* *Total Development Cost - Deferred Costs* *Note: HRI grant requests for Homeownership Affordable Housing Developments will not be counted as part of this equation, and therefore are exempt from this EFC threshold.*
Financial Feasibility	• Market study • Project pro-forma • Multi-year pro-forma • Sources and uses statement • Operating budget
Other Readiness Documentation	• Consistency with State Relocation Assistance Law • All necessary discretionary land use approvals, excluding design review, have been granted within 30 days of the application due date • Consistency with State and Federal Fair Housing requirements including duties to affirmatively further fair housing • Submission of a valuation of anticipated tax credit equity, if LIHTC equity contributions and tax-exempt bonds are to be included as an Enforceable Funding Commitment • Integration of climate adaptation measures • Implementation of the regional Sustainable Communities Strategy • Proposed project must be consistent with state planning priorities • Applicant and/or project may not be party to or subject of a lawsuit • Consistency with local public works department, or other responsible local agency requirements • Estimated project milestone schedule • Demonstration that Project construction has not yet commenced

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Readiness Category	Requirement
	• Housing Element that is in substantial compliance by the date of award recommendation, as demonstrated by a letter from the Department (HCD).

Special Requirements

Other requirements include, but are not limited to the following:

- Provide free transit passes, reloadable transit cards, or discounted passes priced at no more than half of retail cost. At least one (1) pass or card shall be made available for each Restricted Unit for at least 3 years.
- Demonstrate housing will be smoke free by providing a smoke free housing lease addendum
- Incorporate more than one TCC Urban Greening element with dedicated maintenance for at least two years, and must propose at least $200,000 in reasonable direct Urban Greening costs
- Include adequate lighting in accordance with local, state, or federal design standards and requirements for all publicly accessible components
- Demonstrate prior experience by providing evidence of at least two prior projects that are similar to the proposed project in scope and size, which have been completed by the applicant, or joint applicant, during the ten (10) years preceding the application due date
    - An Applicant may rely upon the experience of its principal to meet the Applicant experience requirements. Documentation of the principal's experience is required as set forth in the application, in addition to recent project evidence described above.

- Must be served by qualifying transit, as outlined in AHSC's program guidelines: < https://sgc.ca.gov/meetings/council/2021/docs/20210224-AHSC_Round_6_Guidelines.pdf > (See Figure 1 of the AHSC Guidelines)
- Must not result in a net loss or conversion of agricultural or other working lands, or natural resource lands for other uses
- If project is in a State Groundwater Management Act (SGMA) critically overdrafted area (medium or high priority groundwater basin), applicant must verify water availability, confirm projects alignment with the local Groundwater Sustainability Agency (GSA) and evaluate new water hookup prohibitions or requirements
- Must meet the underwriting standards in the Uniform Multifamily Regulations
- Must not result in a net loss of affordable housing units
- Demonstrate costs are infeasible without AHSC Program funds, and other committed funds are not being supplanted by AHSC Program funds
- Outreach and education on reducing potential health impacts of air pollution must be provided to residents of Affordable Housing Developments.

Strategy 2: Land Acquisition for Affordable Housing

TCC will fund land acquisition for communities to secure land for affordable housing. Below are the General Requirements, eligible project types and fundable elements, Applicant requirements, readiness requirements, and special requirements for Strategy 2**.**

General Requirements

The total amount requested for land acquisition may not exceed ten percent (10%) of total awarded TCC funds. Acquired land shall be deed restricted for developing affordable housing/mixed-use affordable housing only. Applicants are required to purchase or land lease the land and ensure development of the land during the grant term, otherwise the State will need to be reimbursed for the investment.

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Outreach and Implementation (Cost should not exceed 5% of the requested Land Acquisition project funds)	• Community engagement for project planning post-land acquisition • Land holding costs • Direct costs of the land acquisition and stewardship program, including staff and benefits

Land Acquisition	Includes but not limited to:
	
	• Land cost
	• Fees
	   o Legal fees associated with land acquisition
	   o Escrow fees and transfer taxes
	   o Other fees associated with land acquisition
	• Land lease rent prepayment *(rent paid in advance for the year or years of the lease agreement)*
	• Financing costs, including:
	   o Predevelopment interest/holding cost *(interest accumulated from a loan for land acquisition costs)*
	      ▪ Other costs may include insurance, security, property management
	   o Bank loan fees
	• Costs associated with obtaining a ground lease, deed of trust, or covenant
	• Site clearance and environmental remediation
	• Environmental impact reports and assessments

Community Land Trusts	Includes but not limited to: • Development of administrative infrastructure for Community Land Trusts (CLT) (e.g., capacity, leadership, and partnership development within the first two years of the grant) • Rehab and permanent financing assistance (if sufficient funds have been secured for proposed site acquisition) • Costs associated with conversion to resident ownership

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Eligible Project Costs

Cost Category	Description
Eligible Costs include, but are not limited:	- Land acquisition that will result in a plan for affordable housing on the acquired land - Fees - Legal fees associated with land acquisition - Escrow fees and transfer taxes - Building permit fees - Impact fees - Other fees associated with land acquisition - Environmental impact reports and assessments - Financing costs, including: - Predevelopment interest/holding cost *(interest accumulated from a loan for development costs)* - Loan fees - Rehab and permanent financing assistance (if sufficient funds have been secured for site acquisition) - Costs associated with obtaining a ground lease, deed of trust, or covenant - Outreach and implementation (no more than 5% of requested project funds) - Community Land Trust administrative capacity building

Applicant Requirements

Lead or co-applicant must include one of the following:

- Cooperative housing corporations
- Limited partnerships or limited liability companies where all the general partners are eligible lead or co-applicants
- California Native American Tribes
- Joint Powers Authorities
- Public Housing Authorities
- Redevelopment Successor Agencies
- Established Community Land Trust with demonstrated record (incorporated with the State and in good standing)
- Local public agency
- Nonprofit housing organization

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Additional Readiness Requirements

- Final Scoping Plan with completed community engagement and the development plan with schematic design and pro forma (project financing model) for the requested land acquisition.

Community Land Trust (CLT) projects

- CLT projects must include in their Scoping Plan a CLT Feasibility Study that assesses all development phases including the plan to build administrative capacity, an evaluation of the proposed site use, and project development and stewardship plan. The plan must demonstrate that all development phases can be completed within the grant term. CLT Phases of Development include:
  o Phase 1 Feasibility
  o Phase 2 Land Acquisition
  o Phase 3 Rehab and Permanent Financing
  o Phase 4 Conversion to Resident Ownership
  o Phase 5 Long-Term Stewardship

Special Requirements

The following elements are required at the time of Application:

- Preliminary Scoping Plan for purchasing potential land within the project area that includes the affordability mix and targeted population. Preliminary Scoping Plan should include a community engagement plan for development on the acquired land, justify the requested funds, and demonstrate that an affordable housing development on the requested land can be completed within the grant term.
- Evidence of land value for requested land acquisition, such as an appraisal
- The land zoned should be consistent for proposed use, which is restricted for multi-family housing and/or mixed-use housing
- If project is in a State Groundwater Management Act (SGMA) critically overdrafted area (medium or high priority groundwater basin), applicant must verify water availability, confirm projects alignment with the local Groundwater Sustainability Agency (GSA) and evaluate new water hookup prohibitions or requirements.
- Plan for acquiring deed restriction for developing very low, low, and/or moderate income affordable housing
- Letter of commitment from the seller is required at Application
- If co-applicant is a Community Land Trust or Non-Profit Housing Organization, they must request a letter of support for acquisition of the property for affordable housing purposes from the appropriate local government entity.

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Strategy 3: Transit Access and Mobility Strategy

TCC will fund three categories of projects under Strategy 3: active transportation, transit and rail access, and car sharing and mobility enhancement projects. Applicants may choose any combination of or all of the transit strategies as part of their application. Each section below lists the eligible project types and fundable elements, Applicant requirements, eligible project costs, and additional readiness requirements for each transit strategy:

- 3.1: Active Transportation
- 3.2: Transit and Rail Access
- 3.3: Car Sharing and Mobility Enhancement

Strategy 3.1: Active Transportation

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Construction of new, expanded, or enhanced bikeways (Class I, Class II, or Class IV)	• New, expanded, or enhanced context sensitive bikeways (Class I, Class II, or Class IV)[30]* • Non-motorized urban trails that provide safe routes for travel between residences, workplaces, commercial centers, and schools • Bicycle carrying structures on public transit

Construction of new pedestrian facilities	• New walkways that improve mobility/access of pedestrians*
	• Non-capacity increasing streetscape improvements, including but not limited to:
	    ○ Installation of lighting
	    ○ Installation of signage and way-finding markers
	    ○ Other related amenities for pedestrians, cyclists and transit riders
	• Installation of new/improved pedestrian crossings or over-crossings
	• Benches or "street furniture"
	• Street crossing enhancements including accessible pedestrian signals
	• Traffic calming projects, including development of:
	    ○ Curb extensions
	    ○ Roundabouts
	    ○ Median islands / road diets
	    ○ Lane narrowing projects

Purchase of bicycles and/or purchase and installation of infrastructure in support of new or expanded bike share	• New or expanded bike share program* • Publicly accessible bicycle parking • Bicycle repair kiosks • Bicycle carrying structures on public transit

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Capital improvements that result in the improvement or addition of infrastructure that encourages mode-shift by enhancing pedestrian or bicycle network • Capital improvements that are publicly accessible and provide supportive amenities to cyclists, pedestrian, and transit riders • Other capital project costs required as a condition of local approval for the capital project, as approved by the State

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[30] Functional classification, travel forecasts, levels of service, purpose and transportation need, environment, safety, place audit are among the factors that defines context sensitive bikeways.

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Cost Category	Description
	• Those costs typically associated with 1) program creation, or 2) expansion of existing programs to serve new populations or offer new program service and implementation. Eligible costs may include operational costs. Programs include education, outreach and training for Active Transportation or Transit Ridership
Ineligible Costs	• All costs associated with automobile or motorcycle parking (excluding electric vehicle charging infrastructure that may be located at a parking spot). • Right of way

Applicant Requirements

Lead or co-applicant must include one of the following:

- Local, regional or state agencies
- Transit agencies
- Natural resource or public land agencies
- Public schools or school districts
- California Native American Tribes
- Private or nonprofit organizations
- Other entities with oversight of transportation or recreation trails

Additional Readiness Requirements

- Project plans and a cross-section (15-30% design) for bicycle and pedestrian improvements

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Strategy 3.2: Transit and Rail Access

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)

New or Expanded Service	• Operation of new or expanded transit service*
	   o Enhanced or expanded transit service by supporting construction or implementation of:
	       ▪ New or expanded bus or intercity commuter services, and urban rail projects
	       ▪ New or expanded water-borne transit (ferry)
	       ▪ Expanded intermodal transit facilities
	       ▪ Equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities
	   o Operation of alternative transportation services
	• Capital or operational expenditures that increase transit mode share such as bus shelters/transit waiting areas and bicycle carrying structures on public transit

Technology Conversion	• Purchase or replacement of zero-emission or low-emission vehicles* • Purchase, construction, and/or installation of infrastructure, equipment, or facilities to support zero-emission or low-emission vehicles
New Service and Technology Conversion	• Purchase of zero-emission or low-emission vehicles and equipment in support of new expanded/enhanced transit service*
Fuel or Energy Reductions	• Purchase, construction, and/or installation of solar panels for transit facilities in support of new expanded/enhanced transit service* • Implementation of system or efficiency improvements that result in fuel reductions from existing transit services, including projects that reduce transit VMT and idling*

Increased Ridership	• Distribution of vouchers for free or reduced transit fares*
	• Implementation of system or efficiency improvements that result in increased ridership for existing routes, including project elements that increase service levels, reliability, or decrease travel time, including:*
	   o Rail, bus, and ferry integration implementation
	       ▪ Integrated ticketing/scheduling systems and related capital investments
	       ▪ Projects enabling/enhancing shared-use corridors without net air pollution increases
	       ▪ Related planning efforts focused on integrated service without requiring major capital investment
	       ▪ Other service integration initiatives
	   o Bus rapid transit or rail service and other bus and ferry transit investments
	       ▪ Vanpool services operated as public transit
	       ▪ Operating agreements, schedules, and minor capital investments to increase ridership

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Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
	• Efforts to improve existing rail service effectiveness with a focus on improved operating agreement, schedules, and capital investments that increase ridership
	• Purchase and construction of active transportation facilities that connect to stops/stations and encourage transit ridership*

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Capital improvements that result in the improvement or addition of infrastructure that encourages mode-shift by enhancing public transit and rail access • Other capital project costs required as a condition of local approval for the capital project, as approved by the State • Such costs are typically associated with 1) program creation, or 2) expansion of existing programs to serve new populations or offer new program service and implementation. Eligible costs may include operational costs. Programs include education, outreach and training for Active Transportation or Transit Ridership • Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities • Operational expenditures that increase transit mode share • Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support zero emission buses
Ineligible Costs	• All costs associated with automobile or motorcycle parking (excluding electric vehicle charging infrastructure that may be located at a parking spot). • Right-of-way

Applicant Requirements

Lead or co-applicant must include one of the following:

- Public agencies, including construction authorities, transportation authorities, with operational or planning responsibility for transit, rail or ferry services
- Joint Powers Authorities
- Cities
- Counties
- Transportation planning agencies
- Transit operators

Additional Readiness Requirements

- Agreements with key partners that will be responsible for implementing the project (e.g., Partnership Agreement with rail operators)
- Documentation of the project's coordination with other transit services and plans
- Documentation that demonstrates the project's ability to increase ridership

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- Letters of support from:
  - Project partners
  - Regional agency or agencies
  - An MPO indication of whether or not the project is consistent with an adopted Sustainable Communities Strategy, or in non-MPO regions, a regional plan to reduce greenhouse gas emissions

Strategy 3.3: Car Sharing and Mobility Enhancement

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Purchase or lease of zero-emission vehicle technology types to be used for car sharing, vanpooling, ride-sharing and other mobility options	Advanced technologies may include but are not limited to: • Battery electric vehicles* • Fuel cell electric vehicles* • Hydrogen fuel cell vehicles* • Purchase, construction, and/or installation of infrastructure, equipment, or facilities to support zero-emission technology vehicles • Electric vehicle supply equipment (EVSE) – Level 2 or Level 3 • Electric bicycles – Class 1 or Class 2* • Education about the car scrap and replacement incentives program for new or used plug-in hybrid or zero-emission vehicle (ZEV) replacement

Eligible Project Costs

Cost Category	Description

Eligible Costs include but are not limited to:	Project Equipment and Operations Funds: Details from the application will be included once an applicant is selected; details will depend on the proposed car sharing project model. Project fund expenditures that are eligible for reimbursement include:
	
	• Preparation of materials for and conduct of community outreach and education including travel, printing, mailing, education classes, and other expenses directly attributed to outreach and education
	• Vehicle acquisition (purchase or lease) costs
	    ○ May be purchased or leased (2-year minimum lease period)
	    ○ May be new or used
	    ○ Must be a four passenger vehicle or more
	• EVSE (electric vehicle supply equipment) purchase and installation costs
	• Vehicle, EVSE, and electric bicycle maintenance costs
	• Electric bicycle purchase costs
	• Electric bicycle locking station purchase and installation costs
	• Helmets for electric bicycle sharing participants
	• Bicycle safety course costs
	• Vehicle, driver, passenger, and facilities insurance costs
	• Electric bicycle, rider, and facilities insurance costs
	• Reservation system development and on-going maintenance costs

Ineligible Costs	• Fuel and electricity costs

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Applicant Requirements

Lead or Co-applicants must include at least one of the following:

- Local public agency
- Non-Profit Organizations
- California Native American Tribes

- For profit companies that specialize in car-sharing and mobility enhancement projects

Strategy 4: Solar Installation, Energy Efficiency, and Appliance Electrification

TCC will fund the installation of solar photovoltaic systems, energy efficiency retrofits, and replacement of natural gas fueled appliances with all-electric energy efficient equivalents under this strategy. Below are the eligible project types and fundable elements, Applicant requirements, eligible project costs, additional readiness requirements, and special requirements for Strategy 4.

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Installation of Energy Efficiency Measures and Solar Photovoltaic Systems	- Low flow faucets* - Low flow showerheads* - LED lighting* - LED night lights* - Tier 2 power strips* - Thermostatic shower valve and showerhead* - Vacancy/motion sensor* - Ceiling fans* - Ceiling insulation/insulation upgrades* - HVAC system replacement* - Duct repair/replacement* - Efficient fan controller * - Electronically commutated blower motor* - Floor insulation* - Infiltration reduction measures* - Refrigerant charge w/ coil cleaning* - Refrigerator replacement* - Smart thermostat* - Solar water heating* - Solar PV* - Wall insulation, stucco and wood* - Water heater blanket* - Water heater replacement* - Whole house fan* - Window replacement*
Replacement of Existing Natural Gas Appliances with Efficient Electric Equivalents	- Electric ranges - Electric stove tops - Electric ovens - Electric water heaters - Electric heat pump systems
Urban Heat Island Mitigation	- Cool pavements (sidewalk and road resurfacing) - Cool roofs

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Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to	• Direct Costs: Costs associated with the installation including labor, materials, and subcontractors. • Support Costs (e.g., site assessment, project management, training and technical assistance needs). • Limited Home Repairs necessary to facilitate installation of measures (e.g., dry rot repair, water heater platform repair, electrical hazards and panel upgrades, electrical circuit upgrade) are capped at $3,000 per dwelling. Minor roof repairs are not subject to this cost cap and are subject to a separate allowance below. • Roof repairs may not exceed $5,000 per dwelling and are limited to the roof sections that where the solar panels are installed. This cost cap is separate and in addition to the $3,000 limited home repair cost cap. • Limited Home Repair (including roof repair) Costs are capped at 20% of the project total budget. All home repairs must be cost effective per the Savings to Investment Ratio (SIR)
Ineligible Costs	• Installation of new energy efficiency measures or electric appliances that are not replacements of inefficient appliances

Applicant Requirements

Lead or Co-applicants must include at least one of the following:
• Local public agencies
• Joint Powers Authorities
• Non-profit organizations
• California Native American Tribes
• Community-based organizations

Additional Readiness Requirements

• Lead or Co-applicant must demonstrate three (3) years of experience administering and performing energy efficiency and solar PV installations in existing housing
• Lead or Co-applicant must be in good standing with all appropriate local and state oversight and licensing authorities
• Member of the project team shall maintain an active Class B, General Contractor License, issued by the California Contractors License Board throughout the life of the contract

Special Requirements

Cost Effectiveness Requirements for all Projects:

Limited home repair costs must be cost effective using the following calculation and meet the 1.0 Savings to Investment Ratio (SIR). A ratio less than 1.0 indicates an uneconomic investment; a ratio of 1.0 indicates an investment whose benefits or savings just equal its costs; and a ratio greater than 1.0 indicates an economic project.

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SIR Calculation:

- SIR = Lifetime Savings/Investment
- SIR Calculation for Solar PV Installations:
- [First Year kWh Savings (from PV Watts) x Customer Cost per kWh x 27.7941] / [(Contracted LIWP Cost Per DC Watt x # of DC Watts Installed) + Home Repair Cost] – Leveraged Funding

All solar PV systems shall be sized to produce no more than 80% of household annual baseline energy consumption based on actual energy consumption data, found using previous 12 months of electric usage data from utility bills. If property owner has owned the home for less than 12 months and no usage data is available, then baseline energy consumption shall be calculated at 4.3 kWh/sq. ft. of conditioned floor area.

Household Eligibility Requirements for all Projects:

Single Family Properties:

- Participants (property owners or tenants) must have a household income at or below eighty percent (80%) of the county's Area Median Income (AMI), or eighty percent (80%) of the State Median Income (SMI), whichever is higher.

- Income verification will be required.

- TCC recognizes the rights of immigrants to participate in state programs and TCC program-funded activities may not preclude or discriminate on the basis of race or national origin, per Department of Fair Employment and Housing (DFEH) guidance.[31]

Multi-Family Properties:

- Participants must demonstrate that at least sixty-six percent (66%) of the dwelling units in a building are occupied by households with incomes at or below eighty percent (80%) of the county's AMI, or eighty percent (80%) of the SMI, whichever is higher.

Single-family property owners certify they shall not raise the rent or evict tenants of any unit that has been weatherized, had solar panels installed, and/or appliances electrified for a period of two (2) years from the date of improvement because of the increased value of the unit due solely to the TCC funded improvement measures provided (allowable factors for rent increase include an actual increase in property taxes, actual cost of amortizing other improvements to the property accomplished after the date of work completed by the Contractor/Agency, or actual increases in expenses of maintaining and operating this property that do not directly result from TCC funded improvements). They also must acknowledge and agree that the property is not for sale at the time of qualifying for the program and will not be offered for sale or otherwise distributed or is not in foreclosure for at least sixty (60) days following the completion of weatherization services.

For multi-family properties, deed restricted and/or subsidized properties must provide regulatory agreements with a government agency showing compliance with the income eligibility requirements. If there is less than ten (10) years remaining on the term of this regulatory agreement, the participant will agree to sign an Affordability Covenant provided by the Program stating that they will continue to meet income eligibility requirements to equal

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[31] Please see this DFEH fact sheet for more information: https://www.dfeh.ca.gov/wp-content/uploads/sites/32/2020/10/Immigration-Rights-Fact-Sheet_ENG.pdf

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ten (10) total years. For market rate properties the participant agrees not to evict or commence any eviction proceeding against any tenant(s) of any qualifying dwelling unit in the building, except for cause and subject to all legal requirements and procedures for any such eviction and/or proceeding. This restriction is in force for a period of not less than ten (10) years. The owner also agrees that the rents for the qualified low-income dwelling units shall not be increased because of the energy efficiency upgrades and major capital improvements.

Strategy 5: Water Efficiency

TCC will fund the installation of water efficiency retrofits under this strategy. Below are the eligible project types and fundable elements, Applicant requirements, and eligible project costs for Strategy 5.

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Replacement of inefficient appliances with high-efficiency models	• Commercial Dishwasher* • Residential Dishwasher* • Commercial Clothes Washer* • Residential Clothes Washer (single- and multi-family)* • Commercial Ice Machine* • Commercial Steam Cooker* • Commercial Combination Oven* • Equipment that uses single-pass cooling including ice machines and air conditioning units
Replacement of inefficient fixtures with high-efficiency models	• Faucets* • Showerheads* • Toilets and urinals • Commercial pre-rinse spray valves*
Holistic water efficiency upgrades	• Water audits for multi-family housing • Sub-metering for multi-family housing • Leak detection and repair at single family and multi-family housing • Optimization, repair, and/or replacement of inefficient cooling towers • Installation, retrofit, or replacement to achieve efficient irrigation in public and private green spaces such as single family and multifamily homes (drip irrigation, efficient sprinkler spray bodies, smart controllers, moisture sensors, etc.) • Application of compost, and/or mulch to reduce the need for watering, and retain soil moisture • Replacement of lawn with a water-wise landscape and/or edible gardens, and efficient irrigation system • Installation of low impact development (LID) for storm water management • Rainwater and/or storm water capture systems, including treatment and use for landscape irrigation, or toilet, and urinal flushing • Onsite graywater systems, including capture, treatment and reuse for landscape irrigation, or toilet and urinal flushing

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Eligible Project Costs

Cost Category	Description
Eligible Costs include, but are not limited to	• Direct costs associated with the purchase, installation or replacement of indoor and outdoor water efficiency measures including labor, materials and/or subcontractor costs • Direct costs associated with auditing, leak detection and repair • Engineering, design, permitting, installation of onsite non-potable water reuse systems and Low Impact Development to reduce runoff and increase infiltration • Must be certified EnergyStar, or equivalent, as applicable
Ineligible Costs	• Operations and maintenance costs

Applicant Requirements

Lead or Co-applicants must include at least one of the following:

• Local public agencies

• Joint Powers Authorities

• Public schools, universities and colleges (UC, CSU, CA community colleges)

• Nonprofit organizations

• Community-based organizations

• Community development corporations

• California Native American Tribes

Special Requirements

Household Eligibility Requirements for all Projects:

Single Family Properties:

• Participants (property owners or tenants) must have a household income at or below eighty percent (80%) of the county's Area Median Income (AMI), or eighty percent (80%) of the State Median Income (SMI), whichever is higher.

• Income verification will be required.

• TCC recognizes the rights of immigrants to participate in state programs and TCC program-funded activities may not preclude or discriminate on the basis of race or national origin, per Department of Fair Employment and Housing (DFEH) guidance.[32]

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[32] Please see this DFEH fact sheet for more information: https://www.dfeh.ca.gov/wp-content/uploads/sites/32/2020/10/Immigration-Rights-Fact-Sheet_ENG.pdf

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Multi-Family Properties:

- Participants must demonstrate that at least sixty-six percent (66%) of the dwelling units in a building are occupied by households with incomes at or below eighty percent (80%) of the county's AMI, or eighty percent (80%) of the SMI, whichever is higher.

Single-family property owners certify they shall not raise the rent or evict tenants of any unit for a period of two (2) years from the date of installation because of the increased value of the unit due solely to water efficiency measures provided (allowable factors for rent increase include an actual increase in property taxes, actual cost of amortizing other improvements to the property accomplished after the date of work completed by the Contractor/Agency, or actual increases in expenses of maintaining and operating this property that do not directly result from TCC funded improvements). They also must acknowledge and agree that the property is not for sale at the time of qualifying for the program and will not be offered for sale or otherwise distributed or is not in foreclosure for at least sixty (60) days following the completion of weatherization services.

For multi-family properties, deed restricted and/or subsidized properties must provide regulatory agreements with a government agency showing compliance with the income eligibility requirements. If there is less than ten (10) years remaining on the term of this regulatory agreement, the participant will agree to sign an Affordability Covenant provided by the Program stating that they will continue to meet income eligibility requirements to equal ten (10) total years. For market rate properties the participant agrees not to evict or commence any eviction proceeding against any tenant(s) of any qualifying dwelling unit in the building, except for cause and subject to all legal requirements and procedures for any such eviction and/or proceeding. This restriction is in force for a period of not less than ten (10) years. The owner also agrees that the rents for the qualified low-income dwelling units shall not be increased because of the water efficiency upgrades and major capital improvements.

Strategy 6: Recycling and Waste Management

TCC will fund organics waste reduction, recycling, and food waste prevention projects under this strategy. Applicants may choose any combination of or all of the waste management strategies as part of their application. Below are the eligible project types and fundable elements, Applicant requirements, eligible project costs, and additional readiness requirements for each waste management strategy:

- 6.1 Organics Waste Reduction
- 6.2 Recycling
- 6.3 Food Waste Prevention and Rescue

Strategy 6.1: Organics Waste Reduction

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Composting of organics[33]	• Construction, renovation or expansion of compost, anaerobic digestion, or preprocessing of organics (not as standalone project) compost or anaerobic digestion facilities and machinery that turn green or food materials into compost and/or energy products* • Purchase of associated equipment, machinery and site improvements • Residential or commercial compost or anaerobic digestion equipment or programs • Community-scale composting programs

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• All costs associated with implementation of the Project, with the exception of those listed below.
Ineligible Costs	• The purchase or retrofitting of vehicles or containers for collection of feedstock when not associated with a food waste prevention component • Collection/delivery/purchase of feedstock (i.e., food waste, green waste, or alternative daily cover) • Food dehydrators and liquefiers unless coupled with increased tons of Project Area generated food materials diverted from landfills and composted or digested • Purchase or lease of land or buildings • Purchases of offsets or allowances

Applicant Requirements

Lead or Co-applicants must include at least one of the following:

• Local public agencies
• Private, for-profit entities
• Solid waste service providers
• Operators of composting or anaerobic digestion facilities or other facilities
• Regional or local sanitation agencies, waste agencies, or Joint Powers Authorities State agencies
• UC, CSU or other public universities and colleges
• Nonprofit organizations (except private schools)
• California Native American Tribes

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[33] Quantifiable elements in this section should demonstrate that materials generated in the Project Area are being diverted from landfills.

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Additional Readiness Requirements

- Feedstock Certification

- Material Flow Charts (and supporting documentation)

- Applicants must provide a report on when the following permits will be completed, as applicable:
  - Solid Waste Facilities Permit
  - Water Permit
  - Conditional Use Permit
  - Air Quality Permit
  - Licenses and Filings

Strategy 6.2: Recycling

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Manufacturing value-added finished products using recycled fiber, plastic, and glass[34]	• Construction, renovation or expansion of facilities for recycled-content fiber, plastic, or glass or for the manufacture of value-added products* • Purchase of equipment and machinery • Real estate improvements associated with construction, renovation, or expansion • Stand-alone recycling education programs • Residential or commercial recycling collection equipment or programs
Non-traditional recyclables	• Reuse and repair programs for non-traditional recyclables (appliances, electronics, etc.)

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to	• All costs associated with implementation of the project, with the exception of those listed below.
Ineligible Costs	• The purchase or retrofitting of vehicles or containers for collection of feedstock • Purchase or lease of land or buildings • Purchase of recycled fiber, plastic or glass feedstock • Purchases of offsets or allowances • Costs associated with projects that use pyrolysis, gasification or other thermal conversion technologies to create products

Applicant Requirements

Lead or Co-applicants must include at least one of the following:

- Local public agencies
- Private, for-profit entities
- California Native American Tribes
- Solid waste service providers
- Operators of composting or anaerobic digestion facilities or other facilities
- Regional or local sanitation agencies, waste agencies, or Joint Powers Authorities State agencies
- UC, CSU or other public universities and colleges
- Nonprofit organizations (except private schools)

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[34] Quantifiable elements in this section should demonstrate that materials generated in the Project Area are being diverted from landfills.

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Additional Readiness Requirements

- Feedstock Certification

- Material Flow Charts (and supporting documentation)

- Applicants must report on when the following permits will be completed, as applicable:

    o Solid Waste Facilities Permit

    o Water Permit

    o Conditional Use Permit

    o Air Quality Permit

    o Licenses and Filings

Strategy 6.3: Food Waste Prevention and Rescue

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Food waste prevention via food rescue[35]	• New or expanded food rescue projects that result in food being distributed to people, with residuals being sent to composting or digestion when available in project area* • Stand-alone food waste prevention, rescue, and recycling education programs
Food waste prevention via source reduction	• Food waste prevention via source reduction*

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Refrigerators, freezers, and refrigeration systems • Transportation such as refrigerated trucks • Storage and collection infrastructure such as food crates or bins • Food preparation and cooking items such as ovens, ranges, etc. • Salaries • Software costs (food waste online exchange and source reduction platforms)
Ineligible Costs	• Food waste dehydrators and liquefiers • Purchase or lease of land or buildings • Purchase of feedstock (food)

Applicant Requirements

Lead or Co-applicants must include at least one of the following:
- Local public agencies
- Private, for-profit entities
- Solid waste service providers
- Operators of composting or anaerobic digestion facilities or other facilities
- Regional or local sanitation agencies, waste agencies, or Joint Powers Authorities State agencies
- UC, CSU or other public universities and colleges
- Nonprofit organizations (except private schools)
- California Native American Tribes

Additional Readiness Requirements

- Certification of Food Amount Available
- Material Flow Charts (and supporting documentation)

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[35] Quantifiable elements in this section should demonstrate that materials generated in the Project Area are being diverted from landfills.

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Strategy 7: Urban Greening and Green Infrastructure

TCC will fund projects related to urban greening and green infrastructure under this strategy. Below are the eligible project types and fundable elements, Applicant requirements, and additional readiness requirements for Strategy 7.

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Planting of trees in sites that are strategically selected to shade buildings (i.e., planted within 60 feet of an air conditioned building)	• Urban tree planting* • Tree and plant establishment care • Planting site preparation • Vegetation planting • Urban heat island mitigation by tree shading
Planting of trees in sites that do not shade buildings	• Enhancement and/or expansion of neighborhood park and community space (must include tree planting component)* • Planting trees in public lands and structures, which may include incorporation of riparian habitat for water capture and provide for other public and wildlife benefits* • Tree inventory, and/or urban forest mapping and analysis, and/or long term management plan (must include tree planting component)*
Green infrastructure	• Multi-objective storm water projects, including construction of permeable surfaces and collection basins and barriers through low impact development (LID) strategies • Innovative urban forest site improvement to create larger, more functional planting sites for trees, such as bio-swales, urban forestry education centers, edible landscaping and/or community gardens and orchards

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Signs and interpretive aids, including exhibits, kiosks, display boards or signs about the project and funding acknowledgement • Costs associated with the implementation of the project • Land purchase for developing new parks and urban forest area • Tree establishment and maintenance cost during the grant term
Ineligible Costs	• Projects not in accordance with CAL FIRE standard and the Urban Forestry Act • Decorative tree grates and decorative tree guards • Tree removal • Inefficient irrigation valves, pumps, sprinkler control timers, or overly costly and elaborate irrigation systems • Urban wood and biomass projects may not remove trees solely for the purpose of utilization

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	• Root barriers
	• Invasive species
	• Palm trees
	• Trees that:
	    ○ Rely on excessive amounts of water to survive
	    ○ Rely on synthetic fertilizer to survive
	    ○ Are inappropriate for the site selected or require excessive maintenance
	    ○ Will conflict with overhead or underground utilities or ground-located infrastructure

Applicant Requirements

Lead or Co-applicants must include at least one of the following:

- California Native American Tribes
- Public Agency
- Nonprofit organization
- Joint Powers Authority
- Special District
- Qualifying Districts (include, but are not limited to, school, park, recreation, water, and local taxing districts)

Additional Readiness Requirements

- Detailed Tree and Plant Species List approved by a certified expert (e.g., certified arborist, landscape architect)
- Grantees must consult with their Regional Urban Forester before beginning work.

Strategy 8: Health and Well-Being

TCC will fund projects that improve access to healthy food, parks, open space, and recreation under this strategy. Below are the eligible project types and fundable elements, Applicant requirements, eligible project costs, and additional readiness requirements for Strategy 8.

Eligible Project Types and Fundable Elements

Eligible Project Costs	TCC Fundable Elements (* denotes quantifiable elements)
Food Access	• Urban agriculture, including front yards, back yards, rooftop gardens, roadside urban fringe agriculture, livestock grazing in open space, and indoor hydroponic or aquaculture facilities.*[36] • Community gardens*[37] • School gardens*[38] • Community kitchen • Community grocery stores and food cooperatives • Alternative food distribution mechanisms such as Community Supported Agriculture boxes or other scattered methods of food distribution • Food hubs to serve the project area population[39] • Agricultural and healthy food education opportunities for children and adults
Park, Open Space, and Recreation Access	• Increase access to parks and green space through capital improvements projects or programs, • Playground or park exercise equipment • Small recreational facilities (picnic areas, bathrooms)

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Direct project costs, including staff and benefits • Support costs for training, technical assistance, marketing, outreach • Support costs for community engagement, education and participation related to healthy food access

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[36] Operations may range from community-scale gardening to commercial production on a larger scale. Urban agriculture must include trees to be quantifiable, however, indoor hydroponic or aquaculture facilities will not be quantifiable.

[37] Community gardens are defined here as being plots of land, usually in urban areas, that are rented by individuals or groups for private gardens or are for the benefit of the people caring for the garden. Community gardens must include trees to be quantifiable.

[38] School gardens must include trees to be quantifiable.

[39] Food hubs are defined here as centrally located facilities with a business management structure that facilitates the aggregation, storage, processing, distribution and/or marketing of locally and regionally produced food products.

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	• Land purchase and funding access to water for establishing and maintaining small scale community gardens, urban agriculture, or community farms[40]
	• Costs associated with developing business plans for the startup and operations of urban farms
	• Efficient irrigation systems that include timers on valves, pumps, sprinklers, etc.
	• Community Needs Health Assessment[41] to track food access and other health needs of the community
	• Support costs for increasing access to healthy foods through innovative strategies
Ineligible Costs	• Inefficient irrigation systems, or overly costly and elaborate irrigation
	• Remediation needed for the project area (e.g., soil, land, etc.)

Applicant Requirements

Lead or Co-applicants must include at least one of the following:

- City or county
- Local health department
- Other public agency, including public schools or school districts
- California Native American Tribes
- Locally operating health system, hospital, clinic, health plan
- Nonprofit organizations with expertise in health, food access, or urban farming
- UC, CSU, or other public universities and colleges

Additional Readiness Requirements

Urban Agriculture Projects have the following additional readiness requirements:

- Environmental analyses of the proposed project area must be complete within the first year of the grant.
- Land purchases, site control and/or commitment for site control, must be demonstrated at application.
- Appropriate land zoning required for urban agricultural operations must be demonstrated at application.
- Business plans for the startup and operations of urban farms, including defining marketing, operations, and financial strategies, must be developed and finalized within the first year of the grant term.

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[40] In order for water use to be an eligible cost, awardees must ensure water access is available for other residents of the community.

[41] Community Health Needs Assessment Toolkit, American Hospital Association https://www.aha.org/resources/community-health-assessment-toolkit

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Strategy 9: Indoor Air Quality

TCC will fund indoor air filtration projects for low-income residences and community-service facilities (see Appendix A) under this strategy. Below are the eligible project types and fundable elements, Applicant requirements, eligible project costs, and additional readiness requirements for Strategy 9.

Eligible Project Types and Fundable Elements

Eligible Project Costs	TCC Fundable Elements (* denotes quantifiable elements)
Indoor Air Filtration	• Portable indoor air filtration devices
	• Filtration upgrades to existing heating, ventilation, and cooling systems in residences, school, hospitals, and other sensitive locations
	• Replacement filters meeting a Minimum Efficiency Reporting Value (MERV) of 14 or higher
	• Subsidies for increased residential electricity costs resulting from installation or use of indoor air filtration units, air monitoring equipment, or any devices directly supporting air filtration and monitoring
	• Subsidies to support increased maintenance cost resulting from air filtration upgrades
	• Air monitoring equipment and installation
	• Education and training on community air monitoring

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Direct Costs: Costs associated with installation of filtration upgrades or portable filters including labor, materials and subcontractors.
	• Support Costs (e.g., site/impact assessment, project management, training and technical assistance needs).
	• Limited repairs (e.g., electrical circuit upgrades, vent system inspection and upgrades) not in excess of $1,200 per dwelling.
	• Resident outreach, education, and training
	• Subsidies for increased residential electricity costs resulting from air filtration units, air monitoring equipment, and/or other devices directly supporting air filtration and monitoring
	• Replacement filters
Ineligible Costs	• Projects that do not serve residents or community service facilities

Applicant Requirements

Lead or Co-applicants must include at least one of the following:
- Local public agencies
- Joint Powers Authorities
- Non-profit organizations
- Community based organizations
- California Native American Tribes

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Additional Readiness Requirements

Indoor Air Filtration Projects involving work on central heating, ventilation, and air conditioning:

- Lead or Co-applicant must be in good standing with all appropriate local and state oversight and licensing authorities

Special Requirements

Household Eligibility Requirements for all Projects:

Single Family Properties**:**

- Participants (property owners or tenants) must have a household income at or below eighty percent (80%) of the county's Area Median Income (AMI), or eighty percent (80%) of the State Median Income (SMI), whichever is higher.
- Income verification will be required.
- TCC recognizes the rights of immigrants to participate in state programs and TCC program-funded activities may not preclude or discriminate on the basis of race or national origin, per Department of Fair Employment and Housing (DFEH) guidance.[42]

Multi-Family Properties**:**

- Participants must demonstrate that at least sixty-six percent (66%) of the dwelling units in a building are occupied by households with incomes at or below eighty percent (80%) of the county's AMI, or eighty percent (80%) of the SMI, whichever is higher.

Single-family property owners certify they shall not raise the rent or evict tenants of any unit with filtration upgrades for a period of two (2) years from the date of filtration upgrade because of the increased value of the unit due solely to the upgraded filtration measures provided (allowable factors for rent increase include an actual increase in property taxes, actual cost of amortizing other improvements to the property accomplished after the date of work completed by the Contractor/Agency, or actual increases in expenses of maintaining and operating this property that do not directly result from TCC funded improvements). They also must acknowledge and agree that the property is not for sale at the time of qualifying for the program and will not be offered for sale or otherwise distributed or is not in foreclosure for at least sixty (60) days following the completion of appliance replacement or filtration upgrade services.

For multi-family properties, deed restricted and/or subsidized properties must provide regulatory agreements with a government agency showing compliance with the income eligibility requirements. If there is less than ten (10) years remaining on the term of this regulatory agreement, the participant will agree to sign an Affordability Covenant provided by the Program stating that they will continue to meet income eligibility requirements to equal ten (10) total years. For market rate properties the participant agrees not to evict or commence any eviction proceeding against any tenant(s) of any qualifying dwelling unit in the building, except for cause and subject to all legal requirements and procedures for any such eviction and/or proceeding. This restriction is in force for a period of not less than ten (10) years. The owner also agrees that the rents for the qualified low-income dwelling units shall not be increased because of the appliance replacement or filtration improvements.

Property Site Assessments Requirements:

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[42] Please see this DFEH fact sheet for more information: https://www.dfeh.ca.gov/wp-content/uploads/sites/32/2020/10/Immigration-Rights-Fact-Sheet_ENG.pdf

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Site assessments must be conducted prior to deploying standalone air filters and/or installing HVAC upgrades. Site assessments must demonstrate that the proposed deployment of a standalone air filter is feasible, or, in the case of HVAC upgrades, that the proposed HVAC upgrade will not result in negative effects to the existing HVAC systems. These assessments shall be conducted by the equipment owner, an HVAC engineer, or another qualified individual as approved by TCC Program Staff. In addition, each installation should include an educational consultation to instruct users on the efficient operation of the standalone air filter and/or upgraded HVAC system.

Strategy 10: Community Microgrids

TCC will fund single customer, community-serving microgrid projects under this strategy. Below are the eligible project types and fundable elements, applicant requirements, eligible project costs, and additional readiness requirements for Strategy 10.

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements (* denotes quantifiable elements)
Construction of Single Customer Microgrid Infrastructure	• Single customer islanded microgrids with renewable energy generation and storage* • Solar Photovoltaic (PV) systems* • Energy infrastructure • Projects must be at critical community service facilities (defined in Appendix A).

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Direct project costs, including staff and benefits • Support costs for training, technical assistance, and outreach • Support costs for community engagement, education, and participation • Single customer (islanded) microgrids • Solar photovoltaic (PV) systems • Electrical energy storage • Load reduction devices and control systems • Microgrid controllers • Energy Infrastructure, such as electric vehicle charging stations
Ineligible Costs	• Fossil fuel generators or infrastructure • Multi-customer microgrids • Projects that do not serve a community service facility

Applicant Requirements

Lead or co-applicant must include one of the following:

• Local Public Agencies
• Joint Powers Authorities
• Non-Profit Organizations
• Community Based Organizations
• California Native American Tribes

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Additional Readiness Requirements

- Lead or Co-applicant must be in good standing with all appropriate local and state oversight and licensing authorities
- Lead or Co-applicant must demonstrate qualifications having completed similar microgrid projects, have been certified in Energy Storage & Microgrid Training & Certification (ESAMTAC), or received recognized credentials with similar content, or that otherwise demonstrate the relevant capacities

Special Requirements

- Proposed Project locations must meet the following criteria:
    - Located in Tier 2 or Tier 3 High Fire Threat District, and demonstrated to have been impacted by Public Safety Power Shutoff (PSPS) events or by power outages during extreme weather events; and
    - Located at a community service facility that provides critical services to the residents of the Project Area such as cooling or heating centers, community food access, etc.
- Microgrid feasibility study for the project site, including analysis of energy use history and potential generation and storage capacity
- Fully developed microgrid system design
- Documentation that demonstrates the transition towards renewable energy generation as the technology becomes available (for microgrids that have some fossil fuel backup generation for longer duration outages)
- Agreements with key partners that will be responsible for implementing the project
- Agreement from site owner describing commitment to utilize the installed microgrid to serve community resilience goals, provide specific community services as proposed at application, and use energy savings to benefit project area residents. Projects where the community-serving use element is protected through a deed restriction that reverts the real property interest to a participating local government in the case of discontinued operation will be prioritized.
- Additional letters of support (as needed) that demonstrate alignment with any existing Hazards Mitigation Plans, need for a resiliency center, or other Project features:
    - Project partners
    - Regional agency or agencies
    - Local utility company

Strategy 11: Brownfield Redevelopment

TCC will fund community-serving Brownfield Redevelopment projects under this strategy. Below are examples of eligible project types and fundable elements, applicant requirements, eligible project costs, and additional readiness requirements for Strategy 11.

General Requirements

The intent of this strategy is to provide clean-up and/or redevelopment funding to projects on Brownfield sites that are ready to implement or in the process of implementing environmental clean-ups under the oversight of the Department of Toxic Substances Control (DTSC), the United States Environmental Protection Agency (EPA), water boards, or a similar local, state, or federal governmental or qualified third-party entity using standards consistent with state regulatory bodies and subject to approval by SGC.

The total amount requested for brownfield redevelopment activities may not exceed ten percent (10%) of total awarded TCC funds. This cost cap applies to both clean-up and redevelopment activities. Redeveloped land shall be restricted for development of affordable housing, green spaces, and/or other community service facilities subject to approval by the SGC.

Eligible Project Types and Fundable Elements

Eligible Project Types	TCC Fundable Elements
Outreach and Implementation (Cost should not exceed 5% of the requested Brownfield Redevelopment project funds)	• Community engagement for all phases of brownfield redevelopment project planning • Public participation around preferred environmental remediation methods, findings, and course of action • Direct costs of brownfield redevelopment, including staff and benefits
Predevelopment Phase	Eligible projects in this phase should have met the elements outlined in the *Additional Readiness Requirements* section of the Brownfield Redevelopment Strategy below. Fundable elements include, but are not limited to the following: • Obtaining permits and necessary approvals • Conduct environmental cleanup and site preparation activities • Site clearance and environmental remediation • Environmental impact reports and site assessments • Third-party verification of cleanup analyses

Development Phase	Eligible projects in this phase should have met the elements outlined in the *Additional Readiness Requirements* section of the Brownfield Redevelopment Strategy below. The Development phase includes permitting, environmental cleanup, construction, financing, and marketing activities that culminate with completion of the project and a formal opening.
	
	Fundable elements include, but are not limited to the following:
	
	    • Legal fees associated with Brownfield Redevelopment
	    • Financing costs, including:
	        ○ Predevelopment interest/holding cost (interest accumulated from a loan for land acquisition costs)

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Eligible Project Types	TCC Fundable Elements
	o Other costs may include insurance, security, property management • Construction or substantial rehabilitation of affordable housing, mixed-use, green space, health clinic, cultural institution, or other community-service facilities and supporting infrastructure
Management Phase	Brownfield Redevelopment sites must be restricted to community-serving uses which include, but are not limited to: • Affordable Housing Development • Green Spaces • Community Service Facilities

Eligible Project Costs

Cost Category	Description
Eligible Costs include but are not limited to:	• Fees • Building permit fees • Impact fees • Environmental impact reports and assessments • Outreach and implementation (no more than 5% of requested project funds) • Required environmental remediation necessary for the capital project; building and facility construction costs associated with brownfield redevelopment; and capital improvements associated with brownfield redevelopment. Where the combined cost of environmental remediation and project construction is not to exceed 10% of total TCC Grant funds. • Construction and/or substantial rehabilitation of affordable housing, mixed-use, green space, health clinic, cultural institution, or other community service facilities and supporting infrastructure • Other capital project costs required as a condition of local approval for the capital project, as approved by the State • Hazardous building material surveys and removals for materials including PCBs, lead, and asbestos in buildings Financing costs, including: • Predevelopment interest/holding cost *(interest accumulated from a loan for development costs)* • Loan fees
Ineligible Costs	• Construction or development of industrial type uses • Projects that do not serve a community service facility • Costs associated with the abandonment of oil wells or mine features *Re-development Activities on the Following Sites* • Sites with ongoing or planned U.S. Environmental Protection Agency or State-directed removal actions • Sites proposed for or listed on the National Priority List • Federally owned or controlled properties • Sites under enforcement action by a California state environmental regulator agency or a Certified Unified Program Agency

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	• Sites actively subject to corrective action pursuant to the Federal Resource Conservation and Recovery Act (RCRA) and/or California Health and Safety Code Chapter 6.5

Applicant Requirements

Lead or co-applicant must include one of the following:

- Local public agencies
- School Districts
- Community College Districts
- Non-Profit Organizations
- Community Based Organizations
- California Native American Tribes
- Public Housing Authorities
- Cooperative Housing Agencies
- Limited partnerships or limited liability companies where all the general partners are eligible lead or co-applicants

To be eligible, applicants must establish that they did not cause or contribute to the release of threatened hazardous substances within the proposed project site. In addition, all applicants, except California Native American Tribes, must demonstrate that they are exempt from liability under the Comprehensive Environmental Response, Compensation, and Liability Act.

Additional Readiness Requirements

This section outlines the readiness pathways for Brownfield Redevelopment sites with or without identified contamination.

- All Projects must demonstrate at Application thorough previous site investigation: a Phase I Environmental Site Assessment (ESA) or equivalent evaluation document such as Preliminary Endangerment Assessments (PEAs), Supplemental Site Investigations, Remedial Investigations, or other similar documents.

Non-contaminated sites:

- Projects whose site investigations do *not* identify contamination above appropriate and health-protective regulatory screening levels consistent with state regulatory standards must demonstrate that no plans are required related to site clean-up and remediation nor oversight by an appropriate government agency or third-party entity.

Contaminated sites:

- Projects whose site investigations do identify contamination will be subject to the following readiness requirements that establish the types of investigation, government agency or approved third-party oversight, and clean-up plans necessary for Brownfield Redevelopment projects to be considered 'Ready' under TCC.
- A Phase II ESA, or equivalent document, must be completed prior to application.
  - If the Phase II ESA concludes contamination is not present within the site, further study of site contamination is not required.
  - If the Phase II ESA concludes that the site is contaminated, prior to application sufficient site testing and exploration must be completed to determine the extent of contamination, as well as the estimated cost of clean-up.
- Contaminated sites will only be eligible for funding if the site owner or TCC Partner has entered a Standard Voluntary Agreement, California Land Reuse and Revitalization Act Agreement, Local Agency Agreement, or similar formal agreement that establishes oversight by an appropriate government entity (such as the Department of Toxic Substances Control or the U.S. EPA) or a qualified third-party entity using standards consistent with state regulatory bodies and subject to approval by SGC.

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- TCC funds may only be used for environmental remediation activities where the proposed method of environmental remediation has been approved by an appropriate government entity (such as the DTSC or the U.S. EPA) or a qualified third-party entity using standards consistent with state regulatory bodies and subject to approval by SGC, and a remediation plan is in place. The remediation activity must be presented and approved through preparation of a Feasibility Study, Removal Action Work Plan, Remedial Action Plan, Response Plan or equivalent document.

Special Requirements

- All proposed project sites must meet the Federal definition of a Brownfield site as follows: a brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.[43]
- Final Scoping Plan with completed community engagement and a development plan with schematic design and pro forma (project financing model) for the requested brownfield redevelopment. Plan must justify the requested cost and demonstrate a timeline and community process for the brownfield clean-up and/or proposed (community service facility) project.
- Evidence of cost of requested brownfields redevelopment, such as an appraisal.
- Letter of commitment from the seller or demonstration of secured site control is required at Application.
- Letter of commitment establishing proposed community service facility land use following the predevelopment phase required at Application. Projects that opt to protect the community-serving use element through a deed restriction that reverts the real property interest to a participating local government in the case of discontinued operation will be prioritized.
- The existing zoning and land use designations should be consistent with the proposed use.
- If project is in a State Groundwater Management Act (SGMA) critically overdrafted area (medium or high priority groundwater basin), applicant must verify water availability, confirm project's alignment with the local Groundwater Sustainability Agency (GSA) and evaluate new water hookup prohibitions or requirements.

Brownfield Redevelopment Resources

- California Department of Toxic Substances Control, Office of Brownfields: Quick Reference Guide; Available at: https://dtsc.ca.gov/wp-content/uploads/sites/31/2021/10/Quick-Reference-guide_8-21-002-1.pdf
- California Department of Toxic Substances Control, Site Mitigation & Restoration Program; Available at: https://dtsc.ca.gov/brownfields/
- California Department of Toxic Substances Control, Equitable Community Revitalization Grant; Available at: https://dtsc.ca.gov/ecrg/
- United States Environmental Protection Agency: *Land Revitalization Toolkit*; Available at: *https://www.epa.gov/land-revitalization/land-revitalization-toolkit*
- United States Environmental Protection Agency: *Brownfields Program*; Available at: https://www.epa.gov/brownfields
- Center for Creative Land Recycling: resources, programs, expertise; Available at: https://www.cclr.org/

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[43] United States Environmental Protection Agency. *Overview of EPA's Brownfileds Program*. Available at: https://www.epa.gov/brownfields/overview-epas-brownfields-program#:~:text=A%20brownfield%20is%20a%20property,substance%2C%20pollutant%2C%20or%20contaminant.

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APPENDIX C – TRANSFORMATIVE ELEMENTS

Transformative Elements focus on the needs of residents and stakeholders of the TCC Project Area. In line with the SGC Vision for Racial Equity, the Transformative Elements focus on community engagement, anti-displacement, and workforce development plans that ensure equitable outcomes for all to live in a healthy, thriving, and resilient community regardless of race.

This appendix describes eligible, example, and recommended activities for TCC Transformative Elements. It also includes eligible and ineligible costs and some reference resources.

Appendix C-1: Community Engagement

Recommended Activities to Ensure Meaningful Community Engagement

Category	Activities
Activities to Inform Community Stakeholders and to Solicit Stakeholder Input	- Public workshops/meetings - Door-to-door canvassing - House meetings - Established website and/or social media - Distributed flyers or other printed materials - Outreach to existing community groups - Surveys - Focus Groups - Community Working Group
Activities to Engage Community Stakeholders in Development of TCC Proposal	- Design charrettes - Community-based participatory research - Participatory budgeting[44] - Convene advisory body, community working group or shared decision-making body - Establish website and/or social media - Community benefits agreements - Additional activities to ensure community stakeholders have an opportunity to influence the TCC Proposal development
Activities to Ensure Community Engagement During Implementation of TCC Project	- Public workshops/meetings - Door-to-door canvassing - House meetings - Established website and/or social media - Surveys - Focus groups - Sub-contract with community-based organizations to conduct outreach - Allocate staff positions focused on community engagement - Steering committee relative to the participatory budget established - Advisory body, community working group, or shared decision-making body - Additional activities to provide community stakeholders an opportunity to influence the TCC Proposal development - Maintain community engagement throughout the TCC Implementation Plan

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[44] See Appendix A for the definition of Participatory Budgeting. See also the Community Engagement Resources section of this Appendix C-1 for additional information.

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Community Engagement Requirements

TCC funds must be used to support community engagement and outreach activities that meet all of the following criteria:

- Activity is directly related to the implementation of the TCC-funded Project
- Activity is located within the defined TCC Project Area
- Activity is focused on meaningfully engaging community stakeholders located or involved within the defined TCC Project Area

Eligible Costs

Category	Requirement
Eligible Costs include but are not limited to:	• Preparation of outreach materials including printings and mailings • Staff time dedicated for community outreach and education • Translation and interpretation for meetings or written materials • Educational events and training programs that develop public awareness of the TCC Projects • Participant compensation that is an exchange of payment for services rendered in the development of community work products, and appropriately documented with deliverables such as sign-in sheets or written surveys • Provision of transportation services for community residents, such as a vanpool, that increases access to community engagement activities to benefit the project and public. • Provision of childcare services for community residents, excluding individual cash benefits (subsidies) to participants, that increases access to community engagement activities to benefit the project and public. • Food and refreshments that are determined to be an integral part of the event. Examples of activities where it would be appropriate to approve food purchase would include a design charrette held in the evening, where the meal is consumed as part of the event and replaces a meal otherwise missed by attending the event.
Ineligible Costs	• Direct cash benefits or subsidies to participants • Alcoholic refreshments • Participant incentives, such as door prizes, which are unrelated to specific community work products • General Meetings that do not specifically discuss or advance implementation of the TCC Project

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Community Engagement Resources

Additional tools and resources for planning and conducting meaningful community engagement:

- California Climate Investments' "Best Practices for Community Engagement and Building Successful Projects": < http://ww2.arb.ca.gov/sites/default/files/auction-proceeds/cci-community-leadership-bestpractices.pdf >
- Facilitating Power's "The Spectrum of Community Engagement to Ownership": < https://www.communitycommons.org/entities/3aec405c-6908-4bae-9230-f33bef9f40e1 >
- International Association for Public Participation (IAP2)'s "Spectrum of Public Participation": < https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/Spectrum_8.5x11_Print.pdf >
- Participatory Budgeting Project's "How Participatory Budgeting Works": < https://www.participatorybudgeting.org/how-pb-works/ >
- Institute for Local Government's "Inclusive Public Engagement" resources: < https://www.ca-ilg.org/inclusive-public-engagement >
- The Praxis Project's "Language Justice Toolkit": < https://www.thepraxisproject.org/resource/2012/languagejustice >
- IAP2's "COVID-19 Public Participation Resources": < https://iap2usa.org/COVID-19-P2-Resources >
- Salt Lake City Civic Engagement Team's "Practices for Engagement in the Time of COVID": < https://www.slc.gov/can/wp-content/uploads/sites/8/2020/04/Best-Practices-for-Engagement-During-COVID-19.pdf >

Examples of previous TCC awardees' Collaborative Stakeholder Structures:

- Transform Fresno's Outreach and Oversight Committee: < https://www.transformfresno.com/outreach-oversight-committee/ >
- Transform Fresno's Collaborative Stakeholder Structure, Community Partner Outreach Methods, and Anti-Displacement Task Force Members structure (Appendix 3): < https://innovation.luskin.ucla.edu/wp-content/uploads/2021/05/Transform-Fresno-2021-Progress-Report.pdf >
- Watts Rising's Collaborative Stakeholder Structure (Appendix 3): < https://innovation.luskin.ucla.edu/wp-content/uploads/2021/05/Watts-Rising-2021-Progress-Report.pdf >
- Ontario Together's TCC Trustees (Appendix 3): < https://innovation.luskin.ucla.edu/wp-content/uploads/2021/05/Ontario-Together-2021-Progress-Report.pdf >

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Appendix C-2: Displacement Avoidance

Example Policies to Avoid the Displacement of Very Low and Low-Income Households

Category	Policy
Production of Affordable Housing *Long-term policies*	• Incentives for inclusionary zoning* • Density bonus ordinance* • Community land trusts • Fee on new commercial or residential development that is dedicated to affordable housing • Land banking programs • Development of new accessory dwelling units (ADU) • Neighborhood preference legislation that gives existing residents within a certain circumference preference for newly built affordable units* • Dedication of a certain percentage of a housing bond to building housing in the TCC Project Area • Site acquisition and fee deferrals to develop 100% affordable housing* • Production of family-sized rental and ownership affordable units • Allow affordable housing on a limited number of underutilized Production, Distribution and Repair (PDR) parcels with a ground floor requirement for PDR* • Housing bond to fund affordable unit development
Preservation of Affordable Housing *Short-term policies*	• Rent control, stabilization ordinances, and rent review boards* • No-net loss of affordable housing units / net gain of affordable units* • Preservation of existing affordable housing in the Project Area through the one-for-one redevelopment of distressed public housing; right-to-return policies for existing residents in good standing in redeveloped public housing; and commitment not to raise rents above pre-redevelopment levels for existing residents in redeveloped buildings* • Policies to preserve single-room occupancy and/or mobile home parks and to allow current residents in good standing to remain or return in the case of redevelopment* • Condominium conversion restrictions* • Demonstration of application to local, state, and federal programs to fund preservation of affordable housing • Preservation of affordable housing via acquisition and rehabilitation programs* • Covenants to maintain affordability in perpetuity • Community land trusts • Restrictions on short-term rentals* • Restrictions on non-primary residences*

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Category	Policy
Tenant Protections and Support *Short-term policies*	• Tenant anti-harassment policies • Right-to-return policies for existing households • Source of income non-discrimination* • 'Just Cause' eviction policies • Limiting of low-fault evictions* • Culturally appropriate tenant rights education • Funding for tenant organizing • Tenant legal services and right to council in eviction proceedings • Limiting tenant evictions from affordable housing* • Maximize acceptance of rental subsidies* • Review of occupancy requirements to create greater flexibility for tenants* • Identify opportunities to master lease privately owned and managed SROs* • Increase supportive services to tenants living in SROs that are not managed or master leased by the jurisdiction or non-profits • Identify opportunities to acquire privately owned and managed SRO buildings • Improve code enforcement in SROs* • Implement guidelines to prioritize moving families from SROs into affordable housing units* • Tenant's first right to purchase legislation* • Preserve rent-control units when major rehabilitation occurs* • Where applicable, assessing enforcement of nuisance policies and modifying as needed to ensure vulnerable populations are not being negatively impacted. • Create an emergency housing response action plan for instances when code enforcement deems the properties uninhabitable
Neighborhood Stabilization and Wealth Building *Long-term policies*	• Asset building opportunities for low-income residents • Contracting with local/small/diversely owned businesses • Development and promotion of micro-lending opportunities • Development of worker cooperatives • Non-speculative homeownership opportunities

*Indicates policies that require local municipal participation to implement

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Example Policies to Avoid the Displacement of Local and Small Businesses

Category	Policy
Protections for Small Businesses *Short-term policies*	• Implementation of an overlay zone designed to protect and assist local and small businesses* • Creation and maintenance of a small business alliance • Increased outreach by the jurisdiction's small business assistance programs • Formal programs to ensure that some fraction of a jurisdiction's good and services come from local and small businesses* • Development of no-cost and low-cost business development and retention programs with established local, state and federal partners such as the California Small Business Development Center Network, Women's Business Centers, Procurement Technical Assistance Centers and others • Support for ownership of space by small, locally owned businesses • Enforce existing regulations to retain and protect production, distribution, repair (PDR) space • Advocate for commercial rent control
Business Stabilization and Wealth Building *Long-term policies*	• Development of layoff aversion and business continuity programs during construction or other business interruption events • Development of no-cost and low-cost business development consulting and training programs targeting small and micro-enterprises in partnership with local, state and federal technical assistance partners • Contract with local/small/diversely owned businesses • Encouragement and assistance to ensure businesses are community-serving • Increase commercial space and promote community serving uses in new developments • Support alternative business models including coops • Non-profit stabilization programs and rental subsidy programs that prevent the displacement of non-profits from a neighborhood*

*Indicates policies that require municipal participation to implement

Displacement Avoidance Plan Requirements

TCC funds must be used to support displacement avoidance activities that meet all of the following criteria:

• Activity is focused on implementing additional or new policies and programs, which may include but are not limited to new policies not yet adopted, programs that address implementation barriers of existing policies and programs and expanded efforts around existing policies and programs. Activities can be either policy development or programmatic activities, which include community engagement and educational activities.

• Activity is directly addressing the displacement vulnerabilities of the TCC Project Area and the potential impacts of implementing the TCC-funded Project

• Activity is located within the defined TCC Project Area

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- Activity is focused on engaging existing residents and small businesses located or involved within the defined TCC Project Area

Eligible Costs

Cost Category	Description
Eligible Costs include but are not limited to:	- Direct costs for implementing additional or new policies and programs - Salaries, wages, and stipends of nonprofit or consultant staff dedicated to the displacement avoidance plan - Preparation of outreach and education materials - Costs associated with education, coordination, and policy development to support displacement avoidance implementation activities - Translation and interpretation for meetings or written materials - Rental costs for facilities required to perform training. (Applicants are encouraged to seek access to free or low-cost facilities through partnerships with community facilities where possible.) - Public transit subsidies for low-income, disabled, or other participants with accessibility or transportation challenges - Participant compensation that is an exchange of payment for services rendered in the development of community work products, and appropriately documented with deliverables such as sign-in sheets or written surveys - Provision of transportation services for community residents, such as a vanpool, that increases access to community engagement activities to benefit the project and public - Provision of childcare services for community residents, excluding individual cash benefits (subsidies) to participants, that increases access to community engagement activities to benefit the project and public - Food and refreshments that are determined to be an integral part of the event. Examples of activities where it would be appropriate to approve food purchase would include a design charrette held in the evening, where the meal is consumed as part of the event and replaces a meal otherwise missed by attending the event.
Ineligible Costs	- Costs for implementing existing policies, plans, ordinances, or programs (e.g., local government staff salaries, supplies, meetings, etc.) - Direct cash benefits or subsidies to participants - Alcoholic refreshments - Participant incentives, such as door prizes, which are unrelated to specific community work products

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Displacement Avoidance Resources

Additional tools and resources for selecting displacement avoidance policies and programs:

- CARB & UC Berkeley review of selected housing anti-displacement policies and their potential to prevent displacement, market type needed to feasibly implement, implementation scale, and timeframe to prevent displacement: "White Paper on the Effectiveness of Anti-Displacement Policies" (Chapple & Loukaitou-Sideris, published by CARB, 2021). < https://ww2.arb.ca.gov/sites/default/files/2021-04/19RD018%20-%20Anti-Displacement%20Strategy%20Effectiveness.pdf >
- Urban Displacement Project research reports:
    - Anti-displacement policies: < https://www.urbandisplacement.org/topic/policy/ >
    - Climate displacement, climate mitigation, and infill development: < https://www.urbandisplacement.org/topic/climate-mitigation-and-displacement/ >
    - Cultural, commercial, and industrial displacement: < https://www.urbandisplacement.org/topic/cultural-commercial-industrial-displacement/ >
    - Housing precarity risk model (HPRM) on household risk of eviction, displacement, and long-term poverty as a result of the COVID-19 recession: <https://www.urbandisplacement.org/topic/evictions-housing-precarity-risk-model/>
- Department of Housing and Community Development (HCD) guide to creating a new by-right process and modifying fee structures to promote infill development: < https://www.hcd.ca.gov/community-development/building-blocks/program-requirements/identify-adequate-sites.shtml >
- State of California streamlined ministerial approval of affordable housing under SB 35:
    - SB 35 Determination and Housing Element Open Data Map: < http://cahcd.maps.arcgis.com/apps/webappviewer/index.html?id=29fd695819064f38afee6c9880c30ae3 >
    - Mapping Webinar: < https://www.youtube.com/watch?v=wH4DY-OteLc&feature=youtu.be >
- Public Advocates factsheet on Housing Overlay Zones (HOZs): < https://www.reimaginerpe.org/files/HOZ_Fact_Sheet_FINAL_7-27-10(2).pdf >
- Governor's Office of Planning and Research's guide for CEQA streamlining of housing projects through plan-level Environmental Impact Reviews: < http://opr.ca.gov/docs/20190208-TechAdvisory-Review_of_Housing_Exemptions.pdf >
- California Housing Partnership's Preservation Technical Assistance guide: < https://chpc.net/policy-research/preservation/ >
- HCD guide to preserving units at risk of conversion to market rate: < https://www.hcd.ca.gov/community-development/building-blocks/program-requirements/preserve-units-at-risk-conversion-market-rate.shtml >
- HCD inclusionary housing ordinance technical assistance memo: < https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/ab_1505_final.pd f>
- National Coalition for Asian Pacific American Community Development & Council for Native Hawaiian Advancement's report on Asian American & Pacific Islander Anti-Displacement Strategies: <https://www.nationalcapacd.org/wp-content/uploads/2017/08/anti_displacement_strategies_report.pdf>
- Causa Justa's Just Cause Development without Displacement Report and Strategies: <https://ncg.org/sites/default/files/resources/DevelopmentWithoutDisplacement_CausaJustaJustCause_0.pdf>

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Appendix C-3: Workforce Development and Economic Opportunities

Eligible Activities

- Workforce development and training programs must meet <u>all</u> of the following criteria:
    - o Train participants for jobs and skills that are transferable, and result in high-quality jobs that are reflective of the State's goals and priorities
    - o Result in recognized credentials (e.g., certifications, certificates, degrees, license, other documentation of competency and qualifications) to support long-term, stable employment and career development. Programs that provide recipients with more than one type of skill or credential should be prioritized
    - o Focus job training and placement plans on high-quality employment (e.g., local living wages, benefits, opportunities for advancement, geographic accessibility, predictable scheduling, working conditions, job retention)
    - o Recruit trainees from Project Area residents
    - o Reduce barriers to participation through the training program design and recruitment strategy
    - o Address emerging critical skill issues to increase the capacity of workers and organizations to adapt and compete in a net zero economy
- Training programs
- Recruitment and outreach
- On-the-Job Training, Earn-and-Learn training opportunities
- Job placement
- High-quality job creation
- Entrepreneurship and incubation programs with high-quality career pathways

Example Activities

- Pre-apprenticeship programs that utilize industry standard developed curriculum and are tied to certified apprenticeships
- Training programs that lead to occupations and industries that support the TCC Project implementation
- Training programs that reduce barriers for and reflect the range of employment readiness needs of local residents with employment barriers
- Partnerships with local workforce development boards, local non-profits, and other organizations with knowledge of the employment landscape that ensure the training will lead to industry-recognized credentials and labor market advancement
- Partnerships for comprehensive, regional economic and workforce planning to support the transition away from fossil fuels and fossil fuel-based industries
- Partnerships with small businesses in the Project Area that are owned by priority populations or aligned with TCC public health and just transition goals
- Targeted recruitment strategies, consistent with federal and state law, to direct training opportunities to residents and/or businesses within the TCC Project Area (e.g., Community Benefits Agreements, labor agreements or community workforce provisions, contract provisions)
- Establishing and/or supporting a Workforce Resource Center in the Project Area to facilitate recruitment for workforce training programs and supportive services to trainees.

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- Capacity-building for Project Area firms to establish high road practices and meet public contracting requirements
- Regional labor market analysis to support workforce planning and just transitions
- Employer engagement and coordination to ensure high quality job creation and job placement

Applicant Requirements

Organizations leading the workforce development and training programs should have:

- Demonstrated track record of providing training with sufficiently high rates of completion, post-training job placement utilizing existing formalized pathways or partnerships with potential employers or industries, and job retention
- Previous experience in programs of a similar size and scope as proposed in the workforce development and opportunities plan
- Demonstration of formalized partnerships to align workforce training programs with regional industry demand. Possible partners may include local workforce development boards, community college districts and local educational institutions, community-based training organizations, industry partners, labor unions, and local governments.

Eligible Costs

Cost Category	Description
Eligible Costs include but are not limited to:	- Instructor salaries, wages, and stipends - Trainee salaries up to 50% of the wages including six (6) months of benefits or no more than 1040 hours, and stipends - Cost of tools, materials, or equipment necessary to perform training - Support costs for outreach and recruitment, including translation and interpretation services - Rental costs for facilities required to perform training. (Applicants are encouraged to seek access to free or low-cost facilities through partnerships with community facilities where possible.) - Public transit subsidies for low-income, disabled, or other participants with accessibility or transportation challenges - Support services for trainees, such as individual employment or development plans, workforce readiness skills trainings (within programs directly linked to credentials or pathways), and job placement or retention support - Provision of childcare services for trainees, excluding individual cash benefits (subsidies) to participants, that increases access to workforce development activities to benefit the project and public
Ineligible Costs	- Programs that do not include clear career pathways for residents of the Project Area or committed partnerships for high-quality job placement - Programs that provide workforce readiness skills (i.e., "soft skills" training) but are not directly linked to employment credentials or pathways - Work-appropriate clothing or attire (other than essential equipment and safety wear)

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Cost Category	Description
	• Direct cash benefits or subsidies to participants (other than transit subsidies)
	• Food and refreshments

Workforce Development Resources

Additional tools and resources for developing workforce development and economic opportunity plans and programs:

- California Workforce Development Board High Road Training Partnership Website: < https://cwdb.ca.gov/initiatives/high-road-training-partnerships/>
    - o Foundation Documents: High Road Training Partnership Overview: < https://cwdb.ca.gov/wp-content/uploads/sites/43/2019/09/High-Road-ECJ-Brief_UPDATED-BRANDING.pdf>
    - o Foundation Documents: High Road Training Partnerships Framework (one-page handout): < https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/08/OneSheet_HRTP_ACCESSIBLE.pdf>
    - o Essential Elements of High Road Training Partnerships: < https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/01/HRTP-Essential-Elements_ACCESSIBLE.pdf>
    - o High Road Training Partnerships – Sector Case Studies: Available in "HRTP Projects" section of HRTP website
- California Employment Development Department (EDD) "Performance Guidance" summary for the Workforce Innovation and Opportunity Act describing the expectations for recognized workforce credentials (pages 7 and 11): < https://edd.ca.gov/jobs_and_training/pubs/wsd19-03.pdf >
- Resources to align programs with regional workforce trends:
    - o Centers of Excellence for Labor Market Research guide to utilizing labor market data to inform workforce development decisions (designed for community colleges but applicable to general high road workforce planning): "Making Use of Labor Market Information: Where to Find Data for Common Community College Decisions" (Booth et al. 2015, underwritten by CA Community Colleges Chancellor's Office Vocational Education Research and Technical Advisory Committee). < http://www.coeccc.net/COE/media/SupplyandDemandPageDocuments/Making-Use-of-Labor-Market-Information.pdf >
    - o Centers of Excellence for Labor Market Research homepage. The seven California Centers of Excellence were developed "to study the regional economies of CA, support community colleges by providing customized data on high growth, emerging, and economically-critical industries and occupations and their related workforce needs." < http://www.coeccc.net/ >
    - o California Employment Development Department (EDD) Labor Market Information and Links < https://www.labormarketinfo.edd.ca.gov/ >

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Appendix C-4: Climate Adaptation and Resilience

Requirements for Risk Assessment and Adaptation Measures

Applicants must demonstrate how the TCC investment and leverage funded projects will increase resilience of the Project Area to the anticipated impacts from climate change. This includes describing:

- Climate change risks and exposures within the Project Area, such as additional days of extreme heat or precipitation, increased average temperatures, wildfire, flooding, sea level rise, and drought.
- Anticipated impacts of climate change risks and exposures on the community, including vulnerable populations.
- Anticipated impacts of climate change risks and exposures on the built environment

Based on the risks and anticipated impacts, Applicants will use this information to describe the processes they will use to identify and prioritize adaptation measures to:

- Address climate change-related impacts and exposures for vulnerable populations; and
- Increase resilience and functionality of proposed infrastructure projects

Eligible Costs

Climate resilience and adaptation must be integrated into the Projects, Transformative Elements, and Vision. No specific costs are set aside for this Transformative Element.

Climate Adaptation and Resilience Resources

To identify the climate change risks and exposures within the Project Area, such as additional days of extreme heat or precipitation, increased average temperatures, wildfire, flooding, sea level rise, and drought. This information may be obtained using tools listed below:

- Cal-Adapt.org, an online platform that can help identify, map and model specific climate change exposures: < https://cal-adapt.org/ >,
- Using the results of a local or regional vulnerability assessment or action plan that includes the Project Area, or
- Any other locally developed, down-scaled projection model such as projection models developed by consultants or community-based organizations.

To describe the impact of climate change risks and exposures on the community, particularly vulnerable populations. This information may be obtained using:

- The Guide to Defining Vulnerable Communities in the Context of Climate Change < http://www.opr.ca.gov/docs/20200720-Vulnerable_Communities.pdf >,
- Climate Change and Health Profile Reports, created by the California Department of Public Health, which describe the impact of climate risks and exposures for vulnerable populations for each county,
- Climate Change and Health Vulnerability Indicators for California (CCHVI) developed by the CalBRACE Project,
- Healthy Places Index (HPI),
- Mapping Resilience: A Blueprint for Thriving in the Face of Climate Disasters < https://apen4ej.org/wp-content/uploads/2019/07/APEN-Mapping_Resilience-Report.pdf >, and
- Regional Opportunity Index (ROI) developed by the UC Davis Center for Regional Change.

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To identify and prioritize climate adaptation measures and projects that address anticipated climate impacts. These resources can support this process:

- The 2020 Adaptation Planning Guide provides guidance on assessing climate impacts and adaptation strategies to address them: < https://resilientca.org/apg/ >,

- The State Adaptation Clearinghouse hosts a range of case studies, adaptation plans, and strategy documents, state guidance, tools, and data: <https://resilientca.org/>

  - Climate Equity Topic page provides information on equitable planning and achieving climate equity in adaptation and resilience efforts: < https://resilientca.org/topics/climate-equity/ >

  - Appendix D of the Adaptation Planning Guide provides a compendium of example adaptation strategies broken down by topic/sector area: < https://www.caloes.ca.gov/HazardMitigationSite/Documents/CA-Adaptation-Planning-Guide-FINAL-June-2020-Accessible.pdf#search=adaptation%20planning%20guide >

  - Resilient CA Adaptation Planning Map provides links to local government adaptation planning documents: < https://resilientca.org/topics/land-use-and-community-development/#resilientca-adaptation-planning-map-rap-map >

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Appendix C-5: Leverage Funding

Leverage Funding Requirements

- Applicants must leverage additional funding sources that equal a minimum of 50% of the total requested grant funds.

- At least forty percent (40%) of the leverage funding must be included in the budgets of grant-funded projects or transformative plans. The remaining ten percent (10%) may come from stand-alone leverage projects that are specific to the Transformative Climate Communities Program and are considered to be new investments in the project area.

Eligible Projects or Plans	Percentage of Leverage	Total Dollar Amount
Leverage funding for Grant-funded projects or Transformative Plans	At least 40%	$14,000,000
Stand-alone leverage projects	Up to 10%	$3,500,000
Total	**50%**	**$17,500,000**

- Leverage funding must be committed at the time Applicants submit their applications.

- Leverage funding must clearly support the implementation of the Strategies selected to achieve the TCC Program Objectives.

- Leverage funding must be spent within the TCC Project Area and for the purposes of the TCC Project.

- Expenditure of leverage funding will only count towards the fifty percent (50%) threshold if it occurs after the grant has been awarded by Strategic Growth Council and before the end of the grant term.

Eligible Leverage Funding Sources

Eligible funding sources for leverage may include, but are not limited to:

- Federal funding sources;
- State funding sources, including other SGC-administered or CCI funds;
- Private capital;
- Foundation grants;
- Low-income housing tax credit equity contributions and tax-exempt bonds in connection with four percent (4%) low-income housing tax credits;
- Funds from regional or local tax measures, bonds, property assessments and fee revenue committed to public infrastructure related to Projects included in the TCC Proposal, and located within the designated Project Area;
- Funds for transportation projects that are programmed for allocation and expenditure in the applicable capital improvement plan consistent with the terms and timeframes of the contract agreement.

In-kind goods and services, such as the provision of meals, transportation, or childcare for an eligible community event, may be accepted as eligible sources of leverage if they are adequately defined and documented. They will be subject to review by the State during review of the Application.

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Eligible Stand-Alone Leverage Projects

- Stand-alone leverage projects must be clearly integrated into the overall TCC Proposal, aligned with the TCC Proposal timeline, and within the TCC Project Area. Applicants must demonstrate that investment was initiated in anticipation of applying for the TCC Program, or that the investment is contingent upon a TCC award.
  - Existing stand-alone investments (on-going investments that were not initiated in anticipation of or contingent upon a TCC award) will not count towards the 50 percent (50%) leverage requirement. Applicants will describe existing stand-alone investments that make the Project Area ready for transformation in the application narrative, and that will be scored under the "Vision for Transformation" criteria.

- To ensure that stand-alone leverage projects are committed at the time of application and implemented during the project timeline, Applicants are required to include the leverage partners and scope of work in the TCC Project's overall Partnership Agreement.

- Leverage projects may not be removed from the TCC Proposal scope of work after the grant has been awarded by the Strategic Growth Council. SGC may consider the failure of a stand-alone leverage project to adhere to the terms of the Partnership Agreement to constitute a Grantee's non-performance under the Grant Agreement.

APPENDIX D – PROHOUSING POLICIES

Per Section II.F Program Policy Priorities of the Guidelines, the TCC program will incentivize applications from jurisdictions that are designated as Prohousing by the HCD Program or adopted Pro-housing policies that would facilitate sustainable housing production and the reduction of vehicle miles travelled (VMT). For jurisdictions that are not yet Prohousing designated, the list below defines pro-housing policies that qualify Applicants for partial scoring incentive points:

VMT Reducing Prohousing Criteria

Category 1: Favorable Zoning and Land Use

- Permitting missing middle housing uses (e.g., duplexes, triplexes, and fourplexes) by right in existing low-density, single-family residential zones.
- Density bonus programs which exceed statutory requirements by 10 percent or more.
- Increasing allowable density in low-density, single-family residential areas beyond the requirements of state Accessory Dwelling Unit law (e.g., permitting more than one ADU or JADU per single-family lot). These policies shall be separate from any qualifying policies under Category (1)(B) above.
- Reducing or eliminating parking requirements for residential development as authorized by Government Code sections 65852.2; adopting vehicular parking ratios that are less than the relevant ratio thresholds at subparagraphs (A), (B), and (C) of Government Code section 65915, subdivision (p)(1); or adopting maximum parking requirements at or less than ratios pursuant to Government Code section 65915, subdivision (p).
- Zoning to allow for residential or mixed uses in one or more non-residential zones (e.g., commercial, light industrial). Qualifying non-residential zones do not include open space or substantially similar zones.
- Modification of development standards and other applicable zoning provisions to promote greater development intensity. Potential areas of focus include floor area ratio; height limits; minimum lot or unit sizes; setbacks; and allowable dwelling units per acre. These policies must be separate from any qualifying policies under Category (1)(B) above.
- Establishment of geographic areas for promoting workforce housing or sustainability, such as a Workforce Housing Opportunity Zone, as defined in Government Code section 65620, or a housing sustainability district, as defined in Government Code section 66200.

Category 2: Acceleration of Housing Production Timeframes

- Documented practice of streamlining housing development at the project level, such as by enabling a by-right approval process or by utilizing statutory and categorical exemptions as authorized by applicable law (Pub. Resources Code, §§ 21155.1, 21155.4, 21159.24, 21159.25; Gov. Code, § 65457; Cal Code Regs., tit. 14, §§ 15303, 15332; Pub. Resources Code, §§ 21094.5, 21099, 21155.2, 21159.28).
- Priority permit processing or reduced plan check times for ADUs/JADUs, multifamily housing, or homes affordable to lower- or moderate-income households.

Category 3: Reduction of Construction and Development Costs

- Adoption of ordinances or implementation of other mechanisms that result in less restrictive requirements than Government Code sections 65852.2 and 65852.22 to reduce barriers for property owners to create ADUs/JADUs. Examples of qualifying policies include, but are not limited to, development standards improvements, permit processing improvements, dedicated ADU/JADU staff, technical assistance programs, and pre-approved ADU/JADU design packages.
- Measures that reduce costs for transportation-related infrastructure or programs that encourage active modes of transportation or other alternatives to automobiles. Qualifying policies include, but are not limited to, publicly funded programs to expand sidewalks or protect bike/micro-mobility lanes; creation of on-street parking for bikes; transit-related improvements; or establishment of carshare programs.

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- Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas.

Prohousing Enhancement Factors

- Policy that represents one element of a unified, multi-faceted strategy to promote multiple planning objectives, such as efficient land use, access to public transportation, affordable housing, climate change solutions, and/or hazard mitigation.
- Policies that promote development consistent with the state planning priorities pursuant to Government Code section 65041.1.
- Policies that go beyond state law requirements in reducing displacement of lower income households and conserving existing housing stock that is affordable to lower income households.
- Rezoning and other policies that support high-density development in Location Efficient Communities.
- Other policies that involve meaningful actions towards affirmatively furthering fair housing pursuant to Government Code section 8899.50.

Prohousing Information and Resources

Applications to the Prohousing are accepted on an over-the-counter and rolling basis. There is no deadline for applications.

HCD will review applications and provide feedback within 60 days and upon approval promptly process awards with a targeted timeframe of 30 days.

General technical assistance is provided through HCD at prohousingpolicies@hcd.ca.gov. Technical Assistance can also be provided by an assigned HCD reviewer once the application has been submitted.

Resources

- Prohousing Designation Program PowerPoint:
  https://www.hcd.ca.gov/community-development/prohousing/docs/hcdprohousingppt.pdf
- Prohousing Regulation Text:
  https://www.hcd.ca.gov/community-development/prohousing/docs/prohousing-regulation-text.pdf
- Prohousing Frequently Asked Questions:
  https://www.hcd.ca.gov/community-development/prohousing/docs/prohousingfaq.pdf

APPENDIX E – AIR POLLUTION REDUCTION AND MITIGATION

Per Section II.F Program Policy Priorities, the TCC Program will incentivize applications that propose actions or include existing meaningful efforts to reduce localized point sources of pollution in their TCC Project Areas and jurisdictions. TCC's air pollution priority emphasizes reducing particulate matter emissions and toxic air contaminants due to their disproportionate health impacts in disadvantaged communities.

The list below defines air pollution reduction and mitigation policies that qualify Applicants for partial scoring incentive points. Pollution reduction and prevention policies, and direct policies in each category, will be worth more points. Applicants can score points in any combination of categories, regardless of whether their role is the policymaker, if the applicant can demonstrate their dedicated activities are aimed at policies that reduce, mitigate, and prevent localized air pollution.

Example Policies to Reduce or Mitigate Local Air Pollution

Category	Policy
Air Pollution Reduction and Prevention	*Tier 1 – Direct – Reduction and Prevention* • Health-protective buffer ordinances and phaseout of existing incompatible facilities within buffer zones • Nonconforming land-use ordinances, restrictions, or zoning provisions • Point-source emissions compliance and enforcement programs • Agreements or incentives for the adoption of more stringent emission thresholds and standards, including but not limited to, Maximum Achievable Control Technology (MACT), for targeted "toxic hotspot" areas consisting of multiple facilities that emit cumulative toxic air contaminants in DACs and environmental justice communities • Incorporation of air pollution measures into climate policies and plans • Adoption of CARB Recommended Air Pollution Reduction Measures for new warehouses and distribution centers • Adopted school bus electrification programs • Enforcement of existing CARB regulations related to heavy-duty vehicles for public transit and school bus fleets • Air pollution control districts and advisory committees with environmental justice representatives • Adoption and enforcement of standard construction emissions mitigation measures • Implementation of natural gas to electric appliance community-based retrofit programs or incentives • Participation in local wood stove reduction programs • Adoption of All-Electric Reach Codes for new developments • Provide incentives for loading dock electrification, Medium- and Heavy-Duty zero-emission vehicles *Tier 2 – Indirect – Community Oversight and Capacity Building*

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	• Air monitoring, modeling, community planning and enforcement partnerships amongst community groups, businesses, local jurisdictions, air districts, and/or CARB (e.g. AB 617 Community Air Protection Program) • Data accessibility/community notification programs and culturally appropriate materials • Good Neighbor agreements between facilities and adjacent facilities that provide a channel for public participation and citizen oversight • Community education and training on air quality and regulation *Tier 3 – Indirect – Air Quality Co-Benefits* • Transit education workshops/programs targeted at increasing ridership • Bicycle safety or repair workshops/programs targeted at increasing alternate and active modes of transportation • Adoption of a Safe Routes to School Program • Adoption/implementation of a comprehensive public transportation, bicycle, and pedestrian master plan • Expansion of existing transit services and ZEV infrastructure
Air Pollution Mitigation	*Tier 1 – Direct – Mitigation* • Moratorium on new approvals or renewals of conditional use permits for hazardous facilities near sensitive receptors • Control technology incentives for phaseout or reduction of pollutants • Mandated full physical enclosures of hazardous facilities near sensitive receptors • Truck re-route and enforcement ordinances and programs • Restrict idling for municipally owned vehicles and/or in sensitive areas such as near schools • Enforce idling restrictions for construction vehicles • Vegetative screening for residents, aligning with CARB's guidance, and vegetative buffers along pollution sources *Tier 2 – Indirect – Nonstationary and Nonroad Mobile* • Gas-powered leaf blower and lawn mower bans and targeted outreach around subsidies for electric lawn and garden equipment from air districts • Require new developments to include exterior electrical outlets to allow for electrically powered landscaping equipment

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APPENDIX F – BASIC INFRASTRUCTURE RESOURCES

Per [Section II.F](#) Program Policy Priorities, Applicants must demonstrate that residents in the proposed TCC Project Area have existing access or have developed plans and secured support/funding to implement:

- Basic environmental infrastructure including water supply and wastewater services, with long-term operations and maintenance plans, in compliance with State Water Board standards; and
- Transit connectivity to regional service hubs and major job centers through affordable, clean transportation projects.

SGC recognizes that the lack of this infrastructure is an existing barrier in many disadvantaged communities. TCC staff and technical assistance providers will work with potential Applicants during the pre-proposal phase to help make connections to other funding programs or resources that may help them meet the minimum requirements. An initial list of resources and potential sources is included here. Applicants can request up to 10% of requested funds to support projects that will connect residents to basic environmental infrastructure.

Resources

- California Rural Water Association provides on-site technical assistance and specialized training for rural water and wastewater systems, including resources for tribes.
    - Website: https://calruralwater.org/
    - Tribal resources and technical assistance: https://calruralwater.org/our-programs/tribal/
- Rural Community Assistance Corporation provides resources and technical assistance related to water, wastewater, and solid waste:
    - Water, wastewater, and solid waste homepage:
      https://www.rcac.org/environmental/water-wastewater-solidwaste/
    - Managerial and Financial Hub with tools, resources, and free technical assistance:
      https://www.rcap.org/managerialfinancialhub/
    - Tribal technical assistance program:
      https://www.rcac.org/native-communities/tribal-circuit-riders/
- Self-Help Enterprises provides technical assistance to rural communities:
    - https://www.selfhelpenterprises.org/programs/community-development/
    - Drinking water:
      https://www.selfhelpenterprises.org/programs/community-development/safe-drinking-water/
    - Sewer systems:
      https://www.selfhelpenterprises.org/programs/community-development/sanitary-sewer-systems/
    - Other community development programs:
      https://www.selfhelpenterprises.org/programs/community-development/
- Specialized Utility Services Program provides general and technical services to water and wastewater systems:
    - http://www.suspinc.org/
- USDA Water & Waste Disposal Grants to Alleviate Health Risks on Tribal Lands and Colonias in California provides grants and long-term, low-interest loans for acquisition, construction, or improvement of basic drinking water and waste disposal systems on federally recognized tribal lands, Colonias, and rural areas and towns with populations of 10,000 or less. Matching funds are not required.
    - https://www.rd.usda.gov/programs-services/water-environmental-programs/water-waste-disposal-grants-alleviate-health-risks-tribal-lands-and-colonias/ca

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- USDA Water & Waste Disposal Loan & Grant Program in California provides grants and long-term, low-interest loans for acquisition, construction, or improvement of basic drinking water and waste disposal systems on federally recognized tribal lands, Colonias, and rural areas and towns with populations of 10,000 or less. Planning grants are available (see following entry).
    - https://www.rd.usda.gov/programs-services/water-environmental-programs/water-waste-disposal-loan-grant-program/ca
- USDA Water & Waste Disposal Predevelopment Planning Grants may be used to pay part of the costs of developing a complete application for the Water & Waste Disposal Loan & Grant Program (see previous entry). Grants provide a maximum of $30,000 or 75 percent of the predevelopment planning costs. At least 25% of the project cost must come from the applicant or third-party sources.
    - https://www.rd.usda.gov/programs-services/water-environmental-programs/water-waste-disposal-predevelopment-planning-grants
- USDA Rural Decentralized Water Systems Grant Program (currently closed) helps qualified nonprofits and tribes create a revolving loan fund to increase access to clean, reliable water and septic systems for households in eligible rural areas. Terms for the loans include one percent fixed interest rate, 20-year maximum term, and an $15,000 maximum loan per household.
    - https://www.rd.usda.gov/programs-services/water-environmental-programs/rural-decentralized-water-systems-grant-program
- Single-Family Housing Repair Loans & Grants in California provides loans up to $40,000 to very-low-income homeowners to repair, improve or modernize their homes and grants up to $10,000 to elderly very-low-income homeowners to remove health and safety hazards. Loans and grants can be combined for up to a maximum of $50,000 in assistance.
    - https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-repair-loans-grants/ca
- CA Water Boards Small Community Funding Program helps small disadvantaged communities provide drinking and wastewater service with technical assistance needs, interim water supplies, and capital improvement projects.
    - https://www.waterboards.ca.gov/water_issues/programs/grants_loans/sustainable_water_solutions/scfp.html
- CA Water Boards CAA Urgent Drinking Water Need Projects provides interim alternate water supplies (such as bottled or hauled water) or emergency improvements or repairs to existing water systems as necessary to provide an adequate supply of domestic water if they are a more cost-effective interim solution than the provision of interim alternate water supplies.
    - https://www.waterboards.ca.gov/water_issues/programs/grants_loans/caa/urgent_water_needs.html
- CA Prop 84 Small Community Infrastructure Improvements Program provides grants for small community drinking water infrastructure improvements and related actions to meet safe drinking water standards. Grants may be made for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant. Construction grants are limited to $5 million per project. Technical assistance may be provided.
    - http://bondaccountability.resources.ca.gov/Program.aspx?ProgramPK=2&Program=Small%20Community%20Infrastructure%20Improvements%20Program&PropositionPK=4

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APPENDIX G – POST AWARD CONSULTATION PROCESS

Applicants selected for award will be required to participate in a Post-award Consultation phase prior to finalizing the grant agreement that outlines the grant terms. During this Post-award Consultation phase, the State will assist the awarded Applicant and Co-applicants to refine the Grant Agreement and all accompanying attachments to comply with administrative, statutory, and TCC Program requirements. All project analysis and review related to the Post-award Consultation phase must be completed within 6 months of the TCC grant award announcement made by the Strategic Growth Council. Awardees will be required to meet with TCC Program Staff and provide all required documentation related to project readiness, work plans and budgets, and other requested documentation during that time. Failure to complete the review and to sign the grant agreement may result in the award being rescinded and given instead to the next highest scoring community from the review process.

Goals for the Post-Award Process:

The post-award process is designed to review the grant agreement terms with grantees and assess the readiness, feasibility, and eligibility of the entire TCC proposal by:

- Obtaining additional information/detail needed for any component of the proposal
- Removing any ineligible activities or costs
- Incorporating recommended improvements from specialists and/or the staff report

After all plans and projects are reviewed and approved, TCC Program Staff will convert materials from the application into a scope of work, timeline, and budget for the agreement.

Post-Award Process Overview:

After the Council makes the awards, TCC Program Staff will refine a grant agreement template that defines the grant terms and conditions. After the grant agreement template is finalized internally, Grantees will undergo the following process:

Grant Agreement Template

1. TCC Program Staff will send the grant agreement template to the Grantee.

2. Grantees will send any questions related to the general terms and project specific terms to SGC.

3. TCC Program Staff will respond to questions and will make any required amendments to the Grant Agreement template.

TCC Proposal Review

1. TCC Program Staff will review the proposal based on consistency with the TCC Guidelines, Grant Agreement, application reviewer feedback, and program staff feedback. TCC Program Staff will provide a review package with a request for additional information, documents and/or revisions to:

   - Funded Projects
   - Leverage Projects
   - Transformative Plans
   - Partnership Agreement

2. TCC Program Staff will schedule an in-person meeting to go over requested information with the Grantee and Partners and address any questions.

3. Grantee and Partners will send additional information and documents to TCC Program Staff.

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4. TCC Program Staff will review the submitted information and documents then finalize the scope of work, timeline and budget to be inserted into the final Grant Agreement.

Final Grant Agreement

1. Grantee and Partners will review the final scope of work, timeline and budget.

2. TCC Program Staff will send the final Grant Agreement package to the Grantee for the grant execution.

    ▪   Grantees should notify SGC if they need any additional resolution or council/board review prior to executing the agreement.
    ▪   Grantee should provide the timeline for finalizing the Partnership Agreement and/or any pass-through agreements with Partners.

Policies Governing Post-Award Process:

The following policies will govern TCC Program Staff in finalizing the grant agreement during the Post-award Consultation phase. They will also be used to make determinations for proposed changes during the grant term.

All changes to proposed projects and transformative plans from the awarded application – including changes to proposed scopes, activities, and associated budgets – will be reviewed by TCC Program Staff and SGC legal counsel for consistency with the relevant TCC Program Guidelines, grant agreement, and these policies.

Failure to update the proposal to conform to the TCC Guidelines and Grant Agreement will result in pausing the Post-Award Consultation phase. TCC Program Staff are required to report to the Council and get direction on the next steps.

Transformative Plan Compliance

If any of the Transformative Plans are found to be not in compliance with the TCC Program Guidelines and Grant Agreement:

1. TCC Program Staff will send a memo outlining the area of improvement along with timeline and approval process to the Grantee.

2. TCC Program Staff will identify any activities or budget line items that are not eligible. The item should be eliminated from the revised scope of work and budget. The associated cost can be used for allowable activities and budget items.

3. Any budget transfer between the Transformative Plans or from Transformative Plans to Projects require written approval of the TCC Program Manager.

4. Any changes in the Transformative Plan budgets that result in exceeding the maximum allowable cap under that Transformative Plan would require written approval of the SGC Executive Director.

Project Compliance

If any of the Projects are not in compliance with the TCC Guidelines and Grant Agreement:

1. TCC Program Staff will communicate in writing the reasons why the project is not eligible, and the area of changes required to fit under the same Strategy. Changes to the project scope that would result in changes in the categories below require approval of the TCC Program Manager:

    ▪   Quantity of deliverables (example: number of solar panels or trees)
    ▪   GHG emission reductions

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- Beneficiary of the Project
- Co-benefits

Changes that impact the threshold requirements or competitiveness of the entire project will require Council Approval.

2. If the Project that is not in compliance with the TCC Guidelines and the Grant Agreement can't accommodate changes proposed by TCC Program Staff, then:

Option 1) Staff may suggest moving the project to a new Strategy that is a better fit for the initial proposed scope of work. Moving the project to a new Strategy will require written approval of the TCC Program Manager.

Option 2) If both the Strategy and Project Scope of work need to change, this would be considered a new project. In this case, the previous project will be eliminated. Grantees should submit a request for a new Project to re-use the funds. SGC will review requests on a case-by-case basis. If staff approves the new Project, it will require Council approval.

Ineligible Costs and Budget Modifications

If any of the Transformative Plans or Projects are in compliance with the TCC Guidelines and Grant Agreement, but include budget line items or activities not eligible per TCC Guidelines or Grant Agreement then:

1. Ineligible project costs must unconditionally be eliminated from the proposed scope of work for TCC funding. SGC cannot provide grant funds for ineligible costs.

2. Ineligible project costs may be reallocated to other eligible costs within the *same originally proposed project*, up to the total amount of the original budget request for that project, upon written approval of TCC program staff.

3. Reallocated budget items within the same project must be for project costs under the *same* Strategy as the originally proposed project.

4. The budget for the ineligible costs in one project may be transferred to other projects, upon written approval of the TCC Program Manager.

5. Upon written consent of the Grantee, Project Lead, and SGC Executive Director, eligible project costs associated with any project may be reduced or eliminated prior to signing the Grant Agreement. The foregoing notwithstanding, no project may be eliminated that is needed to remain eligible for TCC funding per the relevant TCC Program Guidelines.

Leverage Commitments

*If any of the Lever*age Projects or leverage funding commitments are not in compliance with the TCC Guidelines and Grant Agreement:

1. TCC Program Staff will communicate in writing the reasons why the leverage project or leverage funding commitments are not eligible, and the area of changes required to meet compliance. Changes to the leverage commitments that would result in changes in the categories below require approval of the TCC Program Manager:

- Quantity of deliverables (example: number of solar panels or trees)
- GHG emission reductions

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- Beneficiary of the Project
- Co-benefits

Changes that impact the threshold requirements or competitiveness of the entire project will require approval of the SGC Executive Director.

If the Grantee can't accommodate changes proposed by TCC Program Staff, then:

Option 1) Grantee may propose in writing an alternative leverage funding commitment or revised scope of work that makes a good faith effort to fulfill the original intent of the initial proposed scope of work. Revising the leverage funding commitments or scope of work will require written approval of the TCC Program Manager.

Option 2) If an alternative leverage commitment is not feasible, staff may suggest removing the leverage funding from the funded project, transformative plan, or leverage project of the TCC proposal. Removal of leverage funding will require written approval of the SGC Executive Director.

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APPENDIX H – PUBLICITY GUIDELINES

TCC Grant Recipients are required to acknowledge SGC in all publications, websites, signage, invitations, and other media-related and public-outreach products related to the TCC grant. SGC staff will provide SGC and DOC logo files and guidance on their usage directly to grant recipients.

Long-Form Materials

Long-form written materials, such as reports, must include the following standard language about SGC and TCC:

The Transformative Climate Communities (TCC) Program funds community-led development and infrastructure projects that achieve major environmental, health and economic benefits in California's most disadvantaged communities. TCC empowers the communities most impacted by pollution to choose their own goals, strategies and projects to enact transformational change – all with data-driven milestones and measurable outcomes. This program is administered by Strategic Growth Council (SGC) which coordinates the activities of State agencies and partners with stakeholders to promote sustainability, economic prosperity, and quality of life for all Californians. www.sgc.ca.gov

Press Releases, Flyers, and Visual Materials

Any informational materials that do not qualify as long-form, but that include at least a paragraph of text, such as press releases, media advisories, short case studies, some flyers, etc., should include the following language:

"[Project Name] is supported by California Strategic Growth Council's Transformative Climate Communities program."

Grantees may at times produce promotional materials that are primarily visual in nature, such as banners, signage, certain flyers, and sharable images for social media. In such cases, when including the boilerplate language acknowledging SGC support is not practical, grantees should instead include the official logos of SGC and DOC, preceded by the words "Funded by."

Media Inquiries

TCC Grant Recipients are required to identify a point of contact for all press inquiries and communications needs related to the project and provide the name, phone number and email address of this individual to SGC. Grantees must also distribute a press release after grant decisions are made at SGC's Public Council Meeting and are encouraged to do so for other major milestones throughout the lifecycle of the grant. All press releases must be approved by SGC Communications Office prior to distribution and SGC must be alerted and invited to participate in any and all press conferences related to the grant.

Communications Materials

TCC Grant Recipients are required to prepare one or more 2–4-page documents that provide a summary of the grant components and tell the story of the TCC proposal development process and/or implementation. All such materials must be approved by SGC Communications Office prior to distribution. These materials will be displayed on the SGC website.

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Social Media

TCC Applicants and Grantees are encouraged to use social media to share the process of creating a TCC proposal and to inform the public of all stages of implementation. @CalSGC and @CalConservation should be tagged on all posts related to the TCC grant. Use of the hashtags #TransformativeClimateCommunities and #CommunityLedTransformation is also encouraged.

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APPENDIX I – PAST PROGRAM AWARDS

Implementation Grants

Three (3) funding rounds of Implementation Grants have been awarded. For more information about previous awardees or progress on previous grants, please see the website.

- ▪ *Round 1 – $133 million total*
  - ○ City of Fresno $66.5 million
  - ○ City of Ontario $33.25 million
  - ○ Housing Authority of the County of Los Angeles (HACLA) (Watts) $33.25 million
- ▪ *Round 2 – $46 million total*
  - ○ Community Partners (Pacoima) $23 million
  - ○ Sacramento Housing and Redevelopment Agency (River District) $23 million
- ▪ *Round 3 – $48.1 million total*
  - ○ City of Oakland $28.20million
  - ○ City of Riverside $9.05 million
  - ○ City of Stockton $10.83 million
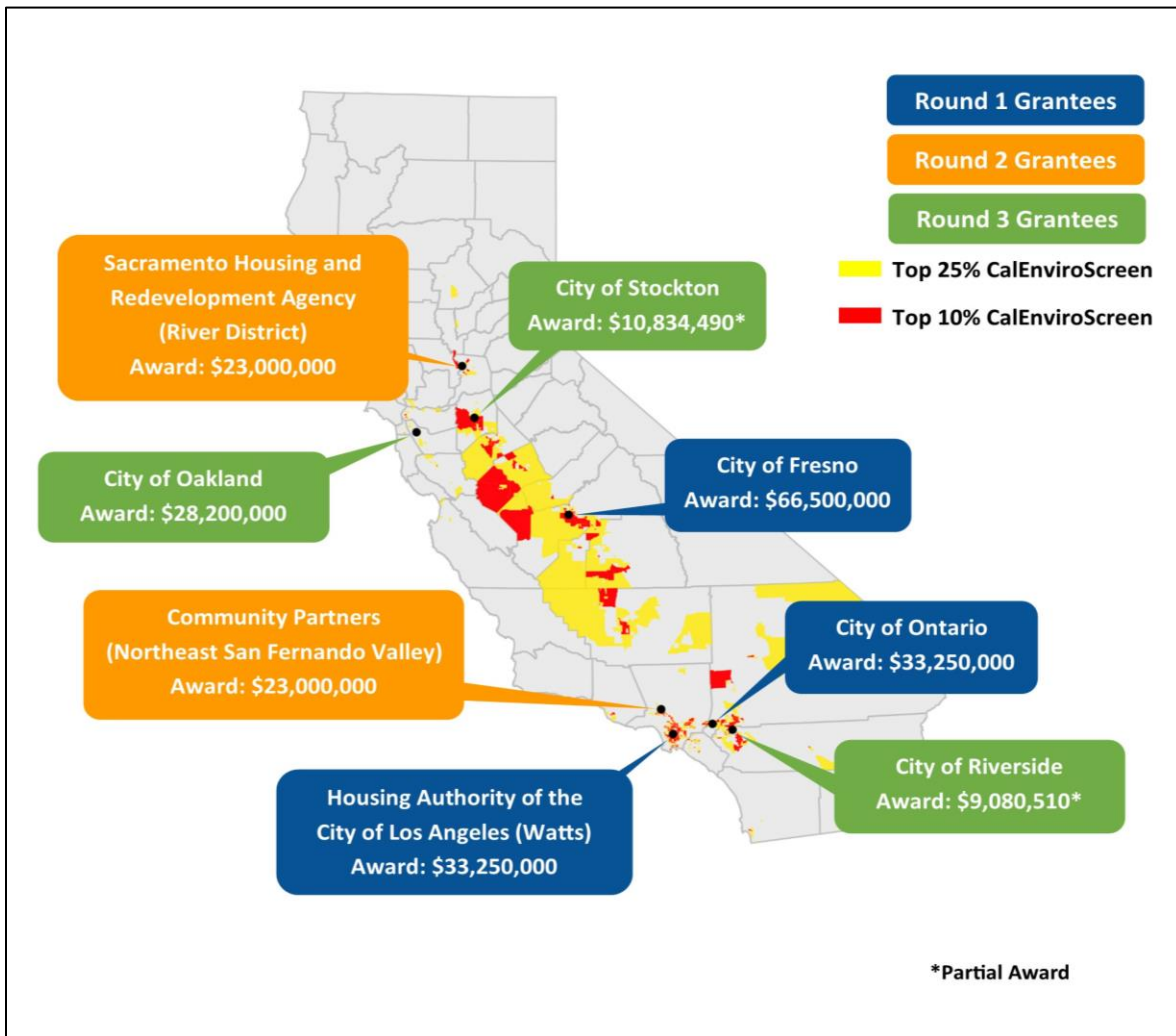
Planning Grants

Three (3) funding rounds of Planning Grants have been awarded. Rounds 1 and 2 of the Planning Grants were funded through Proposition 84. For more information about previous awardees or progress on previous grants, please contact SGC.

- ▪ *Round 1 – $1.6 million total*
  - o Ten (10) locations, $170,000 each*
    (*With the exception of the City of Moreno Valley, which received a grant of $93,960)
- ▪ *Round 2 – $1 million total*
  - o Five (5) locations, $200,000 each
- ▪ *Round 3 - $600,000 total*
  - o Three (3) locations, $200,000 each
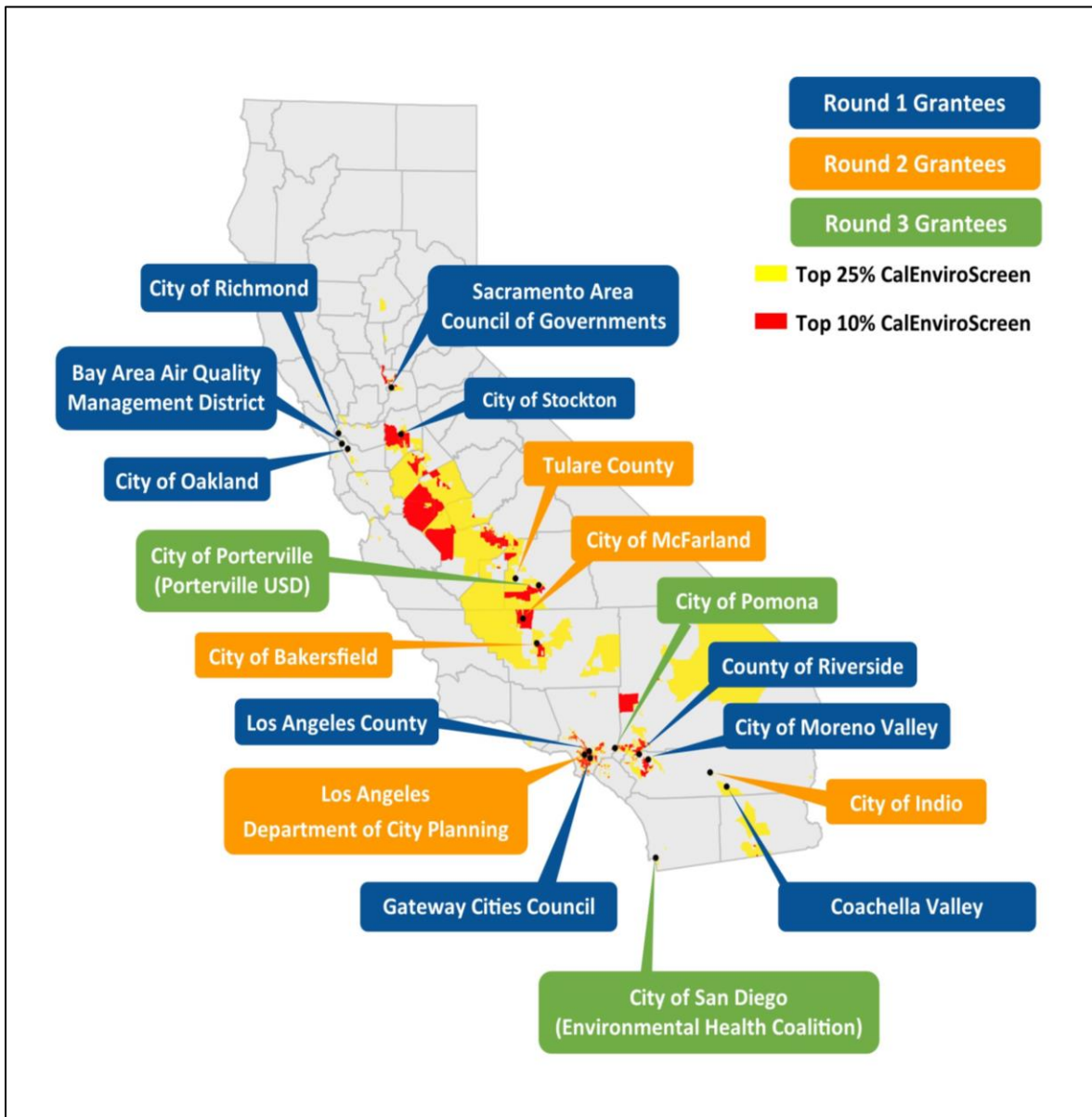
APPENDIX J – SAMPLE GRANT AGREEMENT (ROUND 3 TCC PROGRAM AWARDS)

A sample Grant Agreement from the Round 3 awards will be posted on the Transformative Climate Communities resources page found here (http://sgc.ca.gov/programs/tcc/resources/).

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