



SGC  
**catalyst  
conference**

In Partnership with Milken Institute

Draft Summary Report

*Summary of Participant Feedback & Ideas*

**February 2023**



## Abstract

On February 1-2, 2023, the Strategic Growth Council (SGC) convened 260 leaders from across California and the country for the inaugural SGC Catalyst Conference, in partnership with Milken Institute. The event focused on building partnerships and identifying solutions to implement the Justice40 Initiative in California and beyond.

The Conference follows the release of Governor Newsom's proposed \$48 Billion climate budget, which prioritizes continued funding for underserved communities and the availability of additional federal funding for climate resilience through the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA).

Over two days, leaders across California and the nation shared and discussed opportunities, challenges, and proven solutions to build readiness and catalyze implementation within underserved communities.

### Conference outcomes include:

1. New frameworks for community development that are responsive to the Justice40 initiative and other equity considerations, climate impacts, and availability of public and private funding.
2. Identification of obstacles, opportunities, and solutions to build readiness and catalyze implementation within underserved communities.
3. Opportunities for peer-to-peer learning and networking focused on developing the partnerships necessary to implement state and federal climate equity funding.

This summary report presents a high-level overview of the discussions and conversations hosted during the conference panels and breakout sessions. All content is based on notes taken during those sessions and should not be viewed as policy recommendations. The contents of this report do not necessarily represent the views of SGC, its employees, or the State of California.

*"The partnerships that Conference participants initiated over the last two days will be key to catalyzing equitable climate policy implementation, and we're excited to advance the ideas and actions the conference has generated."*

*Lynn von Koch-Liebert, Executive Director of the California Strategic Growth Council*

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## Sponsors

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## Introduction

California's \$48 billion Climate Commitment and the Federal Inflation Reduction Act and Infrastructure Investment and Jobs Act represent a once-in-a-generation opportunity to invest in clean energy, transit, affordable housing, good-paying jobs, and the reduction of legacy pollution in underserved communities.

**Given this historic opportunity, the Catalyst Conference honed in on this guiding question: How do we invest unprecedented public funding for equitable and sustained transformation in underserved communities?**

The inaugural SGC Catalyst Conference, hosted by the California Strategic Growth Council and Milken Institute focused on building partnerships and solutions to implement the Justice40 Initiative in California and beyond. Over two days, conference participants heard from leaders across California and the nation about opportunities, challenges, and proven solutions to build readiness and catalyze implementation within underserved communities. In breakout sessions, participants worked in small groups to explore cross-sectoral approaches responsive to the Justice40 initiative and other equity considerations, climate impacts, and the availability of public and private funding. Each session was governed by [Chatham House Rule](#) to encourage a free flow of ideas. Peer-to-peer learning and networking opportunities focused on developing the partnerships necessary to implement state and federal climate equity funding.

This summary report presents a high-level overview of the themes, discussions, and conversations during breakout sessions over the two days. The summary that follows is organized around four themes:

1. Tribal Access and Investment
2. Pre-Implementation Challenges, Opportunities, and Proven Models in Underserved Communities
3. Criteria, Outcomes, and Accountability Mechanisms Underpinning Equitable Investment in Under-Resourced Communities
4. Sustaining Investment, Scaling Infrastructure, and Replicating Outcomes in Underserved Communities

Each theme is divided into three sections: What's Working, Barriers and Challenges, and Opportunities. Each 'What's Working' section includes a brief overview of programs, policies, organizations, and other initiatives participants identified as successfully advancing climate equity objectives in their communities. 'Barriers and Challenges' summarizes recurring themes across the different breakout sessions. The 'Opportunities' sections contain specific suggestions by conference participants regarding short- and long-term changes with the potential to meaningfully advance climate equity objectives in underserved communities. Comments are wide-ranging, reflecting both the diversity of participants – including government, community, Tribal, finance, philanthropy, industry, academia, and advocacy leaders – and the highly varied ways that climate equity challenges are affecting communities across California and beyond. While significant challenges remain, the opportunities identified by participants offer hope for addressing long-standing inequities and building resilience in the face of climate change.

## Focus and Limitations of this Report

The summaries contained in this report reflect the views shared only by those attending the conference. The content in each section is based on notes taken during the conference panels and breakout sessions and should not be viewed as policy recommendations. The contents of this report do not necessarily represent the views of SGC, its employees, or the State of California.

## Tribal Access and Investment

The summaries contained in this report reflect the views shared only by those attending the conference. While efforts were made to encourage participation across a wide range of sectors and geographies, there were ultimately some significant gaps in representation, most notably from elected Tribal leadership. As such, much of the content regarding the needs of Tribes reflects only the views of the limited number of Tribal members and Tribal serving organizations in California who could attend. SGC is making efforts to further engage Tribal leadership directly on these topics to increase the diversity of viewpoints at future events and convenings.

### What's Working

**Climate Science Alliance Tribal Working Group**: The Climate Science Alliance (Alliance) is a partnership of organizations and agencies focused on sharing ecosystem-based resiliency approaches to safeguard communities and natural resources from climate change risks. In 2015, the Alliance began collaborating with southern California Tribes to identify ways to safeguard their lands and cultures from the threat of climate change. In 2017, the Alliance formed a Tribal Working Group, which uses events such as Cultural Burn Day to uplift Tribal voices while building trust between state departments and Tribal leaders.

**California Department Of Transportation Guide for Tribal Development Projects**: In 2020, Caltrans became the first California State agency to produce a white paper on how to undertake projects on Tribal lands.

**Single-family Affordable Solar Housing project (SASH) program**: The SASH operated as a partnership between the Bishop Paiute Tribe and GRID Alternatives, a statewide non-profit that manages the program. The program was successful in overcoming specific persistent challenges by engaging meaningfully with the Tribe and having an openness to learning about the Tribe's concerns.

### Barriers and Challenges

- **Cultural Competency**: State programs must be culturally aware. For example, while a stipend may seem like adequate compensation for someone's time, providing an indigenous elder a gift card in exchange for their traditional ecological knowledge can be inadequate and culturally incompetent.
- **Notions of Tribal Land**: Often, programs reflect colonial or modern notions of boundaries and borders without realizing it. For example, native nations that cross California state lines struggle with implementing projects outside of State boundaries even though their nation continues outside those boundaries. Programs should acknowledge Tribal land issues in their program design and when communicating with Tribes.
- **Meaningful Engagement**: There is a general lack of meaningful engagement of Tribal members in State programming and decision-making. Similarly, the Catalyst Conference lacked adequate Tribal member participation, particularly from Tribal leadership. Like any other meaningful stakeholder engagement,



building relationships and trust is key - and the same must be considered to mitigate against instances where engagement is purely transactional.

- **Planning:** Programs should start with values, then indicators, then results, rather than the reverse. Programs struggle to acknowledge ancestral knowledge as an asset and instead focus on perceived deficits in assets and capacity.
- **Tribes are not one monolithic entity:** Each California Native American Tribe is a sovereign and governed by its own unique rules and institutions. When working with Tribes, engagement is not as simple as convening. Programs should acknowledge Tribes' independent and individual sovereignty.
- **Representation:** Tribal serving organizations are not the same as Tribal Leadership. As such, representation by Tribal serving organizations should be viewed as a substitute for Tribal Leadership representation.
- **Difficulties from the standpoint of sovereign nations in the pre-implementation stage:**
  - Internal management capacity for projects: Excessive requirements for reporting and oversight are counter to the notion of self-determination when implementing and managing projects.
  - Distrust: Due to long histories of dispossession and expropriation, Tribes are risk averse. The State and programs should work toward developing and reinforcing trust with Tribes.
  - Cultural differences: Sovereign Tribal nations have their own pace and timelines and may struggle with adopting the State's cultural preferences and tight timelines towards work.
  - Limitations on economic development: Tribes do not have money to spend on capacity because they are focused on survival. Tribes tend to improve capacity through strategic partnerships.
  - Negotiating contracts or grants: Tribes see a tradeoff between dollars and sovereignty because most State programs require Tribes to waive their sovereign immunity to qualify for assistance.
  - Respect and sovereignty are priorities: These priorities impact economic practices and how Tribes receive and spend money.

## Opportunities

- Establish a Tribal Green Bank, private sector funding for climate and equity in partnership with the Bureau of Indian Affairs. Set lending and grant terms based on the uniqueness of Tribal needs.
- Incorporate traditional ecological knowledge (TEK) of Tribes within State stewardship and research processes.
- Invest in Tribal capacity building to quickly get funds and training to local underserved communities. Issue formulaically or using low-cost applications.
- Expand Tribal/indigenous representation on State boards.

- State and federal grant and loan providers should establish funding set-asides for Tribal recipients. Further, grant and loan providers should design contractual requirements to align with the uniqueness of Tribal structures and sovereignty.
- Perform an equity audit of State funding – remove persistent barriers top-down and have specific recommendations for Tribal set-asides that respect Tribal sovereignty.

## Pre-Implementation Challenges, Opportunities, and Proven Models in Underserved Communities

During a breakout session on Day 1, conference participants representing public and private funders, community leaders, thought partners, industry, and government agencies worked together to identify obstacles, opportunities, and structural solutions needed to unlock investment in underserved communities. Participants' responses informed the development of a 'community development runway' model intended to communicate common obstacles, opportunities, and structural solutions needed to unlock investment in underserved communities.

### What's Working

**Community Assistance for Climate Equity Program (CACE)**: SGC has supported community readiness and peer learning through its Regional Climate Collaboratives, [Partners Advancing Climate Equity \(PACE\)](#) and [BOOST](#) programs while ensuring communities have the financial resources they need upfront through its advanced pay pilot. CACE also developed [Technical Assistance Guidelines for State Agencies](#), providing technical assistance and capacity-building resources to help state agencies meaningfully support community readiness for a wide range of community, local government, and Tribal leaders.

**Blue Zones Activate**: In 2022, Riverside University Health System-Public Health (RUHS-PH) launched Blue Zones Activate. This comprehensive policy-based initiative uses an evidence-based approach to make healthy choices easier in all the places people spend the most time.

**Environmental Justice Thriving Communities Technical Assistance Centers (EJ TCTAC) Program**: The federal Environmental Protection Agency's EJ TCTAC program provides grant funding to eligible applicants to establish technical assistance centers nationwide, providing technical assistance, training, and related support to communities with environmental justice concerns and their partners. The new technical assistance centers will provide training, assistance, and capacity building on writing grant proposals, navigating federal systems such as Grants.gov and SAM.gov, and effectively managing grant funding. These centers will also provide guidance on community engagement, meeting facilitation, and translation and interpretation services for limited English-speaking participants.

Community-based organizations (CBOs) such as [Enterprise Community Partners](#) and [CicLaVia](#) continue to play a significant role in the provision of technical assistance and capacity.

**Life to Rise**: In the Coachella Valley, Lift to Rise builds coalitions of public and private partners to create a sustained pipeline of multi-benefit projects that increase housing stability and economic mobility.

**Transformative Climate Communities Program (TCC)**: SGC's Transformative Climate Communities program enables communities to select and design projects that meet multiple integrated objectives.

**Los Angeles Walks:** In 2022, the transportation advocacy organization Los Angeles Walks issued its first reverse request for proposals (RFP). Rather than having funders determine community investments, the reverse RFP community partners seek to build a policy voice and platform for LA's immigrant and communities of color in the coming transportation revolution.

**MCE Green Workforce Pathways Program:** MCE's Green Workforce Pathways program matches contractors who provide service within MCE's service area with pre-qualified job seekers.

**Partnerships for Equitable & Resilient Communities (PERC):** PERC is a results-driven partnership between community, philanthropy and government that advances racial equity and justice by shifting power and resources to Black, Indigenous, and Latino/a/x people living in low wealth, under-resourced communities.

## Barriers and Challenges

**Readiness:** Not all communities have the same civic or community-based organization (CBO) infrastructure. Providing the necessary resources to enable communities to build civic and CBO infrastructure is a necessary precondition for equitable access to available funding. While funding entities are increasingly attentive to capacity building, efforts to build readiness can result in funding being channeled to the same communities and reinforcing existing inequity patterns. Additionally, many programs lack flexibility in terms of the ways funds can be used. As a result, these programs continue to provide funding for projects only, without providing for pre-planning and scoping. The technical assistance to apply for funding is often an expense underserved communities cannot afford.

**Technical assistance is time consuming:** Applications can be highly technical, making it challenging for communities to apply for funds without additional technical assistance. While there is now a rich ecosystem of technical assistance providers, engaging with these providers can be costly and time-consuming. Without guaranteed implementation funding, communities risk investing in capacity building without generating tangible benefits.

**Complexity:** Projects are inherently complex and require high degrees of coordination and knowledge sharing across a wide range of stakeholders. Many smaller CBOs require additional capacity, knowledge, and support to pursue these projects. There is also a lack of coordination across local and state entities, and thus a need to identify areas of overlap and support each other. Varying capacity levels across different organizations attempting to partner on projects can place significant demands on CBOs. Funders can reduce the burden of complexity by reducing administrative barriers in this process.

**Challenges in retaining community ownership and control:** The complexity of projects means communities often rely on external parties to bring projects to delivery. As control of project management and funding streams is transferred to external parties, projects may cease to align with community needs, and benefits may accrue outside the community.

**Persistence of silos:** The complexity of programs and projects highlights a need for peer learning circles across local governments, CBOs, and other relevant parties. Funders,

technical assistance providers, and other networks can create opportunities for peer learning circles through existing networks.

**Governance and accountability:** Funders continue to hold a disproportionate influence over the types of projects that can be developed. Additional capacity for research and evaluation is needed to assess program outcomes and help support an informed partnership approach between funder and grantee.

## Opportunities

### Short-Term

- Invest in programs like **PACE, BOOST, Regional Climate Collaboratives (RCC)**, and Tribal capacity building to quickly get funds and training to local underserved communities. Issue formulaically or using low-cost applications.
- Use RCC as a model for investing in partnerships. Through this program, grantees can develop a “container” for collective learning and action. It gives the opportunity to incubate, iterate, and scale our work while allowing for trust-building and restoration.
- Coordinate strategies between State government and philanthropy, focusing on pursuing federal funding.
- Identify ways to efficiently standardize how California state programs are building Technical Assistance into existing Local Assistance programs. Promote and build on the Milken Institute’s Matchmaking portal ([10k Communities](#)) to help educate, inform, and connect partners and resources.
- Build a replicable model for equitable stakeholder and community engagement that developers, cities, the State, and other funding and implementing bodies can use.
- Increase effectiveness and use of the California Grants Portal to serve as a single gateway to CA State resources. Add coding and categories that align with challenges users face; provide education and awareness on how to effectively contribute to and utilize the Grants Portal.
- Treat the climate equity crisis as an emergency: develop a state campaign or Task Force focused on opportunity with Inflation Reduction Act, Infrastructure Investment and Jobs Act, and complimentary State programming.
- Reimagine public engagement and community input by learning from CBOs, ensuring youth participation, and using alternative media such as film and storytelling to communicate oral histories and build trust and accountability.

### Long-Term

- Establish a State-level office or Task Force of Community Readiness and Resilience that proactively helps identify, organize, and promote strategic funding pathways for replication. This cross-agency coordinating entity would provide readiness grants and technical assistance and assist communities to braid funding to accelerate project scaling and State policy implementation.

- Work with the State legislature and agencies/departments on guidelines or a framework and statutory authority to simplify, de-conflict, and combine funding sources for multi-benefit, block grants, and longer-time horizon programming. Additionally, streamline or standardize grant applications, reduce or remove punitive language or unnecessary terms and conditions, and build combined or unified scoring criteria so applicants can move more fluidly between programs.
- Establish a planning grant program that combines priority setting, guidance on potential projects, and technical assistance with identifying and applying for funds and implementation. Link planning and implementation money, especially by focusing more on block grants. Prioritize inclusion during this readiness phase by meeting people where they are, bringing different partners together, highlighting community ownership and decision-making, co-designing materials, and increasing language and public access to meetings.
- Build on existing networks of CBOs, like that being established by the new Office of Community Partnerships and Strategic Communications, to include funding support beyond campaigns and to support organizational development and readiness for CBOs so they can partner and take advantage of increased federal funding. New organizations especially need organizational investment (seed funding) beyond just investing in projects.

## Criteria, Outcomes, and Accountability Mechanisms Underpinning Equitable Investment in Under-Resourced Communities

In this session, conference participants identified criteria, outcomes, and accountability mechanisms underpinning equitable investment into under-resourced communities. The sessions resulted in co-created draft frameworks to guide more equitable processes and outcomes for climate investments.

### What's Working

**Partners Advancing Climate Equity (PACE)** identified attributes of successful projects. Successful projects tended to have:

- A technical navigator, which is someone who understands the financial or policy landscape the project occupies and helps communities as they shape their own vision and project.
- Community visioning and self-determination, which reflects the importance of hearing priorities from communities, not only the priorities identified by the State.

### **Single-family Affordable Solar Housing project: SASH program**

- Partnership: the project operated as a partnership between the Tribe and GRID Alternatives. The Tribe approached GRID Alternatives and developed a strong partnership with the non-profit.
- Affordability: the project funded low-income housing in the form of over 100 homes, all including solar.
- Sustainability: the program required renewable energy on affordable housing, which is not usually a feature of affordable housing projects. Members saw positive impact of solar on energy costs during the summer, which informed Tribal members' desire to use solar on community centers and to pursue microgrid projects.
- Prioritizing low-income: the program's inclusion of a low-income component centers equity by considering and prioritizing financially vulnerable folks.
- Thoughtful and effective technical assistance: the program's technical assistance providers engaged in bi-directional education, which meant that they were receptive to learning about barriers specific to Tribes while sharing knowledge with Tribes on overcoming barriers or obstacles.
- Openness to working with Tribes: over the past 4-5 years, the State and Federal government have turned a corner around Tribal work by increasing engagement with Tribes and adjusting policies based on that engagement.

**Alameda County's Comprehensive Investment Plan:** The Comprehensive Investment Plan uses criteria aligned with equity. All locally funded contracts are required to comply with Alameda CTC's Local Business Contract Equity (LBCE) Program. This includes the obligation to report Local Business Enterprise (LBE), Small Local Business Enterprise, and Very Small Local Business Enterprise participation with all reimbursement

requests submitted for contracts costs partially or wholly funded by Alameda CTC, whether or not the contract requires LBE participation.

**UC Santa Cruz Institute for Social Transformation:** The Institute for Social Transformation develops research-based solutions to urgent problems. The Institute tries to understand and transform the underlying systemic causes of problems rather than address only the most obvious symptoms. This includes promoting systemic change in institutions and social relationships, social norms and values, and relationships of power.

**Canal Alliance:** Canal Alliance is a non-profit that recognizes the local wisdom residents have about an issue they face in their community. In 2014, Canal Alliance partnered with a local university to help residents define problems they are facing in their community, the reasons for those problems, and potential solutions. Community members thought of light as a solution to concerns around public safety. Members outside of the community thought locals were referring to gang violence. However, community members wanted lighting for routes residents to take to and from work or school. Challenges included developing the metrics and methodologies for identifying the need and engaging community members to assist in developing the metrics and advocating for the resource. Finding the money to invest in lighting required appealing to public investments and utilities for assistance.

## Barriers and Challenges

**The how and the what of capacity building:** While the need for capacity is often clear, standardized understanding and definitions, as well as ways to develop technical expertise in finance, environmental assessment, and other relevant areas for State programming remain poorly understood, particularly by funders.

**Reliance on external technical assistance providers:** Complex application processes and a lack of streamlined government funding opportunities make communities reliant on technical assistance providers. However, this reliance places significant demands on community-based organizations. For communities, it can be challenging to narrow down technical assistance priorities, and many communities need more capacity to use technical assistance providers to their potential.

**Monitoring and evaluation:** Communities often lack the capacity to track and impact progress. As such, it is difficult to determine how to measure long-term impacts. There is a need for standardized metrics that measure success based on community needs, benefits, and acceptance (i.e., who is being served and how). A lack of accurate monitoring and evaluation can mean that perceived resilience in community-based organizations does not reflect actual resilience.

**Misaligned incentives:** In some cases, efforts to increase capacity building inadvertently create capacity deficits. The California Air Resources Board's (CARB) Clean Car Program supports low-income individuals or households to access a new or used electric vehicle (EV) but requires the recipients to count their EV as income. This resulted in recipients losing social benefits such as Supplemental Nutrition Assistance Program (SNAP) because the EV put them over the income threshold even though their month-to-month income did not change.

**Defining regions and their needs:** Community residents should be included in determining how State regions are defined and drawn. Current definitions are not



uniform, or representative of community sentiment, so-called “Shovel-ready” projects are not vetted by the community, and systems are not built to enable community self-determination.

**Grants are limited in scope and duration:** Community participant stipends provided through State grants are limited and do not honor the actual time spent to inform or support a project through its lifecycle, including operations and maintenance. Restrictive contracts discourage or prohibit adaptive management. There is a need for extended timelines between planning and delivery.

## Opportunities

### Short-Term

- Facilitate adoption of the TCC model within State and Federal funding programs using SGC's [TCC Model](#).
- Establish cross-cutting Statewide guidelines for State agencies to administer and ensure accountability on federal funding subject to Justice40 equitably and innovatively. Pull guidance from existing resources such as Technical Assistance Guidelines for State Agencies, the California Climate Investments Funding Guidelines for Administering Agencies, and externally produced Justice40 roadmap recommendations, such as this [report from UCLA](#) featuring Justice40-type best practices from California state approaches and funding programs.
- Build on the [EmPOWER outreach campaign](#) model to fund community-based organizations with established trust and local knowledge to serve as ambassadors streamlining and connecting residents of underserved communities to large suite of state and federal incentive programs that can build their economic and climate resilience (e.g. home decarbonization, energy efficiency, solar, storage, and electric vehicle incentives).
- Through the State's new Racial Equity Commission, perform an equity audit of State funding – remove persistent barriers top-down and have specific recommendations for Tribal set-asides that respect Tribal sovereignty.
- Expand on proven effective strategies such as advanced pay – include advance pay for grants and contracts for non-profits or in underserved communities.
- Create a set of Statewide indicators on equitable climate investment that can be included in State programs and private decision-making/reporting.
- Prioritize projects in local pipelines that meet climate, active transportation and mass transit, housing, and equity goals.
- Write a Community Investment Runway Model with unified terms and definitions from community for the finance sector to educate, decode, and allow for shared foundational and translational conversations prior to project implementation.
- Build upon the recently passed AB 46 (Rivas, 2022) California Youth Empowerment Act by expanding the mandate of the State's Youth

Empowerment Commission to include climate equity and community development committees and corresponding enhanced scope to advise all relevant state agencies.

### Long-Term

- Creation of a “Learning Grant” where success isn’t necessarily the end goal, allowing recipients and administrators to be more innovative and adaptive with the funds.
- Creation of a “Community Climate Investment Initiative,” a local or regional tax increment funding mechanism modeled after the Transformative Climate Communities program that builds structural and ongoing capacity for readiness and capital absorption for place-based physical infrastructure projects. Such a mechanism can serve as a “hub” for negotiating community benefit agreements that can be applied to projects funded from different sources, provide experts in community-based public-private partnerships (CBP3), and provide centralized technical assistance, administrative, data, and grant writing support.
- Establishing a commission on intergenerational fairness composed primarily of Tribal and youth representation. Alternatively, build upon the recently passed AB 46 (Rivas) CA Youth Empowerment Act by expanding mandate of Youth Empowerment Commission to include climate equity and community development committees and corresponding enhanced scope to advise all relevant State agencies.
- Develop and adopt an intergenerational fairness framework that would apply across state agencies. California could build upon what other governments around the world have done for [intergenerational fairness assessment](#) and [framework development](#)
- Create financial incentives for state agencies to assess and implement opportunities to reform policies, programs, and systems for better alignment with the framework and recommendations of youth, Tribal, and other intergenerational fairness advisors.
- Establish a task force to assess and systematically support innovative models for public-private partnerships and other vehicles the State and city partners can use to leverage public funding for climate action. This could include Community-Based Public-Private Partnerships (CBP3s), which the US EPA promotes to fund green infrastructure but is a newer concept in California.
- Support the utilization of tax increment financing structures such as Enhanced Infrastructure Financing Districts (SB 628) and Climate Resilience Districts (SB 852) to fund economic development and climate resilience projects.
- Create a Governor’s Seal for Civic Engagement that is like a LEED Certificate but for the process taken. Potentially looks like California’s [Department of Housing and Community Development ProHousing Designation](#) and comes with similar benefits.

- Apply tax on greenfield development (i.e., sprawl) that is applied back to existing infrastructure maintenance and re-development, as Fresno City Council did through their [Infill Development Act](#) in 2012.
- Having related grant opportunities better integrated – achieving goals from one grant should get applicants points in another grant's scoring system.
- Embed within education systems information about civic engagement and demystify the purpose and availability of government resources.
- Provide equity training to technical assistance providers.

## Sustaining Investment, Scaling Infrastructure, and Replicating Outcomes in Underserved Communities

On Day 2, presenters discussed the tensions and challenges in coordinating, sustaining, and scaling infrastructure investment across diverse place-based contexts. What's Working

### Community Choice Aggregation

- Community Choice Aggregation (CCA) allows California communities to choose the source of their electricity. MCE was California's first Community Choice Aggregation agency. Today 23 CCAs are operating throughout California.
- MCE has several programs within their service territory geared towards different stakeholders (residents, multi-family units, businesses, etc.). These programs include incentives, grants, and technical assistance.
- In all MCE communities, new renewable energy project developers must certify that 100% of employees hired during construction are paid at least prevailing wage and that at least 50% of the construction work hours from its workforce (including contractors and subcontractors) are obtained from permanent residents who live within the same county.
- [MCE Solar One's 10.5 MW solar system](#) produces 22,000 MWh per year of pollution-free electricity — enough to power over 3,900 homes annually. The project was conceived by the Richmond community as a way to include renewable energy and solar facilities in the Chevron Modernization Project. MCE partnered with RichmondBUILD — which has successfully graduated hundreds of students and placed 80% of its graduates into well-paying jobs to train and hire its skilled graduates for the project.

### Community-Based Public-Private Partnerships (CBP3)

- A CBP3, as created by the US EPA, is a partnership between a local government and a private entity. The primary goal of a CBP3 is to provide high-quality services cost-effectively. The [CBP3 model](#) can leverage public investment with private equity at an estimated rate of \$10 of private equity per \$1 public investment or higher.
- The CBP3 model develops a strong, long-term partnership between the municipality and the private equity group, creating a shared risk burden and greater accountability by reinvesting cost savings and revenues to create a pool of funds for future projects.
- In March 2015, one of the first stormwater-focused CBP3s was implemented by [Prince George's County, Maryland](#).
- [Community Infrastructure Partners](#) are using CBP3s to structure and implement a performance-based delivery model with a goal to deliver infrastructure better, faster, and cheaper.

### Virtual Power Plants (VPPs)

- Virtual power plants are aggregations of distributed energy generation, storage, and responsive loads integrated with the grid for a more efficient, clean, cost-effective, and resilient energy system.
- At grid-scale VPPs could reduce peak demand by [200 gigawatts by 2050](#). This represents a potential reduction of 44-59 million metric tons per a year of carbon dioxide emissions in 2050.
- To address barriers and accelerate the scale-up of VPPs, the Department of Energy (DOE) Loan Program Office is going beyond financing VPPs to ensure cross-DOE efforts are coordinated and complimentary, engaging regulatory stakeholders in power markets and collaborating with public and private sector parties to focus outreach in the highest-impact areas of the market.

### **Advancing Equity at the Regional Scale**

- In July 2020, the Southern California Association of Governments (SCAG) adopted a [resolution](#) affirming its commitment to advancing justice, equity, diversity, and inclusion throughout Southern California. The resolution called for the formation of an ad hoc Special Committee on Equity & Social Justice to further develop SCAG's response to advancing equity. The Committee met quarterly, starting in September 2020 and concluding in March 2021, culminating in the development of an early action plan.
- On May 6, 2021, SCAG's Regional Council adopted the [Racial Equity Early Action Plan](#), which will guide and sustain SCAG's regional leadership in service of equity and social justice over the years to come. The Early Action Plan provides a definition of equity and establishes goals, strategies, and a set of "early actions" to advance racial equity through SCAG's policies, practices, and activities. Highlights from the Early Action Plan are listed below.
- SCAG builds capacity at the local level by supporting local partnerships to leverage community expertise and priorities. Programs include:
  - **Housing Infill on Public and Private Land (HIPP)** – brought on strategic advisor, bench consultants (carry out feasibility analyses, etc.), scaling up, driving innovation, inclusive of feasibility/visioning/pre-development)
  - **The Regional Utilities Supporting Housing (RUSH)** pilot program supports regional infrastructure planning, development of utility infrastructure projects, and large-scale development utility planning to eligible applicants (public agencies, utility districts, Tribal entities, and developers of large land areas).

### **Barriers and Challenges**

**Streamlining and flexibility to scale:** There is a lack of streamlined government funding opportunities. As such, there is a need for more localized, place-based funding and solutions with the flexibility of funding to be responsive to the community and its priorities. There is also an opportunity to fund multiple strategies simultaneously by looking more closely at the intersection of policy fields and investments to see how they are woven together.

**Capacity to sustain:** Grants are not a sustainable income stream for communities, and often fail to provide the necessary support for ongoing project maintenance and evaluation over time. For example, installed EV charger at Comite Civico and awarded by CalEPA program. Chargers were being installed using high standards and getting permits. The project cost \$16,000, and CalEPA still owes \$5,000 based on invoicing requirements. Not getting benefits from the grant program, and the program was not designed for disadvantaged communities. The awardees had to get \$1 million from a different source.

**Perceptions of financial risk:** “Money flows to what money knows”. In other words, perceptions of technology risk and credit risk influence the flow of funds, often leading to inequitable outcomes. There is a need to change perceptions of risk within mainstream finance to direct funds in a more equitable manner.

**Ensuring lasting economic benefits:** The history and legacy of systemic racism persists. Historically underserved communities remain concerned about risks of displacement, and whether they will see themselves in investments. To build community wealth, there is a need to think beyond single projects and to prioritize lasting and impactful economic development through job creation and workforce development. For example, solar installations often provide short-term rather than long-term employment. Sometimes solar installations open full-time jobs that entail traveling across the state or country to do solar installations. Funders need to be mindful of this and ensure other green career pathways.

**Policy landscape and regulatory uncertainty:** Policy design must drive equitable development and outcomes; we need to update policies if we don't see the results we want and continue to drive the market-to-policy conversation. The current regulatory landscape may cause a slowdown or complete freeze for the launch of new CCAs. Additional research is needed on changing regulations and procurement mandates and how these changes create barriers and solutions.

## Opportunities

### Short-Term

- Identify and model project types that blend state and IRA/IIJA federal resources and address key state issues (i.e., fire, drought, housing, climate, equity). Work with regional MPOs, and state and federal programs to streamline application and implementation. Work with Federal governments to streamline this type of “known” project getting funds
- State-led Federal advocacy on extending the timelines set in IIJA/IRA and the complexity of timelines created with Justice40 goals.
- Justice40 Procurement Bill: Strengthen and streamline state-wide usage of CBP3 performance-based procurement model – brings extra capacity now for large complex projects, embeds community priorities in fee structure, and keeps wealth in community businesses. Provide permissive statutory language for municipal contracts officers to use the model without needing city/county council approval.

- Permitting reform at all levels of government to accelerate approvals to better support project implementation.
- Audit existing state programs to see where state programs can leverage federal dollars. Include this information as part of technical assistance in the State grant process.
- Build a technical bench of planners and engineers to keep funds local, anchor dollars and investments within disadvantaged communities – part of their job description to get technical training to build skills – fund fellowship providers and have programs support administration of the program.

## Long-Term

- Catalyze Capital for Transformative Community Investments
  - Develop statewide guidelines for equity-centered, community-driven funding programs that build upon [SGC's Model Hub: Tested policy models for equitable outcomes in under-resourced communities.](#)
  - Develop a tool to assess state program alignment with those guidelines and best practices.
  - Financially reward state agencies that develop, reform, or otherwise have programs that meet guidelines, such as the Transformative Climate Communities Program (see [UCLA's evaluation of the groundbreaking Transformative Climate Communities Program](#)).
  - Establish a task force to assess and systematically support innovative models for public-private partnerships and other vehicles the state and city partners can use to leverage public funding for climate action, including EIFDs and CPB3s.
- Have philanthropy offer "discretionary funds" with few or no requirements that enable organizations to continue their work, adequately staff their teams, and convene with partners regularly – all the little pieces critical to progress.
  - Pool philanthropic funds to allow for sustainable multi-year grants.
  - Provide early state capital or "pre-development". As "equity-like" capital is often most challenging to come by, the State should use the money to make a pipeline of investment.
- Land Use/Planning
  - Implement land use planning legislation that provides municipalities with a menu of options and strategies – this gives communities a suite of approaches to address/achieve state and local needs simultaneously.
  - Leverage models such as TCC to reduce barriers and actively address the legacy redlining.
- Green Bank/ Green Funds
  - Issue a \$100M-\$250M Green Bond that comes with a call for green projects, project acceleration, and 'war room' coordination to handle all

the pre-development and system coordination from a top-down and bottom-up standpoint. Work in conjunction with the Catalyst Fund and a Justice40 procurement bill.

- Establish a Tribal Green Bank, private sector funding for climate and equity in partnership with Bureau of Indian Affairs (BIA). Set lending and grant terms based on the uniqueness of Tribal needs.
- Support the continued development of the US Green Bank landscape, which is viewed as the intermediary structure needed for climate justice, resilience, and equity for most transformational change.
- Create a one-stop at all stages of the funding process.
  - Aggregate grant applications for similar project types (e.g., broadband and other critical infrastructure) to support the equitable implementation of regional plans.
  - Establish a Regional Collaborative on Economic Development.
  - Establish of a one-stop capital shop with a procurement aspect to enable a digital request for quote (RFQ) on a regional level and facilitate a more equitable distribution of contracts.
- Cultivating Partnerships
  - Create a Regional Agencywide CBO Partnership Strategy (based on lessons learned from LA Metro CBO Partnership Strategy) to identify and address longer-term barriers faced by CBOs and other organizations.
  - Develop a tool that CBOs and other organizations can draw from and build capacity.
  - Create an entrepreneurial pathway for those that are hyper-neighborhood focused. Issue RFQ for a firm to oversee a program so that projects within that program can be built out while providing an opportunity to smaller-scale entrepreneurs in a community to partner with general contractors with experience (through open bids with open protegee companies).



## Conclusion and Next Steps

The 2023 SGC Catalyst Conference was motivated by the following question: How do we invest unprecedented public funding for equitable and sustained transformation in underserved communities?

Over the course of the conference, participants shared proven examples of approaches to invest in clean energy, transit, affordable housing, good-paying jobs, and the reduction of legacy pollution in underserved communities. While significant challenges remain, the opportunities identified by participants offer hope for addressing long-standing inequities and building resilience in the face of climate change.

Additionally, partners called for additional solutions and strategies to expand and catalyze funding for California's underserved communities. Commitments announced by conference participants include:

- **[SGC](#)**: SGC announced it will distill and continue building momentum around Conference themes and takeaways in publishing Conference Summary Papers and holding regionally-based roundtable convenings. Sign up to get involved at [sgccatalyst.org](https://sgccatalyst.org).
- **[The Milken Institute](#)**: The Milken Institute announced it will create a California-specific grant matchmaking platform to connect climate infrastructure projects to funding opportunities and technical assistance through its Community Infrastructure Center. This California matchmaking portal will help fill in funding and capacity gaps that underserved communities face in working to achieve climate resilience. Communities can register their projects now at [10kcommunities.org](https://10kcommunities.org). Programming will begin later this Spring.
- **[Dream.Org](#)**: Dream.org is launching a pilot program to empower underserved communities to unlock historic amounts of climate funding from the Inflation Reduction Act to ensure that communities most impacted by climate change are the first to benefit from these funds. Based on SGC's Transformative Climate Communities Program, this pilot will leverage public-private partnerships to direct climate investments to communities that need them most, emulating SGC's Centering Communities in Place-Based Investment model. Dream.Org will be working with ten cities and communities across the U.S. including Fresno, Detroit, Savannah, Denver, and others beginning in April 2023.
- **[The James Irvine Foundation](#)**: The James Irvine Foundation has announced a spring event it will cohost with the [Families & Workers Fund](#), [Energy Foundation](#), and [Stanford PACS](#) to convene funders of climate and workforce issues about opportunities to collaborate.
- **[Elemental Excelerator](#)**: During the Conference, Climate-change-focused nonprofit Elemental Excelerator presented a video documentary on the work of Better Neighborhoods Same Neighbors, a community-led initiative in East Oakland awarded \$28.2 million in funding through SGC's Transformative Climate Communities Program. Elemental Excelerator encourages local leaders and communities to host screening events for "Going Deep," a short film designed to spark discussions and encourage collaboration between organizations and

communities nationwide. Learn more [about "Going Deep" and how to arrange a screening](#).

- [California 100](#): California 100 released the new Beyond Strategic Planning: A Foresight Toolkit for Decision Makers, which was co-designed with the School of International Futures to provide agency, department, and organizational leaders with new and innovative methods to implement practical and approachable tools for long-term success. This new toolkit will bring a modern, internationally tested approach to planning, allowing decision-makers to be better prepared for their future. [Download the toolkit here](#).
- [Greenlining Institute \(GLI\)](#): GLI is launching a new initiative, [Greenlining the Block](#), to support the leadership and expertise of communities of color to prepare for and maximize federal, state, and local infrastructure investments to drive effective climate action that meets community needs. In its first round, GLI is providing capacity-building funding, technical assistance, and peer-to-peer learning to nine community-based organizations across California, Colorado, Illinois, Virginia, North Carolina, and Michigan.
- [The Institute for Local Government \(ILG\)](#): ILG will host a series of virtual and in-person listening sessions with local government leaders to identify specific opportunities for partnership and collaboration between community leaders and their regional or local governments. Community-led and informed solutions will require creativity, understanding, and alignment. The listening sessions will identify common roadblocks and elevate promising new strategies that can be scaled statewide.