INFORMATION

November 27, 2018

Subject: Progress Report on SGC Draft Racial Equity Action Plan

Reporting Period: January 2018 – November, 2018

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Recommended Action:
For information only – no action required.

Background:

I. The Problem

*Racial equity is achieved when race can no longer be used to predict life outcomes, and outcomes for all groups are improved.* – Government Alliance on Race and Equity

Significant research demonstrates that increasing racial and social equity is a “win-win” that benefits *all* members of society.

Yet despite the broad landscape of anti-discrimination laws nationally and in California, indicators of fundamental wellness at the individual, household, and community scales – from housing security to physical and mental health to transportation choice to economic stability – consistently reveal disparities along racial lines. These trends point to deep and persistent institutionalized forces that perpetuate racial inequality, regardless of individual or institutional intent.

A 2017 Stanford report found significant disparities along racial lines in the U.S. in the following areas:

- **Home Ownership:** 71 percent of white families own their homes, as compared with 41 percent of black families and 45 percent of Hispanic families (2014).\(^i\)
- **Housing Cost Burden:** Black and Hispanic families are approximately twice as likely as white families to experience “extreme housing costs,” defined as spending at least 50 percent of income on housing (2017).\(^ii\)
- **Earnings:** Median earnings for black males were 32 percent lower than for white males – an improvement of just 7 percentage points in the four decades since the Civil Rights era. For Hispanic males, the median earnings gap was 42 percent as compared to white males (2010).\(^iii\)
- **Employment:** The employment rate for black men was 11 percentage points lower than the corresponding ratio for white men (2017).\(^iv\)
- **Health:** Hypertension and diabetes rates are 2-3 times higher among blacks than whites (2017).\(^v\)
- **Neighborhoods:** Disparities along racial lines that emerge later in life are due to differences in neighborhood conditions - e.g. neighborhood amenities, school quality,
crime, and environmental hazards – as well as differences in family background such as wealth, education and income. vi vii

II. The Opportunity

As the State of California’s body charged with coordinating across State government to further “sustainability, economic prosperity and quality of life for all Californians,” the Strategic Growth Council (SGC), is uniquely situated to play a leadership role in reversing these historic trends by leveraging inter-agency partnerships, coordination, and exchanges to advance racial equity throughout California.

The SGC also distributes significant funds and other resources to communities, and thus has an opportunity to ensure that these programs advance racial equity and do not perpetuate or exacerbate inequities. SGC has a track record of leading by example among State funding and local assistance programs, and could leverage its interagency partnerships to encourage parallel changes in programs in other areas of State government.

III. The Government Alliance on Race and Equity (GARE) Capitol Cohort

The Government Alliance on Race and Equity (GARE) is a national network of governments working to achieve racial equity and advance opportunities for all. The program is a joint project of the national nonprofit Race Forward and the Haas Institute for a Fair & Inclusive Society at UC Berkeley. The GARE program provides training and curricula to build capacity in government to understand and address racial disparities through government practices and also provides the organizational infrastructure to support local and regional networks of government entities working toward common goals. Over the last decade, GARE has successfully worked to transform governments into more effective and inclusive democracies, including more than 19 jurisdictions in California.

In 2018, in partnership with the Public Health Institute, SGC’s Health in All Policies (HiAP) staff organized a 170-person GARE Capitol Cohort of twelve teams. These teams represent 18 State departments and agencies – including SGC. Teams not only participate in a year-long training program with GARE, but also receive technical assistance, opportunities for shared problem-solving between departments, and other support from the HiAP team. (See Agenda Item 8a: Update on GARE Capitol Cohort).

SGC’s GARE team includes ten staff from SGC and the Office of Planning and Research (OPR). The team has followed the curriculum of the GARE program since January, 2018, and is now developing a Draft Racial Equity Action Plan (Action Plan). The Action Plan – which is still under development – will outline potential steps to identifying, measuring, and implementing more deliberate and effective steps to achieving racial equity in all facets of SGC’s work. Recommended actions will cover many facets of SGC’s operations, from human resources, contracting, leadership development, and staff training to implementation of SGC’s various grant programs.

Update:

I. Process
Since January, 2018, members of SGC’s GARE team have:

- Attended eight day-long training sessions totaling over 50 hours with the GARE Capital Cohort,
- Attended three GARE speaker series events,
- Held monthly team work sessions and additional subcommittee meetings, and
- Participated in monthly Team Lead coordination meetings with other department leads.

The process of developing the Draft Action Plan has entailed:

- Expanding the team’s knowledge of the history of race in America, racial disparities, and racial equity tools and strategies,
- Building team rapport and developing a “safe space” in which to have internal conversations about race,
- Growing our comfort levels with discussing difficult and sensitive topics with respect,
- Learning and practicing new tools to examine our effectiveness as agents of change in California state government,
- Completing an in-depth Organizational Assessment to identify strengths and weaknesses in our current organizational practices with respect to advancing racial equity,
- Developing a racial equity narrative to describe SGC’s racial equity vision and why this work is important,
- Using the Racial Equity Tool (see Figure 1, below) to structure investigations into SGC’s functions and programs and to identify results-based metrics for evaluating our efficacy in advancing racial equity, and
- Collaborating across programs and areas of expertise to develop the draft Racial Equity Action Plan document (currently under development).

**Figure 1: The Racial Equity Tool Process**

![The Racial Equity Tool Process](source: Race Forward/Government Alliance on Race and Equity)
II. Findings

Positive: Throughout the course of this work, the team affirmed that, in many respects, SGC promotes policies and practices that seek to advance diversity and equity in all facets of what we do. Both leadership and staff demonstrate a commitment to these principles. Our programs and activities explicitly seek to advance equity and inclusion. We generally value diversity among our staff as key to effectively serving all of California’s diverse communities – particularly Disadvantaged Communities that are prioritized in our funding programs. Additionally, effective technical assistance and meaningful community engagement are cornerstones of many of our programs and are important tools for advancing equitable outcomes.

Finally, SGC’s Health in All Policies staff are responsible for establishing the GARE Capital Cohort, and engaging hundreds of State employees across eighteen departments and agencies – a huge and impactful contribution to advancing racial equity across California state government.

For these and other reasons, we find that SGC is in many ways at the forefront of advancing a wide range of equity priorities, including racial equity in California state government.

Room to improve: However, although diversity and equity are central to our mission and goals, we identified several areas where we lack accountability mechanisms to help us identify whether we are living up to these aspirations. In some cases, this is a function of our relatively smaller size/resources as compared to other State agencies. For example, in our Affordable Housing and Sustainable Communities (AHSC) grant program, we track housing units built, but we also recognize that our vision for this program goes beyond housing units to improving real lives. This led us to question whether – and how, with limited resources – we could identify and track additional metrics, such as health, education, displacement, or economic stability – in the communities where we invest, to give us a clearer picture of the degree to which our programs are meaningfully impacting the lives of the people they serve.

Similarly, regarding our internal operations as an organization (e.g., contracting, hiring, promotion) we find that while equity and diversity are values that are embedded into our current organizational culture, these values are not codified or institutionalized into the normal course of business. As a result, these values may be subject to change with a change in leadership and/or personnel. For instance, although in practice we value diversity in hiring and contracting, we do not have the systems or resources to track and monitor diversity data, as other, larger State agencies often do. Similarly, while staff may independently seek out training resources on topics related to race and equity, we have no formal requirement for staff training to increase competency and awareness of topics such as implicit bias, nor do we have a dedicated budget for such trainings.

Additionally, we identified several areas where institutionalized structural barriers are inadvertently hindering our ability to advance racial equity outcomes. For example, although SGC and OPR typically host dozens of interns each year, we are currently unable to offer stipends for internships. This likely prevents many disadvantaged students and young professionals from accessing the experience and networks available through our internships. A very different example on the program side includes our current grant structure which requires grant funding to be distributed on a reimbursement basis. This requires grantees to have the
financial capacity to “front” the initial funds for grant-related activities, inadvertently creating a barrier to participation by smaller organizations including minority- and locally-owned enterprises.

Thus, while our aspirations and intentions are largely in the right place, we have several areas for improvement to more effectively advance racial equity.

III. Actions to Date

While the SGC Racial Equity Action Plan is still under development, we have already implemented several new practices as a result of the SGC GARE team’s work. For instance, as a direct result of our work on this topic, in the past year we have:

- Reduced barriers to home ownership projects in AHSC, recognizing that home ownership is an important wealth-building tool for historically disadvantaged communities, but that our AHSC program had to date only funded one homeownership project.
- Increased specificity of program guidelines related to community engagement for projects applying for grant funding through our programs, including delineating more specific expectations for effectively engaging historically-underrepresented communities and communities of color in project applications.
- Improved grant program requirements related to anti-displacement measures to help guard against unintended consequences of new investment in lower-income neighborhoods.
- Piloted a new requirement for technical assistance provider sub-contracts with Community-Based Organizations who represent the local community, to give minority-led organizations greater ability to access our technical assistance funds and to thus increase the effectiveness of our technical assistance programs.
- Begun advertising job openings on listserves and websites beyond CalCareers to reach a broader audience of potential recruits.
- Hired a work-study intern from a local public high school, in recognition of our goal to broaden exposure to our professional field among a more diverse youth and contribute to building a pipeline of more diverse professionals in our line of work.

IV. Summary of Selected Draft Recommendations

The SGC draft Racial Equity Action Plan – still under development - will comprise three parts. Part I focuses on interagency partnership and collaboration, as well as potential roles for SGC’s Council to facilitate interagency peer learning and exchange. Part II focuses on SGC’s grant programs and technical assistance. Part III focuses on institutionalizing SGC’s commitment to diversity in human resources and contracting.

The following is an abridged summary of a selection of draft recommendations in each of these areas. The final plan will include key data metrics to track and report in each of these areas to ensure accountability to implementation of the Plan’s recommended actions and goals.
Part I: Interagency Collaboration and Role of the SGC Council

As the State of California’s body charged with coordinating across State government to further “sustainability, economic prosperity and quality of life for all Californians,” SGC is uniquely situated to play a leadership role in reversing these historic trends and improving racial equity outcomes in California. Because SGC frequently convenes and coordinates across State agencies, it can provide a platform for implementing and institutionalizing SGC’s core values around equity, even as SGC programs and funding streams may shift over the years.

As discussed above, SGC also embodies significant experience in testing and implementing innovative practices to advance equity outcomes. With its relatively small size and horizontal organizational structure, SGC can, at times, be more nimble than other, larger agencies, with less “red tape” involved in implementing innovations. As such, the SGC may be able to provide some early lessons learned and best practices that could prove helpful for other agencies.

- **SGC Council:** Recommended actions for the SGC Council include:
  - Consider adopting an updated SGC Vision Statement to reflect commitment to equity goals (Early 2019)
  - Consider adopting the final Racial Equity Action Plan (Mid-2019)
  - Council members attend the GARE program Leadership Briefing to signal support at the leadership level (February, 2019)
  - Participate in racial equity training and encourage Council member agency leadership and staff to do the same
  - Establish the Racial Equity Action Plan as a regular, ongoing item of business for the Council. Periodically receive staff progress reports, including indicator data points as described above, and utilize the Council as a forum to discuss ongoing accountability toward achieving the Plan goals.
  - Facilitate peer learning and collaboration on equity issues across all SGC member agencies
  - Use Council meetings as a venue for information exchange across agencies working on implementing equity policies, including those participating in the GARE Capitol Cohort.

- **HiAP:** The HiAP staff will continue their key leadership role in racial equity in State government by supporting the Capitol Cohort in its second year, engaging a wide range of agencies and departments in the GARE program. Year Two of the cohort will focus on implementation of the strategies developed in Year One, with increased focus on cross-agency collaboration and peer exchange.

Part II: Programs and Initiatives (Includes: Affordable Housing and Sustainable Communities, Transformative Climate Communities, Sustainable Agricultural Lands Conservation Program, Climate Change Research Program, CCI Technical Assistance Program, and forthcoming Climate Collaboratives Program.)

- **Grant programs**
  - For multi-agency grant application review panels, consider reviewers who are participants in the GARE program from other agencies
- Track demographic data in communities where we invest – both at time of award and over time. Consider publicly-accessible data representing: Community demographics, property values, health outcomes, length of tenure in current home.
- Continue to investigate and remove barriers for tribal applicants
- Continue to investigate and remove barriers for homeownership projects (AHSC)
- Continue to improve requirements re: anti-displacement
- Continue to improve requirements re: community outreach and engagement
- Investigate alternatives to reimbursement-basis funding to allow more minority-owned and local organizations to compete for funds

- **Technical Assistance (TA) Program**
  - Perform outreach to and create a database of non-traditional TA partners representing local diversity in TA communities, e.g. minority Chambers of Commerce, NAACP chapters, Community-Based Organizations (CBOs), etc.
  - Track and expand the demographic diversity of TA provider contractors
  - Require TA providers to sub-contract with CBOs in local communities
  - Track the demographics of TA and grant program outreach recipients, including demographics of areas where workshops are held, and (if possible) who attends. Set goals for reaching communities of color, measure outcomes, and adjust where and how we do outreach based on these outcomes.

- **Climate Collaboratives Program** (Forthcoming, Per AB 1072, signed into law in 2018)
  - Per AB 1072, SGC must provide TA guidelines to other State agencies. We recommend that these guidelines include measures to:
    - Collect and report on demographics of TA recipient communities
    - Consider requiring sub-contracts with CBOs,
    - Identify best practices for public meetings to encourage maximum participation that is representative of the local community (e.g. consider appropriate venue, time of day, local organization host, child care, and language translation, where appropriate)
  - Establish requirements for diverse representation on Climate Collaborative governing bodies; Diversity of these bodies should represent or exceed the diversity present in the population being represented.
  - Additionally, AB 1072 contains a provision allowing SGC to pilot advance payments to grantees, creating an opportunity to overcome the barriers posed by our typical reimbursement basis for grant funds, as discussed above.

### Part III: Organizational Operations

- **Culture:** Build and maintain a culture of competency around issues of race and equity
  - Identify an ongoing budget for staff training on race and equity
  - Require periodic racial equity and diversity training for all staff and leadership
  - Partner with other agencies that offer implicit bias trainings, e.g. for interview panels who are interviewing job applicants

- **Staff Diversity:** Build and maintain staff and leadership that reflect the diversity of the communities we serve
o Identify alternate venues for advertising job openings and performing recruitment (e.g., local job fairs)
o Track and report on organization-wide demographics and diversity

- **Contracting**: Increase opportunities to expand access to SGC contracts by smaller, community-based and minority-owned contractors
  - Perform proactive outreach to minority-owned businesses to understand their barriers to applying to SGC contracts
  - Track demographic information for contractors and establish data-based goals for increased diversity

- **Interns**: Increase diversity of SGC/OPR interns:
  - Perform active outreach through local community colleges
  - Identify a funding partner (e.g., philanthropy) to sponsor a paid summer internship
  - Create a permanent position for a local work-study high school intern
  - Improve mentorship opportunities for interns, possibly by identifying one dedicated mentor for each intern and outlining associated responsibilities

- **Communications**: Explore ways to increase the accessibility of our programs to all California residents through improved language accessibility and outreach to smaller and minority-owned media outlets

### Next Steps:

**December, 2018**: Complete “80 Percent” Draft Racial Equity Action Plan

**First Quarter 2019**: Present Draft Action Plan to SGC Council
  - **Action Item**: Consider adopting an updated SGC Vision Statement that reflects our commitment to equity.

**First Quarter, 2019**: Work with SGC Council, Key Staff, and leadership to finalize the Action Plan

**Mid-2019**: Present Final Racial Equity Action Plan to SGC Council
  - **Action Item – Consider adopting the final Action Plan**

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i [https://inequality.stanford.edu/sites/default/files/Pathways_SOTU_2017_summary.pdf](https://inequality.stanford.edu/sites/default/files/Pathways_SOTU_2017_summary.pdf)


