

December 20, 2018

**Subject:** November 2018 Strategic Growth Council Meeting Minutes

**Reporting Period:** November – December 2018

**Staff Lead:** Ulisses Arzola, Strategic Growth Council

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**Recommended Action:**

Approval of the November 27, 2018 Strategic Growth Council Meeting Minutes.

## **Strategic Growth Council November 27, 2018 Draft Meeting Minutes**

### **Council Members and Representatives Present:**

Ken Alex, Chair, Governor's Office of Planning and Research (OPR);  
Bob Fisher, Vice-Chair;  
Michael Flad, Public Member,  
Undersecretary Deborah Hoffman, Business Consumer Services and Housing Agency (BCSH);  
Assistant Secretary Janne Olson-Morgan, California Health and Human Services Agency (CHHS);  
Secretary John Laird, California Natural Resources Agency (CNRA);  
Deputy Secretary Marlon Flournoy, California State Transportation Agency (CalSTA);  
Secretary Karen Ross, California Department of Food and Agriculture (CDFA);  
Secretary Matthew Rodriguez, California Environmental Protection Agency (CalEPA)

### **Agenda Item #1: Call to Order**

Chair Alex called the meeting to order at 1:05 pm.

### **Agenda Item #2: Roll Call**

The Council introduced themselves.

### **Agenda Item #3: ACTION: Approval of Minutes**

Secretary Laird made the motion to approve the October 31, 2018 Meeting Minutes.  
Undersecretary Hoffman seconded. Motion passes 9-0.

The October 29, 2018 Meeting Minutes can be found [here](#).

### **Agenda Item #4: Council Members Update**

Secretary Laird toured the Camp Fire site with U.S. Agriculture Secretary Perdue, U.S. Interior Secretary Zinke, and Governor Brown. He acknowledge that many of the issues surrounding the aftermath of the fires are things that SGC works on. As the administration changes, there might be opportunities for the SGC to assist.

Public Member Fisher asked how the SGC, through our programs, can help in assisting wildfire victims.

Laird said that staff could do an inquiry to Cal Fire at the staff level to where there are high risk areas that SGC traditionally funds and suggest changes in guidelines.

Chair Alex wanted to note that after previous fires, the council asked SGC staff to look to see if there are funding opportunities there. He also mentioned that there are several bills passed by the legislature directing state agencies to assist where they can. Wants to be careful we are not recreating any of these things or getting in the way of them.

Secretary Rodriguez updated the council on ARB's 2018 progress report on implementing SB 375, the Sustainable Communities and Climate Protection Act. While we are meeting 2020 targets in reducing greenhouse gas emissions below 1990 levels, we still have a lot to work to do. Suggested ARB staff come present at a future SGC council meeting on their findings.

## **Agenda Item #5: Executive Director's Report**

*Louise Bedsworth, SGC*

Executive Director Bedsworth updated the Council on SGC programs including the Affordable Housing and Sustainable Communities Program, the Climate Change Research Program and the Transformative Climate Communities Program. She also welcomed new Executive Fellows Alex Gallo for SGC and Shelby McMichael for HiAP.

Discussion on the Executive Director's Report:

Fisher asked about the 4 applications for TCC and that the number seemed low.

Alex replied that this is about the right amount of applications. It is a lot of work for applicants to do and a lot of work for staff to review.

Fisher asked how much we might be able to fund.

Alex responded that we have about \$50 million dollars, so no more than two grants would be awarded.

Bedsworth agreed and said that it is a good amount of applicants for the amount of money that we have and the significant amount of work everyone involved has to do. If we were able to expand the program we would be capable of handling more applications.

*Susi Moser, AB 2800 Working Group*

*Juliette Finzi Hart, AB 2800 Working Group*

Juliette Finzi Hart updated the council on AB 2800, the Climate Safe Infrastructure, Working Group Report. The report has been presented to the legislature and the SGC.

Discussion on the AB 2800 report:

Laired appreciated the report and asked where we can go from here. Mentions Governor Brown's Executive Order on Climate Change. How is this all tied together? Make sure this is consistent. How to institutionalize it, what's SGC's role?

Bedsworth responded that SGC has an opportunity to reflect this in the work that we do and can be a venue where we can help collaborate and share information. Also thinking about how this fits into the climate action team is important as well. Ultimately we want to get to where this is how we do business.

*No public comment.*

The Executive Director's Report presentation can be found [here](#).

## **Agenda Item #6: ACTION: Sustainable Agricultural Land Conservation Program**

*Virginia Jameson, Department of Conservation*

- a. *Approve staff recommendation to award \$47,996,195 in Greenhouse Gas Reduction Funds to a total of 17 agricultural conservation easement projects.*

Virginia Jameson updated the council on the Sustainable Agricultural Land Conservation Program and the recommended projects for approval.

Discussion on SALC:

Public Member Flad asked how the value of easements are determined.

Jameson responded that they are determined by a qualified appraiser. They go out and appraise the properties and look at the price of the property subject to development and the price with conservation easement inhibiting development. The difference of those two numbers is the value of the easement. Jameson also clarified that it is just one appraiser but they do have to be reviewed by DGS.

Fisher asked if we could know what the cost per metric ton avoided is, so that we can look at one easement against another to see the value to the state. There has to be some way to judge one against another. We want to approach this as strategic as possible. If we can set land aside and stop the progression of sprawl then we accomplish a lot more than if the sprawl goes all around an island. We need to look at it with that kind of lens going forward.

Rodriguez noted that there should be funding for this program in the future based off the Cap and Trade auctions. It is important to have easement programs such as this. Wanted to hear the comments from participants in this round of funding, was concerned that we needed to give more direction but was pleased to hear about the comments on staff. Might need more explanation why some projects were recommend and why others were not, heard some general discussion about GHGs reductions yet there is some discretion based on regional differences, we do not want to have too many projects in one region of the state. Recommends staff draw the relationship between what the standards are and what the recommendations are.

Alex said he asked a similar question regarding six projects that did not make the cut and said there is a clear explanation for each. Probably a little more information in the staff report would be helpful though.

Ross thanked staff and all the public comments. Would like more local governments seeking planning grants. Santa Clara has used the planning grant and strategies and outcomes grant and brought a whole community together to ask how agriculture can be viable in the future. How to narrate what the cities are doing along with the countryside as whole community. Documenting benefits from the planning grants is an important piece in updating general plans, climate adaptation plans.

Laird also appreciated everyone's comments and wanted to think about the needs moving forward and take it to the next step. Want to make sure there are priorities and we are aggressive rather than just taking what comes to us.

Alex wanted to remind everyone that this program was envisioned as an interlude until the Williamson Act was updated and reformed, although that has not happened. Pleased to hear the response to SALC and also thanked SGC and DOC staff for their work.

Laird made the motion to approve the staff recommendation to award \$47, 996, 195 in Greenhouse Gas Reduction Funds to a total of 17 agricultural conservation easement projects, Ross seconded. Motion approved 9-0.

Public comment on SALC:

*Niccolo Deluca, Land Conservancy of San Luis Obispo County*

*Marc Landgraf, Santa Clara Valley Open Space Authority*

*Stan Van Vleck, Van Vleck Ranch*

*Jeremiah Leibowitz, California Rangeland Trust*

*Lauren Hubert, Sierra Foothill Conservancy*

*Shelton Douthit, Feather River Land Trust*

*Tracy Ellison, Solano Land Trust*

*Jeanne Merrill, CALCAN*



*Charlotte Mitchell, CA Farmland Trust*  
*Katie Patterson, American Farmland Trust*

The full staff report on the Sustainable Agricultural Land Conservation Program can be found [here](#) along with attachments [1](#), [2](#), and [3](#). The presentation can be found [here](#).

## **Agenda Item #7: INFORMATION: Transformative Climate Communities Program**

*Saharnaz Mirzazad, SGC*

Mirzazad gave an update on Round 1 of the Transformative Climate Communities Program.

Discussion on TCC:

Alex stated that some of the changes in projects seem fairly substantial. Does staff feel like all the awardees are in a good position to go forward?

Mirzazad responded that Watts and Ontario are in a good position. Did not have substantial challenges. The main challenge was the grant agreement but once that was in place, there was a clear path forward.

Does not want to compare Fresno to the other communities. There are trust issues with the city and community. It has been hard for the city to lead the project, although the last few months they have seen some progress. Going forward, having measures in place, like hiring a consultant on the ground to see how the funds are spent and any potential issues that may arise before things go wrong would be helpful.

Hoffman commented on Watts. Asked if the staff is working with the applicants on the changes. Going from 300 homes to 60 in solar installation seemed like a big drop. Wants to know if they were in consultation with staff.

Mirzazad said they did consult with them. That particular project had issues regarding the “cool roofs”. Those types of roofing projects are not allowed in the guidelines which is why there was a change.

Hoffman said there were so many changes in Fresno. The project as it is, would it have been competitive compared to the other communities that did not receive funding?

Alex commented that Fresno was in the enabling legislation for TCC so it would have gotten funding regardless of the other communities competitiveness.

Rodriguez asked what changes need to come back to the SGC and what changes are being negotiated by staff?

Bedsworth noted that the changes were tweaks, shifting in the budget with an eye towards making sure if those changes become large, like changing a project type or something that would change the overall scope of the project, it would come back to the council for approval. Most of the changes were changing the scale to adjust the budget accordingly.

Mirzazad stated that during the pre-contract consultation phase, they gave them advice on shifting eligible costs to other projects and that larger deviations would need approval from the council.

Rodriguez noted that it would be helpful for members to know with written documents in advance. Here are what the grants/guidelines provide, here are some changes within those guidelines, here are some changes that it does not provide and need to come back for approval.

Alex noted that staff did not have time to prepare and put materials together but thought it would be good to have a presentation at the meeting.

Rodriguez noted that the High Speed Rail requirement was taken out. Is that really the call of Fresno? Is that something that the council should be having a say over? Also noted that Watts and Pacoima had very close scores and if the changes made Watts a less desirable project, he



would like to know. Would it have changed the decision on which project should be getting the grant in the first place? Having more information would be helpful in the future. Need to think about how much discretion we want to provide to make changes that may significantly change the project. Might need to reconsider if the changes are too great.

Alex responded that it was our error in requesting that the applications be for \$35 million dollars, not \$33 million. It is written in the guidelines, some specific ability for staff to be able to change things. What that means is open to both staff and council interpretation.

Hoffman brought up the High Speed Rail connectivity project. Is that something we can revisit?

Mirzazad responded that there were two parts to that project, one part was in the north part and one part in the south. The south part is much more important because it would connect the investment of High Speed Rail to another important improvement to the downtown area. It was the decision of Fresno to eliminate the north part.

Alex said there needs to be more information.

Bedsworth responded that there has been tremendous amount of staff change, the challenge is that we are building the plane while we fly. The template grant agreement from round 1 is something to work from as it will help with round 2. Did not have a model for how to put together all these project types for round 1.

Alex responded that they should propose some options to the council.

Bedsworth said that they can bring something up in December.

Flournoy said that it would help to have standards on what decisions on the staff level that they can make and what needs to come back to the council. Need to incorporate the lessons learned as they go along.

Fisher asked about setting a precedent for new applications where it is seen as getting into negotiation post-award where things get removed. Need to consider that. Asks what happens to the \$7 million dollars in Fresno.

Bedsworth replied that the original proposal was for \$73 million dollars and what was really available was \$66 million. The NOFA did not reflect the 5% admin that the state needs to run the program. A lot of the cuts would have to be made regardless, unless they could have gotten funding elsewhere.

Alex reminded the council that this is the first year of this grant program. Two out of the three grants have gone smoothly and the third they knew was always going to be a challenge.

Flad said he does not have a concern on the transformative part because it brought folks together that never worked together. Transformation is already occurring just by getting them together in applying for these grants.

Rodriquez agreed that it was the first time doing this and they are learning a great lot from it. Will want to set out very clearly what sorts of changes can be made by staff, what needs to come back to council. Need to be mindful that SGC is managing much larger grant programs than before and we need to take a look at what kind of staffing we will need to implement what has developed over the past seven years.

*No public comment.*

The presentation on the Transformative Climate Communities Program can be found [here](#).

## **Agenda Item #8: INFORMATION: Government Alliance on Race and Equity (GARE)**

*Julia Caplan, HiAP*

*Ambreen Afshan, CARB*

*Suzanne Hague, SGC*

Julia Caplan gave an update on the Government Alliance on Race and Equity.

Ambreen Afshan shared her experience on her participation in the Governing for Racial Equity Capitol Cohort

Suzanne Hague gave an update on developing a Racial Equity Action Plan for SGC.

The full staff report on GARE can be found [here](#), the Update on the Racial Equity Action Plan can be found [here](#). The presentations can be found [here](#) and [here](#).

Public comment on GARE:

*Katrina Deloso, Prevention Institute*

*Angelina Rahimi, Franklin Neighborhood Development Corporation*

## **Agenda Item #9: General Public Comment**

Harvey Eder, Solar Power Coalition

## **Agenda Item #10: Meeting Adjourned**

Chair Alex adjourned the meeting at 4:26pm.

The full video of the November 27, 2018 Strategic Growth Council Meeting can be found [here](#).