

December 20, 2018

Subject: Transformative Climate Communities Program: Round II
Implementation Grant Awards

Reporting Period: December 2018

Staff Lead: Saharnaz Mirzazad, TCC Program Manager

Recommended Actions:

Approve staff recommendation to award \$46 million in Greenhouse Gas Reduction Funds for the FY 2018-2019 Transformative Climate Communities Program to the following two Transformative Climate Communities Projects:

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| 1) Community Partners: Green Together, NE Valley | \$23,000,000 |
| 2) Sacramento Housing and Redevelopment Agency
Sacramento: Integrated Multimodal Place-based Living | \$23,000,000 |

The awarded applicants will be required to address issues identified during the application review process and post-award negotiation prior to grant agreement execution.

Background:

On September 14, 2016, Governor Brown signed AB 2722 (Burke), which created the Transformative Climate Communities (TCC) Program, a California Climate Investment (CCI) grant program administered by the Strategic Growth Council, in partnership with the Department of Conservation (DOC) and other State agencies. The TCC Program furthers the purposes of AB 32 (Nunez, Chapter 488, Statutes of 2006) and AB 2722 (Burke, Chapter 371, Statutes of 2016) by funding projects that reduce GHG emissions through the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated GHG emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities. Funding for the TCC Program is provided by Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

On January 29, 2018, the Council awarded \$133,000,000 in TCC Round I Implementation Grants to three projects:

- City of Fresno: Transform Fresno
- City of Ontario: Ontario Connects
- Housing Authority of the City of Los Angeles: Watts Rising Collaborative.

Round I awards were made through a competitive process in accordance with a regional allocation adopted by the Council on December 6, 2016.

The TCC Round II Implementation Grants will award \$46,000,000 that includes \$10,000,000 from a FY 2017-2018 budget appropriation and \$40,000,000 from a FY 2018-2019 budget

appropriation. Of these appropriations, \$4,000,000 will be used for grant administration, program evaluation, and monitoring costs to be conducted or contracted for by the State. TCC Round II Implementation Grant awards are awarded competitively among eligible disadvantaged community areas, as identified in Appendix C, “TCC Mapping Tool for Eligible Project Areas and Planning Areas,” of the TCC Guidelines. The grant term will be approximately 5 years.

2018 Round II - Application Process:

The Council adopted the FY 2018-19 TCC Program Guidelines on July 31, 2018. SGC and DOC released the Notice of Funding Availability (NOFA) on August 15, 2018. The NOFA was updated on October 2, 2018, which provided an update on the funding availability.

Round I included a two-phase application process. In Round II, applicants submitted a single application. Applications were due by October 30, 2018.

SGC received a total of four (4) applications, listed below:

Table 1: TCC Round II Implementation Grants Applicants

Proposal Name	Lead Applicant	Location
Green Together: NE Valley	Community Partners	Pacoima Community in East San Fernando Valley, Los Angeles
Pathways to Health	County of Riverside Economic Development Agency	Riverside
Rooted in East Oakland	City of Oakland	East Oakland
Sacramento Integrated Multimodal Place-Based Living (SIMPL)	Sacramento Housing and Redevelopment Agency	Sacramento

Technical Assistance

TCC Program Staff hosted a webinar on August 28, 2018 that provided an overview on Implementation Grants and the application process. A recording of the Implementation Grants webinar and a pre-recorded webinar demonstrating how to use and upload materials into the Financial Assistance Application Submittal Tool (FAAST) system was made available on the SGC website.

To support the development of competitive applications and to build the capacity of applicants from the State’s most disadvantaged communities, SGC provided technical assistance (TA) that was required to be used by any eligible applicants interested in applying for an Implementation Grant. The firm Estolano LeSar Advisors coordinated a team of consultants to provide TA. The technical assistance supported TCC applicants in the development of their project scope, calculation of greenhouse gas emission reductions, and developing a complete application. In order to match potential applicants with TA, TCC Staff requested potential applicants indicate their interest through an online survey by September 4, 2018 to get them connected to technical

assistance. Initially, there were eight (8) interested applicants. Through the initial technical assistance process, which included working with the applicants to review eligibility and threshold requirements and defining their proposal components, four (4) applicants proceeded to submit comprehensive applications

Application Review and Scoring

All applications were evaluated through a multi-stage review process that includes: reviews by TCC Program Staff (Program Staff), Subject Matter Specialists (Specialists), and members of an Interagency Review Panel (Panel). Program Staff included staff from the SGC and the Department of Conservation (DOC). Specialists were selected to review applicant capacity, Transformative Plans, and Projects. Panel members were selected to complete a holistic review of the applications, including the quality of the overall vision and integration. Program Staff developed a scoring rubric for the implementation grants by using the scoring criteria listed in the TCC guidelines. Program Staff also developed detailed instructions on how to assign scores.

Members of the Interagency Review Panel and Program Staff conducted a site visit for each applicant. Site visits include presentations and tours by lead applicants, co-applicants, and, often, residents and other stakeholders.

TCC Program Staff Review

Completeness Check: Program Staff reviewed the submitted application materials for completeness. Applicants were notified if their application was incomplete and were given the chance to resubmit any incomplete or missing materials. All application materials – including new and updated documents – were shared with Specialists and Panel members.

Threshold Review: Program Staff conducted reviews of the program threshold requirements listed in TCC Guidelines. This included reviewing applications for eligible project areas, readiness thresholds, leverage documentation, indicator tracking plans, and workbook completeness. Program Staff did not make final point determinations, but provided recommended scores and notes to the Panel on each of the threshold requirements.

Subject Matter Specialist Review

Program Staff partnered with Specialists from various State agencies to review each application's financial and management capacity, Transformative Plans, and Projects. Specialists provided preliminary scores and questions to the Panel for review prior to the site visits. For criteria scored by multiple Specialists or Program Staff, preliminary scores were averaged; they were not weighted or normalized. Table 2 highlights the agencies who assisted in the Specialist review.

Table 2: TCC Implementation Grant Review by Subject Matter Specialists

Subject Matter Area	Agency Reviewed
Financial and Management Capacity	Department of Finance
Climate Adaptation and Resiliency	Office of Planning and Research
Community Engagement Plan	Strategic Growth Council California Environmental Protection Agency



Displacement Avoidance Plan	Department of Housing and Community Development California Environmental Protection Agency
Workforce Development and Economic Opportunities Plan	Workforce Development Board
Equitable Housing and Neighborhood Development	Department of Housing and Community Development
Active Transportation	Department of Transportation
Transit and Rail Access	Department of Transportation
Car Sharing and Mobility Enhancement	California Air Resources Board
Decarbonized Energy and Energy Efficiency	Department of Community Services and Development
Water Efficiency	State Water Resources Control Board
Urban Greening and Green Infrastructure	Department of Forestry and Fire Protection State Water Resources Control Board
Health and Well-Being	Department of Forestry and Fire Protection Department of Public Health

Interagency Review Panel

Program Staff invited reviewers from ten (10) agencies and departments to participate in the 15-member Interagency Review Panel. Each Panelist reviewed all 4 applications, as well as the reviews provided by the Threshold and Subject Matter Specialist Reviewers. A subset of Panelists attended site visits prior to deliberation. Each applicant hosted a site visit for 6-8 Panel members, as well as Program Staff and executive staff from SGC.

Panelists convened on two (2) separate days. During the Pre-Deliberation meeting, Panelists heard presentations from Specialists and Program Staff. Specialists who evaluated the Transformative Plans (Community Engagement, Displacement Avoidance, Workforce and Economic Development, and Climate Adaptation and Resiliency) and applicant capacity discussed their preliminary scores with the Panel. Program staff provided briefings on the proposed projects in each application based on the feasibility analysis and preliminary scores provided by project Specialists. During the Final Deliberation meeting, SGC staff facilitated a detailed analysis for each application to finalize the scores.

At the second Interagency Review Panel meeting, program Staff presented the estimated GHG emission reductions for each applicant, which had been provided by the application Technical Assistance providers and the California Air Resources Board.

Summary consensus scores from the Interagency Review Panel are shown in Table 3.

Table 3: Application Scores, not including GHG reduction scores

Green Together, NE Valley	SIMPL	Rooted in East Oakland	Pathways to Health
75.4	74.9	68.7	66.1



GHG Scoring

Applicants were required to identify at least three (3) projects with quantifiable GHG emission reductions that would be ready at the time of application. And, at least half of the request funding must support projects with quantifiable GHG emission reductions. Applicants can earn up to eight (8) points for the Top 3 quantifiable projects ready at the time of application and up to seven (7) for total GHG reductions from all quantifiable projects. Applicants with the highest GHG reduction received full points in each category and the others received points relative to the highest scoring applicants.

GHG scores are determined use CARB quantification methodologies. Points for Final GHG scores are shown in Table 4. Based on the estimates below, scores were allocated proportionally for each application:

Table 4: Final GHG Scores*

Applicant	Total GHG Emission Reduction Top 3 Quantifiable & Ready at Application (8 points)	Relative % (Based on top score)	Points	Total GHG Emission Reduction All Quantifiable Projects (7 points)	Relative % (Based on top score)	Points
Green Together, NE Valley	32,476	100%	8	32,630	100%	7
Rooted in East Oakland	18,837	58%	4.6	18,837	58%	4.0
SIMPL	15,597	48%	3.8	17,571	54%	3.8
Pathways to Health	11,074	34%	2.7	12,029	37%	2.6

* Final GHG scores do not include one project from the Green Together, NE Valley project list. The application included a Multifamily Feed-in-Tariff (FIT) project. Requested SGC funding would facilitate the identification of sites for future solar installations. Scorers were unable to include this project in the quantification because CARB does not have a Quantification Methodology for Feed in Tariff program and the application lacks a clear timeline or commitment around final installed capacity.

Final Application Scores

Summarized combined scores for each application are shown in Table 5.

Table 5: Summary of scores

	Green Together, NE Valley	SIMPL	Rooted in East Oakland	Pathways to Health
GHG Reduction Score	15	7.6	8.6	5.3
Interagency Score	75.4	74.9	68.7	66.1
TOTAL SCORE	90.4	82.5	77.3	71.4



Complete scores for each applicant are shown in Attachment A. Interagency Panelists were the final arbiters of determining scores for all scoring criteria, including those initially scored by Specialists and Program Staff.

Recommended Awards:

TCC Round II Implementation Grant applicants have demonstrated substantial improvements compared to TCC Round I Implementation Grant applicants. Improvements were visible in the quality of applications submitted, the community and stakeholder engagement, and the amount of leverage funding.

Given available funding, staff is recommending that the Council approve two (2) awards.

Staff would like to emphasize that each of the submitted applications are transformational and worthy of being funded, if funding were to become available. TCC will work with applicants not recommended for funding to provide feedback on areas for improvements for the next round of TCC Implementation Grant funding. Staff will also investigate connecting the applicants with other State agencies that can fund elements of the proposals. Both applicants not recommended for award received TCC planning grants in Round I. Staff is confident that the additional year of planning activities will better prepare these applicants to apply for subsequent funding rounds. Both applicants recommended for award applied to TCC in Round I.

Award Recommendation 1: Community Partners: Green Together, NE Valley

Award Amount: \$23,000,000

Leverage Funding: \$47,675,573.60

The Green Together proposal seeks to create a green, socially inclusive, and climate resilient neighborhood in Pacoima, located in the northeast San Fernando Valley. The proposal integrates decarbonized energy, urban greening, active transportation, and mobility enhancement projects, combined with equity and opportunity strategies through job training and leverage-funded displacement avoidance policies and programs. The proposal builds on the community's priorities identified through Pacoima Beautiful's decades of organizing in the NE Valley. The applicant has proposed seven projects funded by TCC and seven leverage funded projects.

The application proposes a unique model for project management that can be an example how State grants can support community-based organizations and small non-profits. Community Partners is the Lead Applicant, Grantee, and Fiscal Sponsor for the Green Together Network. Pacoima Beautiful will be co-manager for all activities related to the Green Together Resource Center and will provide ongoing coordination with the Green Together Steering Committee, Network Coordinator, and grant administrator. Pacoima Beautiful will serve as a designated Steering Committee Co-Chair for the duration of the grant performance period. The other Co-Chair will be rotated among other co-applicants.

The application demonstrated strong community and stakeholder engagement to develop a vision for transformation. The applicant has proposed legalizing Accessory Dwelling Units (ADU) as an implementation policy in the project area using leverage funds. This is an innovative way to provide housing to low-income families in areas with larger lot size characteristics.

Recommended conditions on award, in addition to general conditions listed in “Next Steps”:
Update the Memorandum of Understanding to include clauses related to assumption of liability, program reporting, and process for reporting data to evaluation team.

Award Recommendation 2: Sacramento Housing and Redevelopment Agency (SHRA): Sacramento Integrated Multimodal Place-based Living (SIMPL)

Recommended Award Amount: \$23,000,000

Leverage Funding: \$125,422,496.56

The Sacramento Housing and Redevelopment Agency proposes to transform the neighborhood surrounding the Twin Rivers Housing Project in Sacramento by constructing over 480 units of affordable and market rate housing, complete with solar panels and storm water planter boxes. The grant funds will contribute to the development of 104 of the 480 units. The project will also include the development of a new light rail station that will enable residents to travel from the Twin Rivers Housing area to downtown and other parts of the greater Sacramento area for employment and education opportunities. Trees will be planted throughout the Project Area, and a new community garden will be installed. Residents can participate in tree planting and care and will be able to obtain a plot in the community garden to grow their own food. The applicant has proposed five TCC funded projects and a comprehensive mix of leverage funded projects including a complete streets project, electric vehicles, and park and recreation equipment.

The majority of fund requested in this application will be used to build a new light rail station in the project area. The application clearly demonstrates how this station, along with other leverage funded projects, will result in comprehensive transformation of a community currently characterized by isolation, disconnection, and disinvestment, to a neighborhood of opportunity, inclusion, and integration. The significant leverage from other sources to fund projects that would complement the vision is one major strength of the proposal. The applicant has included a strong Memorandum of Understanding that clearly represents the lead applicant capability in implementing the proposed projects in timely manner.

Recommended conditions on award, in addition to general conditions listed in “Next Steps”:
Since the lead applicant has made the strong case on how building the new transit station will result in transformation, the SGC requires the applicants to:

- Include climate resiliency measures in design and construction of the transit station to assure long term continued viability, and to
- Exceed the requirement of Section 106(a)(4) of the AHSC Guidelines of “[a]t least one (1) pass or card shall be made available for each Restricted Unit for at least 3 years,” to ensure that the light rail station can be accessed and is well-utilized.

The applicants will also be required to update the MOU to expand involvement of Community Based Organizations.

Applications Not Recommended for Funding:

Oakland: Rooted in East Oakland

The Rooted in East Oakland is a transformative neighborhoods initiative that will engage the community to identify and implement equitable transformative projects. These projects propose to address climate change by reducing greenhouse gas emissions, improving public health, building individual assets, and promoting community-led economic development that will transform six East Oakland neighborhoods without displacement into sustainable, safe, healthy and vibrant places to live, work, and raise families. The 4.96 project area has a population of 43,000 residents who face many challenges, including poor traffic safety, very low tree canopy coverage (estimated at 4 percent), which contributes to poor air quality and heat island effects, high demand for affordable housing and very low housing stock. The project proposes to integrate an affordable housing development with resident-requested community services and support, and pedestrian improvements at 10 project area intersections; an urban greening project which would plant 3,000 trees throughout the project area; acquisition and expansion of a community garden which will provide access to healthy food for the community, workforce development, and education; and an innovative bike share program sited in project area libraries. These grant-requested projects, in combination with a leverage funded city-wide displacement avoidance plan, homeless services, and city-wide economic and cultural development strategies will transform the project area and the lives of community residents.

A major strength of this application was the grass-roots community involvement and the engaged support by the City of Oakland. It is clear that there are strong and cohesive partnerships between community groups, resident stakeholders, and City leadership and staff that have been well-established before the inception of the TCC Program. This foundation showed through in the proposal's strong community engagement plan, the site visit, and reviewer scores. In general, the application met the program requirements but there were areas where the application lacked detail.

Areas for improvement include:

- Demonstrating greater integration between each of the individual projects;
- Identify Leverage funded projects that contribute to the area's transformation and catalyze investment in underserved areas;
- Develop clear process on how the applicant will comply with data gathering and reporting requirements related to indicator tracking plan;
- Increase public agency partner commitment, particularly for the operations and maintenance of proposed infrastructure and ongoing community engagement;
- Provide more detailed information on projects readiness, work plan, and budgets; and
- Clarify MOU roles and responsibilities

Riverside: Pathways to Health

The Pathways to Health proposal seeks to create greater connectivity between the City of Riverside's Historic Downtown, University and Eastside neighborhoods through a series of active transportation and urban greening projects, and two affordable housing projects. The series of eight projects are designed to work together to achieve improved community health outcomes for residents of the proposed project area. The proposal builds on previous local



planning initiatives and community engagement conducted as part of the Riverside Healthy Eating Active Living (HEAL) Zone, which overlaps with the project area. Over 250 residents participated in 14 community meetings and two neighborhood walks to inform and prioritize the projects included in the TCC Proposal. Panel members who attended the Riverside site visit, were impressed with the community leaders and organizations engaged in the HEAL Zone and by the improvements they have already achieved in the Eastside neighborhood.

Areas for improvement include:

- Demonstrating greater integration between each of the individual projects;
- Provide more detailed information on project readiness and budgets;
- Providing more formal and clear roles for decision-making by community leaders; and
- More clearly delineating how the County Economic Development Agency as the Lead Applicant would work with the City of Riverside during implementation.

Next Steps

Following a decision by the Council on the awards, Program Staff will enter into Post-award Consultation phase with award recipients to refine the grant agreement and all accompanying attachments to comply with administrative, statutory, and TCC Program requirements. Awarded applications will be subject to review and required to make modifications to align with program requirements, Interagency Review Panel recommendations, and Council direction. Award recipients must work with an Evaluation Technical Assistance provider contracted by the State to finalize an Indicator Tracking Plan for the proposal.

The Interagency Review Panel and Program Staff identified the following areas of improvement to address during post-award consultation: climate resiliency of proposed infrastructure, project readiness, collaborative stakeholder structure governance, displacement avoidance strategies, and workforce development strategies. Program Staff may identify additional areas of improvement that award recipients need to address during Post-award Consultation. Program Staff will also conduct a review of eligible activities and costs, and award recipients will be required to submit supporting documentation and refine project materials.

Award recipients are not permitted to develop new projects during Post-award Consultation, per the TCC Program Guidelines. Any project modifications will be subject to the TCC Post-Award Review Policies.

Key Considerations for Future TCC Funding Rounds

TCC Program Staff and the program's steering committee members comprised of partner agencies have identified areas listed below for further improvement of the program in future:

Provide Clarity on Workforce Development Requirements

Round I and II applications demonstrates that applicants needs additional clarity and direction on workforce development requirements. All applications lacked a clear strategic plan for place-based workforce development aligned with regional goals. New updates to the TCC Guidelines should encourage applicants to explore how TCC funds can results in identifying innovative approaches to workforce development that would address workforce needs of the Project Area residents.

Catalyze Creative Approaches to Affordable Housing

The Green Together, NE Valley application provides an example of how TCC can support creative approaches to addressing affordable housing in contexts where developing large-scale affordable housing projects is not feasible. SGC will continue to explore options to support more innovative approaches to address housing needs such as small-scale infill affordable housing and improvement or building accessory dwelling units.

Supporting Arts and Culture

Art and culture plays an integral role building cohesive communities. SGC staff would like to provide more guidance on how TCC applicants can include arts and culture as a strategy for transformation.

Displacement Avoidance

The TCC Guidelines need to clarify the definition of “new policies” that applicants need to pursue to avoid displacement. Clarity is also needed on how non-governmental lead applicants can fulfill displacement avoidance requirements given limited authority over policy adoption and implementation.

Climate Adaptation and Resiliency

The TCC Guidelines need to clarify how climate adaptation and resiliency should factor into not only the selection, design, and implementation of projects, but also the long-term operation and maintenance such as the effects of extreme precipitation or heat events on functionality of equipment.

Expanding Eligibility for Future Rounds

TCC Round I and II limited implementation grants eligibility to projects in a planning area comprised of majority top 5% Census Tracts per CalEnviroScreen 3.0. With sufficient funding, SGC staff recommends broadening the eligibility to provide opportunity for other communities to apply for TCC including TCC Planning Grants awardees.

In addition, under the current TCC Guidelines, only incorporated areas are eligible for TCC grants. The staff will explore broadening the eligibility to include unincorporated areas for the future round.

Supporting Applicants for Cost of Application

SGC recognizes that preparing a TCC application requires significant investment from the lead applicants and partners. SGC will explore the ways in which applicants can be reimbursed for cost of application, especially for the cost associated with the site visit during the review process.

Staff Report Attachments

Attachment 1: Implementation Grant Scores

Attachment 2: Application Summaries and Project Area Maps