Agenda Item #3

August 27, 2019

Subject: June Strategic Growth Council Meeting Minutes

Reporting Period: June 2019 – August 2019

Staff Lead: Ulisses Arzola, Strategic Growth Council

Recommended Action:

Approval of the June 21, 2019 Strategic Growth Council Meeting Minutes.
Strategic Growth Council  
June 21, 2019  
Draft Meeting Minutes

Agenda Item #1: Call to Order
Chair Gordon called the meeting to order at 10:10 am.

Agenda Item #2: Roll Call
Council Members and Representatives Present:
Kate Gordon, Chair, Governor’s Office of Planning and Research (OPR); 
Mike Flad, Vice- Chair, Public Member; 
Nicole Capretz, Public Member; 
Janne Olson-Morgan, Assistant Secretary, California Health and Human Services Agency (CHHS); 
Wade Crowfoot, Secretary, California Natural Resources Agency (CNRA); 
Ashley Conrad-Saydah, Deputy Secretary, California Environmental Protection Agency (CalEPA); 
Elissa Konove, Undersecretary, California State Transportation Agency (CalSTA); 
Karen Ross, Secretary, California Department of Food and Agriculture (CDFA);

Agenda Item #3: ACTION: Approval of Minutes
Flad made the motion to approve the April 30, 2019 Meeting Minutes, Conrad-Saydah seconded. Motion passes 7-0-1*.

*Konove abstained as she was not present at the last meeting.

The April 30, 2019 Meeting Minutes can be found here.

Agenda Item #4: Council Member Updates
Conrad-Saydah mentioned the Safe and Affordable Drinking Water Program. CalEPA has been working with the Department of Finance, Air Resources Board, Water Resources Control Board, and OPR to get the program off the ground. They are excited for every community in California to have access to safe and affordable drinking water.
Olson-Morgan is excited that the state budget will help support vulnerable communities in a variety of their programs.

Konove from CalSTA introduced herself to the Council and provided some information on her background.

Crowfoot mentioned that the state is beginning to work on climate resilience and adaptation. Is personally working on water to develop the Governor’s Water Resilience Portfolio Initiative. [http://www.WaterResilience.ca.gov](http://www.WaterResilience.ca.gov) provides community members and stakeholders to give input on California’s water priorities. Encouraged the public to send their ideas. Also mentioned they are doing some listening sessions on water resilience.

He also mentioned the wildfire season, they are working on expanding forest management and community preparedness.

Ross mentioned that CDFA made another round of grant selections for their Healthy Soils Program. 217 proposals were selected for almost $12.5 million dollars. The proposed budget includes an increase in that program going forward. She also commented that the SGC partnered with the University of California, Agriculture and Natural Resources division. They are in the process of hiring 10 community educators, doing outreach and assistance to farmers of low-income, disadvantaged communities.

She also mentioned the company Indigo Ag, which works on carbon farming. Last week, they announced an initiative to sequester a trillion tons of carbon in our soils. Their goal for this year is to sign up 3000 farmers globally. They are paying $15 a ton.

Lastly, she spoke at a UN conference last week on a panel on adaptation and resiliency. No one else has a natural working landscape strategy in their climate plan. There is an opportunity for California to play a leadership role.

Capretz highlighted that the California Environmental Justice Alliance came out with a report card of state agencies and that the Strategic Growth Council came out with an A-. They
commended the SGC with their openness, creatively and transparency and highlighted the Transformative Climate Communities (TCC) Program in particular.

Secondly, she mentioned the state of New York adopting their climate plans. One element is that they made carbon neutrality into law.

Gordon mentioned that the Greenhouse Gas Reduction Fund (GGRF) budget is larger this year. It has a real commitment for on the ground community impact. It also has a number of increases to reduce diesel and air pollution, more money for disadvantaged communities, technical assistance, climate smart agriculture along with more funding for SGC programs. The overall GGRF is up because the last auction was significant.

The Chair also mentioned the budget contains a roadmap toward carbon neutrality by 2045. It’s not state law, but it is in the budget - so there is commitment. The roadmap is looking at bringing down supply and demand, which is a new thing. There is an additional report to bring down transportation emissions both in vehicles and land use. We will have a chance to think about what the goals are and what they will look like. The other piece of the budget boosts workforce training and regional partnerships to look at training in communities for the kinds of jobs that are created by these investments. 60% of all the jobs created by GGRF are in construction. There are funds for construction career programs that focus on apprenticeships that can be the workforce for the green economy.

Community concern about displacement on investments. Opportunity to explore and uplift some of the priority populations. This was a pilot to see how they could think about that in a slightly different way.

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

*Louise Bedsworth, SGC*

Bedsworth updated the Council on a few items including program updates to TCC, Affordable Housing and Sustainable Communities (AHSC), Health in All Policies (HiAP), and reimbursed
Prop 84 funds. She also gave a follow-up from the April Council meeting on the Racial Equity Action Plan, the placed-based funding analysis, and gave an update on the budget.

Discussion:
Gordon asked how many Council members can be in a working group in regards to the placed-based funding analysis.

SGC Staff Counsel Doug Bojack responded that there can be up to five Council members or representatives present.

Conrad-Saydah responded that the Tahoe Conservancy has already started to accumulate a spreadsheet of all the funding in their area. Many in the working group will get a chance to look at their work.

Gordon suggested to look at the current budget and see what is going to those regions.

Gordon also asked about relationship between the full-time employees and the $2 million going to the Regional Climate Collaboratives.

Bedsworth responded that the money would be in the form of grants going to the communities. It would follow the program structure of our other programs like TCC and AHSC.

Olson-Morgan wanted to acknowledge and thank staff for the hard work that went into getting the HiAP positions.

Capretz also wanted to acknowledge the staff and their efforts on securing funding for the TCC Program. She also reiterated that she would like to see a summit of all the stakeholders and awardees along with elected officials to learn about the program.

Gordon also mentioned the need to better communicate what the TCC program is.

The full Executive Director’s Report can be found here.
Agenda Item #6: ACTION: Affordable Housing and Sustainable Communities Program

Craig Shields, HCD
Ryan Silber, SGC

Shields gave an overview of the Affordable Housing and Sustainable Communities Program. Silber gave an overview of the recommended projects for awards.

Discussion:
Capretz asked why there were not more transit-oriented development (TOD) projects.

Shields responded that the integrated connectivity projects (ICP) category is the broadest because the TOD requirements are for high-quality transit and there are fewer of those.

Gordon asked for the projects that are not awarded, do they direct those applicants to other programs?

Shields responded that yes, they are intending to have conversations to better connect them to other HCD and state funding sources.

Flad asked what the leverage amount is.

Shields responded that he did not have that number on the top of his head.

Olson-Morgan commented that it is an exciting opportunity to improve people’s health and give people better economic stability.

Ross was thrilled to recognize the needs in rural communities.
Crowfoot asked to think about how we can stretch those funding dollars considering we have funded about 3% of the total shortage of housing in California.

Silber responded that they do not know definitively the amount of leverage funding but it does help fill in the gaps. They see leverage funding at around $5 million for smaller projects and $180 million for larger projects. The fund incentivizes larger projects.

Gordon said that it is important to remember that all the units are affordable.

Conrad-Saydah said that it would be interesting to hear success stories from the project managers. It would help the state to know the amount of financing needed and it would be good to have them to talk through their expenses.

Capretz wanted to highlight the San Diego project. San Diego and Imperial Counties have historically not received their fair share. Grateful they are meeting with San Diego so they are more competitive during this process. Want to make sure they are prepared. Says there is a disconnect with the housing and climate policy. There is a messaging opportunity to make that connection stronger - that the housing crisis can be a climate solution.

Flad was pleased with the geographical distribution. Happy to see the technical assistance impact and reapplications. Asked what the next steps are and if they are expecting many more applicants in the next round.

Silber said that it is hard to say. They are aware of many projects in the pipeline beyond this round and the next but gauging the readiness of those projects is difficult to do. Asked for those that are watching to think about Round 5 projects.

Flad asked if there is a measure - a tipping point or catalytic factor for certain neighborhoods/corridors?

Silber said that it is not something they currently look at. They do have an interest of better analysis on the impact of the program. Seeing outcomes-oriented analysis, especially with a lot of projects being built –
what has been the change? Have there been other significant changes as well? Changes in demographics etc.? They have a lot of questions and are thinking of how to leverage state resources to analyze the impacts.

Bedsworth made a clarification on the action before the Council. Appendix A-1 contains the list of recommended projects as well as a substitute project. In case funds become disencumbered, they can fund the next highest scoring project.

Gordon underscored that the AHSC program continues past 2030 even though cap and trade is set to expire in 2030.

Crowfoot, responding to public comment, asked about the context for the West Carson Villas project request to be considered for preapproval.

Silber said that the West Carson Villas project is the next top scoring project. It would be awarded if funding became available from disencumberance of a previously awarded AHSC project.

Gordon wanted clarification on the action before the Council being taken.

As far as precedent, Shields said that there is nothing in the statute that limits funding to a single fiscal year. In Round 3, auction proceeds were low - so they grouped the funds with the next auction. Between Rounds 1 and 2 they did something similar where they forward funded.

Bedsworth said that a distinction to make is that this was reflected in the Notice of Funding Availability (NOFA). There are some legal elements they would need to explore further relative to the NOFA that was put out - if they do proceed with the request from the West Carson Villas project.

Crowfoot asked when the next Round would become available. What would the delay be?
Shields said they are in a recurring annual cycle. The next NOFA will be out on November 1, 2019. Applications will be due in February 2020 and awards will be announced in June 2020.

Crowfoot asked about the precedent of substitute funding being awarded from a result of disencumberance.

Silber replied that this is the first Round in designating a substitute project. There have been disencumberances in previous rounds which in total may amount to the funding request from West Carson.

Crowfoot states that by designating this project as a substitute project, we are inferring that it is a worthy project that could and should be funded. He also urges caution as it relates to the legal issues in preapproving the project. He is disinclined to do this now but would like to know the possible options in the future.

Gordon asked if there is some mechanism to use in the vote being taken today to say if the legal discussions come to a place where there is a potential to do this, we can?

Bojack responded that he would not feel comfortable making a call without bringing it back to Council to make a final determination.

Crowfoot asked if they could look at those legal questions and identify legally appropriate action and come back to the Council at the next meeting.

Flad concurred.

Gordon said that because it is explicitly a substitute project, it is why they are talking about it in a way that they would not normally talk about projects that fall below that line of recommended awards. Does not want to set a precedent where other projects that fall below the line make this request. It is a very specific approach to this particular project.
Bedsworth said it’s a recognition of the high quality of the projects. This is a way we can much more expediently put it towards a shovel-ready project and not wait until the next Round. That was the intention of this designation. Urged caution because there is a very strong, very transparent scoring process that everyone has agreed to. All of the projects that were not awarded funding are very good projects that meet thresholds and reduce GHGs. This designation was to quickly get funds to the next highest scoring project - should they become available.

Conrad-Saydah said we need to be very careful and specific, we want to make sure that it is specific to AHSC so it does not set precedent to other programs.

Flad said he was interested in reconsidering the action because of the legal determination and the fact that it is designated as a substitute. Does not want any perception that there was influence outside of the technical process. Wants to make sure the process stays apolitical.

Flad made the motion to approve staff recommendation - with the additional request that staff explore the legal ramifications and provide direction at the next Council meeting in regard to the recommend substitute project. Crowfoot seconds.

Public comment:
Sally Greenspan, Enterprise Community Partners
William Pavao, Southern California Association of Non Profit Housing
Tyrone Roderick Williams, Sacramento Housing and Redevelopment Agency
La Shelle Dozier, Sacramento Housing and Redevelopment Agency
Claudia Monterrosa, Housing Los Angeles Community Investment Department
Alfredo Medina, Los Angeles County Board of Supervisors
Herman Perez, Madera Opportunities for Resident Enrichment and Services
Linda Shaw, Madera Housing Authority

Roll-call vote:
Voting Yes: Members Conrad-Saydah, Olson-Morgan, Konove, Gordon, Flad, Crowfoot, Ross, Capretz. Motion passes 8-0.
The AHSC Staff Report can be found here along with Appendix A-1, A-2, A-3, B, and C. The presentation can be found here.

**Agenda Item #7: INFORMATION: Technical Assistance Program Update**

*Ena Lupine, SGC*

Lupine presented on the Technical Assistance Program.

Crowfoot said that the development of the TA programs has been the most exciting aspect of state funding work. Thinks it is great that SGC will provide a hub for learning and coordination on TA programs. The worst thing that happens is that all of the agencies develop them separately which might create even more confusion. Need to find out when it needs to be placed-based or separated by funding area.

The one program that is highlighted that stood out that is different is the funding to Santa Clara Transportation Agency. It seems like the TA program was focused on bringing in expertise to develop curriculum to disadvantaged youth. Different than building capacity of under-resourced agencies to access state funds. How does that fit into the TA program?

Lupine said that there was a TA advisory committee at the time of application to look at the Transit and Intercity Rail Capital Program awards to see where they can focus TA. One thing they were focused on was community concern around displacement. Opportunity to explore and uplift some of the priority populations. This was a pilot to see how they could think about that in a slightly different way.

Ross spoke about how important the development of TA is. At first, bringing this integrated approach was not coming naturally but certainly had merit. Shows what it can do when the agencies work together. Being able to award successful programs and provide TA to ensure there are more projects in the pipeline that truly touch every corner and aspect of the state to
address climate and resiliency. The TA in CDFA has been tremendously successful and cannot say enough good things about it.

Conrad-Sayyad said it is a good reminder to look at each Council agency and figure out where the TA is and bring that to SGC. There are great models and they have done a good job of engaging the public to learn what works and what doesn’t. It is important to create a pipeline of youth that want to serve in public service.

Gordon thanked Lupine and said the workgroup looking at Fresno and Tahoe could look at TA to look at placed-based coordination across agencies. It is not helpful if it is confusing and they have different types of assistance. It helps leverage the dollars and get communities engaged.

The staff report on Technical Assistance can be found here.

**Agenda Item #8: General Public Comment**

No general public comment.

**Agenda Item #9: Meeting Adjourned**

Chair Gordon adjourned the meeting at 12:36pm.

The full June 21, 2019 Strategic Growth Council meeting can be found here.