



CALIFORNIA STRATEGIC GROWTH COUNCIL

August 26, 2020

To: California Strategic Growth Council Members
From: Louise Bedsworth
Re: Executive Director Report to the Council – August 26, 2020

Organizational Updates

- SGC delivered the 2019-2020 Annual Report to the Legislature on July 29, 2020. This year's report features more story-driven and visual content, which helps convey the impact of SGC's work and the people and communities that embody it. All Councilmembers are encouraged to share it through their channels. In addition, SGC staff are distributing it broadly to partners, stakeholders, and grantees, as well as through the organization's digital channels. The Annual Report appears on SGC's website at https://sgc.ca.gov/about/docs/20200730-SGC-2020_Annual_Report.pdf.
- SGC's community investment programs, policy initiatives, and organizational and inter-agency activities earned SGC an A-minus grade on the California Environmental Justice Alliance's annual Environmental Justice Agency Assessment. SGC received the same grade in 2019.
- Key Staff met to develop the SGC Racial Equity Resolution that Staff will present at the August 26, 2020 Council meeting along with an SGC Racial Equity Action Plan Update, an Update on the Capitol Collaborative on Race and Equity, and an Interagency Panel Discussion on Racial Equity Best Practices.
- Jessica Buendia was appointed as a member of the California Department of Public Health's Office of Health Equity Advisory Committee. The Advisory Committee members represent state entities, local health departments, community-based organizations, and service providers and their role is to consult with the Office of Health Equity regarding policy recommendations, strategic plans, and cross-sectoral health equity work.
- SGC is joining OPR as an active participant in its "Webinar Wednesdays" series. SGC staff will participate approximately once a month as panelists sharing knowledge about lessons learned from across SGC's programs and initiatives.

Staffing Updates

- Sarah Samdin, SGC's Executive Fellow, will be completing her fellowship in August after the Council meeting. We thank Sarah for her significant contributions in the areas of Council meeting preparation, organizational coordination, external affairs and communication, program research, and internship coordination and supervision.
- Cristina Echeverria, SGC's California Council on Science & Technology (CCST) Fellow, is also completing her fellowship and moving on to support CARB in the Climate Investments Branch. We are grateful to Cristina's support on climate change research and community engagement projects, and we look forward to working with Cristina in her new role.
- SGC is hiring a Transportation Advisor who will lead AB 285 implementation. AB 285 directs SGC to complete an analysis of the California Transportation Plan and current Sustainable Community Strategies and assess how their implementation would affect the State's multi-model transportation system.

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- SGC is hiring a Transformative Climate Communities Analyst who will focus on awards implementation.
- Sarah Risher on SGC's Community Assistance for Climate Equity (CACE) team begun a temporary deployment as a State contact tracer working with the Los Angeles County Department of Public Health.

Program Updates

Affordable Housing and Sustainable Communities Program (AHSC)

Staff: Ryan Silber, Judith Hinh, Shep Wilbun, and Housing and Community Development (HCD) Staff Team

- Following Round 5 awards made at the June 25, 2020 SGC meeting, AHSC staff followed up with unsuccessful applicants to offer application feedback and inform them of resources such as upcoming technical assistance.
- Staff continue work to update Round 6 AHSC Guidelines, including:
 - Opening a 10-day public comment period, soliciting input on topics including potential impacts of COVID-19 to applicants and projects, the regional distribution of AHSC awards, and how GHG reduction scoring is conducted, among other topics;
 - Gathering additional information to inform updates to the guidelines to address issues of regional distribution of awards and homeownership, as requested by the Council.
 - Addition topics being considered include: building electrification, impacts of COVID-19 on projects and timelines, and other adjustments to quantitative policy scoring.
- AHSC staff expect to release the AHSC Round 6 Draft Guidelines for a 30-day public comment period during the week of August 24, 2020. Staff will host draft guidelines webinars to explain updates to the guidelines and offer opportunities for dialogue with stakeholders.

Transformative Climate Communities Program (TCC)

Staff: Saharnaz Mirzazad, Sophie Young, Alex Gallo, and Department of Conservation (DOC) Staff Team

- In response to the Council's request at the June meeting, the Executive Director worked with staff to develop recommendations for sustainable funding pathways for TCC. A memo of recommended actions is appended to this report.
- TCC staff started the post-award consultation process with TCC Round 3 Implementation and Planning Grant awardees:
 - TCC Implementation Grant awardees City of Oakland (\$28.2 million) and City of Riverside (\$9.1 million partial award; remainder awarded through AHSC) are addressing requested revisions.
 - TCC Implementation Grant awardee City of Stockton (\$10.8 million partial award) is working with its community partners to rescope its proposal through an "Impact vs. Effort" model. Staff are also working with the awardee to identify additional funding to fill the funding gap.
 - TCC Planning Grant awardees Environmental Health Coalition (San Diego), Porterville Unified School District, and City of Pomona (\$200,000 awards each) are addressing requested revisions.
- TCC staff started engaging stakeholders in a Disadvantaged Unincorporated Areas (DUCs) Working Group. Per the requirements of Senate Bill 351 (Hurtado), the Equitable Climate Resilience Act of 2019, TCC is required to consider applications from disadvantaged



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unincorporated areas. Given the future funding uncertainty of TCC, stakeholders would like to expand the working group outcomes to apply to programs beyond TCC. SGC is looking into the feasibility.

- TCC staff is tracking and monitoring capital infrastructure and development projects across 15 TCC Planning Grant jurisdictions that were identified or developed through the TCC Planning Grant process. Staff is helping TCC Planning Grantees access other sources of funding to implement their infrastructure projects.
- TCC staff continues to support Round 1 and 2 grantees with COVID-19-related adaptations to their grant activities. In addition to the automatic 90-day timeline extension SGC granted to these awardees, staff is also supporting the transition of community engagement activities to virtual platforms.
- The Department of Conservation hired Sydney Mathis to work on TCC. Sydney is an Associate Environmental Planner who worked most recently at CalTrans.

Sustainable Agricultural Lands Conservation Program (SALC)

Staff: Emily Tibbott and Department of Conservation (DOC) Staff Team

- SALC Round 6 optional planning grant pre-proposals were due on July 1, 2020. The Department of Conservation received 11 pre-proposals, more than twice the number received last year.
- Department of Conservation staff are currently organizing virtual site visits for the applicants for acquisition grants. Pre-COVID19, staff would visit each applicant property as part of the application process.
- Final applications for acquisition and planning grant are due August 28, 2020.
- SALC staff will convene the SALC Interagency Committee in September to provide program updates and initiate discussion of potential Round 7 Guidelines updates.

Climate Change Research Program (CCR)

Staff: Elizabeth Grassi and Leah Fisher

- The Greenlining Institute is sourcing from and referencing the [2019 Climate Change Research Symposium Summary Report](#) in a new document they will release highlighting how to address racial equity in research.
- CCR staff continue to support CCR grantees address COVID-related challenges by encouraging grantees to learn from each other about engagement adaptations and other best practices. We are also executing extensions to the contracts for our Round 1 and Round 2 awardees.
- SGC's CCST Fellow, Cristina Echeverria, is concluding an engagement effort with the partners working with researchers on our Round 1 grants. Cristina has been conducting interviews to hear from the partners directly on how engaged they are in the research SGC funds, and how they and the communities and stakeholders they represent anticipate using the outcomes. A summary of this effort available later this fall will inform how SGC supports research partners moving forward.
- CCR staff will begin updating the program's Research Investment Plan, pending FY20-21 budget decisions. Staff will seek input from the Council this winter, to provide strategic direction for the update.

Community Assistance for Climate Equity (CACE)

Staff: Kirin Kumar, Ena Lupine, Coral Abbott, and Sarah Risher



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- CACE staff developed a final draft of the Technical Assistance Guidelines for State Agencies and held a public review and comment period. The guidelines will serve as a resource for staff across all State agencies to support implementation of technical assistance (TA) programs with a focus on the State's most under-served communities. The document also includes a set of Tribal-specific guidelines which are undergoing review during a dedicated Tribal-review period.
 - CACE staff convened a Technical Assistance Work Group to inform development of the guidelines, The group included TA and grant program staff from 13 State agencies including CalEPA, CalOES, Caltrans, CARB, CDFA, CDPH, CEC, CNRA, CWDB, DOC, HCD, OPR, SGC.
- SGC has selected contractors and has initiated work on the following new TA programs:
 - Partners Advancing Climate Equity (PACE): a cohort-based capacity building and TA program facilitating community leadership on climate and equity;
 - CARB Sustainable Transportation Equity Project: a jointly coordinated technical assistance program;
 - CCI TA Evaluation: an evaluation of the CCI TA program to date;
 - TCC Implementation Technical Assistance for Sacramento; and
 - TCC Implementation Technical Assistance for Pacoima.
- CACE staff continues to manage the TA activities for the BOOST Pilot Program, AHSC TA, TCC TA, SALC Planning Grants TA, and Community-informed research partnership with Thriving Earth Exchange
- SGC is seeking opportunities to diversify funding sources including the submission of a federal EPA EJ Cooperative Agreement to support further implementation of capacity building programs.

Tribal Government Challenge

Staff: Elizabeth Grassi (Program Manager), Leah Fisher, Doug Bojack, Kevin Peth, Blake Deering, Ena Lupine, Coral Abbott, Sophie Young, Theresa Cesena

- SGC, in partnership with the California Energy Commission, is administering the [Tribal Government Challenge Planning Grant Program](#).
- The program is in the process of awarding grants to eight tribes to conduct climate and energy planning, planning projects that advance tribal priorities for energy independence and energy and climate resilience. This program is also supporting a statewide gap analysis of climate and energy-related work on Tribal lands, being led by Prosper Sustainably. SGC and CEC will coordinate between the gap analysis, tribal planning grants, as well as other State tribal relationships and efforts to ensure we can leverage outreach opportunities and share best practices and knowledge across work streams.

Interagency Collaboration Updates

Health and Equity Program & Health in All Policies

Staff: Nanette Star, Bo Chung, Michael Jimenez and California Department of Public Health and Public Health Institute Health in All Policies (HiAP) Staff

- SGC and CDPH both executed contracts to inform future directions and strategies for Health in All Policies partnership:



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- SGC is working with the UC Berkeley Center for Othering and Belonging through December 2021;
- CDPH contracted with Kenning and Associates until June 2020 on this work.
- HiAP staff partnered with several agencies to support consideration of racial equity, health, and COVID-19. This includes work with OPR on the Annual Planning Survey and engagement with Caltrans to develop a fact sheet about active transportation and COVID-19.
- HiAP staff is supporting a state survey on trauma-informed approaches and ACEs science in partnership with PHI, CDPH and the Office of the Surgeon General.
- HiAP staff are working with the CDPH Fusion Center to co-lead a Health Equity and Vulnerable Population Workgroup that brings together partners from across the California Health and Human Services Agency and others to focus on advancing health equity as part of the COVID-19 response and recovery.
- Capitol Collaborative on Race and Equity (CCORE):
 - The 2020-2021 CCORE Learning Cohort launched on August 19, 2020. Learning Cohort participants include: Office of Planning and Research; Mental Health Services Oversight & Accountability Commission; Department of Fish and Wildlife; Department of Aging; Department of Food & Agriculture; Department of Forestry and Fire Protection; Department of Water Resources; Housing Finance Agency; Fi\$cal; Transportation Commission; and Department of Conservation.
 - CCORE Advanced Implementation Cohort continues to convene team leads for the 18 Advanced Implementation departments that participated in 2018 and 2019, supporting them to implement their racial equity action plans and contribute to broad strategy about enterprise-wide solutions to racial equity challenges.
 - CCORE submitted recommendations to support the California Leads as an Employer Task Forces. In response to a request by CalHR, CCORE compiled and submitted over 160 workforce equity recommendations.

High-Speed Rail (HSR) Partnership

Staff: Emily Tibbott and Egon Terplan

- Partnership with High-Speed Rail
 - SGC HSR staff are working on several initiatives to support HSR project delivery and station area development. SGC HSR staff are participating with HSRA staff to review site and station area planning activities in the Merced to Bakersfield area.
 - SGC HSR staff have been leading an interagency working group focused on ways to improve regional planning in California, especially the Sustainable Communities Strategies and Regional Transportation Plans. The interagency working group is a subcommittee of the Housing + Transportation workgroup and includes staff from HCD, CARB, OPR, SGC, Caltrans, CTC, and CalSTA. The team is working with partners at UC Berkeley and a group of graduate students to conduct interviews with all 18 MPOs across California. Findings will be presented in late summer/fall 2020.
 - SGC HSR staff is engaging with an inter-agency leadership team to elevate natural and working lands as a priority within the Administration, including the identification of priority land protection and restoration activities, in anticipation of the inclusion of this sector for the first time in the next State Scoping Plan update.
- Regional Rise Initiative Update in partnership with GoBiz and OPR:



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- Recent activities include funding and helping launch B3K as well as engagement with related economic development strategies in Salinas Valley, Northern San Joaquin County, and the Central Coast.
- SGC HSR staff continue to engage with the future of the freight and logistics sector. The focus is increasingly on the future of warehouses and the opportunity for coordination around inland ports in the Central Valley and other areas where mode shift from truck to rail is possible.
- As part of Regions Rise Together, working with OPR staff on building a partnership to pursue a statewide sector strategy for forest and wood products, which will result in an EDA grant application.
- SGC HSR staff continue to support the Governor's Business and Jobs Recovery Task Force as needed, especially opportunities to reinforce the importance of regional economic recovery and regional economic development.
- The team is also supporting the EO N-19-19 action plan stakeholder outreach process and development of an action plan. This includes meeting with key leaders in transportation and planning across California.

Special Projects Updates

Integrated Regional Planning: Applications and Tools

Staff: Denny Grossman

- SGC staff provide leadership to coordinate sustainable regional conservation and development planning practices. This includes the development and implementation of regional conservation assessment (RCA) standards, and the integration of RCA information with other planning datasets on an accessible technology platform to support the implementation of state planning priorities. Specific activities during this time period include:
 - Refining the CDFA RePlan extension to support proposal submission and evaluation processes for the CDFA Healthy Soils Innovation Grants Program. Multiple datasets for soils, agricultural practices and healthy soils applications have now been integrated with practice mapping functions.
 - Finalizing the RePlan DWR application to support the Urban Streams Restoration Program and the San Joaquin Fish Population Enhancement program.
 - Refinement of the terrestrial and aquatic Regional Conservation Assessments (RCAs) for California's Great Valley ecoregion. These RCAs are being provided to the CDFW for review and endorsement.





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To: California Strategic Growth Council members

From: Louise Bedsworth, SGC Executive Director

Re: Long-Term Funding Strategy for Transformative Climate Communities

The Transformative Climate Communities (TCC) program makes integrated investments in the State's most over-burdened and impacted communities. TCC's approach advances the Newsom Administration's equity and climate goals and supports the California for All agenda. Early investments are already realizing significant public health, environmental, and economic benefits in awarded communities. The economic and health impacts of COVID-19 in TCC-eligible communities has made it more urgent to provide integrated and targeted investment in these places.

TCC needs a funding model that will:

- Provide sustained, predictable funding to support Transformative Climate Communities Planning and Implementation Grants;
- Support multiple years of funding that can enable long-term planning by potential TCC applicants, including planning and partnership building; and
- Expand the number of communities that can be served by TCC.

At the June Council meeting, the Council asked for recommendations to establish a more stable funding option for TCC. Following review and discussion with staff, I recommend that the Council work with SGC staff support the following steps:

1. Prioritize the inclusion of TCC in the State Budget, through final Greenhouse Gas Reduction Fund (GGRF) Budget for FY 2020-21 and/or through funding in the FY 2021-22 State Budget;
2. Position and promote TCC as a community-led economic recovery investment program for communities disproportionately impacted by COVID-19; and
3. Direct staff to integrate a catalytic project type in the Affordable Housing and Sustainable (AHSC) program from Round 7 onward.

Background

The California Strategic Growth Council (SGC) administers the Transformative Climate Communities (TCC) program, which supports community-led development and infrastructure projects designed to achieve significant environmental, health, and

economic benefits in California's most disadvantaged communities. Each TCC Implementation Grant helps realize a community-led vision through infrastructure projects and investments in community engagement, workforce and economic development, and displacement avoidance activities to ensure that residents and businesses benefit from the investment. A Collaborative Stakeholder structure that includes project partners, residents, and other stakeholders provides oversight and guidance through the entirety of the of the grant application and implementation process. The Collaborative Stakeholder structure also results in creating long-term and sustained partnerships that build capacity in local level. TCC was developed with extensive environmental justice, stakeholder and local government input in order to maximize benefits to communities.

TCC's equity-driven and holistic approach advances Governor Newsom's California for All agenda and the Administration's commitment to integrated climate solutions. TCC was created to provide more equitable access to Greenhouse Gas Reduction Fund (GGRF) awards in the State's most disadvantaged communities and to enable communities to access funds for a suite of community-identified, sustainability projects through a single application process. Many frontline communities have not been able to access those funds due to limited capacity and resources in their communities. Applicants to TCC have integrated many project types, including affordable housing, active transportation, energy efficiency and renewable energy, and urban greening. In addition, all TCC grants include investments in workforce and economic development, community engagement, and displacement avoidance.

SGC awards TCC Implementation and Planning Grants.

- **TCC Implementation Grants** support a suite of infrastructure investments and several required Transformative Elements, including workforce and economic development, community engagement, displacement avoidance, and climate adaptation and resiliency.
- **TCC Planning Grants** support partnership development, planning activities, and other preparatory activities that help a community get in a position to apply for a TCC Implementation Grant or other sources of funding.

Through the first three rounds of the program, SGC has awarded eight Implementation Grants and 18 Planning Grants. In both cases, the program enables local accountability by facilitating and supporting meaningful community oversight. In addition, **Technical Assistance** is provided to all Implementation Grant applicants and awardees to assist with application development and implementation.

TCC has been successful in reaching out to communities that have experienced historic and sustained disinvestment, pollution burden, and inequity. Many of these same communities are currently experiencing high rates of COVID-19. The program is designed to provide a catalytic investment that will support and attract additional investment from other public and private funding sources. TCC Implementation

grantees are already seeing positive impacts from the investments and several have leveraged TCC to receive additional federal grants in their communities.

Recommended Actions

While a large number of communities are eligible for TCC awards, the program is only able to serve a small number of communities each year. This makes sustained funding important for sustaining planning efforts, but also makes garnering continued budget support for the program challenging.

To that end, I recommend that the Council work with staff to undertake the following actions:

1. Prioritize the inclusion of TCC in the State Budget, through final Greenhouse Gas Reduction Fund (GGRF) Budget for FY 2020-21 and/or through funding in the FY 2021-22 State Budget;
2. Position and promote TCC as a community-led economic recovery investment program for communities disproportionately impacted by COVID-19; and
3. Direct staff to integrate a catalytic project type in the Affordable Housing and Sustainable (AHSC) program from Round 7 onward.

Each activity is described in more detail below.

Include TCC in 2020-21 GGRF Budget and/or FY 2021-22 State Budget

TCC supports the Administration's goal for integrated climate action and advances equitable outcomes that are critical for achieving a California for All. To that end, I recommend that TCC be included in the FY 2020-21 GGRF Budget and/or as a program investment in the FY 2021-22 State Budget.

The funding available for the Greenhouse Gas Reduction Fund in FY 2020-21 is likely to be quite a bit lower than in previous years. Because of the reduced revenue, the Administration has focused on programs that support priority populations. TCC serves the most disadvantaged communities in California and should be considered for prioritization. The current budget includes many programs that can benefit TCC target communities but many of these communities lack the capacity to apply for multiple programs which makes it challenging to provide equitable access to State funding. In addition, TCC is a complimentary program to many programs because it supports integrated infrastructure investment, community capacity building, and public health, environmental, and economic benefits urgently needed in over-burdened communities.

Recognizing the challenges and many demands on the GGRF, I also recommend including TCC in the FY 2021-22 State Budget. As the State is likely to be continuing its recovery from the COVID-19 pandemic, TCC can support recovery in the most

impacted communities. This investment will provide an opportunity to connect the state's economic recovery with the State's climate and equity goals. TCC Planning Grants have resulted in a portfolio of shovel-ready investment opportunities that will result in rapid economic, health, and environmental benefits in impacted communities.

TCC as a COVID-19 Economic Recovery Strategy

TCC has already shown that it can have immediate catalytic impacts in communities that provide public health, environmental, and economic benefits. The community-led model facilitates the development of diverse and strong partnerships that have led to broader economic development initiatives (e.g., FresnoDRIVE) and successfully attracted additional federal investments in project areas (e.g., HUD Choice Neighborhoods Initiative grant in Watts; Brownfields grants in Sacramento and Fresno).

TCC's program structure and approach supports a community-led vision and participatory process. The program provides an avenue for local organizations to serve as technical assistance providers – building community capacity and supporting economic development in addition to providing program support. The program can easily be adapted to support communities most impacted by COVID-19, many of which overlap with communities currently eligible for TCC.

State or Federal economic recovery funds will provide a multi-year stream of funding that can support partnership and project development to ensure that funds are most effectively invested on the ground. Care would need to be taken to ensure that the transformative elements of TCC can be included in an economic recovery investment program.

Catalytic Project Type in AHSC

The most direct path that the Council has to continue funding for TCC is to establish a catalytic project type within SGC's AHSC program. AHSC receives a 20% continuous appropriation from the GGRF. A new project type within AHSC could include many of the design elements of TCC such as affordable housing, active transportation, transit expansion, and urban greening, all of which are each already eligible through AHSC. Other elements consistent with the AHSC statute and current TCC design could be added and TCC projects could be required to meet minimum AHSC requirements, such as a minimum 50% of funding reserved for affordable housing. In Round 3, the Council made a combined AHSC and TCC award to the City of Riverside, demonstrating how these two programs can work together.

A catalytic project type in AHSC would ensure a dedicated source of revenue for a TCC-like award annually, though the amount of that award would vary year to year and would be subject to the fluctuations in the cap and trade market. This dedicated investment in top 10% DACs would benefit AHSC's statutory requirement to serve DACs.

AHSC currently retains 10% of its available funds for discretionary awards. Staff recommends that we dedicate the discretionary portion of the AHSC program to this catalytic project type.

Establishing the catalytic project type will require additional analysis of program requirements and alignment, development of an application process, and engagement with TCC and AHSC stakeholders. Given the time and staff resources needed to do this work, I recommend that we begin this work now to be implemented in Round 7 of AHSC (expected October 2021).