

*Date: April 28, 2022*

**Subject:** **Item # 6 |** Regional Climate Collaboratives: Round 1 Program Guidelines (FY 22-23)

**Reporting Period:** July 2019 – April 2022

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## Recommended Action

Approve the Fiscal Year 2022-2023 Round 1 Regional Climate Collaboratives (RCC) Program Guidelines.

## Summary

The Community Assistance for Climate Equity Program (CACE) seeks Council approval of the Round 1 RCC Program Guidelines (Guidelines). CACE program staff developed the Guidelines through a public engagement and research process over the last two years, which included robust outreach involving listening sessions, focus groups, key informant interviews, and regional workshops. Further, this program builds on SGC's California Climate Investments Technical Assistance program (CCI TA) and the Technical Assistance Guidelines for State Agencies which the Council adopted in August 2020. The program also builds upon the Transformative Climate Community (TCC) model as well as several pilot capacity building programs including BOOST and Partners Advancing Climate Equity. The Guidelines prioritize strategies to reduce barriers to access by expanding eligible costs, reducing evaluation burden, providing advance payment, and other strategies that closely align with the Council's resolution to advance capacity building as an equity strategy.

The CACE program released the Draft FY 22-23 RCC Guidelines for public review in February 2022 and held a series of five public workshops to receive feedback on the Guidelines. The California Strategic Growth Council (SGC) received fifteen (15) written public comments and staff worked to integrate and address recommendations in this final draft. Upon Council adoption of the Guidelines, the CACE Program will issue a Notice of Funding Availability and initiate a competitive awards process for RCC Round 1.

## Background

### ***About the RCC Program***

The Regional Climate Collaboratives Program (RCC), established by SB 1072 (Leyva, 2018), invests in community-led capacity building to access statewide public and other grant moneys for climate change mitigation and adaptation projects. The program recognizes that as the state pursues multiple strategies to meet climate and environmental goals while advancing social equity, it becomes increasingly necessary to coordinate and align resources to ensure that

every community has the same opportunity to compete for the funding that is available to meet these goals. The program objectives are to build social infrastructure, develop equity-centered processes, develop actionable plans and projects, and center community engagement and decision making in pursuing and implementing funding.

RCC funds collaboratives of cross-sectoral partners to implement capacity building strategies to align community needs and priorities with funding opportunities. This program aims to establish lasting local structures and systems that can inform and advance equitable climate action within the State's most under-resourced communities. RCC is a competitive grant program that funds collaboratives to serve communities within a project area ranging from one to eight counties with a requirement to serve a minimum of two under-resourced census tracts.<sup>1</sup>

### ***Pathway to RCC***

The RCC approach represents an evolution in the State's commitment to building capacity within under-resourced communities. In many ways the RCC approach is a proven effective model in the philanthropic sector with well-documented demand for such strategies. However, the RCC program can also be thought of as a newer pilot for State government in addressing power dynamics within communities, supporting broad-based capacity building, relying on community organizations as local experts, and enacting strategies to reduce barriers to funding all within a single funding program.

### **California Climate Investments Technical Assistance (CCI TA)**

SGC's technical assistance efforts began with the California Climate Investments TA program, which provided technical assistance to support grant applicants for specific CCI programs. While the program was and continues to be successful, it was also clear that some communities didn't have the plans and projects in place needed to even create applications for these programs. This recognition led to development of SGC's capacity building pilots. The Council also adopted the TA Guidelines for State Agencies, which provide best practices and recommendations to the State on how to provide TA to under-resourced communities, so it is not just on communities to build capacity but also on the State to improve how agencies support communities to do this work.

### **BOOST and Partners Advancing Climate Equity (PACE)**

In 2019 and 2020, SGC initiated two pilot programs with an explicit focus on capacity building that included establishing partnership networks, updating and informing local policies and plans, navigating State funding, supporting community-based planning, and establishing

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<sup>1</sup> A community identified pursuant to Section 39711 of the Health and Safety Code, subdivision (d) of Section 39713 of the Health and Safety Code, or subdivision (g) of Section 75005. Includes: Census tracts identified as 'disadvantaged' by the California Environmental Protection Agency ; or census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093 of the California Health and Safety Code; or census tracts with a median household income less than 80% of the statewide average

pipelines of fundable projects. BOOST focuses on tailored capacity building for local government and PACE invests in local leaders within community-based organizations to build and connect networks. Both programs have significantly informed key strategies within the RCC guidelines including project types and strategies to remove funding barriers for under-resourced communities and organizations.

### **Transformative Climate Communities (TCC)**

The TCC program, through the collaborative stakeholder structure, established that building social infrastructure is an effective strategy in ensuring a community's resilience and long-term ability to advance local and State priorities around climate and social equity. The RCC program creates consistency with the collaborative stakeholder structure and replicates the TCC approach as the mechanism for growing social infrastructure and building lasting capacity.

### **Council Resolution on Capacity Building**

In January 2022, the SGC Council passed a resolution to further advance capacity building and remove barriers to accessing funding across the Council's member agencies. The goal of the resolution was to act quickly to ensure that historic investment to tackle climate change and increase access to opportunity would benefit under-resourced communities throughout California. The RCC program operationalizes that commitment by funding multi-year capacity building projects and instituting the following strategies to increase access to these funds:

- Enables advance pay to grantees and their sub-grantees;
- Does not include a requirement for Tribes to provide limited waivers of sovereign immunity;
- Enables an indirect cost rate of up to 30%;
- Includes broad eligibility including disadvantaged unincorporated communities; and
- Provides for both application and implementation technical assistance.

The RCC program is a culmination of years of work that recognizes disproportionate capacity, access to resources, and funding outcomes across California communities. The program strives to address gaps in network capacity, readiness, and awareness of State funding opportunities that limit participation from under-resourced communities.

### ***Background on the Round 1 RCC Program Guidelines Process***

The FY 21-22 Budget Act allocated \$20 million to the RCC program from the General Fund's Climate Budget over the FY 21-22 and FY 22-23 budget years.

A total of eight million, three hundred and fifty thousand dollars (\$8,350,000) will be available for the RCC program's Funding Round 1 (FY 22-23). Funding is available to collaboratives for grants ranging from five hundred thousand dollars (\$500,000) to one million, seven hundred and fifty thousand dollars (\$1,750,000) for grant terms of three years. SGC anticipates a second funding round in FY 23-24.



## **Guidelines Development**

CACE program staff released the draft of the Round 1 RCC program Guidelines in February 2022 for a 35-day public comment period. During that time, CACE program staff held one public webinar and five public workshops to solicit feedback on the draft Guidelines. Prior to the public comment period between November 2021 and February 2022, CACE program staff held a series of four listening sessions, seven focus group discussions, and numerous key informant interviews to gather input to inform the development of the draft Guidelines. Staff heard from a mix of local and regional governments, nonprofits, academic institutions, community-based organizations, Tribes, and existing collaboratives throughout the State that have been formed for various initiatives (see Attachment C).

Staff also convened a multi-agency workgroup representing technical assistance and capacity building subject matter experts throughout State government to guide and inform the development of these Guidelines.

## **Summary of Public Comments and Changes to the Draft Guidelines**

CACE program staff incorporated feedback received through the public workshops and fifteen (15) written comments to update the draft Guidelines. Overall, the feedback was positive and reiterated the timely need for this program. The majority of feedback centered on right-sizing the proposed award cap, clarifying the definition of region and grant eligibility, specifying how applicants would compete within the funding round, simplifying evaluation requirements, and strengthening processes to guide the collaborative stakeholder structure approach. Additional detail on how stakeholder feedback on the draft Guidelines was incorporated into the final draft is included in Attachment B. Key updates to Round 1 RCC Guidelines are described below.

### ***Funding amount***

Staff originally proposed a funding range of five hundred thousand to one million (\$500,000 to \$1,000,000) for three-year grant terms. Staff received stakeholder feedback that a funding cap of \$1,000,000 is too low when considering the required activities within high-need communities. Staff are proposing a broader funding range of five hundred thousand to one million, seven hundred and fifty thousand (\$500,000 to \$1,750,000) to ensure the grantees have sufficient funds to carry-out robust capacity building strategies.

### ***Definition of Region and Grant Eligibility***

SB 1072 (Leyva, 2018) makes clear that this program is intended to benefit under-resourced communities. The technical definition of under-resourced is relatively expansive and covers a sizeable amount of the State. The guidelines have been clarified to specify that in order to meet eligibility as an under-resourced community, census tracts need to be either disadvantaged as identified by the California Environmental Protection Agency, *or* low-income per AB 1550 (Gomez, 2016), *or* have a median household income less than 80% of the statewide average.

Staff received feedback that the program should prioritize under-resourced communities as much as possible. The Guidelines clarify that collaboratives must specify their work within a region size of between one and eight contiguous counties and that collaboratives must serve a

minimum of two under-resourced census tracts. The Guidelines and threshold scoring criteria further clarify that 51% of census tracts served by the collaborative must meet the definition of under-resourced communities. Finally, applicants will score higher if more than 51% of census tracts served by the collaborative meet the definition of under-resourced.

Given that census tract-level data is often not granular enough to effectively identify trends, dynamics, and issues within individual communities, the Guidelines were updated to encourage applicants to utilize more granular data indicators to communicate project need.

### ***Differentiating Between Collaboratives***

The Guidelines propose no differentiation or segmentation of the funding. All applicants will compete against each other without distinct scoring criteria for specific types of collaboratives that apply.

Within the draft Guidelines, staff first proposed splitting the funding into two separate pots. This segmentation considered the different needs of established collaboratives and more emergent ones but caused significant confusion and did not seem critical to advance the program objectives. Staff received stakeholder feedback to either clarify or remove the parallel approaches and create a single, simplified set of criteria that will be applied to all applicants.

The Guidelines have been updated to require all applicants to compete with one another. The scoring criteria are designed such that neither an established nor emergent collaborative is at an advantage or disadvantage based on the size or length of time in partnership. Instead, the scoring criteria focus on quality of strategies, under-resourced communities served and their needs, and the approaches to centering community participation and ownership across activities.

Within statute, SGC has authority to consider geographic diversity in selecting collaboratives. SGC intends to fund a diversity of collaboratives across California representing a mix of established and more emergent partnerships. The goal is to invest in a breadth of communities and regions across the State, and to meet communities where they are at, not prioritizing any one region of California or scale of collaborative over others.

### ***Evaluation***

Stakeholders strongly encouraged staff to rethink the proposed evaluation approach, expressing that evaluation for State grants can be rigid, expensive, and time-consuming. Stakeholders recommended that the RCC program both follow an iterative learning evaluation framework and have a statewide evaluator that helps each collaborative with these requirements.

The Guidelines no longer require Grantees to develop logic models and better explains that there are no application requirements related to evaluation. Through the implementation TA, all collaboratives will work with a third-party evaluator on this grant activity. The Guidelines require applicants to set aside a portion of funds to perform evaluation tasks if awarded a grant.

### ***Collaborative Stakeholder Structure***

Staff received feedback that developing an effective collaborative stakeholder structure takes significant time and the requirement to identify all partners at time of application could disadvantage more emergent partnerships.

While it is important to be able to evaluate proposals based on the proposed partnerships and structure, staff also recognizes that trust is developed over time and partnerships grow organically. The Guidelines include strategies to address these dynamics, such as:

- Clarify that scopes of work and grant agreements can be amended to incorporate new partnerships subject to formal procedure within the collaborative.
- Clarify that the process to develop an action plan at the outset of the grant is a funded opportunity to solidify partnerships, collaborative structure, and workplan.
- Allow applicants to set aside up to 15% of the budget to bring on new partners during the course of the grant to avoid having to reallocate funds across existing partners.

### ***Scoring Criteria***

At the time of public release of the draft Guidelines, staff did not include relative weight to any of the scoring criteria. Based on feedback that suggested a prioritization of under-resourced communities, strategies that tangibly build capacity towards securing funding, processes that support effective and diverse collaborative partnerships, and community-led initiatives, staff developed accordingly weighted criteria.

### ***Next Steps***

Upon Council approval of the Round 1 RCC Guidelines, the CACE program will issue the Notice of Funding Availability (NOFA) and initiate a competitive awards process in May 2022. A more detailed grant timeline, including the Pre-Proposal and Full Application deadlines, will be provided in the NOFA.

Staff are in the process of hiring a third-party technical assistance (TA) provider to support all applicants during the NOFA period. The TA provider will support applicants in understanding program objectives, establishing workplans and partnership structure, and submitting applications.

Additionally, SGC will release a Collective Impact Resource Anthology that compiles templates, tools, case studies, and other helpful information to guide applicants as they prepare their applications. Finally, staff will release an RFP to hire a second TA provider to support grantees in implementing key elements of their workplans after project award. Below is an anticipated timeline:

- NOFA Release: May 2022
- Application Workshops: Spring 2022
- Pre-Proposals Due: Summer 2022
- Full Applications Due: Fall 2022
- Round 1 RCC Awards adopted by Council: December 2022



## **Council Recommendation**

Approve the Fiscal Year 2022-2023 Round 1 Regional Climate Collaboratives (RCC) Program Guidelines.

## **Attachments**

Attachment A: FY 2022-2023 Round 1 Regional Climate Collaboratives (RCC) Guidelines

Attachment B: Round 1 Regional Climate Collaboratives Guidelines Memo

Attachment C: RCC Guideline Development Engagement Summary