



CALIFORNIA STRATEGIC GROWTH COUNCIL

TO: TCC Stakeholders
DATE: Monday, November 15, 2021
SUBJECT: Summary of Proposed Revisions: Draft Round 4 Transformative Climate Communities (TCC) Program Guidelines

This memo outlines proposed revisions for the Draft Round 4 Transformative Climate Communities (TCC) Program Guidelines. The changes are summarized at a high level and listed in the order that they appear in the Draft Round 4 Guidelines.

The public comment period for this *Draft TCC Round 4 Program Guidelines* is November 15, 2021 – December 15, 2021. Comments should include references to specific sections and pages of the Guidelines if possible. All comments should be submitted to the following:

By email: tcc@sgc.ca.gov

By mail: California Strategic Growth Council
Attention: Transformative Climate Communities Staff
1400 Tenth Street
Sacramento, CA 95814

Final Guidelines Release: Following the public comment period, the Final TCC Round 4 Program Guidelines is scheduled to seek SGC Council Adoption at the January 26, 2022 Council Meeting.

Round 4 NOFA Release: Following Council Adoption of the final guidelines, the Round 4 Notice of Funding Availability (NOFA) and application are scheduled to be released around February 14, 2022.

Summary of Major Changes

Applicant and Project Area Eligibility

Round 3	Proposed for Round 4
<p><i>Disadvantaged Communities (DACs):</i> At least 51 percent (51%) of the Project Area must overlap with Census Tracts within the top 10 percent (10%) of disadvantaged communities, per CalEnviroScreen 3.0.</p>	<p><i>Disadvantaged Communities (DACs):</i> At least 51 percent (51%) of the Project Area must overlap with Census Tracts designated as disadvantaged communities per the California Environmental Protection Agency (CalEPA) and CalEnviroScreen (CES):</p> <ul style="list-style-type: none"> - Within the top 25 percent (25%) of disadvantaged communities, per CalEnviroScreen 4.0 and 3.0 - All federally recognized tribal boundaries in California
<p><i>Disadvantaged Unincorporated Communities (DUCs):</i> Round 3 extended eligibility to Round 1 and 2 Planning Grant recipients that included unincorporated areas within their Planning area.</p>	<p><i>Disadvantaged Unincorporated Communities (DUCs):</i> Proposes extending eligibility to all unincorporated areas designated as disadvantaged by at least 1 of 3 methods, with the assistance of the TCC Mapping Tool:</p> <ul style="list-style-type: none"> - Unincorporated areas with verified DUC status by the Local Agency Formation Commission (LAFCo) and that overlap with Top 25% disadvantaged communities per CES - Unincorporated areas that overlap with the following criteria on the TCC Mapping Tool: <ul style="list-style-type: none"> o Clusters of unincorporated areas (density of at least 250 parcels per square mile) o Hard-to-count census block group per California Hard-to-Count Index (57 or higher score) o Top 25% disadvantaged community census tract per CES - Unincorporated areas that self-identify as disadvantaged by providing localized data on density and population characteristics
<p><i>Tribal Communities:</i> Round 3 made only Federally Recognized Indian Tribes (or Tribal Governments) eligible as Lead and Co-Applicants.</p>	<p><i>Tribal Communities:</i> Proposes extending eligibility for Lead and Co-Applicants to all California Native American Tribes, which include both federally recognized and non-recognized tribes.</p>

Transformative Elements

Round 3	Proposed for Round 4
<p>The Displacement Avoidance Plan required applicants to select displacement avoidance policies and programs in at least two different policy categories for each residential and business displacement avoidance plan:</p> <ul style="list-style-type: none"> - Residential: housing production, preservation, neighborhood stabilization - Small Businesses: business preservation, business stabilization 	<p>Proposes requiring applicants to additionally select at least one short-term and one long-term policy or program for each residential and business displacement avoidance plan.</p>
<p>The Workforce Development and Economic Opportunities Plan required applicants to demonstrate how job training and placement programs support high-quality career pathways in greenhouse gas reducing industries.</p>	<p>Strengthens the requirement by asking applicants to demonstrate a regional analysis of future workforce transitions and directly connect training to job upskilling areas.</p> <p>To support this requirement, the Guidelines also clarifies eligible activities for strategic planning and capacity building to support a just transition and provide resources for “high road” partnership development.</p>

Program Policy Priorities

Round 3	Proposed for Round 4
<p>Round 3 included three (3) program policy priorities:</p> <ul style="list-style-type: none"> - High Speed Rail Connectivity - Consistency with Local Land Use and Transportation Plans - Pro-Housing 	<p>Proposes adding two (2) new program policy priorities:</p> <ul style="list-style-type: none"> - Access to Basic Infrastructure, Regional Services, and Job Centers to ensure the TCC investment will provide long-term benefits to communities; and - Pollution Prevention and Mitigation Policies to ensure the TCC investment makes further progress on rectifying environmental justice issues.
<p>The Pro-housing Policy Priority rewarded incentive points for jurisdictions that have pro-housing policies listed in Appendix D (list aligns across IIG, AHSC, and TCC programs).</p>	<p>Proposes rewarding full incentive points for jurisdictions that are designated as pro-housing under the HCD Pro-Housing Designation Program (established July 2021).</p> <p>Proposes rewarding partial incentive points for jurisdictions that have pro-housing policies listed in Appendix D (list being realigned across IIG, AHSC, and TCC).</p>

Grant Administration

Round 3	Proposed for Round 4
Direct costs apply to project costs outlined for TCC Strategies in Appendix B.	Proposes expanding direct costs to include up to 10% for water and wastewater infrastructure connections to support applicants that need to meet the threshold requirements for basic environmental infrastructure.
Indirect costs are capped at 10% of the total TCC award.	Proposes expanding the indirect cost cap to 12% of total TCC award.

Appendix B: TCC Funded Projects by Strategy

Round 3	Proposed for Round 4
Round 3 added a new Land Acquisition and Affordable Housing strategy that made certain pre-development costs eligible, as long as the land acquired would be deed restricted for affordable housing.	Proposes expanding Community Land Trusts project costs under the Land Acquisition strategy. Program application would need to include feasibility studies or other methods for staff to determine project risk level.
Includes a Solar Installation and Energy Efficiency strategy that funded solar photovoltaic systems and energy efficiency appliances for low-income multi-family and single-family households.	Proposes adding Appliance Electrification as an eligible project type to address indoor air pollution mitigation and energy efficiency for low-income households.
Includes a Health & Well-Being strategy that funds food access projects including urban agriculture, community gardens, community kitchens, food hubs. Also includes a Food Waste Prevention & Rescue strategy that funds distribution of rescued food.	Proposes expanding the Health & Well-Being strategy to include community grocery stores and co-operatives as eligible project elements.
Previous TCC Guidelines did not explicitly make air quality monitoring an eligible project cost. Previous grantees have funded air quality monitoring under Program Evaluation and the Indicator Tracking Plan and the Community Engagement Plan.	Proposes a new Indoor Air Pollution Mitigation strategy (Appendix B-9) that would fund indoor air filtration systems and air quality monitoring devices.
Round 3 did not fund microgrids.	Proposes a new Community Microgrids strategy (Appendix B-10) that would fund single customer microgrid infrastructure for critical community serving facilities.

Round 3	Proposed for Round 4
Round 3 did not fund brownfields redevelopment.	Proposes a new Brownfields Redevelopment strategy (Appendix B-11) that would fund brownfields clean-up projects. Funding requested could not exceed 10% of total TCC award, and projects must be restricted to community serving uses.

Appendix C: Transformative Plans

Round 3	Proposed for Round 4
The Community Engagement Plan appendix includes a list of activities, categorized by depth and meaningfulness of engagement.	Updated with expanded eligible costs (childcare, food, transportation) where the cost provides a project and public benefit. Added resources for developing Community Engagement Plan and Collaborative Stakeholder Structures .
The Displacement Avoidance Plan appendix includes an extensive list of resident and small business policies and programs, categorized by policy type.	Proposes further categorizing policies and programs by timeline (short-term vs. long-term strategies) to meet the new requirement to include both types. Added resources for developing Displacement Avoidance Plans .
The Workforce Development and Economic Opportunities Plan appendix includes eligible activities and costs.	Added resources for “ high road ” partnership building and just transition capacity building and planning needs .
The Climate Adaptation and Resilience Plan appendix includes resources for identifying climate risks and exposures and adaptation projects.	Added resources for identifying and prioritizing climate adaptation projects .

Appendix D: Pro-Housing Policies

Round 3	Proposed for Round 4
Lists five (5) policies that qualify as pro-housing.	Updated list of pro-housing policies that reduce vehicle miles traveled (VMT) per consultation with HCD Prohousing Designation Program. For jurisdictions that are not designated “Pro-housing” under the HCD program, those jurisdictions may get partial points for having pro-housing policies on this list.