Greenhouse Gas Reduction Fund: Expenditure Record
Strategic Growth Council

Tribal Housing Capacity Building Initiatives (Tribal Capacity Building Program and Tribal Housing Pre-Development Fund)

Authorizing legislation: Senate Bill 862 (Chapter 36, Statutes of 2014) created the Affordable Housing and Communities (AHSC) Program to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation projects to support infill and compact development, and that support related and coordinated public policy objectives.

Per the California Health and Safety Code 39719 (b)(1)(c), 20 percent of the annual proceeds of the Greenhous Gas Reduction Fund (GGRF) are continuously appropriated to the Strategic Growth Council (SGC) under the Governor's Office of Planning and Research (OPR) for the AHSC Program. The broader AHSC Program is comprised of two major components: the Affordable Housing and Sustainable Communities (AHSC) Program, and the Sustainable Agricultural Lands Conservation (SALC) Program. Additionally, the AHSC program also funds technical assistance and capacity building activities through programs like the Community Assistance for Climate Equity Program (CACE), Factory Built Housing Regional Pilot Program, and the Tribal Capacity Building Initiative.

During the April 2025 SGC Council Meeting, the Strategic Growth Council (the Council) adopted a resolution to approve up to $30 million expenditure from already accumulated Affordable Housing and Sustainable Communities Program's (AHSC) continuous appropriation funds to support technical assistance and capacity building activities for Tribal entities interested in affordable housing and related projects that implement land use, housing, transportation, and agricultural land preservation practices that support infill and compact development.

In order to address the unique and specific needs of California Native American Tribes and ensure the most constructive use of these funds, the SGC Council approved this funding allocation and SGC staff committed to work with Tribes, Tribal communities, and Tribal serving organizations and partners to create a responsive, culturally appropriate, and effective capacity building program(s). Staff will also incorporate the lessons learned from the current Tribal Capacity Building Program pilot. The effort will seek to accomplish the following activities:

- **Housing Project Development:** Technical assistance and project development funds for soft costs such as site assessments, design and permitting, for Tribal applicants interested in housing projects

- **Pre-Development Infrastructure:** Direct grant funding for physical infrastructure such as broadband, sewer, water, electricity or transportation to support housing project readiness
- **Tribal Capacity Building:** Providing foundational capacity building specific to California Native American Tribes through funding for recruitment and retention of Tribal staff and consultants, as well as training, engagement and partnership development and other associated tasks. Given the unique challenges faced by Tribal communities in competing for funding, this technical assistance approach focuses on working in partnership with Tribal governments and communities to advance priority projects.

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

Agency that will administer funding:

Strategic Growth Council

Amount of proposed expenditure and appropriation reference:

- Per the California Health and Safety Code 39719 (b)(1)(c), 20 percent of the annual auction proceeds from the Greenhouse Gas Reduction Fund (GGRF) is continuously appropriated to the SGC under the Governor's Office of Land Use and Climate Innovation. The portion of the Local Assistance from FY24-25 that the SGC Council allocated for the Tribal Housing Capacity Building Initiatives is $30 million. This will be utilized for grants to support technical assistance and capacity building activities for Tribal entities interested in affordable housing and related projects that implement land use, housing, transportation, and agricultural land preservation practices that support infill and compact development.
- The 20 percent appropriation supports local assistance programs as detailed in SB 862, which created the broader Affordable Housing and Sustainable Communities Program. During the April 2025 SGC Council Meeting, the Strategic Growth Council (the Council) adopted a resolution to approve up to $30 million expenditure from already accumulated Affordable Housing and Sustainable Communities Program's (AHSC) continuous appropriation funds to support technical assistance and capacity building activities for Tribal entities interested in affordable housing and related projects that implement land use, housing, transportation, and agricultural land preservation practices that support infill and compact development.
- **This Expenditure Record specifically addresses funds for the Tribal Housing Capacity Building Initiatives (Tribal Capacity Building Program and Tribal**

Housing Pre-Development Fund). An Expenditure Record for the AHSC Program and SALC Program is established separately.

Estimated amount of expenditures for administering agency administrative costs:

- The FY 2024-2025 State agency administrative costs for SGC approximately $1,925,640.

If applicable, identify laws or regulations that govern how funds will be used:

- SB 862 established the AHSC program and provides direction on how the funds will be allocated to recipients, including requirements for project eligibility and program implementation.
- AB 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32.
- Funding Guidelines from the California Air Resources Board allow for program funds to be used for technical assistance and capacity building.

Continuation of existing Expenditure Record

The first round of the Tribal Capacity Building Program is included in SGC's Technical Assistance Program Expenditure Record submitted on June 2, 2023. The Tribal Housing Pre-Development Fund is a new program that does not have an existing Expenditure Record.

Project Type(s)

- Capacity building and Technical Assistance
- Community engagement and Tribal Consultations
- Pre-development activities, such as research, development, and preparation of permits and approvals, project construction plans, architectural drawings, operation and maintenance plans, market analyses, and financial models
- Pre-development construction activities, such as site assessment, acquisition, design, and utilities
- Pre-development Infrastructure (water, sewer, roads, broadband connectivity, etc.) that directly serves affordable housing development in proximity to transit

Describe the projects and/or measures that will be eligible for funding

The Tribal Housing Capacity Building Initiatives (Tribal Capacity Building Program and Tribal Housing Pre-Development Fund) will support tribal partners interested in developing affordable housing and related projects that implement land use, housing, transportation, and agricultural land preservation practices that support infill and compact development. SGC will engage and collaborate with Tribes, Tribal communities, and relevant organizations to develop culturally appropriate capacity building programs and strategies, focused on affordable housing project development and will also support pre-development infrastructure.

Intended recipients

- California-based Native American Tribal Entities
- Non-profit entities serving Tribal Entities, such as Tribally Designated Housing Entities (TDHE)
- Technical assistance providers (contractors including SBE, DVBE, and/or Non-profit organizations)

Program structure and process for selecting projects for funding

For the Tribal Housing Pre-Development Fund, the process for selecting projects for funding will be through a competitive rolling process, based on the merits of applications submitted and the proposed use of funds.

The Tribal Capacity Building Program is a competitive grant program that provides funding and technical assistance to California Native American Tribes, enhancing staff capacity to advance Tribes' housing- and climate-related work. The Tribal Capacity Building Program's key program objectives are to:

1. Build Tribal Staff Capacity to Advance and Sustain Housing and Climate Action: By investing in staff capacity and providing trainings and technical assistance to enhance tribal coordination, knowledge, skills, expertise, and access to state resources, the program aims to help Tribes build and sustain their housing- and climate-related efforts.
2. Secure Funding to Develop and Implement Tribal-led Housing and Climate Projects: Grantees will work with the TA Provider on activities to secure funding for the development and implementation of existing or new housing and climate mitigation, adaptation, or resilience projects.
3. Enhance Peer Learning Relationships Among Tribes: Peer learning activities will provide a space for Tribes to share promising practices and lessons learned and support tribal coordination on the development and implementation of housing- and climate-related projects and applications where relevant.

The program funds direct funding to Tribes for staff salaries and activities that advance Tribes' housing and climate-related work. Activities may include planning, securing funding for, and implementing housing projects and related efforts to advance climate mitigation, adaptation, and resilience. In addition to providing funding, the program will offer Grantees no-cost, flexible support that responds to each Tribe's needs. The capacity building and technical assistance services offered include, but are not limited to:

- Grant application assistance
- Grant management support
- Planning support
- Implementation assistance
- Staff development
- Economic development
- Trainings and workshops
- Partnership building
- Peer learning

Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

How the expenditure is consistent with the Investment Plan and the Scoping Plan

AB 1532 requires that GGRF monies be appropriated in a manner that is consistent with the three-year Investment Plan (Health and Safety Code Section 39718). The "Cap-and-Trade Auction Proceeds Third Investment Plan: Fiscal Years 2019-20 through 2021-22" states that sustainable communities and clean transportation provide a variety of benefits for communities, households, and individuals statewide while addressing the transportation sector, one of the largest GHG emissions contributors in California.

The programs further the priority in CARB's Fourth Investment Plan to "fund investments in key sectors that support GGRF statutory priorities and drive progress on state climate goals," by supporting activities that will lead to the creation of energy-efficient means of housing production and energy-efficient housing units. The programs also fund capacity building and community outreach and engagement as part of its program goals to advance equity, promote environmental justice, foster community participation, and create high-quality workforce development opportunities and jobs.

In alignment with the 2022 Scoping Plan, these programs further Recommendation 2: "Provide dedicated funding to advance equity, environmental justice, and community participation" which specifically calls on supporting local leadership and decision-making for Tribal governments.

Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Describe how expenditures will facilitate the achievement of GHG emission reductions in the State

The expenditure will facilitate GHG emissions reductions by providing technical assistance to disadvantaged and low-income communities that increases their participation in California Climate Investment's other funding programs which are designed to help California reach its GHG emission reduction goals.

These programs will facilitate the achievement of GHG emission reductions in the State by fostering the creation of energy-efficient housing and climate-related activities for Tribal awardees.

The means by which these programs will facilitate GHG reductions is by funding activities that help applicants identify and receive funding to construct energy efficient housing for members and neighbors of Tribal partners. These activities may include Capacity Building, Technical Assistance, and engagement with Tribal entities seeking to construct affordable housing. The funds will also provide funding for pre-development activities, such as research, development, and preparation of permits and approvals, project construction plans, architectural drawings, operation and maintenance plans, market analyses, and financial models. Awardees will also be allowed to utilize the funds for pre-development construction activities, such as site assessment, acquisition, design, and utilities.

Explain when GHG emission reductions and/or co benefits are expected to occur and how they will be maintained

Tribal entities will increase their access to affordable housing funding sources, and will ultimately construct modern, energy efficient housing for members and neighbors of Tribal partners. The creation of new homes in California can help reduce the risk of "Leakage" as defined in HSC 38505(j) as: "a reduction in emissions of greenhouse gases within the state that is offset by an increase in emissions of greenhouse gases outside the state."

The co-benefits of this pilot program, such as job creation, may be realized during the pre-development phase and throughout the construction process.

Where co-benefits occur as a direct result of the funding provided by this program, they will be measured and reported in accordance with CARB's 2024 Funding Guidelines.

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency

This expenditure will provide capacity building and pre-development support to Tribal partners that will help support the construction of modern, energy efficient affordable homes for California residents. In line with HSC 38506, the projects will reduce the social costs of negative impacts to public health by providing a healthy and safe place for individuals with reduced incomes to live; will provide climate-friendly and climate-resilient homes to reduce the risk of exposure to climate and health risks associated with housing instability. These investments will also boost the local economy, and advance diversity, equity, inclusion, and accessibility in the local workforce, as well as provide support to our Tribal partners in California.

How the project will support other objectives of AB 32 and related statutes

- This project will support additional objectives of AB 32 such as
  - Foster job creation
  - Provide opportunities for small businesses, schools, affordable housing associations, and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions
  - Lessen the impacts of climate change
- The project will support AB 1532 objectives such as
  - Strategic planning for sustainable infrastructure, including transportation and housing.
  - Research, development, and deployment of innovative technologies and practices.
- The Statewide Housing Plan calls for California to plan for more than 2,500,000 million homes by 2030, with over 1,000,000 of those homes affordable to lower-income households. Projects that successfully access federal funding through SGC's Pre-Development Grant will help accelerate the supply of housing in California at more efficient speed and lower cost compared to stick-built construction.
- The housing produced will also be built to the standards of CalGreen, the first-in-the-nation mandatory green building standards code with goals of energy

efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality.

Percentage of total funding that will be expended for projects that are located in and benefit priority populations[1] per CARB guidance

Per SB 862, at least 50 percent of AHSC GGRF funding must be expended on projects that are located in and benefiting disadvantaged communities. Disadvantaged communities are identified by the California Environmental Protection Agency (CalEPA) using CalEnviroScreen.

SGC has a target percentage of FY 2024-25 funds for projects that provide benefits to AB 1550 populations set at 60% for disadvantaged Communities, 10% for Low-Income Communities or Households, and 5% for Low-Income Buffer regions. Investments that are eligible to be counted toward AB 1550 investment minimums for within and benefiting disadvantaged communities would also count toward meeting the SB 862 set-aside described above.

Land owned by Federally recognized Tribes are included in the CalEnviroScreen's data on disadvantaged communities, and Tribes may also designate their land as disadvantaged communities on a case-by-case basis.

Describe the benefits to priority populations per CARB guidance

Projects will fund activities that support the creation of affordable, modern, climate energy efficient housing for Tribal members and neighbors throughout California. Given that all funds will be used to support affordable housing, the direct and meaningful benefit to the residents at the individual level, as well as to the federally-recognized Tribes who choose to identify as a DAC.

Explain strategies the administering agency will use to maximize benefits to disadvantaged communities

The programs intend to direct all its funding the direct and meaningful benefit of California-based Tribal partners. Federally-recognized tribes are eligible to self-designate their lands as Disadvantaged Communities (DAC), as defined as a priority population per CARB guidance. Since all funds will be used to support affordable housing, the direct and meaningful benefit to the residents of these low-income households will count toward these targets, as well.

[1] Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B Funding Guidelines for more information on the definitions of priority populations.

Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens

SGC will consult directly with communities and tribes through various means including workshops and public comments on program guidelines to identify potential burdens. SGC will make programmatic adjustments to eligibility criteria, and ultimately funding decisions, as necessary to avoid potential substantial burdens to disadvantaged and low-income communities.

SGC will select TA providers based on their experience, established trust, and ability to effectively work with disadvantaged communities. In selecting TA recipients, SGC will strive for geographic diversity to ensure that no one region of the state receives a disproportionate amount of TA over others.

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance

SGC will require funding recipients to maintain records and submit quarterly status reports. In addition, SGC will conduct periodic reviews of all projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to remedies for non-performance, as identified in the program guidelines and grant agreement. Progress will be reported pursuant to CARB's Funding Guidelines for capacity projects.

Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion

These funds have been approved for expenditure by the SGC Council for capacity building services to Tribal partners. As a capacity building and technical assistance program, the projects are not required to report GHG reductions to CARB. Projects will be asked to estimate the potential GHG reductions when the housing project is ultimately constructed. As such, SGC will track and report on the project's success in receiving federal funding and the results.

Type of information that will be collected to document results, consistent with CARB guidance

SGC will collect all necessary data to document capacity building and the potential reduction of GHG emission reductions in accordance with CARB's Funding Guidelines, quantification methodology and other guidance. This may include but is not limited to information on:

- Project geographic area;
- Applications to state housing programs supported by the work of these programs;
- Workforce benefits;
- Other project benefits or results; and
- Project accomplishments, including benefits to disadvantaged communities.

How the administering agency will report on program status

SGC will provide regular updates on expenditures, project status, project location, and benefits in reports prepared according to CARB's 2024 Funding Guidelines. At a minimum, the reports will include expenditure amounts, current estimates of GHG emission reductions, and information on other applicable co-benefits. SGC will meet with CARB staff on a quarterly basis to share progress on program activities.