

A decorative graphic at the top of the page showing a rural landscape with wind turbines, a barn, and a house on the left, and a city skyline with skyscrapers on the right.

June 29, 2018
Strategic Growth Council
Attn: Sahamaz Mirzazad
1440 10th Street
Sacramento, CA 95814

Via electronic submission

RE: Transformative Climate Communities Program FY 2018-2019 Draft Program Guidelines

Dear Strategic Growth Council:

The Greenlining Institute commends the Strategic Growth Council (SGC) on the Transformative Climate Communities (TCC) Draft Program Guidelines for FY 2018-2019. We appreciate the opportunity to once again provide recommendations that we believe will strengthen the TCC program and build transformative change in California's most overburdened communities.

Areas of Concern & Recommendations:

1. Grants restricted to the top 5% disadvantaged community census tracts.
2. Financial capacity requirement.
3. Workforce and economic development.
4. Climate adaptation and resiliency.

AREAS OF CONCERNS & RECOMMENDATIONS

1. Grants Restricted to the Top 5% Disadvantaged Community Census Tracts

We once again strongly disagree with the designation that Implementation Grants, and now Planning Grants as well, should be restricted to the top 5% of disadvantaged community census tracts.

As we have noted previously, the California Environmental Protection Agency (CalEPA) has been tasked with identifying disadvantaged communities, communities disproportionately burdened by poverty and multiple sources of pollution, per SB 535 (de León, 2012) and AB 1550 (Gomez, 2016). CalEPA has consistently identified disadvantaged communities as the 25% highest scoring census tracts in CalEnviroScreen (CES).

SGC's interpretation that the TCC program should only apply to the top 5% of disadvantaged communities unfairly limits the pool of eligible communities who are otherwise deemed disadvantaged by CES, and undermines the directive and intent to targeted needed resources to

eligible disadvantaged communities. We believe in TCC's transformative potential for communities, but this narrow and arbitrary interpretation limits the potential for catalytic change to only 66 cities throughout the state of California. Moreover, following last year's determination that Implementation Grants would only be open to Fresno, Los Angeles and a third community, this administrative decision builds on a lamentable track record that indicates a lack of transparency and process around who is eligible to participate in the TCC program.

By limiting eligibility to only the top 5% of disadvantaged communities, this interpretation makes ineligible or limits *half* of last year's Planning Grantees whose Planning Areas fall within the top 25% of disadvantaged census tracts. Of the 10 Planning Grants awarded last year, 3 are fully outside of the top 5% designation (West Oakland, Richmond and Eastern Coachella Valley) and 2 likely have portions of their geographic area fall outside of the top 5% (East Los Angeles and the Gateway Cities). These communities are currently embarking on planning processes in the hopes of winning a future TCC Implementation Grant.

Under the 5% determination, however, these Planning Grantees whose Planning Areas fall within the top 25% of disadvantaged census tracts are arbitrarily eliminated from consideration for Implementation Grants. We believe this to be disingenuous and damaging to TCC's integrity, as these communities were hopeful that they could one day benefit from TCC capital investments and are still very much in need of transformative investment.

Instead, Planning Grantees will now be undertaking planning activities this year to build their capacity for... other California Climate Investment (CCI) programs. We recognize that increasing eligibility for other CCI programs was a stated aim of last year's Planning Grants, but we understood this to always be secondary to the primary aim of increasing eligibility for future TCC Implementation Grants. They are considered Planning Grants under the TCC program and not under the general CCI rubric for a reason.

Looking to the future, limiting eligibility to the top 5% of disadvantaged communities also severely limits the ability to build much needed support for the program amongst both community stakeholders and the legislature. Cutting off eligibility to the top 5% immediately signals to many overburdened communities across California that TCC is not for them. This is the exact opposite impression that we need to be creating with the TCC program. It's also short-sighted, when broad public support for and interest in the program is needed to build a pipeline of potential applicants, foster healthy competition and stimulate the most innovative projects.

As we have seen over the last two fiscal years, building legislative support for the program has also been extremely challenging. We must demonstrate to the legislature that TCC brings coordinated investments and real opportunity to overburdened communities, but this becomes unduly difficult when most legislators have not in fact seen the tangible impacts of TCC in their districts. Restricting TCC to the top 5% of disadvantaged community census tracts restricts the potential pool of legislators who might see TCC as a transformative opportunity for their constituents.

We strongly recommend that SGC expand TCC eligibility to the top 25% of disadvantaged community census tracts, for both the Implementation and Planning Grants. If SGC remains

immovable on this point, we recommend that additional points be awarded to projects that fall within the top 5% of disadvantaged census tracts, while allowing projects that fall within the top 25% to still be eligible to apply for TCC funding.

2. Financial Capacity Requirement

We are concerned that the financial capacity requirement could hinder the ability of community-based partnerships to successfully compete for TCC funding.

Requiring that Lead Applicants and Co-applicants must possess the financial capacity to pay expenses prior to seeking reimbursement from the State is an extremely high bar, and we fundamentally disagree with the assessment that financial capacity is determined by whether an applicant can pay expenses prior to seeking reimbursement. That an organization could not pay the upfront costs associated with a multi-million dollar grant does not in any way indicate that they then lack the organizational capacity, management capacity or proposal readiness in order to complete their project.

Administering grants by reimbursement serves as a huge barrier even for community-based organizations seeking much smaller, individual CCI grants. Given the extremely large size of the TCC grants, this barrier is only compounded for the TCC program.

Taken together with the management ability and proposal readiness requirements, we are concerned that the financial capacity requirement presents a significant challenge for many communities. Our experience providing technical assistance and working directly with stakeholders to leverage CCI tells us that many communities will struggle to understand, juggle and meet the multiple layers of complex readiness requirements.

We recommend that advance payment of grant awards be authorized so that all applicants who meet the organizational capacity and proposal readiness requirements can be competitive for TCC.

3. Workforce and Economic Development

We very much appreciate that workforce and economic development has now been elevated to a Transformative Requirement. We offer the following recommendations to strengthen the criteria and requirements around workforce and economic development.

a. Local Hire and Targeted Hire

We appreciate the focus on high-quality job creation for residents living within the Project Area, as we know that investments made within communities include both capital investments as well as local economic and workforce development impacts.

At the same time, we want to be cognizant of the economic dynamics of many low-income communities throughout the state. In low-income communities that are currently experiencing the pressures of gentrification, low-income residents are being priced out of the very communities that they call home. For an investment like TCC, this may mean that the community needs that a project is trying to address include the needs of both current residents as well as the needs of those who have been recently displaced.

We appreciate that the Guidelines include utilizing “targeted recruitment strategies” in bullet point (e) under the “Workforce and Economic Development” section of the Transformative Requirements. In addition to this bullet point, we recommend that the Guidelines also encourage targeted hiring for “individuals with employment barriers.” AB 1270 (Garcia, 2015) offers the following definition:¹

- “Individual with employment barriers” means an individual with any characteristic that substantially limits an individual’s ability to obtain employment, including indicators of poor work history, lack of work experience, or access to employment in nontraditional occupations, long-term unemployment, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, or welfare dependency, including members of all of the following groups:
 - (1) Displaced homemakers.
 - (2) Low-income individuals.
 - (3) Indians, Alaska Natives, and Native Hawaiians, as those terms are defined in Section 3221 of Title 29 of the United States Code.
 - (4) Individuals with disabilities, including youths who are individuals with disabilities.
 - (5) Older individuals.
 - (6) Ex-offenders.
 - (7) Homeless individuals, as defined in Section 14043e-2(6) of Title 42 of the United States Code, or homeless children and youths, as defined in Section 11434a(2) of Title 42 of the United States Code.
 - (8) Youth who are in, or have aged out of, the foster care system.
 - (9) Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers.
 - (10) Eligible migrant and seasonal farmworkers, as defined in Section 3322(i) of Title 29 of the United States Code.
 - (11) Individuals within two years of exhausting lifetime eligibility under Part A of Title IV of the Social Security Act (42 U.S.C. Sec. 601 et seq.).
 - (12) Single parents, including single, pregnant women.
 - (13) Long-term unemployed individuals.
 - (14) Any other groups as the Governor determines to have barriers to employment.

Thus we recommend that the following language be added to the Transformative Requirements for Workforce and Economic Development:

¹ California Workforce Innovation and Opportunity Act, Assem. Bill 1270, (2015-2016), Chapter 94 (2015).
https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB1270.

- (a). “Create workforce development and education training programs with career pathways for residents of the Project Area *and individuals with employment barriers*. Education and training can include pre-apprenticeship programs that are tied to state-certified apprenticeships; training programs that lead to occupations and industries that support TCC Proposal implementation, reduce barriers for and reflect the range of employment readiness needs of local residents *and individuals with employment barriers*, and partner with local workforce development boards and other key stakeholders, including organized labor and education providers; align and enhance high-performing education and training programs that have a proven record of leading to industry-recognized credentials and labor market advancement.”
- (b). “Explain how the TCC investment will result in economic development via the creation of high-quality jobs. The funds must be used to develop local, high-quality jobs that offer living wages, benefits, worker voice, predictable scheduling, and opportunities for advancement, with clear on-ramps for low-income residents *and individuals with employment barriers* in and near the Project Area. The jobs created may be directly tied to the infrastructure projects that are being proposed as part of the TCC Plan.”

We also recommend that this language be reflected in the scoring criteria for section II. Transformative Requirements:

- 1. “Describe how the Workforce and Economic Development Plan will fund training that leads to career pathways and high-quality jobs for residents of the Project Area *and individuals with employment barriers*.”
- 2. “Describe how the Workforce and Economic Development plan will lead to the creation of high-quality jobs for residents of the Project Area *and individuals with employment barriers* in industries related to the TCC projects.”

b. Quality Jobs

We offer the following enhancement to provide more specificity to the criteria for applicants proposing to use TCC funds for stand-alone workforce training programs:

- (e)iii. “Contract provisions: Contract provisions between a grantee and an applicant that include criteria for targeted hiring *that provides quality jobs*.”

c. Reporting Requirements

Data collection has long been the missing piece in targeted hiring policies. We should not have to wait for the Air Resources Board to develop a job creation assessment methodology for the TCC program to capture critical data around the economic and workforce impacts of TCC investments.

Under the requirements for applicants proposing to use TCC funds for stand-alone workforce training programs, we recommend that an additional criteria (g) be added concerning data collection. Reporting requirements are imperative to hold applicants accountable to their Workforce and Economic Development Plans. Last year, we offered comments on multiple occasions on the minimum levels of job and workforce reporting requirements that should be reflected in the Guidelines:

- Job Quality and Access -- number of individuals employed, hours per week, hourly wages, employer-provided benefits, worker demographics (income, race/ethnicity, location)
- Work Hours Performed -- by residents of disadvantaged community census tracts
- Number of Dollars and Percentage of Contracts -- that went to local businesses, specifically, minority, women, LGBTQ, and disabled veteran owned businesses.
- Number of Disadvantaged Community Residents -- enrolled in workforce development, pre-apprenticeship or apprenticeship programs.
- Workforce Development and Education Data-- number and types of certifications or credentials awarded, number of job placements for trainees/interns, number of trainees enrolled in pre-apprenticeship or state-certified apprenticeship programs, existing workforce and training partnerships with training providers, workforce agencies or community-based organizations.

d. 5% Cap on the Workforce and Economic Development Plan

In early 2018, the Greenlining Institute performed a landscape analysis of workforce development challenges and best practices in the Bay Area. We identified that one of the main challenges faced by workforce development programs was a lack of funding available for workforce training programs. When workforce development and training programs lack the appropriate resources for expenses such as trainee salaries and stipends, costs of tools and materials and public transit subsidies, higher barriers are created for students who cannot afford to participate in such a training program.

Given the high priority placed on workforce and economic development as a Transformative Requirement, we recommend increasing the budget available for Workforce and Economic Development Plans to 10%. Increasing the allocated amount to 10% would put the Workforce and Economic Development Plans commensurate with the amount allocated to community engagement and indirect costs. More crucially, it would allow the Workforce and Economic Development Plans to be appropriately funded to reduce the barriers to entry for residents and individuals with employment barriers.

4. Climate Adaptation and Resiliency

We appreciate that the section on climate adaptation and resiliency under the Transformative Requirements has been expanded. We offer the following recommendations to strengthen the requirements concerning climate adaptation, particularly as it relates to prioritizing community vulnerabilities and needs.

We are concerned that the data collection regarding a community’s climate change risks are heavily weighted towards statewide sources at the expense of data that comes directly from the community itself. Therefore, we offer the following enhancements. In section (a)i on identifying climate change risks and exposures, we recommend providing more specificity around the types of locally developed models that would be admissible.

- 3) Any other locally developed, down-scaled projection model, *including those developed by community-based organizations.*

In section (a)ii on describing the impact of climate change risks and exposures, we recommend that a fifth bullet point be added to allow for community-level data.

- 5) *Any other locally developed sources, including those developed by community-based organizations.*

We also offer the following enhancements to prioritize community needs.

- (b). Based on the identified risks for the Project Area *and the impacts the community will face from those risks*, Applicants must describe:
 - ii. What specific measures and programs will be incorporated into the design of the TCC Plan to safeguard vulnerable populations from the impact of climate change in the short-term and long-term, such as cooling centers, outreach activities to support vulnerable populations, etc. *The TCC Plan to safeguard vulnerable populations from the impacts of climate change must be directly informed by the needs of residents and stakeholders as identified through the Community Engagement Plan.*

CONCLUSION

We appreciate the opportunity to comment and make recommendations to the FY 2018-2019 Draft Program Guidelines and look forward to continue working with SGC to bring TCC goals to fruition.

Sincerely,

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Alvaro Sanchez, Environmental Equity Director
The Greenlining Institute