

January 24, 2022

Director Samuel Assefa
Office of Planning and Research
1400 Tenth Street
Sacramento, CA 95814

RE: Council Priority 2: Advancing Capacity Building as a Key Equity Strategy

Dear Director Assefa:

Thank you for the opportunity to provide comment on the Strategic Growth Council's (SGC) Priority 2: Advancing Capacity Building as a Key Equity Strategy.¹ We are excited to see the Council recognize the central importance of capacity building to address the structural inequities faced by frontline and under-resourced communities.

Under-resourced communities urgently want to take advantage of available funds and policies to advance climate equity, but the lack of resources and technical experience make genuine partnership difficult. Big hopes and aspirations are not enough to compete with communities with established networks of technical assistance providers and plenty of staff capacity. Even in high-resourced areas, community-based partners often can't participate on the same footing as larger, more sophisticated organizations or local governments.

For the State of California to meet its commitment to our most vulnerable areas and reach our climate goals, the State must adopt a whole-of-government approach and prioritize capacity building at two complementary scales.

- **This commitment must now be paired with an overall theory of change that links capacity building activities to a larger policy aim for the State.**
- **The State must transform the structural conditions from the top-down so that all communities, small and large, can participate and lead on local climate actions:**
 - Assess Grant Administration Practices to Streamline Program Administration.
 - Remove Needless Funding Barriers
 - Right-Size Funding Programs to Meet Community Capacity
 - Fund the Pathway from Community Planning to Transformative Implementation
- **The State must support under-resourced communities from the bottom-up to gain equitable opportunity and access to tools to lead their own transformations:**

¹ Strategic Growth Council. *Attachment A: California Strategic Growth Council's Resolution on Advancing Capacity Building as a Key Equity Strategy*. https://sgc.ca.gov/meetings/council/2022/docs/20220126-Item7_Priority2_Resolution.pdf

- Center Community Engagement, Leadership and Governance
- Support the Ecosystem of Change
- Provide Community-Centered Technical Assistance

We offer the following comments to support the integration of capacity building activities across SGC and its member agencies.

I. CAPACITY BUILDING AS A THEORY OF CHANGE

The Greenlining Institute (GLI) works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. Over the past several years, GLI has centered capacity building as one of our core equity strategies:²

- Since 2016, GLI has supported Stockton stakeholders in successfully achieving a Transformative Climate Communities Planning and Implementation Grant. The TCC grant awards have become a catalytic anchor that is building the overall capacity of South Stockton’s environmental justice ecosystem.
- GLI co-sponsored SB 1072 (Leyva, 2018) in an effort to provide capacity building through the Regional Climate Collaboratives, require technical assistance for State programs with targeted funding mechanisms, and coordinate and align technical assistance delivery from across the State.
- GLI serves on the project team for the Partners Advancing Climate Equity program, an important pilot in integrating curriculum delivery, technical assistance and peer-to-peer learning for frontline community leaders.
- Internally, GLI has a new Capacity Building team. Our team supports place-based initiatives in multiple communities in California (Stockton, Oakland and Los Angeles), and co-manages a multi-state Community of Practice (Colorado, Illinois, North Carolina, Virginia and Michigan) focused on equitable electric mobility.

GLI invests in capacity building to achieve two primary outcomes:

1. Support under-resourced communities to develop the capacity to lead on their own transformations, and deliver direct, tangible and significant benefits to communities.
2. Inform and advance GLI’s overall equity agenda.

Taken together, we seek to build the deep relationships and capacity over the long-term needed to develop enduring and systemic solutions. Our capacity building work is threaded in with GLI’s overall policy aims—the lessons we learn on the ground are critical to identifying the systemic changes our communities urgently need. At the same time, in collaboration with local

² GLI defines capacity building as the process of strengthening local leadership, skills, expertise and resources so that communities can meet their needs and achieve self-determination. Against a backdrop of systemic disinvestment and oppression, we must invest in the capacity of local leaders to advance community visions. This work includes uplifting community knowledge, building skills, developing partnerships, identifying and planning for projects, and shifting resources and power.

stakeholders, we develop and incubate the community-led solutions at the local level that can be scaled and replicated at the state or federal level.

We are excited to see the Council adopt this resolution on capacity building, and encourage the Council to similarly develop an overall theory of change that will undergird this work. The State has made significant investments in capacity building over the past several years, from technical assistance delivery across implementing agencies to the Technical Assistance Guidelines to the BOOST and Partners Advancing Climate Equity programs.

Now, we encourage the Council to establish the overall framework and whole-of-government approach for how capacity building can be used as a key equity strategy. Capacity building and technical assistance delivery are critical tools, but they are tools that need to be attached to a greater policy purpose. As starting points, we suggest that the Council utilize capacity building towards the purposes of:

1. Meaningfully partnering with under-resourced communities to advance California climate actions
2. Grounding the systemic policy changes advanced by the State in community-identified needs, leadership and solutions.

II. THE CAPACITY BUILDING CHALLENGE

The racial wealth gap and environmental racism are not accidents. Communities of color, indigenous communities and low-income neighborhoods have been shaped and carved out by deliberate and exclusionary public policies. Under-resourced communities have thus borne the brunt of generational disparities in socioeconomic and health outcomes, and suffer first and worst from escalating climate impacts. Moreover, under-resourced communities not only suffer disproportionate inequities, but have also long been excluded from the decision-making processes that impact their lives and neighborhoods.

To achieve full potential, we must dismantle the systemic barriers blocking full access and opportunity. In our experience, under-resourced communities face the following key structural challenges:

1. **Ecosystem Gaps:** Decades of disinvestment have resulted in gaps across local ecosystems, from community-based organizations to local governments to technical assistance providers. Local organizations and institutions often lack specific issue-area, content or technical expertise. They also significantly lack the necessary staffing, as well as the overall administrative capacity, needed to advance projects or programs.
2. **Need for More Robust Multi-Sector Partnerships:** Even where neighborhoods may have strong community-based or institutional anchors, those actors may not be working constructively together to achieve greater collective impact. Communities may be siloed by issue areas or sectors or a lack of trust, and require more meaningful opportunities to work together towards a shared vision grounded in equity.
3. **Funding:** Under-resourced communities have been systematically starved of funding and investments, both public and private. Communities lack the resources needed to

meaningfully engage residents, build collective visions and implement projects and policies.

- 4. Access to Structural Power:** Under-resourced communities significantly lack the access or influence needed to advance community priorities. Implementing projects and changing policies to meet the needs of residents often requires access to structural power as embodied by local and regional governments.

III. CAPACITY BUILDING FROM THE TOP DOWN

Public policy decisions, unequal infrastructure investments and unjust government practices have shaped our neighborhoods, leading to generational disparities and disproportionate burdens for under-resourced communities. The State now has a responsibility to wield government power in the direction of correcting injustices. We urge the Council and member agencies to build upon its leadership and continue transforming the behaviors, institutions and systems that disproportionately harm under-resourced areas.

From the top down, the State must change the structural conditions—embodied in government programs, policies, guidelines and practices—so that all communities can participate and lead on local climate actions.

1. Assess Grant Administration Practices to Streamline Program Administration

The State must take on its own work to assess and improve its internal practices to simplify program administration and reduce barriers for entry.

Administrative Assessments: Communities working through State grants and other government processes often encounter a labyrinth of complicated rules and regulations. We encourage agencies to conduct internal evaluations of their own grant management processes and requirements. Such an evaluation would help agencies assess how their internal administrative processes could be streamlined to improve public access.

For example, such an assessment could distinguish which administrative requirements are statutorily required, and which requirements are in fact just custom or accepted practice. This would help to reduce the number of administrative specifications and increase overall accessibility of the grant especially for under-resourced communities.

Racial Equity Assessments: Systems of power must do the work to dismantle racism and the practices, behaviors and cultures that contribute to harm and oppression. Institutional power must make the internal shifts necessary to prioritize racial equity, push for structural transformation and close racial disparities. We applaud SGC for taking the lead on advancing racial equity within State government, as embodied by the landmark Racial Equity Resolution and Racial Equity Working Group.³ We encourage the Council and member agencies to continue this deep work.

³ Strategic Growth Council. (2020, August). California Strategic Growth Council's Racial Equity Resolution. https://sgc.ca.gov/news/2020/docs/20200826-Racial_Equity_Resolution.pdf

2. Remove Needless Funding Barriers

As the State carries out its own internal assessments, two funding barriers stand out for severely limiting the ability of communities to apply for public grants funds, engage community members and manage grant activities.

Advance Payment of Grant Funds: Most State grants are disbursed on a reimbursement method. Grantees of State funds are not immediately allocated funds to commence work, but instead must first complete deliverables using their own resources and then submit invoices for reimbursement.

This reimbursement model presents significant cash flow challenges for community-based organizations and nonprofits. Most non-profit and community-based organizations, as well as some local governments, simply do not have available extra resources to float several months of payroll and expenses. The current model disincentives our most under-capacity communities from seeking out public funding. It also severely restricts the ability of grantees to sustain their own financial viability under State grants. This financial barrier represents a significant roadblock to the State's commitment to targeting investments to priority communities.

We urge the State to permit agencies the authority and discretion to make advance payments. Advance payment would ensure more equitable access to State funding and would support grant and program implementation.

Permit Community Engagement Expenses: Across California State programs, important community engagement expenses, such as the provision of food and childcare during outreach or organizing activities, are prohibited. This restriction on grant funding severely restricts meaningful community engagement and organizing. Robust community engagement is critical to developing community-informed projects for public investment.

Providing food and childcare during public meetings and outreach events is a publicly accessible and necessary activity that should be supported by State funding.

3. Right-Size Funding Programs to Meet Community Capacity

The California Climate Investments portfolio funds a wide array of different investment types. Many of these grant funds, however, remain inaccessible to many community-based and non-profit organizations because of their grant size or technical complexity.

Where possible, we encourage agencies to right-size their funding programs to best meet community capacity. We point to California ReLeaf's grants, sub-granted from CAL FIRE's Urban and Community Forestry Program, as a promising model.⁴ With funding

⁴ California ReLeaf. *Grants*. <https://californiareleaf.org/grants/>

from the Urban and Community Forestry Program, California ReLeaf administers a sub-grant program, targeting non-profit organizations with smaller grants between \$10,000-\$75,000 and hands-on technical assistance.

These grants offer a critical entry point for community-based organizations who want to improve their communities, but may not as yet have enough technical or administrative capacity to be competitive for CAL FIRE's much larger grants ranging between \$150,000-\$1,500,000.

4. Fund the Pathway from Community Planning to Transformative Implementation

Across the board, communities need funded time to establish shared visions, develop partnerships, identify specific priorities, and pursue projects. We encourage the Council and member agencies to integrate planning and implementation opportunities to ensure tangible benefits based on community needs. Planning grants, for example, can provide a pathway for communities that have suffered historic disinvestment to invest in the foundational community engagement and partnership development needed to advance community-led projects.

Such planning resources must then be paired with financial resources for the creative capital investments needed to transform our neighborhoods into thriving communities. Countering decades of disinvestment and unjust systems requires that we make transformational investments in our most under-resourced communities, in ways that are governed by those communities. We encourage the Council and member agencies to continue developing programs and funding sources that directly meet community needs.

In GLI's Greenlined Economy Guidebook, we offer principles and standards for how to create more equitable community investments that can redress the lasting harms that have resulted from our system of racial capitalism.⁵ We offer the following six standards for equitable community investments:

- Emphasize Race-Conscious Solutions. Race-conscious policies like redlining and urban renewal got us to this point, and race-neutral approaches can't fix the underlying inequities. Investment needs to target and prioritize the most impacted communities.
- Prioritize Multi-Sector Approaches. Programs may be siloed, but problems are not. We need to prioritize approaches that address multiple issues and sectors at once.
- Deliver Intentional Benefits. Benefits cannot trickle down to communities; they need to go directly to the people in the most impactful ways, while avoiding increasing or creating new burdens.
- Build Community Capacity. Long-term disinvestment and discriminatory policies can erode a community's capacity for leadership, organizing or political capital.

⁵ Cooper, S. (2020). Greenlined Economy Guidebook. The Greenlining Institute. <https://greenlining.org/wp-content/uploads/2020/09/Greenlined-Economy-Guidebook-2020.pdf>

Acknowledging the ways that structural racism has impacted the capacity of communities of color to undertake community development projects is a key part of improving investments.

- Be Community-Driven at Every Stage. Lifting up community-led ideas and sharing decision-making power is an important element of truly community-centered investment. Community members and organizations should be part of every phase of the project or policy, from goal-setting to analysis.
- Establish Paths Towards Wealth-Building. We need community ownership of assets and opportunities to continue building wealth. In a Greenlined Economy, as many people as possible should be able to participate in wealth building, which will include a broader set of pathways beyond homeownership with lower barriers to entry.

IV. CAPACITY BUILDING FROM THE BOTTOM UP

From the bottom up, the State must simultaneously support under-resourced communities to gain equitable opportunity and access to tools to lead their own transformations. Our most under-resourced neighborhoods are the very same communities with the least existing capacity and staffing to apply for and manage large infrastructure investments. We must build the overall ecosystem and capacity of community leadership, so that all communities have the ability to have ownership over the decisions that shape their lives and neighborhoods.

This work looks like investing in local leadership, and supporting communities to identify their own needs and visions, develop partnerships, build skills, access capacity building and technical assistance resources, and advance projects, grants or policies.

1. Center Community Engagement, Leadership and Governance

Centering community engagement and leadership in public funding and projects is foundational. No one knows better than community members themselves what is needed in their neighborhoods, yet rarely are community voices centered in the decision-making processes that impact their daily lives.

The Transformative Climate Communities (TCC) program provides a strong program design model for both community engagement and collaborative governance. TCC requires applicants to develop Community Engagement Plans and thread community engagement through two key programmatic phases: proposal development and grant implementation.

TCC then requires applicants to work and make decisions towards collective impact. Grant requirements can drive grantee and partner selection, and most resource-intensive grants highly favor local government grantees and do not require multi-stakeholder collaboration. By contrast, TCC requires collaborative governance between a diverse range of organizations, including residents and community-based organizations. This

creates a platform where community organizations and residents not only have a seat at the table, but also have meaningful decision-making power.

We encourage the Council and member agencies to adopt meaningful community engagement and collaborative governance requirements across grant programs.

2. Support the Ecosystem of Change

Across local ecosystems, we have found that successful collective impact is dependent on the balance of several key stakeholder types: a strong community anchor, supportive local government and community-facing technical assistance or third-party entity.

- The community anchor is a community-based organization or coalition which organizes or engages directly with residents and has a history of strong relationships, trust and cultural competency with impacted communities. The community anchor grounds the effort in community-identified priorities and leadership, but may lack the technical or administrative capacity and expertise to administer projects.
- Government partners may include local governments, regional governments and public agencies that can offer significant administrative and fiscal capacity, as well as management over public infrastructure projects. In order for local governments to be strong community-aligned partners, however, it is crucial that key political decision-makers and implementing staff support the community-led effort.
- Technical assistance providers can be a vital component in supporting applicants and grantees through complex funding programs. For community-led investments, technical assistance should be directed towards supporting the community partners in filling expertise, skills or capacity gaps such as data analysis, project management, fiscal management, conflict mediation, community engagement, strategic planning, building community capacity and more.

The balance of these stakeholder types can be critical, and the State has an important role to play in identifying, supporting and resourcing these local stakeholders appropriately.

- As previously mentioned, the State should center and prioritize residents, community-based and non-profit organizations in program design, outreach and grantee selection. Many grant requirements implicitly privilege institutional partners over grassroots ones, as many nonprofits do not have the capacity or infrastructure to manage large government grants. We urge the State to move away from this model, and to instead center community-based and non-profit organizations as the intended recipients of public funding.

- State agencies can model and leverage their program design and guidance to influence local governments to better operationalize equity. Local and regional government are key parts of local ecosystems. However, government has also been the perpetrator of local inequities, particularly against people of color, low-income communities, indigenous peoples, tribal nations and immigrant communities. We therefore encourage the State to support local and regional government to more meaningfully engage residents, partner with community-based stakeholders and participate in more collaborative processes. The State must raise the bar by providing robust equity guidance and standards, as well as intervening on a case-by-case basis where stakeholders report challenging partnership dynamics.
- Technical assistance providers can offer needed expertise and capacity for communities, but the overall availability and quality of technical assistance varies widely across neighborhoods. Identifying, supporting and resourcing these critical third-party entities—particularly providers who are either themselves from the community or who have a track record of working with community members—would be hugely valuable for the field. Taken together, State agencies interact with a wide variety of technical assistance providers, and should proactively better connect and fund technical assistance with gaps in community projects.

3. Provide Community-Centered Technical Assistance

We are encouraged to see the State continue to invest in technical assistance throughout its funding portfolio. Technical assistance provides targeted support to meet identified gaps, and can include both direct assistance as well as overall capacity building to support communities in developing projects and strengthening multi-sector partnerships. Technical assistance can thus look like any support offered to help communities through State programs in order to achieve the best possible outcomes, and does not necessarily have to be delivered through a stand-alone program.

To meet critical gaps, it is most important that technical assistance be tailored to specifically support under-resourced communities. The Partners Advancing Climate Equity program offers a unique model that approaches capacity building separate from any one specific program, and is instead focused on building the capacity of grassroots leaders across California. We uplift the program’s interdisciplinary approach and investment in deep community leadership and peer-to-peer learning as best practices.

We encourage the Council and member agencies to continue to identify the best practices, gaps and opportunities emerging from existing technical assistance provision.

CONCLUSION

We applaud the Council for elevating capacity building as a core equity strategy, and look forward to continuing working with SGC to center community-led leadership across its member agencies.

Sincerely,

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The Greenlining Institute