TO: Greenhouse Gas Reduction Fund

FROM: Louise Bedsworth
Executive Director
Strategic Growth Council

DATE: January 22, 2019

SUBJECT: GREENHOUSE GAS REDUCTION FUND:
Strategic Growth Council

EXPENDITURE RECORD, FISCAL YEAR 2018-19 (Revised)
California Climate Investments Technical Assistance Program

This Attestation Memorandum documents that the Strategic Growth completed the attached Expenditure Record on January 22, 2019, for the California Climate Investments Technical Assistance Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to CARB for public posting on the CARB website at: www.arb.ca.gov/caclimateinvestments. Questions on this Attestation Memorandum or Expenditure Record may be directed to Kevin Peth at kevin.peth@sgc.ca.gov or (916) 324-6665.

Attachment: Greenhouse Gas Reduction Fund: Expenditure Record (Revised)
Fiscal Year: 2018-19
Strategic Growth Council
California Climate Investments Technical Assistance Program

Louise Bedsworth, Executive Director

[Signature]

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Greenhouse Gas Reduction Fund: Expenditure Record

Strategic Growth Council (SGC)
California Climate Investments Technical Assistance (CCITA) Program (Revised)

This expenditure record is a revised version to the October 9, 2018 submission. This revised version now includes $5,000,000 million in technical assistance funding as approved by SGC at its June 28, 2018 meeting.

Authorizing legislation:

Item 0650-001-3228 of the Budget Act of 2018, as amended by Senate Bill (SB) 856 (Chapter 30, Statutes of 2018) appropriates to the Office of Planning and Research $2,000,000.00 for technical assistance to disadvantaged communities. The Institute for Local Government Beacon Program shall be eligible for up to $1,000,000 of these funds to provide technical assistance to cities and counties to help them take actions to address climate change.

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

<table>
<thead>
<tr>
<th>Agency that will administer funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Growth Council</td>
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<tr>
<td>Department of Conservation</td>
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<tr>
<td>Department of Food and Agriculture</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Amount of proposed expenditure and appropriation reference</th>
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<tbody>
<tr>
<td>The total expenditure is $7 million:</td>
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<tr>
<td>$2 million per Section 0650-001-3228 of the Budget Act of 2018 (Chapter 30, Statutes of 2018) and</td>
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<tr>
<td>$5 million as approved by SGC for technical assistance expenditure from FY 18-19 AHSC continuously appropriated funds. On June 28, 2018, SGC unanimously approved the expenditure of $5 million for technical assistance to local communities and agencies to assist with their participation in CCI programs.</td>
</tr>
<tr>
<td>Per SB 856 (Chapter 30, Statutes of 2018), the Institute for Local Government Beacon Program shall be eligible for up to $1,000,000 of these funds to provide technical assistance to cities and counties to help them take actions to address climate change.</td>
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<tr>
<th>Estimated amount of expenditures</th>
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<tbody>
<tr>
<td>The total expenditure includes up to $100,000 for State Operations costs. This total represents 5% of the $2 million</td>
</tr>
</tbody>
</table>
Strategic Growth Council Expenditure Record for California Climate Investments Technical Assistance Program

- **for administering agency administrative costs**
  - budget appropriation. Not more than 5 percent of the amount allocated in this item may be used for administrative costs.
  - None of the $5 million expenditure will fund SGC program support costs.

- **If applicable, identify laws or regulations that govern how funds will be used**
  - 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.
  - The Budget Act of 2018, as amended by SB 856 provides direction on the types of projects that should be funded.
  - 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 practices to support infill and compact development, and that support related and coordinated public policy objectives.
  - Per Health and Safety Code 39719 (b)(1)(c), 20 percent of the annual proceeds of the Greenhouse Gas Reduction Fund (GGRF) are continuously appropriated to the SGC under the Governor’s Office of Planning and Research (OPR) for the AHSC Program. In addition, current CCI Funding Guidelines allow for the use of GGRF funds for technical assistance.
  - Funding Guidelines from the California Air Resources Board allow for program funds to be used for the provision of technical assistance directed to disadvantaged and low-income communities.
  - All funds will be allocated and managed in accordance with these laws.

- **Continuation of existing Expenditure Record**
  - This is an update to the CCITA expenditure record submitted on October 9, 2018. The purpose of this update is to add the expenditure of $5 million in AHSC funds for technical assistance as approved by SGC.

- **Project type(s)**
  - Technical Assistance

- **Describe the projects and/or measures that will**
  - The California Climate Investments Technical Assistance Program supports communities in building capacity and applying to the California Climate Investments (CCI) funding
be eligible for funding programs. The program aims to improve applicants’ capacity to access these funds successfully, particularly those that live in the state’s most disadvantaged communities.

- Partnership with Institute for Local Government Beacon Program to build capacity with mid-size, under-resourced cities on subjects related to California Climate Investments. The Beacon Program provides a framework for local governments to share best practices that create healthier, more vibrant and sustainable communities. The program honors voluntary efforts by local governments to reduce greenhouse gas emissions, save energy and adopt policies that promote sustainability.
- Direct application assistance and capacity building services for the Affordable Housing and Sustainable Communities program
- Direct application assistance for the Transformative Climate Communities program
- Direct application assistance for the Sustainable Agricultural Lands Conservation (SALC) program. SALC is a subset of AHSC which permanently preserves agricultural land in CA.
- Direct application assistance for the CDFA Climate Smart Agriculture (CSA) program
- CDFA partnership with University of California Agriculture & Natural Resources (UCANR) to grow the adoption of science-based climate smart farming and ranching practices.
- Additional capacity building services for local jurisdictions and local community based organizations, including meetings, outreach and other activities to identify capacity needs and to direct local agencies towards tools, resources and services to apply for and receive CCI funding.

- Intended recipients
  - University of California Agriculture & Natural Resources
  - State, Local, and Regional Public Agencies
  - Affordable Housing Developers
  - Community Based Organizations
  - Land Trusts
  - Technical Assistance Provision Contractors

- Process for selecting projects for funding
  - Direct contract with ILG as directed by the Budget Act of 2018
  - Request for Proposals to contractors or TA Providers for AHSC, SALC, and TCC technical assistance
  - Additional competitive solicitations, evaluations, and selection
of projects according to CCI Funding Guidelines as needed.

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 reflected in the Investment Plan and the Scoping Plan

- AB 1532 (Chapter 807, Statutes of 2012) requires that monies from the Fund be appropriated in a manner that is consistent with the three-year Investment Plan. The “Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal Years 2016-17 through 2018-19” allows for the expansion of technical assistance to GGRF programs if funding is available. Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan.
- California’s 2017 Climate Change Scoping Plan identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32 and related statutes, including the provision of technical assistance to local and regional governments of disadvantaged communities to achieve success in equity and access for CCI Programs.

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 program will facilitate GHG benefits by providing technical assistance to disadvantaged and low-income communities that increases their participation in CCI Programs which are designed to help California reach its GHG emission reduction goals.

☐ Explain when GHG emission reductions and/or co-benefits are expected to occur and how

- GHG emission reductions and co-benefits will occur through the CCI Programs for which disadvantaged communities will receive technical assistance to participate in and will vary according to the guidelines, methodologies and timelines of those programs.
they will be maintained

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.

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
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<tbody>
<tr>
<td>Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency</td>
<td>Projects will support disadvantaged communities to obtain equitable participation and outcomes in the implementation of the State’s climate change policies and investment programs and the co-benefits resulting from those programs.</td>
</tr>
<tr>
<td>How the project will support other objectives of AB 32 and related amendments</td>
<td>Projects will support AB 32 objectives by providing technical assistance to disadvantaged communities to participate in CCI Programs that will maximize additional environmental and economic co-benefits for California, complement the State’s efforts to improve air quality, and provide opportunities for local agencies and community institutions to participate in and benefit from statewide efforts to reduce GHG emissions</td>
</tr>
<tr>
<td>Percentage of total funding that will be expended for projects that benefit disadvantaged or low-income communities and low-income households per CARB guidance</td>
<td>70% will go to Disadvantaged Communities and 25% will go to Low Income Communities.</td>
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<tr>
<td>Describe the benefits to disadvantaged or low-income communities and low-income households per CARB guidance</td>
<td>These projects will provide direct capacity building opportunities for disadvantaged communities through outreach, workshops, seminars, community leadership training, etc., to increase their capacity to obtain, improve, and retain the skills and knowledge needed to participate in and benefit from CCI Programs and other incentives and/or regulatory programs to reduce environmental burdens and improve public health in their communities.</td>
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<tr>
<td>Question</td>
<td>Response</td>
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<td>Explain strategies the administering agency will use to maximize benefits to disadvantaged communities</td>
<td>The purpose of the CCI TA Program is specifically to provide technical assistance to disadvantaged communities. Almost all intended recipients will be from disadvantaged and/or low-income communities.</td>
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<td><strong>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 35800) of the Health and Safety Code.</strong></td>
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<td>How the administering agency will track/report progress to make sure projects are implemented per requirements in statute and CARB guidance</td>
<td>The administering agency will require funding recipients to maintain records and submit status reports. In addition, the administering agency will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the contracting language.</td>
</tr>
<tr>
<td>Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion. Include citations for references that support methodology</td>
<td>The administering agency will coordinate with CARB to determine how to document GHG emission reductions and/or co-benefits through qualitative metrics.</td>
</tr>
<tr>
<td>Type of information that will be collected to document project outcomes, consistent with CARB guidance</td>
<td>The administering agency will collect information on project outcomes for all of the projects, consistent with CARB guidance.</td>
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<tr>
<td>How the administering agency will provide regular updates on expenditures, project status, and benefits in reports prepared</td>
<td></td>
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<td>agency will report on program status</td>
<td>according to CARB guidance. At a minimum, the reports will include expenditure amounts, quantification of applicable co-benefits, and other metrics yet to be determined. Reports will also include information on how outcomes for these projects have been linked to practical climate action over a period yet to be determined.</td>
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