



Legislation Details (With Text)

File #: ID19-0171 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 1/7/2019 **In control:** City Council

On agenda: 2/28/2019 **Final action:** 2/28/2019

Title: Actions pertaining to the 2017 Transformative Climate Communities Grant:
 1. Approve a Master Grant Agreement with the Strategic Growth Council for development and implementation of greenhouse gas emissions reduction projects in the amount of \$66,500,000;
 2. Approve a Memorandum of Understanding to implement the Collaborative Stakeholder Structure; and
 3. ***RESOLUTION - 28th amendment to the Annual Appropriation Resolution (AAR) No. 2018-157 appropriating \$1,046,900 from the TCC Grant (Requires 5 affirmative votes) (Subject to Mayor's veto).

Sponsors: Office of Mayor & City Manager

Indexes:

Code sections:

Attachments: 1. SGC18119 TCC Fresno Grant rev 2.19.19.pdf, 2. Partner Award Summary 021219.pdf, 3. Transform Fresno Memo on Readiness_20190204.pdf, 4. 19 28th TCC Grant AAR.pdf, 5. TCC MGA City Council 2-28-19.pdf

Date	Ver.	Action By	Action	Result
2/28/2019	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

February 28, 2019

FROM: WILMA QUAN, City Manager
Office of the Mayor & City Manager

BY: LAURA MERRILL, Deputy City Manager
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SUBJECT

Actions pertaining to the 2017 Transformative Climate Communities Grant:

- Approve a Master Grant Agreement with the Strategic Growth Council for development and implementation of greenhouse gas emissions reduction projects in the amount of \$66,500,000;
- Approve a Memorandum of Understanding to implement the Collaborative Stakeholder Structure; and
- ***RESOLUTION - 28th amendment to the Annual Appropriation Resolution (AAR) No. 2018-157 appropriating \$1,046,900 from the TCC Grant (Requires 5 affirmative votes) (Subject to Mayor's veto).

RECOMMENDATION

Staff recommends that Council approve a Master Grant Agreement with the Strategic Growth Council for development and implementation of greenhouse gas emissions reduction projects in the amount of \$66,500,000 from the 2017 Transformative Climate Communities Grant Program (TCC Grant Program) for a five year grant term and three year reporting term; approve a Memorandum of Understanding (MOU) to implement the Collaborative Stakeholder Structure as required per the TCC program guidelines; authorize the City Manager or designee to sign all implementing documents, and adopt the 28th amendment to the Annual Appropriation Resolution (AAR) No. 2018-157 appropriating \$1,046,900.

EXECUTIVE SUMMARY

The City of Fresno (City) has been awarded grant funds of \$66,500,000 from the TCC Grant Program from the State of California through the Strategic Growth Council (SGC) to fund the development and implementation of neighborhood-level coordinated greenhouse gas emissions reduction projects that provide local economic, environmental and health benefits to disadvantaged communities. The submittal for the grant funds, named the Transform Fresno Plan, includes coordination with several Partners to deliver a variety of California Climate Investment projects such as urban greening, active transportation, housing, low income weatherization, and food waste prevention and rescue in the Downtown, Chinatown, and Southwest Fresno communities. The City was awarded the funding in January of 2018 and has since then been working with SGC to finalize the details of the Master Grant Agreement that dictates the regulations for project implementation and the MOU which lays out the plan for continued community engagement in all facets of implementation as required per the TCC Grant Program guidelines.

BACKGROUND

The TCC Grant Program was established by Assembly Bill (AB) 2722 and is administered by the SGC using Cap-and-Trade funds for the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities. The TCC Grant Program takes a place-based approach that commits applicants to the achievement of economic, environmental, and public health benefits in a specific community through the deployment of integrated climate strategies that combine greenhouse gas reduction activities to achieve multiple community benefits and drive innovation.

Fresno was selected to receive 50% or \$70 million (minus a mandatory 5% reduction for a State administrative fee) of the total available funds for several factors. Fresno has long faced challenges of environmental and socioeconomic disparity. Since the mid-twentieth century, suburban sprawl has consumed more than 100 square miles in the City leading to an economically-distressed urban core and historic neighborhoods that contain some of the highest concentrations of poverty in the nation. In the more recent past, a combination of local leadership and sustained commitment to helping achieve the state's climate goals has set the City on a different course. Fresno's new General Plan and Zoning Ordinance, adopted in 2014 and 2016, respectively, direct approximately half of new growth to infill areas, along with large-scale transportation investments including the state's first High-Speed Rail station, Bus Rapid Transit, and a \$19 million redevelopment of Fulton Street. These infrastructure investments spurred the necessary momentum to begin constructing the package

submitted for TCC grant funding. Also as shown on the attached Partner Award Summary, a total of \$111 million of leveraged funds are included in order to satisfy the TCC Grant Program's 50% match requirement. Some key projects included in the leveraged funds are \$70 million from State Center Community College Measure C Initiative for the Fresno City College West Fresno Satellite Campus; \$15 million from CMAQ, Measure C, SB1 and Rule 20A for transportation infrastructure and utility undergrounding funds for the perimeter street improvements at Martin Luther King Jr Boulevard, Jensen, Church and Walnut; and \$3.5 million Federal and State transit funds for FAX service improvements.

The Fresno Transformative Climate Communities Collaborative (Collaborative) was a participatory process used to promote and nurture creative project ideas, develop local criteria to define the type of catalytic and collective impact projects should have, and provide the City with direction on the proposal of integrated projects to include in the application to the SGC for funding. Anyone who lived, worked, or owned property in the community area defined as Downtown, Chinatown and Southwest Fresno per the TCC Grant Program guidelines was encouraged to participate. The Collaborative met regularly from July 2017 through September 2017 and resulted in an active, engaged, 164-member Community Steering Committee (CSC). Based on community feedback, proposed projects were grouped into four alternatives and presented to the CSC. After much deliberation and discussion, the CSC chose a final plan based on a fifth alternative created by community residents. Since the award announcement in January 2018, the City has been working with SGC staff through the pre-contract consultation phase in which SGC continued its review of the Transform Fresno Plan in order to ensure that all the projects met the requirements of the TCC Grant Program and refined scopes and budgets for inclusion in the Master Grant Agreement. The Master Grant Agreement will be executed between the City and SGC and details the responsibilities of the City as the Grantee which includes compiling and submitting all invoices and reporting documents for the City and all Partners, dispersing payment to all Partners as approved by SGC, and the overall responsible entity for leading the implementation of the Transform Fresno Plan.

The Sub-Recipient Agreements between the City and Partners who will be receiving funds to implement components of the Transform Fresno Plan will be brought forward for subsequent Council approval as they meet the required SGC readiness thresholds (see attached Readiness Memo) and receive a notice to proceed from SGC. Each project is detailed in scope and budget in Exhibit B of the Master Grant Agreement and summarized in the staff report attachment labeled Partner Award Summary.

Additionally, the City has been working collaboratively with SGC to finalize the MOU which memorializes the collaborative stakeholder structure, legal and financial considerations governing the collaborative stakeholder structure, transparent decision-making processes, meeting facilitation procedures, and processes for involving community representatives in decision-making and resolving disputes.

ENVIRONMENTAL FINDINGS

This is not a "project" for the purposes of CEQA, pursuant to CEQA Guidelines Section 15378. This approval is for execution of a grant agreement accepting funds for development and execution of greenhouse gas emissions reduction projects. However, acceptance of the funds does not commit the City to any one specific project and all potential projects are subject to future discretionary approvals and may be subject to conditions. Furthermore, acceptance of these funds does not preclude the City from considering alternatives to potential projects, including not proceeding at all.

As such, no additional review pursuant to CEQA is required for this approval.

LOCAL PREFERENCE

Local preference was not considered because accepting grant funds does not include a bid or award of a construction or service contract.

FISCAL IMPACT

The TCC funding includes \$643,748 for overall oversight and grant administration; it is anticipated that this amount will cover the cost of staffing for the five year performance period and three year reporting period. Costs expended above the allocated amount will serve as in-kind contributions for the grant program.

Staff time in the form of in-kind contributions is valued at \$753,152 for the drafting of the Community Engagement Plan and \$60,500 for the Displacement Avoidance Plan.

Lastly, the Transform Fresno Plan includes a \$75,000 leverage commitment for a Chinatown Property Based Improvement District Feasibility and Implementation Study. This funding was approved as part of the FY 2019 budget.

Attachments:

1. Master Grant Agreement
 - a. Attachment E-9: Memorandum of Understanding
2. Partner Award Summary
3. SGC Readiness Memo
4. RESOLUTION - 28th amendment to the AAR No. 2018-157 appropriating \$1,046,900
5. PowerPoint Presentation