

Building a Cross-Sector Coalition: Sustainable Communities for All and California's Cap-and-Trade Program

By Laura Choi

March 2015
Working Paper 2015-02

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The views expressed in this paper are those of the author and do not necessarily represent those of the Federal Reserve Bank of San Francisco or the Federal Reserve System. To contact the author, email laura.choi@sf.frb.org

EXECUTIVE SUMMARY

In 2012, California implemented a cap-and-trade program as part of its efforts to reduce greenhouse gas (GHG) emissions. This market-based regulatory framework creates requirements for GHG reductions while simultaneously generating billions of dollars in proceeds that the State can reinvest in other climate change prevention efforts. In response, numerous organizations launched intensive lobbying campaigns to try to influence how the funds would be appropriated. A new cross-sector coalition called Sustainable Communities for All (SC4A) successfully championed a joint platform that prioritized social equity and proposed allocating a significant percentage of cap-and-trade revenue to provide transportation choices and build homes affordable to lower-income households near transit. Through a three-year process of coalition building, research, and advocacy, SC4A was able to achieve far greater political influence than any of the individual organizations could have garnered on their own.

The Federal Reserve Bank of San Francisco embarked on this study in order to better understand how various cross-sector efforts are being implemented on the ground, as part of a larger effort to promote the development of integrated, multidisciplinary solutions that increase economic opportunity for low-income people. This case study aims to shine a light on the inner workings of a collaborative partnership that works on behalf of low-income communities, illustrating both the challenges and the lessons learned from such efforts. These lessons are briefly summarized below:

Lesson 1: Clarify the rationale for cross-sector partnership

- While parties may generally acknowledge the need for integration, they may not immediately understand the points of intersection across sectors or they may struggle to explain why partnership would be mutually beneficial. Be patient and thorough in clearly identifying the areas of convergence and the rationale for working with new partners.
- Similarly, don't presume that all parties have a clear understanding of each other's true priorities, which often go unstated, particularly when new partners are working together for the first time.
- This clear rationale should also be clearly communicated to external stakeholders. SC4A carried a clear, consistent, and unified message throughout their efforts, which helped build external credibility and establish their position.

Lesson 2: Build trust through committed participation

- Establishing trust among new partners is vital to the success of any cross-sector effort and it often begins with making a demonstrated commitment to active participation. Building trust takes time, but SC4A partners that "pulled their weight" and stayed visibly engaged in the work ultimately earned the trust and respect of other partners.

Lesson 3: Acknowledge and manage power dynamics

- Partnerships will vary in their power dynamics, but, regardless of whether there is an even distribution or a severe imbalance in real or perceived power, the group stands to benefit from

openly acknowledging the existing structure. This allows partners to then actively manage the power dynamics and create an environment that enables cooperation and compromise.

- Acknowledging current power structures also prepares the group to strategically consider how the introduction of new partners might impact existing relationships and operations.

Lesson 4: Set boundaries and manage the scope of cross-sector efforts

- An inherent tension exists within cross-sector work—an initiative needs to be broad enough in scope to be inclusive of many different interests, but narrow enough that partners all have a clear sense of why they're together and what actions they need to take to achieve their goal. In order to effectively manage scope, partners must be willing to set boundaries. These boundaries can be permeable and flexible, but lines must be drawn in order to maintain focus.

Lesson 5: Prioritize the use of data to drive action

- From an advocacy standpoint, the effective use of data is critical for influencing key decision makers. Identifying, getting access to, and analyzing the appropriate data can require significant effort; groups need to be prepared to devote time and resources to these tasks. By prioritizing the need for data, SC4A was able to identify and act upon multiple emergent opportunities that led to the development of game-changing research.

Lesson 6: Understand the preferences and processes of key decision makers

- Key decision makers, such as policymakers or funders, likely have their own preferences and processes for how they work, which may be nuanced and not clearly communicated to outside parties. In order to understand and strategically align with these preferences, cross-sector partnerships need to be willing to regularly engage with front-line staff representing these decision makers.

The contributing factors to SC4A's success are not new or revolutionary by any means—the need for collaboration, trust, and communication are known requirements for any healthy partnership. But too often, these factors are presumed to develop on their own, rather than being the result of an intentional, patient process. It may be tempting to attribute the coalition's success to any one of its tactical efforts, which included developing data-driven research, building statewide support for its proposal, or carrying a unified message to lawmakers in the Capitol, but it's important to remember that all of these achievements were enabled by the trust that existed among partners.

SC4A's story is timely, as the community development field is hungry for examples of successful cross-sector partnerships that benefit low-income communities. The coalition will continue to face the challenges of cross-sector work, but by building on a foundation of trust and committed participation, SC4A will be poised to find new opportunities to coordinate interests, policy, and financing for the betterment of California's lower-income communities.

INTRODUCTION

In 2012, California became the first state in the nation to implement a cap-and-trade program as part of its efforts to reduce greenhouse gas (GHG) emissions. This market-based regulatory framework creates requirements for GHG reductions while simultaneously generating proceeds that the State can reinvest in other climate change prevention efforts. The California Legislative Analyst's Office estimates that auction proceeds would likely range from \$2 billion to \$11 billion annually in the early years, and from \$3 billion to \$22 billion annually in later years.¹ In a state as populous and resource-constrained as California, it was inevitable that the sudden availability of billions of dollars in annual cap-and-trade proceeds would spark a massive response. Numerous organizations launched intensive lobbying campaigns to try to influence how the funds would be appropriated. But rather than compete against each other for their own interests, a new cross-sector coalition called Sustainable Communities for All (SC4A) successfully championed a joint platform that secured significant investment for their shared interests. This platform prioritized social equity and proposed allocating a significant percentage of cap-and-trade revenue to provide transportation choices and build homes affordable to lower-income households near transit. It also proposed funding for open space and agricultural conservation, parks and urban forestry, and energy efficiency for disadvantaged communities (see Appendix 1).

SC4A was established in 2011 and is currently jointly led by nine nonprofit organizations: Housing California, TransForm, Public Advocates, California Housing Partnership Corporation, the Nature Conservancy, Move LA, California ReLEAF, Safe Routes to School National Partnership, and the Trust for Public Land. This multidisciplinary coalition represents fields including transit, active transportation, affordable housing, conservation, and economic equity, and their platform earned the endorsement of over 60 organizations from across the state. Through a three-year process of coalition building, research, and advocacy, SC4A was able to achieve far greater political influence than any of the individual organizations could have garnered on their own. Not only did their platform help secure hundreds of millions of dollars of investment in the second year of cap-and-trade funding (FY 2014-15),² but the State also dedicated 35 percent of all future years' funding to public transportation, affordable housing and sustainable communities. These are the only programs given a dedicated annual appropriation, along with High Speed Rail (see Appendix 2).

But ultimately, this report is *not* about cap-and-trade—this is the story of how a cross-sector coalition was able to build trust, achieve compromise, and carry a unified message to influence the investment of billions of dollars to benefit disadvantaged communities. The Federal Reserve Bank of San Francisco embarked on this study in order to better understand how various cross-sector efforts are being implemented on the ground, as part of a larger effort to promote the development of integrated,

¹ Taylor, M. (2012). Legislative Analyst's Office. "Evaluating the policy trade-offs in ARB's Cap-and-Trade Program."

² The first year of cap-and-trade funding (FY 2013) was loaned to the State's General Fund

multidisciplinary solutions that increase opportunity for low-income people.³ This case study is not an endorsement of any specific policy and should not be interpreted as such. Rather, it aims to shine a light on the inner workings of a collaborative partnership that works on behalf of low-income communities, illustrating both the challenges and lessons learned from such efforts.

MAKING THE CONNECTION: COMMUNITY DEVELOPMENT, HEALTH, AND SUSTAINABILITY

At first glance, SC4A's policy focus on GHG reduction strategies may seem outside the scope of what would be applicable to the community development field. After all, what do low-income communities have to do with the Kyoto Protocol and why would affordable housing developers care about carbon allowances? But the seemingly disparate fields of environmental sustainability and community development are closely linked, particularly with regard to the built environment, which has a tremendous impact on emissions from transportation and energy use, and also impacts issues of equity, mobility, health, and displacement.

For example, the housing boom of the early 2000's gave rise to the concept of "drive 'til you qualify," fueling the growth of suburban poverty as lower-income and credit constrained households moved further away from economic job centers to outer-ring suburbs that offered greater housing affordability. But long commutes and high transportation costs place significant burdens on lower-income working families,⁴ including more stress and less time to spend with friends and family, and the increase in driving also places an enormous burden on the environment—suburbs account for half of all household GHG emissions, even though they account for less than half the U.S. population, largely due to emissions from cars, trucks and other forms of transportation.⁵ Additionally, in a landmark study on intergenerational mobility, researchers found that areas with less sprawl have significantly higher rates of upward economic mobility.⁶

The demand for transit-oriented development (TOD) continues to grow, yet there is a greatly constrained supply of land near transit, creating enormous pressures on local real estate markets. TOD can be a boon for disadvantaged households, resulting in benefits such as lower transportation costs, improved walkability and health, and greater connection to community amenities and job opportunities in the regional economy. But rising rents in these areas too often result in displacement, as TOD-driven improvements lead to these households being priced out of their own neighborhoods. "Our equitable development and anti-displacement work go hand in hand," explained Guillermo Mayer, President of

³ To learn more, see Andrews, N., Erickson, D., Galloway, I. & Seidman, E. (2012) *Investing in What Works for America's Communities*. Federal Reserve Bank of San Francisco. <http://www.whatworksforamerica.org/>

⁴ Center for Housing Policy (2006). [A Heavy Load: The Combined Housing and Transportation Burdens of working Families](#).

⁵ Jones, C. & Kammen, D.M. (2014). Spatial Distribution of U.S. Household Carbon Footprints Reveals Suburbanization Undermines Greenhouse Gas Benefits of Urban Population Density. *Environmental Science & Technology*, 48 (2), 895-902.

⁶ Chetty, R., Hendren, N., Kline, P., Saez, E., & Turner, N. (2014). Is the United States still a land of opportunity? Recent trends in intergenerational mobility (No. w19844). National Bureau of Economic Research.

Public Advocates, a nonprofit legal advocacy organization and member of SC4A. “We have to make sure that low-income and communities of color can benefit from public investments in transit, housing and other areas and not be displaced by these improvements in their community, which is a huge issue,” he said.

These interconnected themes reflect the growing acknowledgement in the community development field that we must begin working in a more coordinated, cross-sector manner in order to achieve systemic changes that address the root causes of poverty. The need for better alignment is also driven by the limited financial resources available for traditional community development work. For example, the Great Recession, followed by the loss of state redevelopment funding in California, threatened the viability of “business as usual” for affordable housing developers and created an incentive to work in a new way. “Those were tough times for the field, but that helped us realize that we needed to look beyond the units we were building,” said Shamus Roller, Executive Director of Housing California, a statewide housing advocacy coalition. “We knew we had to work in new ways with new partners to achieve the bigger goals of improving opportunities and outcomes for disadvantaged communities,” he explained.

But the need for silo-busting is certainly not limited to the housing sector. A movement is taking place in the field to strategically connect the multiple sectors that often work side-by-side, but not together, in disadvantaged communities. This includes fostering relationships between organizations representing a range of fields, such as public health, transit, affordable housing, environmental sustainability, economic development, and planning. Finding opportunities to coordinate interests, policy, and financing across these multiple spheres is extremely difficult, but the transformative potential of such integration should drive our willingness to engage in this thorny work.

SETTING THE POLICY CONTEXT

In order to understand SC4A, it’s important to set the policy context in which the coalition was operating. The California Global Warming Solutions Act of 2006 (AB 32) requires California to reduce GHG emissions to 1990 levels by the year 2020. The cap-and-trade program is a critical element of the state’s GHG reduction strategy. The California Air Resources Board (ARB) became authorized to begin issuing a limited number of tradable permits in 2012, called allowances, equal to the cap on GHG emissions. These allowances are auctioned at market rates, creating a significant revenue stream that the State Legislature and Governor appropriate for projects that further the goals of AB 32. The California 2014-15 State Budget includes the first allocation of cap-and-trade revenues in the amount of \$872 million.

In order to meet the environmental standards set by AB 32, lawmakers passed a series of related bills, including the Sustainable Communities and Climate Protection Act of 2008 (SB 375), which aims to reduce GHG emissions from passenger vehicles by adopting regional strategies that integrate transportation, land-use, and housing policies. In 2012, following the implementation of the cap-and-

trade program, the state also passed AB 1532, which creates an open public process for the use of funds, and SB 535, which ensures that a minimum of 25 percent of cap-and-trade funds are invested in efforts that benefit disadvantaged communities. Together, these bills created a policy framework for connecting community development and environmental sustainability efforts in the state (see Figure 1).

Fig. 1 – Summary of Relevant Policies

Bill	Year	Sponsor(s)	Impact
AB 32	2006	Núñez/Pavley	Requires California to reduce GHG emissions to 1990 levels by 2020. The cap-and-trade program is one of the strategies employed to achieve the goals of AB 32.
SB 375	2008	Steinberg	Sets regional targets for reducing GHG emissions through coordinated transportation and land use planning, with the goal of reducing vehicle travel.
AB 1532	2012	Pérez	Creates the procedures for the investment of cap-and-trade revenues, ensuring that money be used to further the goal of GHG reductions. Requires transparency around spending decisions and consultation with state agencies.
SB 535	2012	De León	Allocates a minimum of 25 percent cap-and-trade funds for the benefit of disadvantaged communities, with at least 10 percent of available funds for projects located within disadvantaged communities.

BUILDING THE COALITION

SC4A’s two founding organizations, Housing California and TransForm (a nonprofit that links transportation and land use to promote sustainability and equity), had been working together since 2009 as steering committee members of ClimatePlan, a partnership focused on SB 375 implementation. Julie Snyder, former Policy Director at Housing California, explained:

SC4A happened because of the relationships that were built there [ClimatePlan] and the understanding of the intersection of the issues and how much we had in common. We realized that whether we were individually focused on housing, transit, bike paths, or whatever other piece of the puzzle, we were all focused on the same people, the same disadvantaged communities.

The respective policy directors for Housing California and TransForm thus formed an informal partnership and began circulating a proposal to consider transit-oriented affordable housing as a GHG reduction strategy and therefore qualify for cap-and-trade proceeds. By brokering existing relationships and networks, the two organizations began connecting with new partners over the next year. “What started as a pretty focused single-issue campaign grew into a coalition campaign that brought on new constituencies. We were more likely to win if we could clearly

articulate the relationship between all the issues and their complementary benefits,” explained Stuart Cohen, Executive Director of TransForm. “Instead of competing for cap-and-trade funds we were able to support each other and at the same time figure out how these issues can be integrated in grant programs,” he said.

Clarifying the Rationale for Cross-Sector Partnership

The process of achieving this clarity should not be taken for granted—it requires intentionality and patience. “In the early stages, we didn’t exactly have the same reasons for being there, but we all saw integration as very critical,” said Megan Kirkeby, Sustainable Housing Policy Manager at California Housing Partnership Corporation (CHPC). “We did a ton of work becoming a coalition, spending a lot of time together talking about what we wanted out of cap-and-trade, what our core values were, and what we needed to do to help others understand this integrated message,” she explained. Jeanie Ward-Waller, Senior California Policy Manager for the Safe Routes to School National Partnership, added, “It was definitely a challenge to try to understand everyone’s priorities but everyone seemed to be equally invested in the goals of the coalition. We all made a strong effort to understand each other’s talking points and priorities.” Chuck Mills, Grants Program Manager at California ReLeaf, a nonprofit dedicated to promoting urban forestry and green infrastructure, explained the value of this process:

When I first came in, I had questions about the connection of affordable housing to GHGs, it wasn’t clear... We had a good two hour discussion; it wasn’t just about, ‘how do I get urban forestry into someone else’s priorities?’ I didn’t want to bring my seat to the table until I had full belief and faith in the other things that were being promoted. After having that conversation and understanding the connection, I felt like this was something I could really get behind.

Building Trust and Managing Power

According to multiple parties involved, that process of building relationships and cultivating trust was critical to the success of the coalition’s efforts. Kirkeby said, “One of the things that made it so easy was that there was always a feeling of appreciation for each other’s sectors and input, because everyone pulled their weight in the advocacy work.” Multiple respondents commented on the amount of time and work required of SC4A partners. Ward-Waller explained, “All of the core partners made a commitment to participating on all the [weekly] calls as often as possible. That level of engagement and commitment was critical for building trust... It has been very deliberate.” Mayer added, “It was sweat equity, which is critical to building trust and establishing your own standing.”

Another factor in building the coalition was working with the existing power dynamics and personalities within the group. Snyder explained, “The groups all had relatively similar levels of political power. None of us was a huge powerhouse, but we were all respected voices and known by the key players in the Capitol... A big power differential didn’t come out, which helped

us.” Multiple partners echoed this sentiment and attributed the coalition’s success to the inclusiveness of the individuals involved. “Personalities really matter. We had an even-tempered coalition. If you have a hot-head or an overly dominant organization that tries to take over, the coalition fractures, it’s that simple,” said Mayer. A coalition may not be able to choose the types of personalities involved, but it can be intentional about creating an environment that enables cooperation and compromise. Despite the absence of “hot-heads,” SC4A partners still had to engage in contentious discussions, particularly when it came to negotiating specific funding amounts for the proposal, but it created a safe place to have those discussions out in the open. “That’s part of the success of this coalition, that we could give people the space and trust to have those thorny discussions,” said Mayer. This is especially true when new partners are working together for the first time.

The most commonly cited challenge among SC4A participants was negotiating the details of the investment allocation. “It’s easy to hand wave about generally agreeing on the big things we want to see get funded, but when you parse it out into the details, it becomes much more challenging,” explained Ward-Waller. Coalition members described “a very iterative” process involving “constant negotiations,” yet despite the inevitable tension, the partners persisted and came to an agreement. Even after the initial win of securing funds in the cap-and-trade expenditure plan, the coalition continues to face the challenge of collectively working out the implementation details. “We’re now at the point of talking about the guidelines for implementation for affordable housing in the Sustainable Communities Program; the ‘asks’ that we put forward as a group. It’s been extremely challenging,” said Ward-Waller. “We all know we need each other. It means compromising, having tough discussions,” she added.

Setting Boundaries and Managing the Scope of a Cross-Sector Effort

As Chuck Mills of ReLeaf suggested, when people come together from fields that haven’t traditionally interacted, the rationale for partnership may not be immediately clear. If not addressed, this lack of clarity can also stand in the way of developing an action plan. This reflects one of the challenges of cross-sector work—an initiative needs to be broad enough in scope to be inclusive of many different interests, but narrow enough that the partners all have a clear sense of why they’re together and what they need to be doing to achieve their goal. Stuart Cohen of TransForm acknowledged this tension, saying, “With SC4A, we hit a sweet spot. The coalition worked well because we had a clear and urgent policy goal [allocating cap-and-trade spending for equitable sustainable communities]. It kept us focused and ensured we were allocating enough resources to the coalition process.” But the pressure to expand the coalition persists—they recently considered whether to partner with an association that focuses on the waste diversion and recycling component of cap-and-trade. SC4A members ultimately did not see a close enough overlap with their existing issue areas of transit, housing, conservation, and equity. “Everyone agreed that bigger, was not necessarily better. There was a real learning curve with each new issue we took on. Even if a new coalition member could bring in additional constituencies and the potential for more political power, it may actually dilute our cohesion,” Cohen explained. He underscored the importance of keeping the coalition focused, saying, “We

had the inevitable conversation of whether our scope should include a broader legislative agenda. But with so much work left to ensure California’s program is a true model for meeting both climate and equity objectives... we decided against it.”

HARNESSING DATA AND RESEARCH FOR ACTION

Kirkeby also pointed to the importance of the policy goal for driving action, stating, “Early on, people didn’t see how affordable housing fit into GHG reduction, it was a laughable idea. If we wanted to influence spending, we had to make the case for what we were advocating for.” In California, cap-and-trade proceeds are considered mitigation fee revenues, not tax proceeds. As a result, state law requires that a clear nexus must exist between the programs funded by the fee revenue and the adverse effects resulting from the activity on which the fee is imposed (known as the Sinclair Nexus Test). In this case, cap-and-trade revenue must be used only to mitigate GHG emissions or the harms caused by GHG emissions. SC4A had to find a way to demonstrate the legal nexus between transit-oriented affordable housing and GHG reductions before it could gain significant traction in the Capitol. “The research was critical. Some legislators were holding things up because they said we couldn’t quantify the GHG reductions of transit-oriented affordable housing,” explained Cohen.

SC4A thus moved forward with the goal of developing this research and was able to take advantage of multiple emergent opportunities. First, a parallel cross-sector effort known as the Transit+Housing+Energy Network (THE Network) had been developing over the same time frame.⁷ THE Network was taking a “collective impact” approach to reducing the overall costs of housing, transit and energy for low-income residents of California and included many of the SC4A partners. Housing California, which was one of the founding members of SC4A, also served as the “backbone” for THE Network, and multiple parties attributed the development of the research report to their involvement. “THE Network identified this as the top research project to advance our shared agenda. TransForm, CHPC and my organization helped fundraise to do the research that ultimately played an instrumental role in SC4A’s work,” explained Roller. According to Cohen, “Housing California was about to submit their grant renewal to the Ford Foundation, and they were able to add on a paragraph about this new research at the last minute, so it all just happened a lot quicker.” The Ford Foundation thus provided the grant funds necessary to commission the research connecting equitable TOD to GHG reduction.

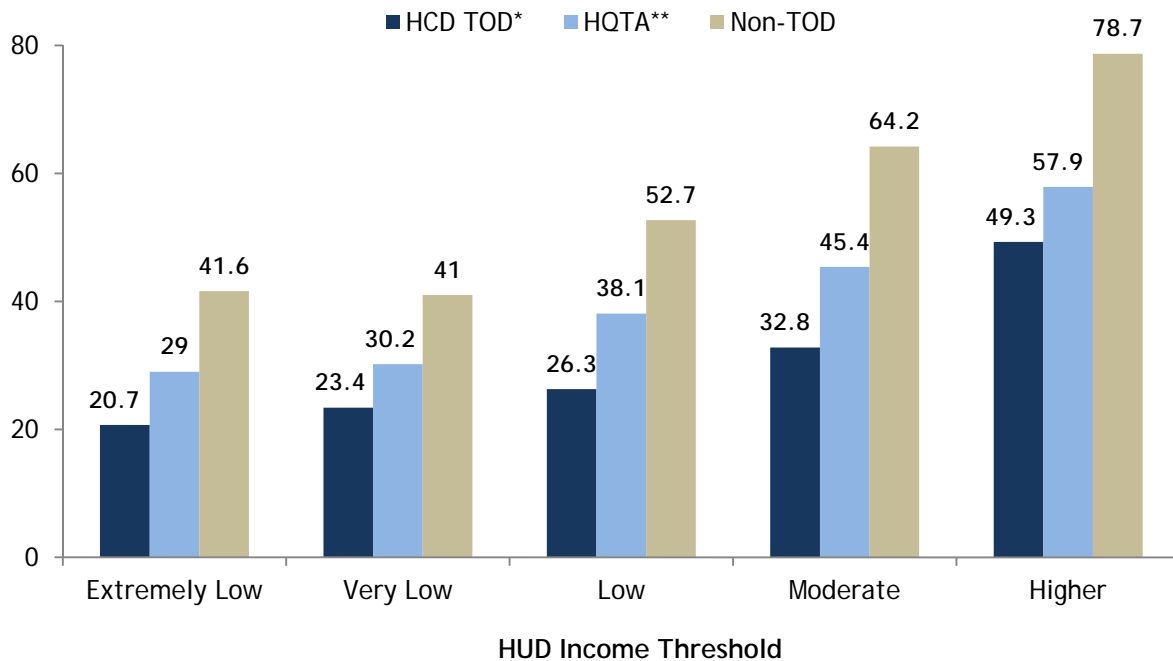
The second emergent opportunity was the release of a highly relevant survey, the Caltrans’ California Household Travel Survey, which had just been completed in 2013 and provided the underlying data for the analysis being funded by Ford. TransForm and CHPC worked in partnership with the Center for Neighborhood Technology (CNT) to produce a robust research

⁷ To learn more, see McLeod Grant, H. & Roller, S. “[THE Network: A Cross Sector Approach to Lowering Transit + Housing + Energy Costs in California](#),” *Community Investments*, Spring 2014.

report quantifying the GHG reductions resulting from transit-oriented affordable housing. The study found that lower-income households drive nearly 50 percent less when living within a quarter mile of frequent transit, compared to those living in non-TOD areas (see Figure 2).⁸

In particular, the study found that lower-income households are more likely to reduce their vehicle ownership when living near transit. On average, extremely low-income households own less than half the number of cars owned by higher-income households when living in TOD areas (0.7 vehicles versus 1.65 vehicles, respectively). The research report created a methodology that estimated that just 10 percent of cap-and-trade funds over three years of the program could reduce driving by 105 million miles per year, which translated to over 1.58 million metric tons of GHG reductions over the 55-year estimated life of these developments.

Figure 2 - Household Vehicle-Miles Traveled per Day



* Dept. of Housing and Community Development TOD Area – within ¼ mile of frequent transit

** High Quality Transit Area – within ½ mile of frequent transit

Source: Transform and California Housing Partnership Corporation

The research was thus critical for making the case that preserving affordability in transit-rich neighborhoods is a viable GHG reduction strategy. Without safeguards in place to address affordability, displacement pressures are more likely to uproot low-vehicle ownership households and reduce the GHG savings. A separate report from Northeastern University’s Dukakis Center found that in some neighborhoods, new transit infrastructure had the

⁸ Transform and the California Housing Partnership Corporation. [“Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy,”](#) 2014.

unintended consequences of pricing out core transit users, who are predominantly people of color and/or low-income, in favor of higher-income, car-owning residents who are less likely to use transit for commuting.⁹

THE PERSPECTIVE FROM THE CAPITOL

As is often the case when advocating for disadvantaged communities, the coalition was somewhat of an underdog in the fight for cap-and-trade proceeds. One of the main competing platforms was backed by a group of high-powered organizations that was better resourced than SC4A. “There was a real concern because of the influential players of that coalition, that an equity focused coalition wouldn’t be able to get the same kind of attention and compete with them to be part of the debate,” said Mayer. But SC4A was persistent in meeting with legislative staff and working to understand their needs and priorities. Gabrielle Meindl, a consultant to the State Assembly budget committee, stated, “In order to be taken seriously, it’s got to be a two way street.” According to SC4A partners, the other coalition’s platform proposed that the state fund local and regional governments for a “vague set of investments.” However, the State tended to provide funding for specific investments and retain oversight through state agencies, such as CalTrans, the Strategic Growth Council, or the ARB. “Their [the opposing coalition] approach clashed with the Legislature’s preferred approach. There was distrust there between different levels of government, and ultimately the decisions were made to invest through the state agencies,” said one coalition member. Despite being a smaller coalition, SC4A was influential, in part, because it took time to understand the nuances of the political process and was able to design a platform proposal that appealed to lawmakers.

Capitol staff also responded favorably to the coalition’s unity and consistency. According to Nidia Bautista, a consultant for Senate leader Kevin de León, “They did a lot of critical coalition building to connect regions, local transit and housing... I’m sure those connections have happened before, but this was at a higher level in terms of the closeness of the collaboration.” Meindl explained, “They were successful because they marched to the same beat. They had a very consistent message throughout the process. Having the coalition all in lock-step provided strength and rationale to their position.”

The importance of the data and research was also cited among Capitol staff. Bautista explained, “The research was critical. With redevelopment gone, there were questions about whether this was just a play for funding and whether they were trying to fit a square peg into a round hole. The research helped alleviate this concern.” This was especially true when it came to requesting an allocation in the State budget. “They were on the cutting edge of the tools that were out there competing to use this money,” said Meindl. “The coalition provided that research; we asked departments to provide justifications for requests, but not many provided it. Having that quantifiable tie was vital for doing the budget analysis and making the justification for the allocation,” she added.

⁹ Pollack, S., Bluestone, B., & Billingham, C. (2010). *Maintaining Diversity In America’s Transit-Rich Neighborhoods: Tools for Equitable neighborhood Change*. Dukakis Center for Urban and Regional Policy, Northeastern University.

Meindl also added her perspective from working on the budget committee, explaining the merits of SC4A's approach in Sacramento:

When you have individual advocates coming at you for funds, it's hard to pick and choose among them. It's really helpful to have a consensus of multiple headlining groups; to have one proposal agreeing that this is a sensible way to split up this money, instead of everyone fighting at the trough... I review so many budget proposals, so when there's a lot of competing interests, it becomes a competition on my time. But I can tell you who they [SC4A] are and what their issues are, I've met with them so many times. They were also good at meeting with individual members of the [budget] subcommittees. A lot of advocacy groups don't reach out to the budget committees, but it's to their peril because so much happens there. To the coalition's credit, they really understood that process.

CONCLUSION

The contributing factors to SC4A's success are not new or revolutionary by any means—the need for collaboration, trust, and communication are known requirements for any healthy partnership. But too often, these factors are presumed to develop on their own, rather than being the result of an intentional, patient process. It may be tempting to attribute the coalition's success to any one of its tactical efforts, which included developing data-driven research, building statewide support for its proposal, or carrying a unified message to lawmakers in the Capitol, but it's important to remember that all of these achievements were enabled by the trust that existed among partners. Building this trust required all the partners to understand and consider each other's priorities on a regular basis. Snyder summed it up by saying, "It was in my best interest, as well as being the right thing to do, to make sure that others in the coalition were happy. Otherwise, why would they keep showing up? It had to be about getting all of our needs met. If I crowd out others from having a seat at the table, it just hurts us all in the long run."

SC4A's story is timely, as the community development field is hungry for examples of successful cross-sector partnerships that benefit low-income communities. At the same time, California's cap-and-trade program is a game-changer for the way development is funded in the state and, to the extent that other states adopt similar mechanisms for combating climate change, across the country. SC4A will continue to engage in cap-and-trade program implementation and ongoing advocacy for dedicated investment in lower-income communities, with "backbone" staff support provided by its co-founding organizations, Housing California and TransForm. Future activities will include creating an online map to track cap-and-trade investments and working with state agencies to improve their transportation models. The coalition will continue to face the challenges of cross-sector work, but by building on a foundation of trust and committed participation, SC4A will be poised to find new opportunities to coordinate interests, policy, and financing for the betterment of California's lower-income communities.

Appendix 1



Founding members of the Sustainable Communities for All Coalition. For all proposal supporters, see page 3.

Sustainable Communities for All *Cap-and-Trade Funding for Transportation and Housing Choices*

BACKGROUND

To help reach the greenhouse gas emission reduction goals of AB 32, the California Air Resources Board is implementing a Cap-and-Trade program. California's transportation sector is responsible for the most emissions of any sector, 38%, making it an important focus. Because transportation needs are driven in large part by where people want - and can afford - to live, housing affordability affects the sector's emissions.

Cap-and-Trade revenue is a critical resource, since substantial reductions in transportation and housing funding threaten the ability of communities to achieve AB 32 and SB 375 goals. Therefore, we propose allocating a significant percentage of the revenue to improve clean transportation choices and build homes affordable to lower-income households near transit.

In AB 32, AB 1532 and SB 535, policymakers put a priority on avoiding and mitigating the disproportionate impacts of climate change and Cap-and-Trade on disadvantaged communities and households. Funding and policies that avoid displacement of existing residents where transit investments are made are paramount to achieving both environmental and social equity goals.

We believe Cap-and-Trade funds should move California towards the long-range goal of Executive Order S-3-05: 80% reductions of GHG by 2050. By implementing SB 375 equitably and re-investing in existing communities, the state can advance this goal while maximizing co-benefits of improved public health, social equity, green jobs and protection of habitat and agricultural land.

OUR PROPOSAL: Achieve the vision of SB 375 equitably by providing transportation and housing choices that allow all Californians to drive less and reduce household costs, especially for low-income households.

Proposed eligible uses

1. Expand or improve public transit service, with significant funding for operations to quickly expand service and increase ridership.
2. Support unmet transit capital maintenance needs.
3. Develop and rehabilitate transit-oriented residential development that is affordable to low-income households and provides trip reduction strategies such as transit passes and car share.
4. Expand bicycle and pedestrian networks, facilities and programs that promote additional use and safety and provide access to transit, schools, colleges, shopping and other destinations.
5. Expand vanpool, car share and carpool promotion programs.
6. Implement transportation demand management strategies and incentives that reduce both vehicle travel and ownership, such as discounted transit passes in transit priority zones.
7. Invest in energy efficiency improvement in existing multifamily rental homes affordable to lower-income households.

(Continued on next page)

8. Invest in open space protection and urban forestry.
9. Modify and/or maintain roadways in a way that creates complete streets and/or provides dedicated transit lanes.

Eligibility and Preference Criteria for Projects and Programs

All projects and programs applying for funding must meet the following eligibility criteria:

1. Be consistent with the Sustainable Communities Strategy.
2. Transportation projects must decrease co-pollutants as well as GHGs. To ensure both goals are met, projects should decrease overall vehicle travel.
3. The jurisdiction(s) in which a project or program is located must have a current, HCD-approved housing element and have policies that encourage mixed-income communities and protect against displacement along transit lines.
4. Those earmarked to comply with SB 535 must specifically address the high priority needs of one or more disadvantaged communities, achieve measurable benefits for them, and deliver benefits that significantly outweigh any burdens that will fall on those communities.

Eligible projects and programs should be ranked against each other using criteria such as:

1. Avoids or mitigates the disproportionate impacts of climate change on disadvantaged communities and households.
2. Improves transit access, accessibility, and frequency for populations that use transit at high rates, including seniors, students, low-income residents, and people with disabilities.
3. Contributes to long-term economic growth of low-income and disadvantaged communities and households through workforce development programs and careers that provide family –supporting wages and benefits.
4. Improves public health by decreasing air pollution, improving the safety of housing or transportation systems, or increasing use of active transportation.
5. Preserves farms, forests and habitat, especially in rural areas.
6. For proposed residential developments, promotes:
 - Deep affordability.
 - Inclusion of service-enriched homes for people with special needs.
 - Green development components such as free transit passes, renewable energy, etc.
7. Reduces racial and/or economic segregation.
8. Includes strategies to maintain and enhance existing local parks and forests in urban areas.

Administering agencies and the process for developing expenditure plans

We support administration by regional and state entities with demonstrated expertise in funding these proposed uses, as long as the entities use transparent, competitive award processes with clearly-defined criteria. These entities could include Metropolitan Planning Organizations, county transportation agencies, the Strategic Growth Council, the CA Department of Housing and Community Development, and others. A wide range of entities should be eligible to apply to the administering agencies for funds.

The expenditure process for these funds should be inclusive, transparent, and based on meaningful public engagement. In particular, for those funds earmarked to comply with SB 535, it is critical that disadvantaged communities play a substantive role in shaping the expenditures.

Supporters of the *Sustainable Communities for All* Proposal:

Global/National:

Global Green
Greenlining Institute
National Parks Conservation Association
National Housing Law Project
National Housing Trust
National Parks Conservation Association
Prevention Institute
Rails to Trails Conservancy
Safe Routes to School National Partnership
The Nature Conservancy
The Trust for Public Land

Statewide:

California Association of Housing Authorities
California Association of Local Housing Finance
Agencies
California Bicycle Coalition
California Housing Partnership Corporation
California ReLeaf
Center for Sustainable Neighborhoods
Housing California
Mutual Housing California
Planning and Conservation League
Public Advocates Inc.
The Nature Conservancy
TransForm
Unitarian Universalist Legislative Ministry
California

Los Angeles and Inland Empire Region:

Breathe California of Los Angeles County
Fixing Angelenos Stuck in Traffic (FAST)
LAANE
Los Angeles County Bicycle Coalition
Many Mansions
Move LA
Southern California Association of NonProfit
Housing

LA region, cont'd

The Transit Coalition
The Kennedy Commission

San Diego Region:

City Heights Community Development Corporation
Mid-City Community Advocacy Network
Move San Diego
San Diego County Bicycle Coalition
San Diego Housing Federation
Walk San Diego

San Joaquin Valley Region:

Catholic Charities Stockton Diocese
Central California Regional Obesity Prevention
Program
Fresno Metro Ministries
The Fresno Housing Authority

Sacramento Region:

Environmental Council of Sacramento
Sacramento Housing Alliance
Ubuntu Green
Walk Sacramento

Bay Area Region:

Asian Pacific Environmental Network
Bay Area Regional Health Inequities Initiative
Bay Localize
East Bay Housing Organizations
First Community Housing
Greenbelt Alliance
Housing Leadership Council of San Mateo
Marin Grassroots
Napa Valley Community Housing
Phil Ritter, CPA
The Non-Profit Housing Association of Northern
California
Urban Habitat
Walk San Francisco

For additional information or to sign on to the proposal, please contact:

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Appendix 2

CAP AND TRADE EXPENDITURE PLAN

INVESTMENT CATEGORY	PROGRAM	IMPLEMENTING DEPARTMENT OR AGENCY	FY 14-15 in millions	CONTINUOUS APPROPRIATION	SB 535 COMPLIANCE REQUIREMENT
TRANSIT, AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM	HIGH SPEED RAIL	HIGH SPEED RAIL AUTHORITY	\$250	Yes – 25%	None explicit
	TRANSIT & INTERCITY RAIL CAPITAL PROGRAM	STATE TRANSPORTATION AGENCY (w/CTC picking awardees)	\$25	Yes – 10%	At least 25%
	LOW CARBON TRANSIT OPERATIONS PROGRAM	CALTRANS (in coordination with ARB)	\$25	Yes – 5%	At least 50%
	AFFORDABLE HOUSING & SUSTAINABLE COMMUNITIES PROGRAM	STRATEGIC GROWTH COUNCIL	\$130	Yes – 20%	50%
ENERGY EFFICIENCY, CLEAN ENERGY, & LOW CARBON TRANSPORTATION	LOW CARBON TRANSPORTATION	AIR RESOURCES BOARD	\$200	No	None explicit
	ENERGY EFFICIENCY UPGRADES & WEATHERIZATION	COMMUNITY SERVICES & DEVELOPMENT	\$75	No	None explicit
	ENERGY EFFICIENCY FOR PUBLIC BUILDINGS	ENERGY COMMISSION	\$20	No	None explicit
	AG. ENERGY & OPERATIONAL EFFICIENCY	CDFA	\$15	No	None explicit
NATURAL RESOURCES & WASTE	WETLANDS & WATERSHED RESTORATION	DEPT. OF FISH & WILDLIFE	\$25	No	None explicit
	FIRE PREVENTION & URBAN FORESTRY	DEPT. OF FORESTRY & FIRE PROTECTION	\$42	No	None explicit
	WASTE DIVERSION	CAL RECYCLE	\$25	No	None explicit

Source: TransForm

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