



## Local Government Commission

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April 13, 2015

**To:**

Water-Energy Grant Proposal Review Committee  
Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch

**From:**

Kate Meis, Executive Director  
Danielle Dolan, Project Manager for Water Programs  
Local Government Commission

**RE:**

**2014 Water Energy Grant Draft Funding Recommendations**

We respectfully request a re-evaluation of our proposal, "Water-Energy Community Action Network (WE CAN) - San Joaquin Valley (Podemos - SJV en Espanol)." As detailed in our proposal, our project surpasses 90% DAC Benefit/Status. However, according to our Application Evaluation Form, our proposal was erroneously identified as a non-DAC project. Once this issue is corrected, we believe our Funding Priority would be moved from a 6 to a 4.

According to the Technical Review Summary, "*All necessary disadvantaged community (DAC) benefit and status requirements were not met, as outlined in the PSP. Applicant does not demonstrate that at least 75% of a project benefit is directly received by the designated DAC.*" Because our proposal used census tract data to show why our project exceeds 90% DAC, we feel there was an error in the evaluation.

We recognize that an examination of the Region of Benefit maps included in Attachment 7 of our proposal alone, without further analysis or review of the Attachment 7 narrative, makes it appear that our project does not meet the 75% DAC threshold (especially as the City of Clovis is only approximately 50% DAC). But the binding guidance to define and locate DACs issued by the Proposal Solicitation Package and CalEnviroScreen 2.0 makes clear that DAC status is to be determined by census tract, and not municipality or region. A disadvantaged community should not be punished simply because it is located in close proximity to a non-disadvantaged community.

Without submitting any new information for consideration, the following explanation identifies where in the originally submitted materials the correct information is found, thus reiterating that our proposal clearly qualifies as a DAC project. Thank you for your consideration.

Respectfully,

*Danielle V. Dolan*

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### **The November 7, 2014 Addendum to 2014 Water-Energy Grant Program Guidelines/ Proposal Solicitation Package revised the DAC status review criteria as follows:**

*Proposals with benefit areas overlapping census tracts with CalEnviroScreen 2.0 scores of 76% or higher and where, in general, at least 75% of the benefit is directly received by the designated DAC(s).*

**Our proposal's benefit area does indeed overlap census tracts with CalEnviroScreen 2.0 scores of 76% or higher.** Additionally, 90% of our project's benefits will be directly received by the designated DACs. Specific census tracts are identified in our Attachment 7 narrative, and the project's overall benefits are clearly described.

### **The same Addendum identifies Benefits to DACs as a Program Preference, described as follows:**

*Funding priority may be given to proposals that provide direct, meaningful, and assured benefits to census tracts with CalEnviroScreen 2.0 scores exceeding 76 percent. Projects may be located within or outside the DAC. Examples of benefits provided to DACs include, but are not limited to, increased water supply reliability, drinking water quality improvements, increased employment, or water service rate reductions.*

**Our proposal does indeed provide direct, meaningful, and assured benefits to census tracts with CalEnviroScreen 2.0 scores exceeding 76 percent.** Our project is indeed located within a DAC. Direct benefits provided include increased employment and employability. Additional benefits include improved water supply reliability, drinking water quality, and water rates reductions. Specific census tracts benefiting from our project are identified in our Attachment 7 narrative, and benefits to those DACs are clearly explained.

### **According to the instructions for Attachment 7 (as revised in the November 7, 2014 Addendum),**

*For a proposal to be considered for the DAC preference, the grantee must demonstrate that an appropriate percentage of the proposal's benefits are received by at least a portion of a census tract with a CalEnviroScreen 2.0 score of 76 percent or higher. In general, 75 percent of the claimed benefit must be provided to a DAC, except in instances of project labor hours performed by residents of the DAC. In those instances, DWR will defer to DAC Benefit interim guidance criteria (Appendix A). Projects can be located within or outside the boundaries of a DAC as long as the benefit criterion is met.*

**Census tracts meeting or exceeding the 76% threshold will receive over 90% of our proposal's benefits.** This far exceeds the 75% general DAC benefit requirement. The remaining percentage of benefits will be received by borderline DAC communities (with CalEnviroScreen scores of 56-75%).



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**The Attachment 7 (Narrative) of our original Proposal is copied on the following pages, with relevant sections emphasized. No changes have been made to the content.**

In light of the points made above, we respectfully request that you re-evaluate Attachment 7, and rank our proposal as a Priority 4, in accordance with the Proposal Review Criteria outlined in the Proposal Solicitation Package.

According to the table of Draft Funding Recommendations on the Water-Energy Grant program website, all proposals with Priority Rank 1, 2, 3, 4, and 5 were funded (at least partially). If our proposal is accurately re-evaluated and correctly ranked as Priority 4 (rather than Priority 6) our proposal deserves consideration for funding. Thank you for your consideration.

Respectfully,

*Danielle V. Dolan*

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### WE CAN — San Joaquin Valley: Benefits to Disadvantaged Communities

#### CalEnviroScreen 2.0 Scoring

The “WE CAN/Podemos — San Joaquin Valley” Landscape Renovation Rebate Program is specifically designed to provide direct, meaningful, and assured benefits to Disadvantaged Communities, as defined by CalEnviroScreen 2.0. According to CalEnviroScreen 2.0, the vast majority of the San Joaquin Valley scores between 81 and 95%. Thus, the entire bioregion can be considered “disadvantaged.”

#### WE CAN — Rebates

The WE CAN/Podemos— San Joaquin Valley Program will be implemented within the boundaries of a disadvantaged community. We have identified three Valley cities for our pilot; Fresno, Clovis, and Reedley; each of which is identified as a disadvantaged community. The vast majority of census tracts in the City of Fresno, with nearly 480,000 residents, has the highest possible CalEnviroScreen 2.0 score of 96-100%. Most of the remaining census tracts are still considered disadvantaged, scoring between 76-80% and 81-85%. Likewise, the City of Reedley, with 20,500 residents, is almost entirely a disadvantaged community with a CalEnviroScreen score of 91-95% (census tract 6019006602) and 96-100% (census tract 6019006700). The northwest corner of Reedley (census tract 6019006603, with a score of 51-55%) is the only area within the Reedley city boundary that does not meet or exceed the DAC threshold score. The western half of the City of Clovis (census tracts 6019005602) is also a disadvantaged community, with CalEnviroScreen scores of 81-85%. The city’s eastern half has CalEnviroScreen scores of 56-60% (census tract 6019005701) and 71-75% (census tract 6019005704). The city overall, with just under 100,000 residents, has an average score of 69-73%, thus also designating Clovis as a disadvantaged community (exceeding the 76% threshold score). **All rebates provided through the “WE CAN — San Joaquin Valley” Program will be issued for landscape upgrades at homes within these three communities, and we will target rebate issuance to homes specifically within the highest scoring DAC census tracts.**



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The estimated breakdown of rebates per city is as follows:

City	Estimated # of Rebates	Estimated % of Total
Fresno	800	45%
Clovis	600	30%
Reedley	400	25%

Because one of Clovis' three census tracts does not exceed the DAC threshold score of 76%, we reduce the percentage of rebates to DAC communities by 10% ( $\frac{1}{3}$  of Clovis' 30% allotment). Therefore, the overall impact of the WE CAN/Podemos — San Joaquin Valley landscape upgrade rebates is estimated to be approximately 1800 homes in 90% DAC communities (exceeding the CalEnviroScreen 76% score threshold), and 10% borderline DAC communities (with a CalEnviroScreen 2.0 scores of 56-60% and 71-75%).

### WE CAN — Job Training

The “WE CAN/Podemos— San Joaquin Valley” Program also includes a **job training component to help independent landscape contractors and landscape laborers improve their marketability and employability**. This will be achieved through landscape renovation workshops that teach best practices of turf removal, artificial turf installation, drought tolerant landscape installation, and maintenance. By acquiring these new skills, **regional contractors and laborers will be better equipped to adjust to changing landscaping patterns**. Contractors and laborers served by the job training workshops will be based in our three pilot project cities; Fresno, Clovis, and Reedley.

The breakdown of individuals anticipated to be served through the job training workshops is as follows:

City	# of Workshops	Estimated # of Total Participants	Estimated % of Total Participants
Fresno	3	90	60%
Clovis	1	35	23%
Reedley	1	25	17%



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As illustrated above, all three of these cities include DAC census tracts. Two of Clovis' three census tracts (66%) exceed the DAC score threshold of 76%. Therefore, **we estimate that only 7.5% of our total estimated job training participants can be assumed to *not* be serving Disadvantaged Communities.** The overall impact of the WE CAN/Podemos— San Joaquin Valley landscape upgrade job training is estimated to be approximately 150 individuals in **92.5% Disadvantaged Communities** (meeting or exceeding the 76% threshold), and 7.5% serving borderline DACs (with a CalEnviroScreen 2.0 score of 56-60% and 71-75%).

Because many of the target trainee population serve a larger geographical range, in some cases as much as 60+ miles, this component of the Program will have a wider sphere of benefit. The vast majority of the San Joaquin Valley is identified as disadvantaged via the CalEnviroScreen 2.0 tool; **this wider sphere adds additional DAC benefit to the overall Program reach.**

### WE CAN — Ancillary benefits

In addition to the direct water use, energy use, and greenhouse gas emissions reductions that will result from the WE CAN/Podemos— San Joaquin Valley Program, we have identified a number of potential ancillary benefits of the Program to disadvantaged communities. Corollary benefits between reduced water use, energy use, and greenhouse gas emissions reductions and the following are well documented. Thus, we only provide a brief description of the connections, rather than a full discussion, below.

#### Water supply reliability:

Since all three cities draw their water supply from the same aquifer, reducing the combined three cities' water demand from outdoor water use by over 123 MG/year will reallocate saved water for other uses, thus increasing overall water supply reliability.

#### Drinking water quality improvements:

As our three pilot cities all use their drinking water supply for outdoor water use, the reallocated water indicated above will remain in the drinking water supply, thus reducing concentrations of drinking water contaminants and improving overall water quality.

#### Increased employment:

Participants in the WE CAN/Podemos— San Joaquin Valley job training program will gain valuable skills, assisting their long-term employability and reducing their risk for unemployment, as landscape patterns change over time. The rebate incentives will entice a greater number of homeowners to upgrade landscaping, thus temporarily increasing the demand for landscape contracting and labor in the region. The long-term maintenance needs of these upgraded, drought-tolerant landscapes will help maintain a higher level of employment over the long-term.



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### Water service costs reductions:

All three of our pilot project cities either have some form of graduated or tiered water rate structure, or are planning to develop such a structure in the future (fee per quantity of water). Therefore, residents that take advantage of the rebate program and upgrade their landscape could have reduced water bills, as a result of their decreased water use.

### DAC Benefit Interim Guidance Criteria

Beyond the area of benefit identified by census tract via the CalEnviroScreen 2.0 tool, the WE CAN/Podemos— San Joaquin Valley Program also meets or exceeds the criteria for benefit to Disadvantaged Communities as described in the Air Resources Board’s “Investments to Benefit Disadvantaged Communities: Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies” (Interim Guidance).

The WE CAN/Podemos— San Joaquin Valley Program falls within the category of “Water Use Efficiency” (Table A-5, of Interim Guidance) as a project that **“will achieve GHG reductions by increasing the efficient use of water and decreasing the energy needed to supply, treat or transport water (e.g., ...installing water-saving fixtures and appliances; making landscaping more water-efficient...)”** The program will provide rebates to landscape contractors to assist homeowners in removing water thirsty lawns and outdated inefficient landscape irrigation systems, replacing them with water-efficient drought-tolerant landscapes and state-of-the-art landscape irrigation systems.

### The Program meets not only one, but both of the Step 1, “Located Within” criteria for water use efficiency:

- The WE CAN/Podemos— San Joaquin Valley “...project provides water use efficiency incentives [in the form of landscape upgrade rebates] to [residential] water users...with a physical address in a DAC.” and
- The WE CAN/Podemos — San Joaquin Valley “...project improves, repairs, or replaces water system infrastructure [in the form of landscape irrigation systems] within a DAC.”

In regard to “Agency Guidance on Maximizing Benefits to Disadvantaged Communities,” the WE CAN/Podemos— San Joaquin Valley Program (if funded) will “benefit disadvantaged communities...in a way that exceeds the minimum 10 percent and 25 percent investment targets.” As illustrated above, **90% of the program’s rebates and 92.5% of job training will provide direct, meaningful, and assured benefits to DACs (meeting or exceeding the CalEnviroScreen 2.0 threshold score of 76%).** The remaining 10% and 7.5%, respectively, will provide direct, meaningful, and assured benefits to borderline DACs (with a CalEnviroScreen 2.0 score of 56-60% and 71-75%). The WE CAN — San Joaquin Valley Program should be prioritized for funding, because it **maximizes the most significant benefits to DACs in that outdoor water use accounts for 60% of total per capita water use, and will reduce outdoor water use by approximately 50% per participating household.** Additionally, the program will maximize multiple benefits to DACs, as illustrated in the “Ancillary Benefits” section above.