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DATE: March 21, 2024

FROM: Mark Ghaly, MD, MPH
 Secretary
 California Health and Human Services Agency

Jason Wimbley
 Acting Director
 California Department of Community Services and Development

SUBJECT: **GREENHOUSE GAS REDUCTION FUND: Department of Community Services and Development Attestation Memorandum**

REVISED EXPENDITURE RECORD FOR FISCAL YEARS 2022-23:
 Low-Income Weatherization Program, Single-Family Energy Efficiency and
 Solar Photovoltaics Program, Farmworker Housing Component

This Attestation Memorandum documents that the Department of Community Services and Development completed the attached Revised Expenditure Record on March 20, 2024, for the Low-Income Weatherization Program: Single-Family Energy Efficiency and Solar Photovoltaics Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to report expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to the California Air Resources Board (CARB) for public posting on the CARB website at: <https://ww2.arb.ca.gov/resources/documents/cci-attestation-memorandums-and-expenditure-records>. Questions regarding this Attestation Memorandum or the Expenditure Record may be directed to Chuck Belk, at chuck.belk@csd.ca.gov, or 916-576-7212.

Signed:

Mark Ghaly, MD, MPH
 Secretary
 California Health and Human
 Services Agency

Jason Wimbley
 Acting Director
 California Department of Community Services
 and Development

Attachment

Greenhouse Gas Reduction Fund: Expenditure Record

**Department of Community Services and Development
Low-Income Weatherization Program**

Single-Family Energy Efficiency and Solar Photovoltaics Program; Farmworker Component

Authorizing legislation: Assembly Bill (AB) 179 (Chapter 249, Sec. 19.58 (c)(2)(A)) authorized the Fiscal Year (FY) 2022-23 Budget Act to appropriate \$15 million for the Low-Income Weatherization Program (LIWP) to support weatherization services for low-income farmworkers.

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

Agency that will administer funding

- Department of Community Services and Development (CSD)

Amount of proposed expenditure and appropriation reference

AB 179, Chapter 249, Section 19.58, allocated \$15,000,000 from the Greenhouse Gas Reduction Fund (GGRF) for the Fiscal Year (FY) 2022-23 to CSD to administer LIWP.

This Expenditure Record reflects the addition of \$15 million from the FY 2022-23 GGRF to the LIWP Single-Family Energy Efficiency and Solar Photovoltaics Program, Farmworker Housing Component (LIWP Farmworker Component).

Estimated amount of expenditures for administering agency administrative costs

- Per AB 179, Chapter 249, Section 19.58(a)(5), not more than five percent of CSD's total FY 2022-23 appropriation (\$15M) may be used for administrative costs for the GGRF LIWP Farmworker Component (\$750,000).
- Administrative costs will include both CSD's state operation costs and administrative costs for the funding awardee (Farmworker Housing Administrator). Limits on administrative costs are specified in the contract language for the Farmworker Housing Administrator.

If applicable, identify laws or regulations that govern how funds will be used

- In addition to the laws governing GGRF generally, Government Code Section 12087.5 et seq. provides direction on how CSD shall administer LIWP.

Continuation of existing Expenditure Record

- This FY 2022-23 Expenditure Record is an update to the existing LIWP Farmworker Component Expenditure Record for Fiscal Year 2018-19.
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Project type(s)

- Energy efficiency and renewable energy
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Describe the projects and/or measures that will be eligible for funding

- Weatherization, energy efficiency (including electrification), climate adaptation and resilience measures, and related health and safety and home repair upgrades for eligible farmworker households in single-family dwellings and dwellings of two to four units. Owner-occupiers of single-family dwellings are also eligible for solar photovoltaic installations.
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Intended recipients

- The awardee (Farmworker Housing Administrator) was limited to proposals from non-profit, local government, and tribal entities.
 - Projects benefit farmworker households residing in single-family dwellings and dwellings of two to four units in disadvantaged and/or low-income communities in Fresno, Madera, Tulare, Kern, Kings, Monterey, Merced, Stanislaus, San Joaquin, Imperial, Riverside, Ventura, Santa Barbara, Sonoma, Napa, Santa Cruz, San Luis Obispo, and San Diego counties.
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Process for selecting projects for funding

- CSD selected a Farmworker Housing Administrator through a competitive procurement (Request for Proposal). Proposals were evaluated based on the Proposers' team qualifications, details of the approach, workplan and budget outlined, and cost-effectiveness of greenhouse gas (GHG) emission reduction activities.
 - The Farmworker Housing Administrator will lead outreach efforts to promote awareness of the availability of LIWP services under this program component and enroll household participants.
 - Projects are selected on a first-come, first-served basis and are limited to services for low-income farmworkers. Eligibility is established through employment and income documentation confirming the household is living at or below 80% Area Median Income or 80% State Median Income
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whichever is greater, and has at least one household member who qualifies as a farmworker.

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 GGRF monies be appropriated in a manner that is consistent with the three-year Investment Plans. California Climate Investments (CCI) fund multiple project types that support the goal of reducing GHG emissions and the air quality impacts of energy generation in California. Projects such as residential energy efficiency and photovoltaic installations reduce dependence on fossil fuels by increasing clean and renewable energy generation and increasing energy efficiency. California's 2022 Climate Change Scoping Plan Update for Achieving Carbon Neutrality highlights the importance of ensuring equity and energy affordability, stating that "the state has an important role to play in providing financial incentives, especially to low-income consumers, to allow for uptake of clean technologies. The Department of Community Services and Development's Low-Income Weatherization Program is a prime example of this approach, enabling low-income Californians to be part of the zero-emission transition, all while lowering energy bills. The program provides low-income households with solar photovoltaic systems and energy efficiency upgrades at no cost to residents, helping cushion the impact of climate change on vulnerable communities."
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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

- These expenditures will provide both immediate and long term GHG emission reductions by reducing direct, on-site energy consumption and generating clean, renewable energy for low-income properties and households.
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Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained

- Solar PV installations funded by this allocation are expected to begin to yield GHG emission reductions in 2024. They will continue to provide clean energy and long-term GHG emission reductions for a quantification period of 30 years.
- Energy efficiency measures funded by this allocation are expected to reduce direct, on-site energy consumption and reduce GHG emissions starting in 2024. Based on expected useful life of the mix of measures installed, these systems are expected to maintain net GHG emission reductions for 10-25 years.

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.

Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency

- Energy efficiency upgrades and renewable energy systems, under the weatherization component of this program, will yield environmental, public health, and economic co-benefits. Installing renewable energy systems and increasing household energy efficiency will improve air quality by reducing air pollutant emissions from energy production in California and provide water savings. Replacing older Heating/Ventilation/Air Conditioning systems with newer, more efficient models benefits public health by reducing exposure to indoor air pollutants, such as carbon monoxide, associated with old or poorly maintained units. Asthma and respiratory disease incidents may also be impacted by emission reductions. These projects provide energy cost savings for households, improve building comfort, and contribute to climate adaptation and resilience. Projects can also provide California jobs, job training for priority populations through targeted recruitment, and stimulate local spending.

How the project will support other objectives of AB 32 and related amendments

- Weatherization, energy efficiency upgrades, solar photovoltaics and solar hot water system installations reduce direct, on-site energy consumption and/or generate clean energy. The project also supports other AB 32 objectives by:
 - Providing additional environmental and economic co-benefits; and
 - Directing investment towards priority populations in California.
- LIWP also supports other priorities identified in AB 398 (Chapter 135), the 2017 bill that extended the cap-and-trade program for limiting GHG emissions through 2030. These priorities include

reducing air toxins and criteria air pollutants from stationary sources and improving climate adaptation and resiliency. The LIWP Farmworker Component supports these priorities through the various measures installed when serving qualified properties. Families are ultimately more prepared to endure increasing climate changes with measures such as double-paned windows, added insulation, and air purifiers.

Percentage of total funding that will be expended for projects that benefit disadvantaged or low-income communities and low-income households per CARB guidance

- CSD will expend at least 95% of the total funds received under the FY 2022-23 appropriation (\$15 million) on projects that benefit AB 1550 priority populations. These populations are defined as those outlined with the use of CalEnviroScreen 4.0, and specifically for the investments of proceeds from California’s cap-and-trade program. These targets include a minimum amount of funds allocated to projects that benefit disadvantaged communities, at least 25% to low-income households or communities statewide, and at least a further five percent to households or communities within a one half mile of a disadvantaged community. Within the LIWP Farmworker Component, at least 50% of projects are within designated disadvantaged communities. Of the \$15 Million allocated to the LIWP Farmworker Component for direct weatherization services, of which 100% of direct program investments will support projects located within disadvantaged and/or low-income communities and/or benefiting low-income households. Direct project investments will fund energy efficiency and solar projects that provide energy savings and economic and other co-benefits to these priority populations. Non-direct project dollars (\$750,000) are used to support local and state administration functions necessary for program implementation.

Describe the benefits to disadvantaged or low-income communities and low-income households per CARB guidance

- Direct project expenditures will include support for projects that provide benefits for priority populations. Potential benefits to households and communities include but are not limited to, reducing the carbon footprint of single-family homes and buildings of two to four units serving farmworkers, reducing energy costs for property owners and tenants, and fostering job creation and other economic benefits for communities.
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Explain strategies the administering agency will use to maximize benefits to disadvantaged communities

- Direct project expenditures will support projects that provide benefits for farmworker residents of low-income communities and disadvantaged communities, and other low-income farmworker households. CSD allocations fund projects that meet the common economic need in California Air Resources Board’s (CARB) Funding Guidelines, as identified by community advocates, of “reducing energy costs.”
- The Farmworker Housing Administrator uses CalEnviroScreen 4.0 and the process outlined in the AB 1550 section, above, to ensure benefits to priority populations are maximized to ensure at least fifty percent of projects are within designated disadvantaged communities.

Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens

- To ensure that households are not unduly burdened by a landlord raising rents due to the rental enhancements resulting from LIWP-funded modifications, CSD requires owners of rental properties to complete a form verifying permission for installation of any measures and certifying that rents will not increase for a period of two years solely due to measures installed.

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 38500) of the Health and Safety Code.

How the administering agency will track/report progress to make sure projects are implemented

- CSD will require the Farmworker Housing Administrator to maintain records and submit monthly production and expenditure reports, and quarterly cumulative production status and/or workforce development reports. In addition, CSD conducts periodic reviews of farmworker households selected to receive services.. This includes desk reviews of submitted reports, on-site monitoring, including annual visits to access

<p><i>per requirements in statute and CARB guidance</i></p>	<p>and review records, quality assurance inspections for a sample of completed projects, and financial audits.</p>
<p><i>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</i></p>	<ul style="list-style-type: none"> ▪ Using CARB standardized methodologies, CSD coordinates with CARB to estimate GHG emission reductions and co-benefits (e.g., energy savings). ▪ CSD calculates the GHG emission reductions expected and achieved from projects using a new CARB Quantification Methodology co-developed by CARB and CSD. CSD documents GHG emission reductions and co-benefits through Semi-Annual Reports utilizing the CARB California Climate Investments Reporting Tracking System (CCIRTS). ▪ CSD and CARB Program Guidelines include CalEnviroScreen and CARB California Climate Investments updates, including the 2022 Update to Section VII.B on Priority Population definitions. CSD documents Priority Populations associated with GHG emission reductions semi-annually in CCIRTS. Please see www.arb.ca.gov/cci-fundingguidelines
<p><i>Type of information that will be collected to document results, consistent with CARB guidance</i></p>	<ul style="list-style-type: none"> ▪ To determine the job creation benefits, CSD will compile data from the Farmworker Housing Administrator, including the number of job-years provided, average wages and benefits, the number of people who completed job training or received industry-recognized certifications, and the residence location of job/training recipients. ▪ CSD will collect data on project location, baseline and estimated energy usage, energy costs, the type of upgrades installed, the expected quantification period, and other data as specified in CARB’s Funding Guidelines. ▪ CSD will collect information on project outcomes consistent with CARB’s Funding Guidelines for five percent of projects.
<p><i>How the administering agency will report on program status</i></p>	<ul style="list-style-type: none"> ▪ CSD will provide regular updates on expenditures, project status, and benefits in reports prepared according to CARB’s Funding Guidelines. At a minimum, the reports will include expenditure amounts, current estimates of GHG emission reductions, quantification of other applicable co-benefits (e.g., jobs created and units retrofitted). Reports will also include information on project outcomes for five percent of projects over two years.