



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: November 29, 2022

Subject: Just Transition Economic Revitalization Plan

RECOMMENDATION(S):

AUTHORIZE the Director, Department of Conservation and Development, or designee, to submit Just Transition Economic Revitalization Plan Grant Materials to the U.S. Department of Housing and Urban Development, as recommended by the Sustainability Committee

FISCAL IMPACT:

Submission of the proposed grant materials is expected to result in a grant award of \$750,000 to the Department of Conservation and Development to fund the Just Transition activities described in this Board Order and the attached Project Narrative. No local matching funds are required as a condition of the County accepting these funds.

BACKGROUND:

In September 2020, the Board of Supervisors (Board) adopted a Climate Emergency Resolution that, among other things, resolves "that the Board of Supervisors and the County Sustainability Commission seek input from the community (with a special focus on highly impacted Environmental Justice communities), workers (especially impacted workers), and business/industry to help the County anticipate and plan for an economy that is less dependent on fossil fuels, helps plan for a "Just Transition" away from a fossil-fuel

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☒ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **11/29/2022** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: November 29, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Alyson Greenlee,
925-655-2783

cc:

dependent economy, and considers how the County's recovery from the COVID-19 pandemic can incorporate the County's climate goals. As the State of California adopts policies and goals for reducing pollution and addressing climate change, the County will develop strategies to improve the health, safety, infrastructure, job opportunities and revenue opportunities during the shift to a zero-emission economy. The County will provide special attention to helping develop new opportunities for frontline and impacted communities that realize economic, health and other benefits. The Commission will include this topic in its ongoing advice to the Board of Supervisors.”

The County’s engagement on Just Transition will build on and complement the ongoing work of the County and seven city partners on the Northern Waterfront Economic Development Initiative, as further discussed below. In October 2020, the Sustainability Commission received a report on Just Transition efforts in other communities in the U.S. and internationally.

In March 2021, the Sustainability Committee discussed options for a process that will facilitate an inclusive Just Transition. That meeting included a presentation from Assemblymember Tim Grayson on AB 844, the Green Empowerment Zone legislation, which was subsequently

BACKGROUND: (CONT'D)

approved and signed into law. The meeting also included a presentation from Congressman Mark DeSaulnier on federal legislation he was sponsoring to prepare the community for the impacts of refinery closures.

In 2020, two of the four oil refineries in Contra Costa County, Marathon and Phillips 66, submitted applications to manufacture renewable fuel in lieu of fossil fuels. Those applications were approved by the Board in May 2022 and are awaiting permits from the Bay Area Air Quality Management District. The approvals for both projects included detailed requirements to implement a Demolition and Site Clean-Up/Reuse Program. Both refineries also entered into Community Benefits Agreements (CBAs) that will provide substantial funding to the County that the County will allocate to “projects and programs that benefit the communities near the Refinery by improving the health, well-being, and quality of life of residents, and that support building and sustaining a strong and resilient local economy and workforce, including the development and implementation of workforce development and training programs to prepare residents for new renewable and clean energy career pathways and jobs”. Both refineries have also committed through their CBAs “to actively participate with other appropriate stakeholders in planning and designing a Workforce Training Program for local community members related to renewable and clean energy employment opportunities”.

The County is in the process of accepting a \$750,000 Community Project Funding (CPF) grant from the U.S. Department of Housing and Urban Development (HUD) to develop a Just Transition Economic Revitalization Plan, a long-term strategic planning process resulting in a roadmap for implementing land use changes to attract and accommodate businesses in the industry clusters identified through the Northern Waterfront Economic Development Initiative (Initiative), which include advanced materials and diversified manufacturing, biomedical/biotech, food processing, clean tech, advanced transportation technology, and other sectors that support the green energy economy and the shift to a zero-emission economy; workforce (re)training to transition from fossil fuel-related industries to other forms of production and employment that are clean and sustainable; and promoting equity in helping Contra Costa County achieve its economic development goals. HUD has requested that the County’s grant materials be submitted by December 31, 2022.

The pending grant award is the result of the Board’s direction to seek a Congressional earmark for work on this topic and the work of Representative Mark DeSaulnier and his colleagues to seek and secure a funding appropriation through the federal budget process. The Sustainability Committee will be making recommendations to the Board of Supervisors on how this funding will be used in the County’s Just Transition efforts. The initial work on Just Transition funded by the federal grant is anticipated to be an 18-24 month process, and one that will lead to further innovation, and, presuming additional funding can be identified, future phases to be pursued over time. Federal grant funds will be used to lead a robust countywide stakeholder engagement process, ensuring that

residents of impacted Environmental Justice communities, workers and labor unions, business and industry, local government, environmental justice and environmental interests, community colleges, the workforce development system, and other relevant stakeholders help guide the work and are invested in its outcomes. The federal grant funds will also be used to conduct economic analysis identifying future opportunities and constraints as well as land use and environmental analysis to help guide planning. Workforce transitions and training needed to support career pathways in the industry clusters identified in the Initiative and the associated necessary investments in the labor force are another critical component of the work to be initiated with the federal funds. The work will culminate in a Just Transition Economic Revitalization Plan, which is a roadmap to move forward with an equitable Contra Costa Just Transition. This will provide a sustainable, feasible plan to make Contra Costa the hub for production and employment in advanced materials and diversified manufacturing, biomedical/biotech, food processing, clean tech, advanced transportation technology, and other sectors that support the green energy economy-- with a trained workforce ready to go, and the land use needs of businesses met in industrial areas that were historically part of the petroleum-based economic sector now transitioning to a zero-emission economy.

The Sustainability Committee discussed this at a special meeting on October 24, 2022. Staff received direction from the Sustainability Committee on the grant materials. The grant materials are being submitted to the Board with sufficient time to seek approval from the Board of Supervisors prior to the submittal deadline.

ATTACHMENTS

Project Narrative

Budget