

AMENDED IN SENATE APRIL 21, 2021
AMENDED IN SENATE MARCH 11, 2021

SENATE BILL

No. 471

Introduced by Senator Hueso

February 17, 2021

An act to add ~~Division 10 (commencing with Section 7920) to Title 1 Article 9 (commencing with Section 12100.90) to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to economic development, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds: *development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*~~

LEGISLATIVE COUNSEL'S DIGEST

SB 471, as amended, Hueso. The Racial and Economic Equity ~~Bond Act of 2021~~. *Grant Program.*

Existing law, the Economic Revitalization Act, establishes the Governor's Office of Business and Economic Development, also known as "GO-Biz," within the Governor's office to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth, as provided. ~~Existing law, the Bergeson-Peace Infrastructure and Economic Development Bank Act, establishes the California Infrastructure and Economic Development Bank and authorizes the bank to, among other things, make loans, issue bonds, and provide financial assistance to economic development or public development facilities. Existing law, the State General Obligation Bond Law, generally sets forth the procedures for the issuance and sale of~~

~~bonds governed by its provisions and for the disbursement of the proceeds of the sale of those bonds. Existing law also requires the Office of the Small Business Advocate, established within GO-Biz, to administer the California Small Business COVID-19 Relief Grant Program for the purpose of providing grants to qualified small businesses affected by COVID-19 in order to support their continued operation.~~

~~This bill would enact the Racial and Economic Equity Bond Act of 2021, which, if approved by the voters, would authorize the issuance of an unspecified amount of bonds, pursuant to the State General Obligation Bond Law. The bill would require that the proceeds of bonds issued and sold under these provisions be allocated for specified purposes, including, among others, comprehensive workforce development opportunities to participants in underresourced communities, including education, training, certifications, or placement services for jobs and careers and improving public health outcomes for historically underresourced communities. The bill would authorize the use of up to 5% of the funds allocated to an eligible applicant under the bill's provisions to pay administrative costs.~~

~~The bill would provide for the submission of the bond act to the voters at the next statewide general election.~~

~~This bill would create the Racial and Economic Equity Grant Program, administered by GO-Biz, for the purpose of providing grants to address disproportionate impacts borne from the COVID-19 pandemic, as defined, and the lack of critical physical and social infrastructure, resulting from chronic underinvestment, in key segments of the economy of this state. The bill would appropriate \$3,300,000,000 from the General Fund, to be used to provide grants under the program, and require GO-Biz to allocate those moneys for specified purposes and in accordance with specified objectives. The bill would require GO-Biz to develop guidelines for the distribution of grants under the program, as provided.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

~~Vote: $\frac{2}{3}$. Appropriation: ~~no~~-yes. Fiscal committee: yes.
State-mandated local program: no.~~

The people of the State of California do enact as follows:

1 *SECTION 1. Article 9 (commencing with Section 12100.90) is*
2 *added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the*
3 *Government Code, to read:*

4
5 *Article 9. Racial and Economic Equity Grant Program*

6
7 *12100.90. For purposes of this article:*

8 *(a) “COVID-19-impacted community” means a geographic*
9 *area that, in the judgment of the office, has suffered*
10 *disproportionate impacts with respect to employment, education,*
11 *and health care access in relation to the COVID-19 pandemic.*

12 *(b) “COVID-19 pandemic” means the conditions described in*
13 *the Governor’s proclamation of a state of emergency on March*
14 *4, 2020.*

15 *(c) “Program” means the Racial and Economic Equity Grant*
16 *Program established pursuant to Section 12100.91.*

17 *12100.91. (a) The Racial and Economic Equity Grant Program*
18 *is hereby established, for the purpose of providing grants to*
19 *address disproportionate impacts borne from the COVID-19*
20 *pandemic and the lack of critical physical and social infrastructure,*
21 *resulting from chronic underinvestment, in key segments of the*
22 *economy of this state.*

23 *(b) The office shall administer the program.*

24 *12100.92. The sum of three billion three hundred million*
25 *dollars (\$3,300,000,000) is hereby appropriated from the General*
26 *Fund to the office, to be used to provide grants under the program.*
27 *The office shall allocate the moneys made available pursuant to*
28 *this section in the following manner:*

29 *(a) One billion dollars (\$1,000,000,000) for comprehensive*
30 *workforce development opportunities and building a more*
31 *equitable and sustainable economy. Eligible uses of funding*
32 *allocated pursuant to this subdivision include, but are not limited*
33 *to, the following:*

34 *(1) Increasing comprehensive workforce development*
35 *opportunities for participants in COVID-19-impacted communities,*
36 *including education, training, certifications, or placement services*
37 *for jobs and careers.*

1 (2) Addressing the environmental and public health impacts of
2 increased infrastructure, trade corridors, and agricultural and
3 economic activity.

4 (3) Providing funding to the California Conservation Corps
5 and certified local community conservation corps for projects to
6 mitigate unemployment and assist the state with the implementation
7 of critical natural resources, transportation, energy, and housing
8 infrastructure, and to prepare for, prevent, respond to, and
9 rehabilitate from natural disasters, declared emergencies, or
10 climate-related impacts to communities.

11 (4) Developing weatherization projects to improve air quality
12 and public health in low-income communities.

13 (5) Increasing community access programming, particularly
14 for underserved communities who have historically lacked access
15 to the state's natural resources.

16 (6) Addressing the economic and social challenges experienced
17 by farmworkers.

18 (7) Supporting an equitable transition to a low-carbon economy.

19 (b) One billion three hundred million dollars (\$1,300,000,000)
20 for increasing educational outcomes and opportunities for
21 COVID-19-impacted communities. Eligible uses of funding
22 allocated pursuant to this subdivision include, but are not limited
23 to, the following:

24 (1) Providing devices, digital skills training, service subsidies,
25 and language access necessary for residents within a
26 COVID-19-impacted community to be able to use the broadband
27 service available to their residences and businesses.

28 (2) Increasing educational attainment and success in the
29 workforce for binational youth who are well placed to participate
30 in the binational economy.

31 (c) One billion dollars (\$1,000,000,000) for improving public
32 health outcomes for COVID-19-impacted communities. Eligible
33 uses of funding allocated pursuant to this subdivision include, but
34 are not limited to, the following:

35 (1) Funding safety net hospitals. For purposes of this paragraph,
36 "safety net hospital" means a general acute care hospital, as that
37 term is defined in Section 1250 of the Health and Safety Code,
38 operated by a nonprofit organization or a health care district
39 within a medically underserved area, as designated by the United
40 States Department of Health and Human Services pursuant to Part

1 5 (commencing with Section 5.1) of Subchapter A of Chapter I of
2 Title 42 of the Code of Federal Regulations.

3 (2) Supporting community health clinics. For purposes of this
4 paragraph, “community health clinic” means a health clinic
5 operated by a nonprofit organization within a medically
6 underserved area, as designated by the United States Department
7 of Health and Human Services pursuant to Part 5 (commencing
8 with Section 5.1) of Subchapter A of Chapter I of Title 42 of the
9 Code of Federal Regulations, that provides medical care free of
10 charge or where charges for medical care are based on a sliding
11 scale.

12 (3) Funding workforce development and training projects for
13 frontline health workers in this state. For purposes of this
14 paragraph, “frontline health worker” means persons who provide
15 direct patient care and supportive services in health care facilities
16 that provide primary, outpatient, or acute care, including, but not
17 limited to, the following:

18 (A) Practical and vocational nurses.

19 (B) Nursing aides.

20 (C) Medical assistants.

21 (D) Patient care technicians.

22 (E) Environmental services workers.

23 (F) Mental health counselors and aides.

24 (G) Medical equipment preparers.

25 (H) Dietary technicians and aides.

26 (I) Occupational therapy assistants and aides.

27 (J) Administrative personnel within the health care field.

28 12100.93. The office shall allocate grants under the program
29 consistent with the following objectives:

30 (a) Promoting economic recovery for all residents of this state.

31 (b) Maximizing job creation in the following areas:

32 (1) Areas that had high unemployment before the COVID-19
33 pandemic.

34 (2) Areas that have high unemployment as a result of the
35 COVID-19 pandemic.

36 (c) Improving small and rural community economies, air quality,
37 public health programs to reduce the risk of COVID-19-related
38 health impacts, asthma, lung cancer, heart disease, strokes,
39 pulmonary diseases, diabetes, and other air quality or public health
40 projects and programs.

1 (d) Maximizing the creation of critical safety net programs in
2 areas with limited safety net programs, including a low number
3 of nonprofit organizations.

4 (e) Prioritizing, to the extent feasible, programs that can show
5 limited access to grant program funding from the state and federal
6 governments.

7 12100.94. The office shall develop guidelines for the
8 distribution of grants under the program, consistent with the
9 requirements of this chapter. The guidelines adopted pursuant to
10 this section shall include, but not be limited to, the following
11 requirements:

12 (a) The office shall develop an application process and eligibility
13 criteria for applicants to obtain funding under the program,
14 consistent with the requirements of this chapter. The office shall
15 require that an applicant, in order to be eligible for a grant under
16 the program, demonstrate the following to the satisfaction of the
17 office:

18 (1) The applicant seeks grant funding under the program to
19 support communities that have been underserved.

20 (2) The applicant seeks grant funding under the program to
21 support communities that have been disproportionately impacted
22 by the COVID-19 pandemic.

23 (3) The applicant has the demonstrated capacity to utilize grant
24 funds for at least one of the purposes specified in Section 12100.92.

25 (4) The applicant complies with any other requirements that
26 the office deems appropriate for carrying out the purposes of this
27 chapter.

28 (b) (1) The office shall prioritize awarding grants to projects
29 and programs that reduce the current and future risk for
30 communities and industries most vulnerable to unemployment or
31 underemployment, low educational attainment, public health risks,
32 climate change risks, and other environmental risks.

33 (2) Projects and programs eligible for funding under this
34 subdivision shall include, but are not limited to, the development,
35 planning, acquisition, implementation, and evaluation of projects
36 and programs that do any of the following:

37 (A) Increase job development.

38 (B) Improve public health.

39 (C) Provide clean technology development in rural areas.

40 (D) Provide community program delivery.

- 1 (E) Reduce pollution.
- 2 (F) Energy and transportation programs that improve air
- 3 quality, active transportation programming, vegetative
- 4 management, and carbon soil sequestration management.
- 5 (G) Technology development and deployment.
- 6 (H) Workforce development.
- 7 (I) On-the-job training.
- 8 (J) Public health and disease response technology and facilities.
- 9 (c) Projects and programs funded by a grant awarded under
- 10 the program shall ensure transparency, coordination, and
- 11 accountability.
- 12 (d) Projects and programs funded by a grant awarded under
- 13 the program shall equitably protect, restore, or improve natural
- 14 and human communities within this state and ensure protections
- 15 for the state’s most under-resourced populations.
- 16 (e) Projects and programs funded by a grant awarded under
- 17 the program shall, to the extent feasible, address the impacts of
- 18 the COVID-19 pandemic while building resilience through new
- 19 programming and pathways for economic mobility in areas with
- 20 limited access.
- 21 (f) In allocating grants under the program, the office may, to
- 22 the extent feasible, use existing grants or other state programs or
- 23 structures to minimize program delivery timelines while balancing
- 24 the need to create new pathways and delivery programs to
- 25 underserved residents of this state.
- 26 SEC. 2. This act is an urgency statute necessary for the
- 27 immediate preservation of the public peace, health, or safety within
- 28 the meaning of Article IV of the California Constitution and shall
- 29 go into immediate effect. The facts constituting the necessity are:
- 30 In order to expeditiously provide vital relief for the residents of
- 31 this state suffering from the effects of the COVID-19 pandemic,
- 32 particularly in communities disproportionately impacted by the
- 33 pandemic, it is necessary that this act take effect immediately.

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All matter omitted in this version of the bill appears in the bill as amended in the Senate, March 11, 2021. (JR11)

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