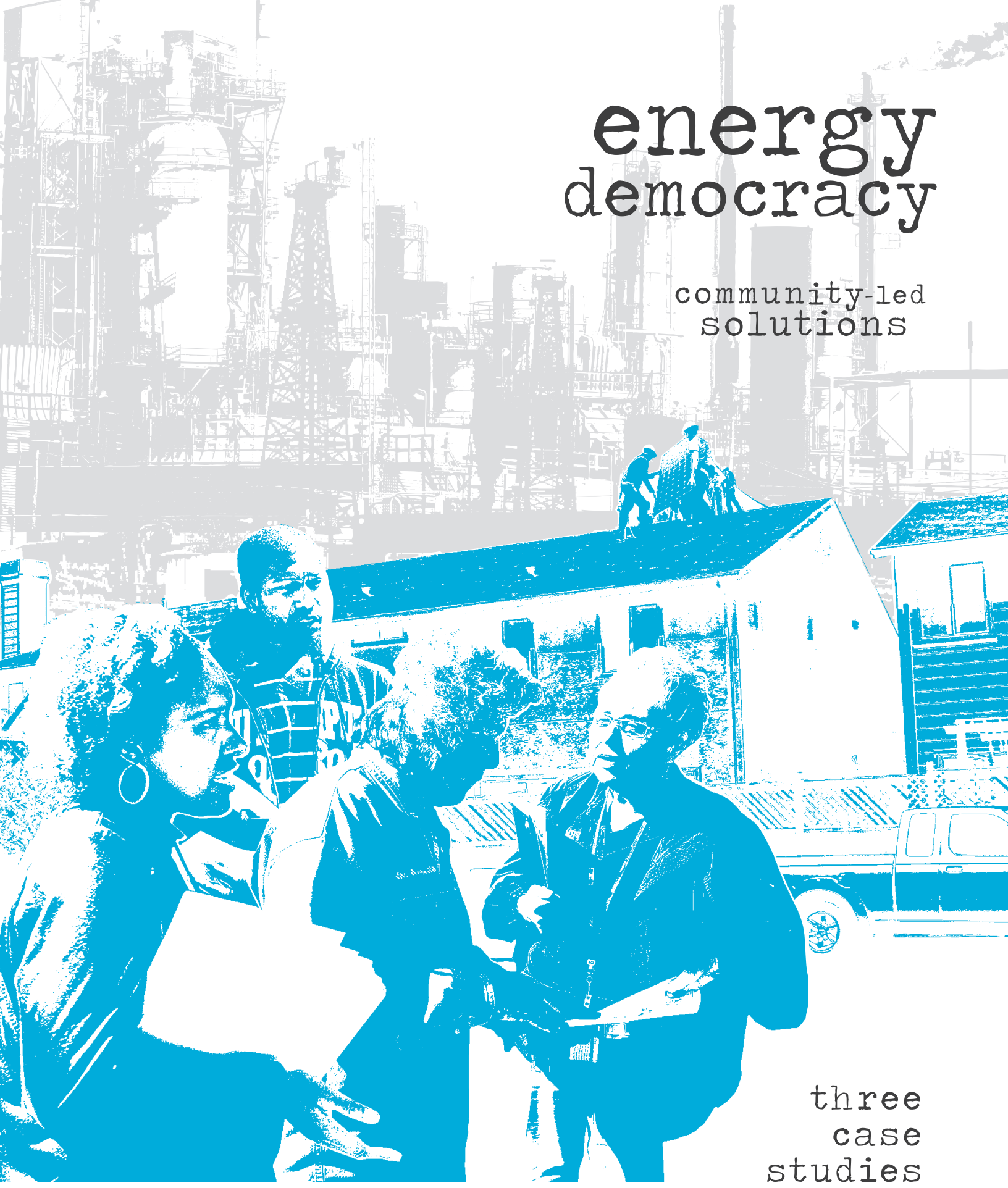
energy democracy

community-led solutions



three case studies

CSi CENTER FOR SOCIAL INCLUSION

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Imagine the hottest day you can remember. Now imagine that being the coldest day of the year. Climate scientists now predict this will be the new normal by 2047.

High temperatures are only a part of the globally warmed future. We have more wild fires consuming forests and destroying homes, not to mention endangering the lives of firefighters. Sea levels are rising, which means coastal areas are increasingly flooding. Not only that, rising sea levels are contributing to more dangerous storms. Whether Hurricane Katrina or Superstorm Sandy, we have seen whole cities devastated. A few hours after Superstorm Sandy unleashed her power on New York City in the fall of 2012, communities from Staten Island to Queens went dark and flooded. Many were stranded — White, Black, Latino, young and old, well-to-do and poor. Those most likely to be without water, food and heat and to have the hardest time recovering from the storm were low-income, and also elderly and disabled residents of public housing. The vast majority were people of color.

By 2042 half of the nation will be people of color. And the first anniversary of Superstorm Sandy should remind us of the real people and communities threatened by climate change and the importance of ensuring that all of us, including communities of color can innovate resilience.

Despite the hardships and awful conditions, communities came together and found remarkable ways to help each other. And many of strategies to house or warm people were also innovative. In Rockaway Queens, for example, the Rockaway Waterfront Alliance housed solar generators to provide electricity for people to charge their phones and coordinate vital relief services, including getting medicine to disabled residents living in buildings with no power.

We can and must support communities to adapt to and be resilient in the face of climate change. We will only succeed when all of us are able to participate. That means community-scale solutions that include communities of color, which are both the fastest growing populations in the nation and the most impacted by climate change. At the Center for Social Inclusion, we've scanned the country for models, strategies and ideas that can help communities be resilient and innovative in fighting climate change. We believe this requires an "all hands on deck" to:

1. Build on the strategies communities are already using to create community-scale energy;
2. Understand the particular challenges and barriers that communities of color face in tackling climate change; and
3. Develop policy solutions that support community-scale innovation, so people no longer have to rely on Big Oil or Big Coal to meet their energy needs.

On the first anniversary of Superstorm Sandy, we should look at what communities are doing to adapt and figure out how to support more ways communities can use new technologies, plan for the future and reduce carbon emissions, create jobs and save on energy bills.

What our case studies find is simply inspiring. Across the country people are providing answers to climate change at a local scale.

- Neighborhoods are aggregating their purchasing power to make energy efficiency and solar energy on their homes more affordable.
- Communities are forming worker-owned cooperatives that provide energy efficiency services or solar installations and create green jobs.

- New financing strategies are making it possible for all people, including those who don't own their homes, to participate in community renewable energy projects.

We found exciting efforts in communities of color that hold great promise to adapt to and mitigate the impacts of climate change. This isn't surprising because people of color overwhelmingly identify climate change as a major problem. But we found many more successful projects in Whiter and wealthier communities. This wasn't surprising either; because we've been studying the particular challenges communities of color face.

This report compiles the stories of three communities of color working to develop renewable energy strategies. We identify obstacles they encountered and recommend policies that would help bring all of our communities into the renewable energy economy.

- Community Innovation in Boston looks at non-profits collaborating to create an employee-owned energy service cooperative to weatherize low-income homes and provide living wage jobs.
- Broadway Triangle: Multiracial Efforts for a Sustainable Neighborhood focuses on a neighborhood-wide planning effort to build an energy-plus housing project with 80% affordable units and its own renewable energy generation in Brooklyn, NY.
- People Powered Policy celebrates community-driven climate action planning, community-solar projects and racially equitable policies in Oakland, California.

While promising, not all of these strategies have been successful. The struggles in these communities reflect the obstacles communities of color commonly encounter because of policies and practices including:

- Historical redlining and dearth of investment resulting in a lack of infrastructure and financing for renewable energy projects and insufficient legal, business and technical expertise;
- Exclusion from planning and decision-making processes;
- Federal and state tax credits and grants that benefit higher-income homeowners and exclude tenants and lower-income households; and
- Restrictive zoning and permitting that impedes community scale innovation.

Inclusive policies can overcome these obstacles and help us all seize the opportunity to thrive in a clean and renewable energy future. Some effective policy solutions we've identified are:

- Mandating renewable energy portfolios, with a requirement that 30% of the energy come from local-scale generators and that at least 10% of projects be owned and operated by communities most adversely impacted by dirty energy;
- Community choice, which allows municipalities to control where their energy comes from;
- Feed-in tariffs to ensure that community-scale generation is fairly compensated, which helps vulnerable communities secure financing for local projects.
- Targeting communities with greatest need for energy efficiency and renewable energy grants and including financial and technical support to build community capacity

Despite Superstorm Sandy's reminder of climate change's perils, we need to remember that we can change the story. We know what is possible. We know what needs to be fixed. And we have a groundswell of community leaders working hard to innovate every day. Now is the time to support them by getting our policy priorities right. The stories that we share here show us the way to achieve energy democracy.

TABLE OF CONTENTS

CASE STUDY 1

ENERGY DEMOCRACY
Community Innovation in Boston

ACKNOWLEDGEMENTS

The Center for Social Inclusion (CSI) expresses our profound appreciation for the leadership and knowledge shared by the leaders of the Boston Workers Alliance, Chinese Progressive Association, and Alternatives for Community and Environment.

In particular, we thank Katjana Ballantyne for her time, guidance, and support in the interviews and writing of this document. We thank Penn Loh, Aaron Tanaka, Kalila Barnett, and Mark Liu for their time, energy, and participation in our interviews. Additionally, we thank Nancy Wasserman for her time and insights into the Boston ESCO project.

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PREFACE

We all want clean air, fresh water, and a healthy environment to live in. And we want good quality jobs to provide for our families and build an economically healthy community. In spite of economic stagnation and a looming climate crisis, local leaders and communities are working toward solutions that can build a new and better economy for people and the planet.

Such solutions require all of our best thinking and they require that we all have the opportunity to contribute. Because our environment is a shared resource, tackling climate change requires shared participation. All types of communities must be part of the solution, including Black, Latino, Asian, and Native American communities, who are soon to be the majority. Getting everyone involved will require widespread structural change. According to the Union of Concerned Scientists, "the biggest impact on climate change will come from large-scale changes—[including]...regional policies; thoughtful, systematic efforts to reduce polluting fossil fuel energy sources and unsound land use practices; and steady progress toward a green, sustainable future."[1] Steady progress requires that we identify and remove barriers to local and regional innovation to begin to slow climate change, create jobs, and support healthier people and places.

Despite many obstacles, communities of color, who face some of the most devastating impacts of climate change, continue to generate new ideas and lead multiple efforts to build a more inclusive energy solution. This case study describes one innovative approach in Boston, Massachusetts, and offers some policy ideas to make projects like this feasible.

[1] Union of Concerned Scientists. www.ucsusa.org/global_warming/

INTRODUCTION

In 2008, Massachusetts took a bold step. It set an aggressive goal of cutting greenhouse gases by 25% in the next decade and over 80% by 2050. The *Green Communities Act* seeks to improve energy efficiency in communities and spur renewable energy development. The question remains, will people of color, 53% of the Boston population, be able to participate in this effort?

Communities of color have been *environmental* activists for decades. These are communities most often victimized by poor environmental planning, regulations, and decision-making. In the last twenty years, communities of color in the Boston area have united and won a Boston-wide plan to run buses on cleaner burning fuel, stopped a diesel fueled power plant from being located across from the only elementary school in the diverse Chelsea neighborhood, and ended illegal dumping of trash and toxic materials in abandoned lots throughout the communities of Roxbury and Dorchester.[2]

Communities of color acting as environmental justice advocates have continued to work towards energy improvements by supporting community focused policy development. The *Green Communities Act, a statewide policy passed in 2008*, opened a new door to social entrepreneurship – applying entrepreneurial strategies to solving social problems for the public good. Social entrepreneurship is one of the ways communities of color have gone beyond fighting bad decisions to promoting positive solutions. Forming a Green Justice Coalition, environmental and economic advocates argued, "Small pockets of greening cannot meet this goal [of 80% efficiency]. To transform our energy system on this scale, *all communities* must have broad and deep engagement of residents and workers."[3]

With hopes of making this statement a reality, three Coalition members from Boston – Alternatives for Community and Environment (ACE), Chinese Progressive Association (CPA), and Boston Workers Alliance (BWA) – formed a partnership. The three non-profits believed that communities of color would not be fully included in efficiency efforts because almost all the energy service companies responsible for implementing efficiency programs under the Act are not located where people of color live, such as the Roxbury or Dorchester neighborhoods (see: figure 1).

From an economic perspective, case study participants further noted that the lack of a local weatherization business may be a reason why many youth of color from the neighborhood, trained for weatherization, have difficulty finding work. Without a local weatherization business, young neighborhood residents who graduated from green training programs must go out of the area to find a job, a challenge for many in Roxbury and Dorchester, where 15% - 35% of the population does not have access to a car and rely on transit for job opportunities.[4]

To fill these gaps in environmental impact and access to green jobs, the three non-profits are collaborating to create the Boston Energy Service Cooperative (BESC). BESC would retrofit and weatherize homes of low-income residents. It would also be a community-owned business employing local men and women and providing them with a democratic, one person/one vote decision-making process. This need is significant; especially as unemployment for communities of color was double that of White communities prior to the recession.[5]

It's a compelling idea. And if it works, it could be a replicable model that contributes to job creation, civic engagement, and solving one of the world's most pressing problems – global climate change.

[2] CSI analysis of the 2010 and 2011 American Community Survey, US Census Bureau.

[3] The National Low-Income Housing Coalition." Out of Reach 2012". March, 2012. www.nlihc.org/sites/default/files/oor/2012-OOR.pdf

[4] CERD Working Group on Health and Environmental Health Report on Healthcare "Unequal Health Outcomes in the United States". January 2008

[5] Prior to the recession, White unemployment was at 4.8%, Asian unemployment at 8.8%, Black unemployment at 10.8%, and Latino unemployment at 12.4%.

BESC social entrepreneurs have made progress on development of the cooperative model and also face real challenges that policy innovation can help solve. By understanding these barriers and supporting their removal, we can make the hope of BESC a reality and create more opportunities for similar innovations.

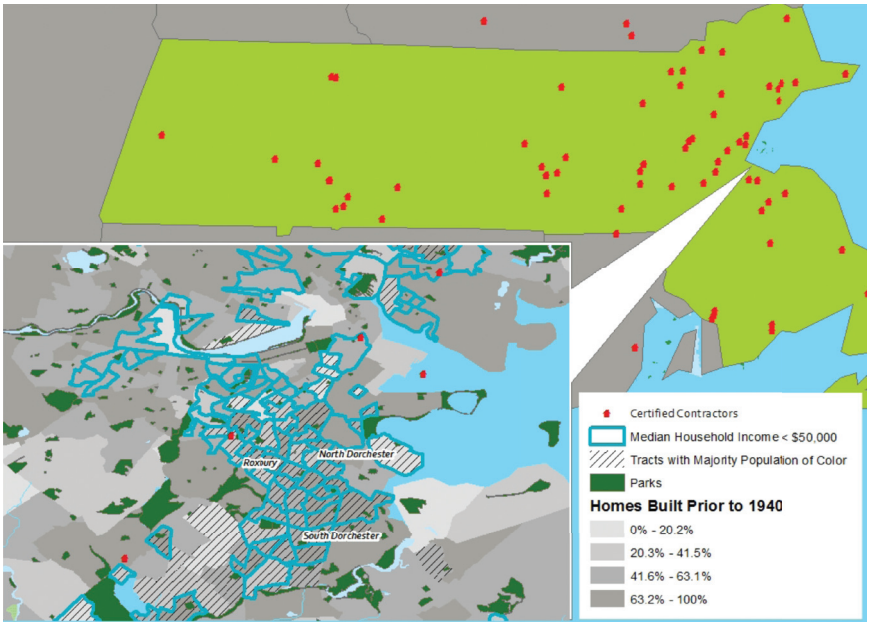

Figure 1 Mass Save Certified Contractors Overlayed with Median Income, Population of Color, and Age of Housing Stock (by Census Tract) *Source: ESRI, US Census Bureau, Zillow*

THE CHALLENGE

Communities of color in Boston want to contribute to reversing climate change by using energy more efficiently. And why shouldn't they? Data shows that households of color pay 30% more in energy costs compared to White households – mostly in electricity and space heating costs. One reason for this is that people of color, relegated to areas of historical disinvestment and lacking the accumulated wealth to relocate, often live in older homes where new insulation and electrical appliances could help cut such costs. This applies to the Roxbury and Dorchester communities whose majority residents are Black, Latino, and Asian, and are more likely to live in homes built prior to 1940.

A weatherized home is a home that substantially reduces our carbon footprint and lowers energy expenses. NRDC reports that low-income communities can save up to $437 in annual utility bills, while cutting emissions by 7% over 10 years. With communities of color the hardest hit by unemployment in the Boston area, and also facing higher utility costs, the Green Communities Act provides an opportunity to create jobs, reduce costs for financially-stressed people, and contribute to Massachusetts's carbon emissions goals.

According to the Green Justice Coalition:

- Low-income communities and communities of color are underserved by weatherization programs.
- People of color have trained for green jobs but are not finding sustainable employment.

The reason: Massachusetts weatherization programs are race-neutral. These programs support weatherization and do not seek to discriminate in doing so. Nonetheless, the way they are structured makes it implicitly harder for communities of color to participate.

Financing is one such structural barrier. Federal weatherization assistance programs have provided grants for people making less than 60% of the state median income, or about $38,000 in Massachusetts. But this does not help those who make between $38,000 and $64,000 (the median income), which means roughly 45,000 lower-income Boston households could be left out of weatherization opportunities. These lower-income households in Boston that sit just above the $38,000 threshold are primarily found in communities of color.

For these communities, there are two primary financing mechanisms.

- Personal financing of energy service contractors
- Participating in state rebate programs

[6] Byrk, Dale. Switchboard Blog. www.switchboard.nrdc.org/blogs/dbryk/better_life_weatherization_sav.html

[7] Science Daily. "Simple Measures Can Yield Big Greenhouse Gas Cuts, Scientists Say" www.sciencedaily.com/releases/2009/10/091026152944.htm

1. PERSONAL FINANCING OF ENERGY SERVICE CONTRACTORS:

Weatherization requires at least $2,000 in upfront cash if a homeowner is financing such repairs independently. Yet Boston's cost of living is the 13th highest among 135 metropolitan areas in the nation, with utility and housing costs being among the highest. People of color are less likely to have the upfront money as their incomes remain among the lowest levels (as seen in figure 2).

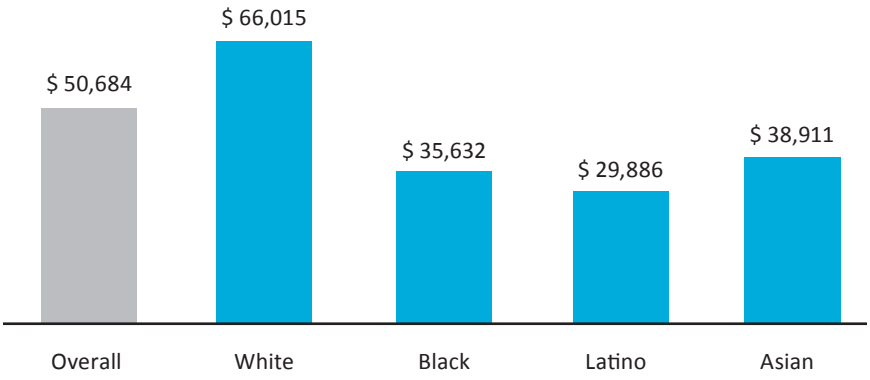

Figure 2 Boston Median Household Income (2010)

2. PARTICIPATING IN A STATE REBATE PROGRAM:

Importantly, the State of Massachusetts offers a $2,000 rebate program ($3,500 for the city-wide *Boston Renew Program*) so that homeowners who can afford to front the costs of weatherization will get these expenses back as a rebate. But, to participate, residents must enroll in the MassSave program, a clearinghouse operated by utility companies, which directs homeowners to an approved contractor for the work.

Boston residents specifically have not always had a positive relationship with utilities. Research demonstrates that utilities often serve communities of color poorly because they cannot fully understand the communities' particular needs.[9] A lack of cultural and community-specific competencies on the part of utilities has reduced trust. Utilities may not be effective messengers or seen as a reliable resource for referrals. Additionally, many case participants expressed that the overall process lacks transparency regarding how funding decisions are made, why particular contractors are approved, and where services are, or are not, occurring.

[8] US Census Bureau. "Statistical Abstract" www.census.gov/compendia/statab/2012/tables/12s0728.pdf

[9] According to the Green Justice Coalition paper "Living up to the Challenge", research and experience point to the fact that communities of color or low-income status have less access to utilities and their decisions.

A COMMUNITY-DRIVEN SOLUTION

ACE, CPA, and BWA believed they could find solutions to the challenges communities of color face in participating in weatherization programs through a community-driven approach. Citing a report by Miriam Fuller of Efficiency Vermont, they found that community efforts can be more impactful in reaching conservation and efficiency goals. The report found that when engaging communities around energy efficiency "the way information is communicated and by whom is extremely important."[10] When community-driven groups implement energy efficiency programs, they can outperform private subcontractors and utilities with regard to costs, energy savings, and response rates.[11]

WHAT IS AN ENERGY SERVICE COMPANY?

An Energy Service Company (ESCO) is a "business that develops, installs, and arranges financing for projects designed to improve energy efficiency and maintenance costs for facilities [or households]." (National Association of Energy Service Companies)

ESCOs are often local and community-oriented compared to big utilities. An ESCO invests in efficiency efforts in a variety of ways. It can insulate windows and pipes, it can help customers manage their electricity usage by installing controls or timers, and it can develop combined heating and power systems to limit reliance on fossil fuels for heating and cooling.

The three groups posed a question to themselves: "*How can we use our intimate relationship with the community to improve opportunities for energy efficiency and contribute to the goals of the Green Community Act?*"

Understanding the community's hesitation to deal with utility companies, a lack of weatherization providers in the area, and a large need for efficiency services, the three non-profits coalesced around the idea of creating a community-owned Boston Energy Service Cooperative (BESC) to:

- Provide weatherization and retrofits in low-income communities and communities of color
- Supply good quality green jobs, and
- Provide a wealth-building opportunity through a cooperative ownership model.

The BESC would be the first community of color operated and owned weatherization company in Boston and the first primarily serving communities of color in the Boston area. The BESC also has a competitive advantage in the field of weatherization. The non-profits incubating it have positive reputations and are known in their communities; they know the community and are committed to green justice and local reinvestment. Furthermore, there is market opportunity.[12]

The BESC is modeled after the worker-owned Mondragon cooperatives[13] in Spain and the Evergreen Cooperatives[14] in Cleveland, Ohio. Under their plan, decision-making power would be equally distributed among workers (i.e. – one person, one vote). Any

[10] "Enabling Investments in Energy Efficiency" ,Efficiency Vermont

[11] Ibid.

[12] Forecasts by MassSave show that contractors will service an estimate of only 550 – 940 households in Boston over 3 years, just over one percent of the city's owner-occupied housing units, even less among renters, leaving ample opportunities for BESC to participate.

[13] The Mondragon cooperatives are a federation of worker-owners who practice the principle of one voice, one vote. Over 83,000 people are employed by cooperatives in the fields of finance, knowledge, industry, and retail. For more information visit: www.mondragon-corporation.com/ENG.aspx

[14] The Evergreen Cooperatives is a worker-owned for-profit business model that hires local workers. For more information visit: www.evergreencooperatives.com/

income the company receives after all expenses (including compensation) would be distributed equally among the workers or reinvested back into the company – depending on how the worker-owners vote.

With support from business consultant Katjana Ballantyne, the group crafted a business plan outlining the initial three years of the BESC, while setting the stage for long-term planning. In the cooperatives' first three years it would employ 11 workers. These workers would be comprised of three crews with three workers each: a crew-leader, a mid-crew person, and an apprentice. The crews would be responsible for retrofitting homes. In addition, the cooperative's management would be led by a construction supervisor and President. The BESC would be located in the community, Roxbury or Dorchester specifically, and its primary focus would be to service single and two-family homes within this area.

Because the BESC wants to ensure that they service low-income communities and communities of color, it cannot rely on self-financed homeowners. The BESC needs to participate in the MassSave program, which rebates participants up to 75% of the costs. In order to be a MassSave-approved contractor, the BESC needs to be licensed by the state and utilities. As a community-led contracting company, the BESC could be a solution to the struggles low-income people and people of color face in working with MassSave. Simultaneously, BESC will be helping the state achieve its goal of cutting emissions by 80% by serving hard-to reach communities.

WHERE DOES BESC STAND?

In 2009, to address the challenges that communities of color face in engaging MassSave, ACE, CPA, and BWA decided to leverage its community trust and established relationships with their communities and incubate the BESC. Each organization contributed $5,000 to hire Nancy Wasserman as a consultant to perform a feasibility study. Nancy has spent over twenty years working in the field of community and economic development and more recently on energy efficiency. The feasibility study highlighted the potential for the nonprofits' work. Citing their unique advantage of knowing and understanding their communities, these organizations could leverage their trust and relationships to help build support for energy efficiency improvements in Roxbury and Dorchester.

In 2010, the groups applied for, and received, a $30,000 grant from the Boston Empowerment Zone to hire Katjana Ballantyne to create the business plan and manage the start-up process of the BESC. A lifelong supporter of environmental and social justice, Ballantyne also founded and shepherded the start-up of Nilsson Associates, a LEED-certified planning and architectural design firm. She developed the business plan, which showed that the BESC would be a success within three years of development, while identifying long-term viability in the market. While it may not rake in record profits, the company would create enough revenue to reinvest in the company and provide eleven quality-paying jobs in the initial stages of growth.

The business plan details BESC's capital costs, target market, its competitive advantage, as well as barriers to entry. In order for the BESC to incorporate, the nonprofits must attain $150,000 of initial funding to purchase equipment (such as a truck and insulation), and provide salaries and benefits to employees. Further, the nonprofits would need to secure an additional $150,000 line of credit as an emergency fund. The BESC revenue would be provided by the homeowners and rebates from the MassSave program for each home serviced.

Currently, the group is exploring whether or not to merge or purchase a small weatherization company from a retiring contractor. This acquisition would provide the BESC with initial working capital (such as a truck, supplies, and an established network). It would also include the company's license and work history with the utilities that run the statewide efficiency programs, sparing the BESC from having to establish itself as a viable contractor.

Questions remain on how the group will obtain the necessary capital for such a purchase. Based on discussions with legal advisors, one possibility could be that the combination of its business plan with an established agreement to purchase a working company may be enough to secure funds to see the process through. Another option would be for the group to repay the current owner through revenues generated by its work over an agreed payment period. Further questions remain over the impact of the purchase on its core idea for a cooperative, or how it may include former employees. The group is currently exploring this option more deeply.

While the groups find ways to develop the BESC project, they did recently secure a victory in ensuring that communities of color have a voice in state energy policy. Through the work of the Green Justice Coalition, former ACE Executive Director, Penn Loh, has been appointed to represent residential consumers on the Commonwealth's Energy Efficiency Advisory Council. And the Coalition has worked with the Commonwealth on piloting Community Mobilization Initiatives in five communities of color, including Roxbury and Dorchester, which "mobilize residents in HTR/HTS [hard to reach/ hard to serve] communities to participate in the Mass Save program"[15]

[15] Fried, Mindy and Taylor, Madeleine. "Evaluation of the Green Justice Coalition's Community Mobilization Initiative Chinatown and Chelsea Residential Energy Efficiency Pilots". www.massclu.org/sites/clud6.prometheuslabor.com/files/cmi_evaluation_full.pdf

BARRIERS TO SUCCESS

Overall, two years into the conception of the project, the BESC is still a plan and not a formed cooperative due to challenges around capacity and financial access. These are not unusual challenges for start-ups, but they are often greater for communities of color thanks to fewer educational opportunities, less access to fair credit, and fewer established relationships with the financial sector resulting from a long history of public and private disinvestment in their communities. In addition, these same communities have to overcome external skepticism about their capacity.

For example, accessing financial resources stacks the deck against many communities of color.[16] Historically White communities have more assets to leverage private capital and more access to decision-making processes that result in vital investment and infrastructure building, compared to Black, Latino, and Asian communities. Research shows that the median White household has an accumulated wealth that is over $100,000 more than that held by the median Black or Latino household.[17]

The lack of such wealth and assets are reasons why cooperatives can be such an attractive idea. Communities can pool assets, share resources, and find innovative ways to support their local economies and build wealth from the ground up. Unfortunately, cooperatives are not always eligible for or engaged by government programs. Furthermore, cooperatives face burdensome steps to access financial resources from private lenders because private companies often prefer a greater share of investment compared to what cooperatives can offer.[18]

LACK OF CAPACITY

BESC has a business plan, but the participating organizations cannot afford dedicated staff to move from planning to execution. ACE, CPA, and BWA are contributing the limited time of existing staff, all of whom have many other assignments and responsibilities. They have not had resources to pay Ballantyne, their business consultant, who has had to volunteer her time to develop the project, which limits her ability to move it forward.

Due to limited resources, the organizers of BESC have also been unable to pay for legal assistance. They have been fortunate to receive some free legal assistance to help them understand what is required to incorporate a cooperative, but it has not been sufficient to actually form the legal entity. The legal process is tedious and cumbersome and it requires time and research that the nonprofits cannot perform on their own and they cannot afford to pay an attorney.

LACK OF FINANCIAL ACCESS

The business plan states that it will cost approximately $150,000 to start up the organization, money the three nonprofits do not have to fund this venture. While cooperatives are welcomed in Massachusetts, there is not strong financial support for these developments, particularly in communities of color. If the BESC has a business plan, why are they unable to access private funding?

One problem is connected to the history of communities like Roxbury and Dorchester. Similar to many communities of color, they have faced a history of neglect and a current lack of investments by banks. Private lenders are less likely to be located in communities of color or to provide prime loans to these communities.

[16] See: Oliver, Melvin and Shapiro, Thomas. Black Wealth, White Wealth: A New Perspective on Racial Inequality

[17] Pew Research Center. "Wealth Gaps Rise to Record Highs Between Whites, Blacks, and Hispanics" www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/

[18] Small Business Administration. www.sba.gov/content/cooperative

Another problem is that the BESC does not have capital to leverage private resources. Initial conversations with some traditional lenders and banks revealed that the group does not have the necessary collateral to leverage financing. Collateral could be a working weatherization unit (such as a truck and supplies) or a guarantee from the city that the BESC will receive rebates under its Renew Boston program. Without either, the challenges to access financing are high.

Lack of inclusion in the decision-making process The energy economy is very complex and the decision-making roles communities can play are often limited. Communities are excluded even more so when corporations occupy a large role in the public sphere, such as utilities do in the MassSave program that oversees energy efficiency programs in the state. The BESC project is a step that communities of color can take to be actively engaged in the green energy process. However, the BESC faces a structural barrier where the energy efficiency decision-making process is difficult to influence.

Rebates for retrofits are financed by both public-investment taxes and federal stimulus dollars. The money is directed by MassSave, a coalition of investor-owned utility companies. To participate as a contractor in the rebate program, companies must be certified. However, case study participants noted that "opportunities for certification are limited by location, time, and are often poorly advertised, making it difficult for people to achieve this crucial goal."

Another barrier to inclusion discussed by participants is the fact that CSG, the lead vendor of the MassSave program, has substantial control over audits and administering contractor services. Its decisions are not always clear or accessible by the public. Without transparency or inclusivity in the decision-making process, it is difficult to ensure that contractors have a fair chance to participate and that all communities are served. So, while everyone pays the tax, not everyone is included in the solution.

KEY TAKEAWAYS

COMMUNITY KNOWLEDGE AND TRUST IS AN ASSET IN PURSUING ENERGY EFFICIENCY

Most energy efficiency efforts are administered by utility companies, which are not always responsive to community interests. A lack of dialogue, trust, or relationship between communities of color and their energy providers means that efficiency programs may not reach communities that need them the most. In contrast, the community-owned BESC represents the community it works in and knows how to meet needs in ways that are not always achieved by an outside party.

In this case, the BESC is being developed by three nonprofits that have been working in the Roxbury and Dorchester communities for a combined 39 years. Each organization has had a long history of advocating for workers' rights, pursuing environmental justice, and pushing for racially inclusive solutions. They are well respected, trusted by the community, and intimate with the unique needs and challenges that their community faces. These organizations know how to work with their community to promote full participation, an essential task to achieve citywide carbon reduction.

COMMUNITIES OF COLOR NEED ADDED CAPACITY BUILDING AND SUPPORT

Because development of the BESC relies on volunteer time donated by the three nonprofits, it competes with other priorities within those organizations. This means that non-profits that are not community development corporations need to think strategically about their capacity and time in order to assess how a project like BESC adds value to their work. The three nonprofits are asking questions like: are we incubating this program? Or is it a part of our core mission?

As they ponder these questions, it is clear that technical assistance and partnerships are crucial to build the project's capacity. The BESC project needs legal assistance to walk through the incorporation process, and it could use more technical assistance to access funding. Such assistance can come from a variety of places: anchor institutions, like universities, have provided the Evergreen Cooperatives with legal and technical assistance; while state and city governments, like New York, have provided small and minority-owned businesses with assistance.

In addition to legal and technical assistance, building partnerships with socially-minded entrepreneurs can provide the groups with "know-how" and networks to make the project successful. The trio of non-profits identified Katjana Ballantyne as a first step towards reaching out to someone with experience in developing a start-up project. However, the lack of financial resources to pay her full time limited the amount of work she could provide. The groups have not yet identified other possible partnerships with organizations or companies that may have the necessary capital and provide the BESC with financial support in the start-up process. One possibility is working with local community development corporations – as the three nonprofits have discussed. Either way, deeper external partnerships are needed for the BESC to succeed.

SOLUTIONS THAT CAN HELP MAKE THE BESC MODEL SUCCESSFUL

COMMUNITIES OF COLOR NEED BETTER ACCESS TO FINANCING AND INVESTMENT

Because of historical patterns of neglect and a current lack of working capital, the BESC is unable to leverage private funding. Yet, success is dependent on the nonprofits' ability to access start-up capital. One alternative that the nonprofits are exploring is program-related investments (PRI) from foundations. These are low-interest loans that foundations provide to organizations to support projects that are close to the foundation's mission. These funds can often be used to leverage additional funding opportunities as well.

State or city governments could also lend support to the nonprofits around accessing financing in two ways. They could provide a start-up grant to minority-owned energy cooperatives, like the BESC. The city's Boston Empowerment Zone grant of $30,000 was helpful for the nonprofits in building a business plan, but it was not enough to leverage private funding to meet its goal of $300,000. Secondly, the city or state can establish a contract guaranteeing payment to the BESC through the rebate programs. Having a guarantee from the state or city government can provide security for private loans, knowing that there is a guaranteed revenue stream once the company is in operation.

ENERGY IMPROVEMENT DISTRICTS CAN HELP MAKE COMMUNITY-BASED BESC PROJECTS VIABLE

Energy Improvement Districts (EID)[19] are a state or local policy approach that can allow communities of color to access financing, be part of the planning process, and take concerted action against climate change. An EID designates certain areas of land for special energy financing and investment. In this case, EID designation in Roxbury and Dorchester would mean the communities would be targeted for special financing for energy efficiency projects. EIDs could be a solution to three challenges: access to financing, technical assistance, and transparency and inclusion in the decision-making process.

EID designation can help finance community projects. As a state or local designated entity, EIDs come with public support to back projects. Such supports include: tax breaks, loan guarantees, or low-interest loans to local companies. In this case, an EID could provide the BESC with a state guarantee of financing that could be leveraged for other funding opportunities, like private-public partnerships.

EIDs can provide an avenue for communities of color to be eligible for technical assistance. Many federal energy technical assistance programs deal with municipal governments, not community organizations. Since an EID is administered by the local government, EIDs can be a conduit for technical assistance to communities looking to create efficiency projects.

Since the point of an EID is to focus investment on an energy-inefficient area, data collection must show what communities have the most need. Because communities of color are more often energy-poor, data collection should have racially-explicit equity metrics. Such metrics will help provide transparency in the decision-making process on where EIDs are located.

[19] For more information about EIDs please see CSI's recent paper: Energy Democracy: Supporting Community Innovation www.centerforsocialinclusion.org/supporting-community-innovation/

The three nonprofits can use this data to show why the BESC is vital to meet the needs of the community and can also create an avenue to help the state meet its goals of 80% efficiency by 2050. By having the right data and a role in the decision-making process, the non-profits can use EIDs as a pathway to hold state, local, and corporate decision-makers accountable. For example, an EID could provide an avenue for the BESC to use data and identify needs and markets to negotiate with the utility-run MassSave program, ensuring the program provides services or grants to the communities that are in most need.

CONCLUSION

The Boston BESC project addresses a desire that many communities of color have – racial inclusion in the fight against climate change. As CSI proposed in our recent report, *Energy Democracy: Supporting Community Innovation*, to truly meet the challenges of climate change and build a more sustainable environment, we must have energy policies that include all of us, particularly the fastest growing populations, which are communities of color. To meet this need, we must recognize the assets and potential that communities of color have. The BESC project seeks to do just that.

The BESC is a transformative solution. It is more than consumer participation and education; it seeks to tackle our environmental crisis, while building a community's health and wealth. The BESC is a bold project and despite their struggles there is potential for success. The barriers and needs are clear: the group needs dedicated capacity, financing, and business and political partnership. The group acknowledges these needs and is currently strategizing a way forward to meet them.

However, these barriers cannot be addressed by the BESC alone. Policies at the state and local level, like Energy Improvement Districts, can support communities like Roxbury and Dorchester in Massachusetts so they have a chance to succeed.

THE BOSTON ENERGY SERVICE COOPERATIVE (BESC): A SUMMARY

THE CHALLENGE:

1. Low-income communities and communities of color are underserved by weatherization programs.
2. People of color have trained for green jobs but are not finding sustainable employment.
3. Weatherization requires upfront payments costs, which many low-income communities and communities of color lack.
4. State sponsored weatherization programs administered by the utilities are not always responsive to community needs.

THE SOLUTION - AN ENERGY SERVICE COMPANY THAT WOULD:

1. Create new jobs in a community with high unemployment and underutilized training and skill.
2. Be community-owned and run, building and keeping wealth in the community.
3. Provide weatherization services to low-income communities and communities of color in single- and multi-family homes in the Boston area.

WHAT HAS THE BESC DONE SO FAR?

1. Completed a feasibility study showing the potential for BESC's success and services.
2. Established a profitable business model and plan.
3. Explored the option of purchasing a retiring energy-service business to establish assets and credibility, and obtain critical contracting licenses.

BARRIERS TO SUCCESS:

1. Lack of capacity to pursue next steps and navigate business and legal issues.
2. Lack of financial resources to leverage private capital for BESC start-up.
3. Lack of inclusion in the MassSave decision-making process makes it difficult for BESC to ensure it will be a certified contractor that will allow it to provide services to residents eligible for state grants.

KEY TAKEAWAYS

1. Building on community trust is critical to make energy efficiency efforts successful.
2. Communities of color need added capacity and support to pursue such projects.

SOLUTIONS THAT CAN HELP MAKE THE BESC MODEL SUCCESSFUL:

1. Foundations or city and state governments can provide low-interest loans to help communities leverage support for private capital.
2. Energy Improvement Districts can provide an opportunity for communities of color to engage in energy efficiency financing, decision-making, and implementation efforts.

CASE STUDY 2

ENERGY DEMOCRACY
Broadway Triangle: Multi-Racial Efforts towards a Sustainable Neighborhood

ACKNOWLEDGEMENTS

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PREFACE

We introduce the second installment of our case study series, *Energy Democracy: Broadway Triangle – Multi-racial Efforts towards a Sustainable Neighborhood*. In this case study, we examine the Broadway Triangle Community Coalition (BTCC) Plan to develop vacant land for renewable energy, green jobs, energy efficiency and affordable housing for a multi-racial constituency. Communities are at the frontline of our national challenges, be it jobs, housing or climate change, and often see opportunities to solve multiple challenges holistically, as does the Broadway Triangle Coalition. But while communities of color are generating new ideas and multiple efforts to build a more inclusive and green future we, as a nation, are not yet discussing policies to support these endeavors.

The 2009 American Reinvestment and Recovery Act (ARRA), in response to our nation's worst economic crisis since the Great Depression, set out to build a foundation for a more prosperous long-term economy. To meet this goal, the Act included support for energy efficiency and renewable energy innovation. It supported a variety of measures, from weatherizing homes and businesses to funding electric vehicles and investing in better public transit. Additionally, ARRA funded renewable energy research and production by expanding production tax credits to develop wind energy and research grants on alternative fuels. The 2012 Presidential candidates, the media and advocates hotly debated the impact of these policies, with opponents pointing to the bankruptcy of Solyndra, a solar panel company that received a $535 million dollar grant from the Department of Energy, and supporters counting green jobs. ARRA helped support steps to a more renewable energy future. But the debate missed an important part of the innovation we need to promote a clean, sustainable and economically vibrant future: local innovation is a critical component of solving our nation's economic and energy crisis.

Investing in green technologies and demanding corporate responsibility are important, but local innovation is also a necessary ingredient. Communities of color are highly motivated to take on climate change because they face some of its most devastating impacts. Two weeks after the landfall of Hurricane Sandy, public housing residents in New York's Red Hook, Chinatown and the Rockaways were without power. Yet, communities of color, the fastest growing demographic in the US today, face many obstacles to moving ideas to implementation, such as access to capital, property ownership and legal support. We must not only learn from local solutions but also engage rural, low-income and communities of color around innovation locally. In doing so, we can build the policy and financial will necessary to elevate local innovation as a solution to national and global problems.

In our previous case study, *Energy Democracy: Community Innovation in Boston*,[1] we learned that if local innovators in Boston receive financial support from foundations and governments to leverage private capital, it would be possible to start a weatherization cooperative that creates local ownership and jobs, saves residents money through energy efficiency and supports Massachusetts's ability to achieve an 80% reduction in carbon emissions.

This case study finds that BTCC's vision for sustainable development would provide affordable housing, create jobs, generate renewable energy and cut carbon emissions. We identify the opportunities to implement effectively the BTCC Plan and identify challenges, including the lack of inclusion by the city-planning processes and lack of available capital needed to support the project. We discuss how communities might use the BTCC Plan to scale out local renewable energy and efficiency solutions that take into account the rapidly diversifying demographics of our communities.

[1] www.centerforsocialinclusion.org/energy-democracy-community-innovation-in-boston-a-case-study/

THE BROADWAY TRIANGLE: AN OPPORTUNITY FOR INNOVATION

AN INTRODUCTION

Far too many communities all over the country struggle with interlocking problems: there are not enough jobs and available jobs are often located far from home; housing is unaffordable; and children face increasing health problems from an unhealthy environment. While far too many Americans struggle against these challenges, it is particularly apparent in communities of color:

- In 2012, overall unemployment fell to 7.8 percent. The share of Black workers seeking jobs was approximately 14 percent; for Latinos around 9.6 percent.
- National median household income remained depressed, declining slightly for Whites and Asians, but down 3.7% for Black households, who make $34,625 compared to $56,000 for Whites.[2]
- In rural areas and urban communities with high rates of unemployment, Americans are earning less, widening the housing affordability gap. HUD has reported a 20% increase in housing distress for the most vulnerable children and families, particularly people of color.[3]
- 56% of residents living near hazardous waste facilities are people of color.[4]

These are national problems. And local communities are identifying opportunities to solve them. This is the story of north Brooklyn, where a multi-racial coalition created a plan to utilize a shared asset, land, for a shared solution, a mixed-use housing development that would include:

- high-density units, with 75% being preserved as "affordable" units;
- energy-efficient appliances, windows and electrical wiring;
- geothermal heating and cooling systems;
- "green roofs" that would host small-scale wind and solar energy generation and rooftop gardens;
- community ownership of the energy savings and production; and
- incubation of local entrepreneurs interested in eco-conscious goods and services.

This plan, known as the Broadway Triangle Community Coalition Plan, is a model for the future. It exemplifies triple bottom-line sustainable development in excluded communities. It creates jobs and affordable housing, and contributes to the city's carbon reduction goal. Yet, the City has not implemented the BTCC Plan. The City's planning process lacked transparency and inclusion and the BTCC lacks the financial investment needed to make this plan work. Elected officials and city agencies must actively engage communities in the planning process and find ways to develop the capital to make the plan a reality.

[2] CSI analysis of the 2010 and 2011 American Community Survey, US Census Bureau.

[3] The National Low-Income Housing Coalition." Out of Reach 2012". March, 2012. www.nlihc.org/sites/default/files/oor/2012-OOR.pdf

[4] CERD Working Group on Health and Environmental Health Report on Healthcare "Unequal Health Outcomes in the United States". January 2008

AN INCLUSIVE COMMUNITY SOLUTION

In 2008, with support from the Pratt Graduate Center for Planning and Environment, neighborhood groups came together to form the Broadway Triangle Community Coalition (BTCC). The BTCC is a multi-racial coalition of forty churches, civic groups, businesses and nonprofits. The groups reflect each of the three neighborhoods surrounding the tract of land called the Broadway Triangle, with members coming from Hasidic, Black and Latino community groups.[5]

Collaboratively, the groups were able to raise the voices of all three communities. The Broadway Triangle Community Coalition Plan uses shared assets to create a shared solution for all three neighborhoods that builds affordable housing units, creates jobs and pioneers urban efforts to fight against climate change.

The BTCC engaged in a series of participatory planning and visioning charettes during evenings and on weekends to create a proposal for an **energy-plus neighborhood**. The energy-plus neighborhood would develop energy-efficient affordable housing units, create a community-owned energy utility and incubate green jobs.

DEVELOPING AFFORDABLE HOUSING

The BTCC's plan called for the creation of 4,800 carbon-neutral housing units (75% defined as affordable, which means paying no more than 30% of one's income on housing). The housing would:

- Be owned by community-based organizations in the BTCC, using a housing trust fund to guarantee affordability and meet the needs of the residents from these three communities.
- Include proper technology so residents can participate in Con Edison's demand-response program. This local utility plan allows people to receive a payback for not using electricity during certain peak hours.
- Include "green roofs" that use solar panels to create energy that could be sold back to the grid.
- Use geothermal heat and sewage waste heat to produce heating and cooling, slashing reliance on oil-burning furnaces that add to the City's emissions.

WHAT IS AN ENERGY-PLUS NEIGHBORHOOD?

An energy-plus neighborhood is an area where residents collaboratively create more energy than they consume.

Energy-plus neighborhoods rely on households being energy efficient (such as having new windows, Energy Star appliances, and smart meters to help monitor and control energy use). The neighborhood is also producing its own energy, heating and cooling from non-carbon sources (such as solar roofs, wind turbines and waste heat.)

[5] The Broadway Triangle Community Coalition. www.broadwaytriangle.com

CREATING A COMMUNITY-OWNED ENERGY UTILITY

The energy utility would save energy by installing energy-efficient designs (insulation, windows, heating/cooling systems and smart meters) and appliances in the new housing units while retrofitting existing buildings in the surrounding neighborhoods. The energy utility would create clean, renewable energy by:

- Siting small-scale wind turbines and solar panels on roofs and open spaces in the Triangle area.
- Converting subway and sewer waste-heat into a combined heating and power system to deliver heating and cooling into the housing units.
- Selling excess energy back to the grid for a profit.

Furthermore, the community utility has the potential to build wealth for neighborhood residents, who would be owners and share in the success of the project while also lowering their energy bills, allowing residents to allocate dollars to other areas. As an established organization it can negotiate with Con Edison on the rates for energy produced by the community and payment structures for residents participating in demand-response programs.

INCUBATING GREEN JOBS

By creating both affordable housing and a community energy utility the BTCC's plan links local workers to job opportunities. Some jobs would be short-term, such as the construction of housing units, while other jobs would be long-term. For example, the energy utility would create installation and permanent maintenance jobs for the renewable energy production occurring in the Broadway Triangle area. It also would create green weatherization jobs to retrofit local community homes. With even further innovation, the BTCC also reimagined the primary buildings on the lot as a space for incubating businesses developing energy technologies and other local entrepreneurial activities.

LOCAL ASSETS: DIVERSITY OF HISTORY, STRATEGIC RELATIONSHIPS AND LAND

The BTCC Plan is innovative, not only for its triple bottom line approach, but also for its use of specific local assets embedded in the community. Though these neighborhoods struggle with poverty and gentrification, there is much to build upon. The Broadway Triangle community holds an abundance of diversity, collaborative relationships, available land, accessible transit and new ideas. The BTCC strives to use these assets to solve multiple problems with innovative planning.

THE BROADWAY TRIANGLE COMMUNITY

The Broadway Triangle is a mostly vacant plot of land in Brooklyn, New York, where three neighborhoods (Bedford-Stuyvesant, Bushwick and Williamsburg) meet. Together these historically distinct and vibrant neighborhoods comprise nearly a half-million residents. Bedford-Stuyvesant encompasses one of the oldest free Black communities in the United States, Weeksville.[6] A primarily residential community with a strong locally-based commercial economy, Bedford-Stuyvesant is majority Black and home to some of the nation's most notable musicians. Williamsburg, formerly a manufacturing neighborhood, has grown more residential over time, while developing a rich community of artists and musicians. It is a neighborhood of ethnic enclaves, majority White and primarily Hasidic Jewish, with smaller Italian, Dominican and Puerto Rican communities. Formerly known for its railways and breweries, Bushwick is home to a growing residential community with a locally-based commercial economy. It is majority Latino, with a strong representation of Puerto Ricans and Dominicans.[7]

Despite the differences, these three neighborhoods have a history of working together through local coalitions on issues of environmental health. For example, the Bedford-Stuyvesant Restoration Corporation, a community organization supporting economic and social wellbeing; Williamsburg's El Puente, a community organization working on environmental health and other issues; and the Pratt Institute, a private liberal arts college with a long history of community engagement, worked with other city-wide groups to pilot a low-income housing energy efficiency program to help cut energy costs for these communities. While retrofitting homes is a key towards a cleaner planet, the need for an alternative to dirty energy is critical if we want to curb the direction of climate change. These groups, recognizing the opportunity to do more, had a foundation that would make the Broadway Triangle Community Coalition possible.

LAND AND ACCESSIBILITY

The Broadway Triangle is desirable not only for the rich diversity of its surrounding neighborhoods. The area is also well-served by public transportation, both for local neighborhood travel and travel to other areas of New York City. The Triangle itself is formerly a manufacturing hub, but has been rezoned for mixed-use development. This provides an opportunity to use a mostly vacant plot of land for housing, business and green generation.

The Triangle, comprising a sizeable 31 acres and 20 city blocks, formerly housed Pfizer Pharmaceuticals. In 2008, Pfizer closed its Brooklyn location after 150 years in operation, leaving behind a shuttered production plant with 660,000 square feet of prime manufacturing, warehousing and retail space. While Pfizer continues to own some of the land (roughly 4 acres), New York City owns the majority of the Triangle

[6] The African American Registry. www.aaregistry.org/historic_events/view/weeksville-jewel-brooklyn-ny

[7] According to data from the US Census Bureau. American Community Survey. Bedford-Stuyvesant is 60% Black, 20% Latino; Bushwick is nearly 75% Latino, 15% Black, and Williamsburg is over 60% White and nearly 30% Latino.

Figure 2 The Broadway Triangle Section of Brooklyn NY (including the Pfitzer Building) and Population of Color. *Source: ESRI, US Census Bureau*

and deemed it an Urban Renewal Area in 1989.[8] Beyond rezoning the area for residential and manufacturing use, the City did not take concerted action on its development for many years.

The land's classification as a remediation site by the State of New York means that it requires clean-up to remove toxins or other chemicals from the ground to ensure a safe and healthy living environment. Despite the high costs of remediation, which can range from $600,000 to $1,000,000 depending on size of property[9], the accessibility, size and mixed-zoning potential make the Broadway Triangle a very attractive space. The Triangle offers a viable opportunity to build housing units, provide manufacturing space for a growing sector and provide the space for the incubation of local and small businesses that could create jobs.

In the mid-2000s, the combination of housing needs, availability of brownfield renewal grants, pressure from Brooklyn Assemblyman Vito Lopez and the closing of the Pfizer plant, led to acceleration in plans to develop the Broadway Triangle. Community members, the City and private investors began to explore the Triangle's potential to meet the many housing and business needs of the City.

Figure 3 The Former Pfitzer Building

[8] New York City: Department of Housing Preservation. Executive Summary www.nyc.gov/html/hpd/downloads/pdf/Executive-Summary-09.pdf

[9] Paull, Evans (2008). The Northeast Midwest Institute. *The Environmental and Economic Impacts of Brownfields Redevelopment.*

COMMUNITY NEEDS

The BTCC Plan builds on assets to address the poverty, unemployment, housing, and energy issues in Bedford-Stuyvesant, Bushwick and Williamsburg. Redevelopment of the Broadway Triangle provides a unique opportunity to address the needs of its surrounding neighborhoods.

POVERTY, UNEMPLOYMENT AND HOUSING INSECURITY

Within these neighborhoods, approximately one in three people live in poverty. In 2010, at the height of the BTCC's efforts, unemployment was higher than the city and national averages, with one in eight residents unemployed in Bedford-Stuyvesant, one in ten unemployed in Bushwick and one in twelve unemployed in Williamsburg, compared with one in nine in New York City and one in ten in the US overall.[10]

The lack of quality, accessible and affordable housing, while a national issue, is especially intense in New York City, which has one of the highest percentages of renters,[11] one of the lowest rental vacancy rates and one of the highest cost of living indices in the country.[12] There are never enough units for people in need. In 2009, there were ten million extremely low-income renter households in the US, but less than four million units deemed affordable and available.[13] At the beginning of 2009, when residents began discussing the Broadway Triangle, over 120,000 affordable units existed in Brooklyn,[14] yet there were almost 230,000 extremely low-income renter households.[15]

The neighborhoods surrounding the Broadway Triangle feel this acute housing stress. The median rent burden for these neighborhoods is above 30%, the standard accepted level of income a person should pay for housing, electricity and fuel costs combined. It is highest for Bushwick and Bedford-Stuyvesant, whose rates hover closer to 34%.[16] And when considering transit costs plus housing, many residents spend up to 48% on transit and housing in the Broadway Triangle area compared to the Brooklyn average of 36%.[17] Likely related to housing costs, all three neighborhoods have seen increases in severe crowding rates.[18] For example, nearly eight percent of renter households in the Bushwick neighborhood are overcrowded, up from five percent just two years ago.[19]

Though a majority of residents rent, homeowners in these three neighborhoods are also struggling to remain in their homes. One in five Bedford-Stuyvesant residents owns a home, but the neighborhood has the second highest foreclosure rate in the city at 42.8 per 1,000 homes. In Bushwick, one in seven owns a home, but the community faces the third highest foreclosure rate in the city at 41.8 per 1,000. Williamsburg's homeowners fare better with a foreclosure rate at 7 per 1,000.[20]

[10] New York University Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods, 2011. www.furmancenter.org/files/sotc/SOC_2011.pdf

[11] US Census Bureau. Housing Vacancies and Home Ownership " Annual Statistics: 2011." www.census.gov/hhes/www/housing/hvs/annual11/ann11ind.html

[12] Council for Community and Economic Research. "Cost of Living Index" www.coli.org/ReleaseHighlights.asp

[13] Ibid.

[14] Research and Analysis by the NYU Furman Center for Real Estate and Urban Policy

[15] US Census Bureau. American Community Survey

[16] New York University Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods, 2011. www.furmancenter.org/files/sotc/SOC_2011.pdf

[17] Center for Neighborhood and Technology. "Housing and Transit Affordability Index". www.htaindex.cnt.org/map/

[18] Severe crowding means that the ratio of people living in a room is over 1.5: 1.

[19] New York University Furman Center for Real Estate and Urban Policy, State of New York City's Housing and Neighborhoods, 2011. www.furmancenter.org/files/sotc/SOC_2011.pdf

[20] New York University Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods, 2011. http://furmancenter.org/files/sotc/SOC_2011.pdf

HIGH ENERGY EXPENDITURES

High-energy costs can place an additional burden on a family's income. Nationally, on average, households of color pay more in energy costs than all White households[21], mostly for electricity and space heating. People of color tend to live in older homes[22] without proper insulation or energy efficient appliances that can help cut costs. As figure 4 shows, Black and Latino households spend over ten and over eight percent of their income, respectively, on energy costs, while White households spend less than five percent.[23]

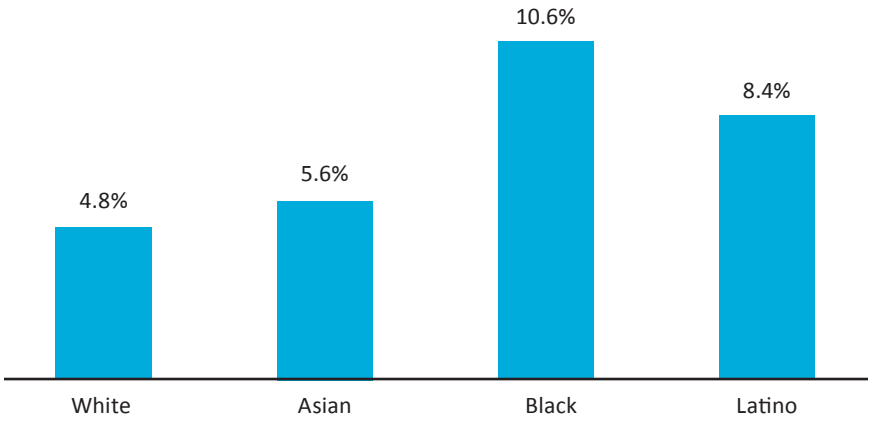

Figure 4 Percentage of Income Spent on Utilities, by Race

This difference can be even more drastic in New York City where average electricity rates hover around eighteen cents per kilowatt of energy used, nearly seven cents more than the national average.[24] Black, Latino and Asian New Yorkers therefore have the double burden of living in an expensive city and spending more of their income on utilities compared to White New Yorkers.

[21] Center for Social Inclusion. Energy Democracy Community-Scale Green Solutions http://www.centerforsocialinclusion.org/energy-democracy-community-scale-green-energy-solutions/

[22] University of California Berkeley, Building Resilient Regions. Institute of Governmental Studies http://brr.berkeley.edu/2012/07/to-build-resilient-regions-pay-attention-to-housing/

[23] Though not specifically reported, White household energy cost estimates are calculated from the weighted average costs for all consumers (7.6%) and the percentage of all households that are White (63.4%). Please see Center for Social Inclusion's Energy Democracy: Community-scale Green Energy Solutions for more information.

[24] New York State Energy Research and Development Agency. "Residential Energy Prices in Nominal Dollars 1996 -2010" http://www.nyserda.ny.gov/Page-Sections/Energy-Prices-Supplies-and-Weather-Data/~/media/Files/EDPPP/Energy%20Prices/Annual%20Prices/residential_energy05_09.ashx

THE CHALLENGES: ACCOUNTABLE GOVERNING & FINANCING

A year prior to the BTCC's efforts, two locally powerful nonprofits, the Ridgewood Bushwick Senior Citizen's Council (RBSCC), founded by Brooklyn Assembly member Vito Lopez, and the United Jewish Organizations (UJO) won a grant from New York State's Brownfield Opportunities Areas (BOA) Program to remediate and develop the Broadway Triangle for new housing options. Less representative of the area's diversity, the RBSCC primarily serves elderly residents in a majority-White neighborhood in Queens and Bushwick, and the UJO primarily serves elderly white Hasidic residents in Williamsburg. Upon winning the grant, the UJO and RBSCC worked with city officials on a redevelopment plan for the Broadway Triangle.

THE CITY-BACKED PLAN

The City-backed RBSCC/UJO plan neither addressed needs nor built on assets. It would result in the exclusion of people of color, who make up the majority of residents surrounding the Triangle.[25] And the plan provided a less innovative solution compared to the BTCC's.

First, the RBSCC/UJO plan called for low-density, which would provide fewer units and thereby limit housing relief for communities of color experiencing overcrowding. Second, less than half of the units would be deemed affordable, despite the fact that in Brooklyn there are twice as many residents needing affordable units as there are units available. Additionally, the plan included residency preferences for those currently living in Williamsburg, to the exclusion of those living in Bedford-Stuyvesant, raising concerns that Black and Latino housing applicants would have a lower probability of acceptance.[26] Many also felt the choice to build low-density housing put the needs of Hasidic Jewish families, who preferred three-to-four bedroom apartments, ahead of the needs of Black and Latino families. The City-backed RBSCC/UJO plan failed to consider these racially disparate impacts.

By failing to include the community, the City missed an opportunity to benefit everyone. The RBSCC/UJO plan failed to build upon the innovation and relationships in the community that could contribute to PlaNYC 2030. PlaNYC 2030, which outlines the City's strategy on planning and climate change, includes weatherizing buildings, planting trees and creating city-owned renewable generation, exactly what the BTCC proposed. Instead, the City approved a plan with no commitment that the new housing would utilize alternative energy sources, provide efficient appliances or build green roofs to help the City's effort to cut its emissions.[27]

Because of the failure to consider the racial impacts of the plan and the lack of commitment to the surrounding neighborhoods, the BTCC formed to create an alternative plan with the hopes and intentions of negotiating with the City, RBSCC and UJO on a more comprehensive, inclusive and innovative plan that worked for everyone.

[25] New York Civil Liberties Union www.nyclu.org/files/Broadway%20Triangle%20Plaintiffs'%20Post%20Hearing%20Brief.pdf

[26] New York Civil Liberties Union www.nyclu.org/files/Broadway%20Triangle%20Plaintiffs'%20Post%20Hearing%20Brief.pdf and http://www.nyclu.org/news/court-order-blocks-discriminatory-brooklyn-housing-development

[27] New York Civil Liberties Union www.nyclu.org/files/releases/Broadway_Injunction_Decision_1.4.12.pdf

Based on a summary by students from the Pratt Graduate Center for Planning and the Environment, the BTCC plan provides more housing, job opportunities and environmental stewardship than the City-sponsored plan:

RBSCC/UJO Plan	BTCC Plan
1,895 Total Units (Low Density)	4,800 Total Units (High Density)
48% Affordable	75% Affordable
Piecemeal Planning – Ad Hoc Zoning	Comprehensive Plan Addressing Equity, Ecology, and Economy
Ignores Job Creation and Enterprise Development	Links Jobs and Enterprise Development to Re-Building of the Area
No Carbon Reduction or Sustainability	Links Sustainable Development and Green Jobs and Federal Initiative to Addess Global Warming
Meets Status Quo	Twenty-First Century Plan

OBSTACLES TO IMPLEMENTING THE BTCC PLAN

For now, neither the City-backed plan, nor the BTCC Plan is being implemented and the Broadway Triangle's great potential remains unfulfilled. A lack of transparency and community engagement in the planning process are largely to blame.

First, the RBSCC/UJO process made no efforts to engage the greater community. No BTCC participants or other representative groups were invited in the planning process from the beginning. When this happened, the City planning department should have interceded and demanded public feedback from the impacted communities. This would have created an opportunity to create a more inclusive and creative plan. Instead, the City continued to fast track the RBSCC/UJO plan that was established earlier in 2008. As Councilwoman Diana Reyna, who opposed the city-sanctioned plan, stated: "This [city] plan had no open process, no participatory process; it was exclusive to two organizations."[28]

Second, the approval process succumbed to political horse-trading. The RBSCC and UJO are deeply tied to the powerful Brooklyn political broker Assemblyman Vito Lopez. Lopez used his political muscle to generate support among community boards and members of the City Council to get the RBSCC/UJO's plan fast-tracked.[29] Despite efforts by the BTCC to protest the plan, the City ignored the community concerns and quickly approved the plan.

The BTCC responded immediately and, with the help of the New York Civil Liberties Union, sued the City. The lawsuit alleged race discrimination, religious discrimination, land use violations and environmental review violations under federal, state and city civil rights, fair housing, environmental and rezoning laws. The State Supreme Court issued a preliminary injunction that stopped implementation of the RBSCC/UJO plan. Two years later, in January 2012, the Court issued a final ruling blocking the plan. *(See Appendix I for details of the legal battle.)*

In the meantime, the BTCC missed out on funding opportunities that could have supported its Broadway Triangle plan and, as detailed in Appendix II, Pfizer sold its building to a private investor, Acumen Capital Partners, in 2011. In May 2012, six of the BTCC member organizations made an offer on adjacent land owned by Pfizer but were outbid by another private developer. While the BTCC members are striving to work with these investors, the lack of necessary capital to buy and control land makes community solutions very difficult to achieve.

[28] Gross, Courtney. " Stated Meeting: Broadway Triangle Approved by Council" Gotham Gazette. December 22, 2009 www.gothamgazette.com/index.php/topics/416-stated-meeting-broadway-triangle-approved-by-council

[29] Brown, Elliot. New York Observer. "Planned Broadway Triangle Housing Passes Council, but Not Without a Fight" www.observer.com/2009/12/planned-broadway-triangle-housing-passes-council-but-not-without-a-fight/. December 21, 2009

THE SOLUTIONS: A RESPONSIVE GOVERNMENT FOR AN INNOVATIVE COMMUNITY

Two critical lessons can be learned from the BTCC's work:

1. Communities need to have a responsive government that listens to community residents, responds to community needs and supports community innovation;
2. Communities need access to capital to put forth a vision that can create a healthier economy and environment.

TRANSPARENCY & PARTICIPATION IN THE PLANNING PROCESS

Governments' actions are better and constituents' needs are better met when governments are transparent and participatory. A transparent government provides information to residents about how and why decisions are made. A participatory government actively involves residents in the decision-making process.

In the Broadway Triangle, the lack of transparency and community engagement led to a weaker plan, protracted litigation, and prime development land that is still fallow. With more transparency and community participation, plans for Broadway Triangle could produce greater public benefits, speed development by gaining resident cooperation and advance the goals of reducing energy consumption and creating clean energy as outlined by the City's PlaNYC 2030.

To improve transparency in the process of building sustainable neighborhoods, local governments should:

- Collect data on multiple variables[30], including demographic data like employment, health and rent burden that influence sustainability, disaggregated by race, and use this data to identify who will benefit and who will be marginalized by potential rezoning or redevelopment plans.
- Make data publicly available in accessible formats including print, online and in Excel or Word formats.
- Disclose to the public which organizations and individuals are participating in the planning process.
- Appoint a local official to liaise with community leaders and residents.

In addition to transparency, governments should incorporate full participation by affected residents in all planning efforts that impact land use.

Community engagement is not new; New York City has collaborated with communities in the past to devise inclusive development plans. For example, in Brooklyn's Sunset Park neighborhood, Community Board 7, City Councilwoman Sarah Gonzalez and the Pratt Center collaborated in an effort to engage community residents around rezoning. The original plan favored high-rise development that threatened to drive up rents in the predominantly Latino and Chinese working class community. In response, Pratt, the Community Board and Councilwoman Gonzalez co-convened a series of workshops, held during evenings and weekends, bringing together city officials and residents. As a result, the City Planning Commission crafted a rezoning plan that maintained access to the park and built affordable housing. It is a successful example of a responsive City agency meeting the needs of its residents.

[30] Some metrics that can and should be measured include: unemployment, health factors, age of housing, median rent-burden, access to public spaces and green space, proximity to brownfields, green house gas emissions, renewable energy potential, number of affordable housing units, median household income. Elements of sustainability planning can be found at ICLEI USA: www.icleiusa.org/action-center/planning/sustainability-planning-toolkit/planning-overview/scope-of-a-sustainability-plan.

To be inclusive and participatory in the process of building sustainable neighborhoods, local governments should:

- Reach out to all constituents across race and, if a multi-racial coalition like the BTCC exists, make it a key partner.
- Identify established community leaders and institutions, like the Pratt Center, El Puente, or Bedford-Stuyvesant Restoration Corporation, to ensure outreach and invitations to as many constituents as possible.
- Engage community leaders and nonprofits at the beginning of and throughout the planning process by holding community workshops, hosting charettes and meeting with individuals to ask about community needs, priorities and interests. These meetings should be scheduled at different times of the day, including weekends and evenings, to provide meaningful opportunities for residents to participate.

ACCESS TO FINANCING

Historically and currently, financial institutions have invested insufficiently in communities of color. Public and private support for cooperative ventures is lacking. And communities of color often struggle to access necessary funding for exciting plans like the BTCC's. A mix of public and private support is critical for communities of color to lead in a renewable energy economy.

The BTCC targeted two public programs that could support their endeavors and be used to leverage private investment to help finance the rest of the project. First, the BTCC identified the Federal Sustainable Communities Grant as a source of funding. Local governments are vital partners to receive these grants. Yet, due to the failure of City officials to include and engage the BTCC in redeveloping the Broadway Triangle, the City and the community missed out on the window of opportunity to apply for and receive the grant.

Secondly, the BTCC identified the New York State Energy Research & Development Authority (NYSERDA) as a potential partner. NYSERDA funding alone would not be large enough to implement its plan, and given the strain on its resources and its legal battle with the City, the BTCC did not have enough technical or staffing capacity to leverage NYSERDA support to attract other investors.

These types of federal and state programs can provide vital grants to innovative community and regional plans for energy, transit and housing. Funding levels are often too small to fully support larger projects like the one the BTCC proposed. Yet public grants can provide the initial capital to communities of color that cannot easily access private dollars so they can attract the private dollars they need to make their plans a reality.

Private support could come from mission or program-related investments from foundations. These are low-interest loans made to support projects that are close to the foundation's mission. These funds can often be used to leverage additional funding opportunities as well.

Whether it is from public, foundation or other private sources, in addition to bricks and mortar, funding for community development should include:

- Legal capacity to advise communities on regulatory policies and planning processes;
- Time, resources, and meeting space for community-planning charettes;
- Building capacity of local leadership to develop business and fundraising plans;

- Supporting the strategic capacity of multi-racial coalitions to engage in city planning and policy efforts; and
- Implementation of community-based plans.

A POLICY SOLUTION COMBINING TRANSPARENCY & PARTICIPATION WITH FINANCING

The Center for Social Inclusion is developing a policy idea to support local innovations like the BTCC's vision for an Energy Plus neighborhood through creation of community-based "Energy Improvement Districts" (EIDs).[32]

An EID is an area designated by the local government that can be as large as a neighborhood or as small as a single block, depending on the identified need in the community. EID designation would provide the community targeted financing, such as public bonds, state and federal grants or low-interest loans from public and private lenders. EIDs receive regulatory incentives and technical assistance to support energy efficiency efforts or development of small-scale alternative energy systems. In Connecticut, for example, legislation authorizes municipalities to set up EIDs and finance them by issuing bonds.

With an EID designation, communities can influence how they use and create energy and are given a pathway to financing their innovation. Focusing EIDs on communities most in need of energy improvement, whose residents are least likely to be able to afford energy alternatives on their own, can help spur community-scale innovation. Community members can use EIDs to improve their neighborhood, whether it is through efficiency upgrades or community-scale renewable energy generation. Selecting areas for EID investment should account for community assets, such as vacant properties or buildings owned by community institutions that have potential not only for efficiency upgrades, but also for solar or other renewable energy generation projects. To elevate fairness and equity, and target communities that stand to benefit the most, metrics for determining EID designation should take into consideration income status, race and ethnicity as well as sustainability indicators like housing costs, access to green spaces and health factors.

EIDs can also support creative public-private partnerships. For example, an EID could provide an opportunity for collaboration among city officials, a local church and nearby businesses to develop the area. One example could be using EIDs to create a community-solar project on a former brownfield site. To ensure measurable community inclusion, EID's would incorporate measures like those described earlier to incorporate transparency and true community participation every step of the way.

In the case of the Broadway Triangle, an EID designation would have helped the City recognize the BTCC as a potential partner in the process. The three neighborhoods fall under the EID focus on "energy-poor" areas, those that lack efficient technologies while paying more for energy costs. Rather than fast-tracking a plan and excluding community voices, as the original city-backed RBSCC/UJO solution did, an EID would require City officials to engage in participatory planning processes with community groups in the impacted area.

An EID could also have helped finance the BTCC plan. As entities created by a state or local government, EIDs could be eligible for public support, such as federal grants and loans, or they might benefit from loan guarantees, low-interest loans, grants, municipal bonding opportunities or even special taxes. If the Broadway Triangle was

[32] For more information about EIDs please see CSI's recent paper: Energy Democracy: Supporting Community Innovation www.centerforsocialinclusion.org/supporting-community-innovation/

a designated EID, it might have gotten a state guarantee of financing that could be leveraged for other funding opportunities, like private-public partnerships.

Lastly, EID designation can make communities eligible for needed technical assistance. For example, many federal energy technical assistance programs deal with municipal governments, not community organizations. Since the local government administers an EID, EIDs can be a conduit for technical assistance to communities that want to develop energy efficiency and generation projects.

CONCLUSION

The Broadway Triangle energy-plus neighborhood is a transformative solution. It recognizes a shared asset and provides a shared solution where communities of color are producers and decision-makers in how they can create and save energy rather than acting solely as consumers. While this innovative solution has been stymied for now in Brooklyn, the BTCC journey shows that the fight for community-scale energy requires perseverance, multi-racial coalition building and flexibility in strategy. While the Broadway Triangle remains fallow, opportunities still exist for success. It will require an accountable government - one that is transparent, participatory and collaborative from beginning to end. And it will require a real dedication of public and private capital to create a more sustainable and just future for the communities surrounding Broadway Triangle and the City as a whole.

APPENDIX I: COURT DECISION ON THE BROADWAY TRIANGLE COMMUNITY COALITION LAWSUIT

When it became clear the City would move to adopt the UJO/RBSCC Plan without any community outreach, the BTCC partnered with the New York Civil Liberties Union and sued to enjoin the City's rezoning plan for lack of transparency in planning and civil rights violations under the Fair Housing Act.[33] The BTCC quickly won a preliminary injunction blocking the City from transferring land to the RBSCC/UJO, and the final court ruling effectively ended the City-backed plan to redevelop the Broadway Triangle. The ultimate legal decision found that the City violated the Fair Housing Act by proposing development that would further segregate the community and discriminate against Black and Latino residents. The decision gives the BTCC an opportunity to continue to pursue its vision for an energy-plus neighborhood.

COURT FINDS CITY PLAN DISCRIMINATORY

Nearly two years after the lawsuit was filed, the New York Supreme Court found merit in the BTCC's claim that the city violated the Fair Housing Act in its planning proposal for the Broadway Triangle. On January 4, 2012, the Court halted the City plan. The Court states that race neutral housing policies violate the Fair Housing Act when "racial segregation is perpetuated or if a minority group or groups are adversely impacted." According to Justice Emily Jane Goodman, the city's "race-neutral" plan does just that.

The Court found that the no-bid designation to transfer land to the UJO and RBSCC to develop large apartments, despite the demand for smaller apartments, "perpetuates segregation and disproportionately impacts minority groups". Further, the Court found that the City failed to consider racial impacts in their plan and the City must be accountable to the Fair Housing Act, which requires that any housing plans using federal funding must assess the development with a racial lens.

Furthermore, the Court dismissed the City's evidence-less and offensive claim that the reason Blacks and Latinos would not benefit is because they choose not to live in the Williamsburg area. In fact, the Court cites research by Columbia Professor Lance Freedman which shows that the City's housing proposal disproportionately favors and benefits White populations.

[33] Interview notes from conversation with Professor Ron Shiffman at the Pratt Graduate Center for Planning and the Environment.

APPENDIX II: NEW POSSIBILITIES FOR THE BROADWAY TRIANGLE

In the midst of the Court battle, Pfizer sold its building to a developer, Acumen Capital Partners, in February 2011. Acumen has a track record of environmentally friendly, sustainable and inclusive business practices. Hopeful for a possible partnership, Acumen and members from the BTCC met in June of 2011 to start the dialogue on how they can work together.

So far, Acumen has expressed interest in using its roof for urban agriculture and energy generation and is open to having community entrepreneurs occupy space in the building. But prior to such actions, Acumen must establish an anchor business large enough that it could pay the majority of the building costs, making it sustainable for the developer to involve small businesses.

With support from the Pratt Institute, the BTCC has reached out to other strategic partners who have worked on redeveloping old manufacturing spaces. The BTCC invited representatives from community organizations, particularly those interested in energy production, as well as a major Black-owned developer, New Spectrum, which wants to pursue a food security business in the region. Other partners include developers from the Brooklyn Navy Yard who have worked to support community-focused businesses in their area. Additionally, El Puente, a Latino-based community organization, and CADRE, an organization representing Latino artists and artisans in the area, have worked with Acumen to develop some related cooperative endeavors.

Building a relationship with Acumen Partners to use the Pfizer building has the potential to achieve the BTCC's goal of incubating green jobs. The building is now host to an emerging market of start-up and established small-scale food manufacturers. However, the rest of the Triangle's land remains fallow. Efforts to develop this land continue. In April 2012, six members of the BTCC put forth a bid of $10 million to purchase lots adjacent to the Pfizer building (not the entire Triangle) and create over 800 units of affordable housing. These units would "ensure a balanced economic, racial and religious community."[34] Unfortunately they lost this bid to a private company that specializes in housing and mixed-use developments.[35]

While the community's holistic plan for the Broadway Triangle has yet to be achieved, there is still hope. Victory in the courtroom brought attention to the communities' demand for transparency and inclusion. Any plans by the City to develop the Triangle will be closely watched and hopefully incorporate the BTCC's continual efforts. While next steps are not clear, the recent incremental changes forecast a more sustainable community with more jobs, affordable housing and racial inclusion.

[34] Durkin, Erin. "Groups bid $10M to buy vacant Pfizer property" New York Daily News. April 5, 2012. www.articles.nydailynews.com/2012-04-05/news/31296293_1_pfizer-spokesman-chris-loder-pfizer-property-pfizer-property

[35] Short, Aaron. "Pfizer Sells off Last Properties in Brooklyn" Brooklyn Paper. April 23, 2012 www.brooklynpaper.com/stories/35/17/dtg_pfizersale_2012_04_27_bk.html

CASE STUDY 3

ENERGY DEMOCRACY

People Powered Policy: Communities of Color Lead on Climate Change and Solar Energy in Oakland, California

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INTRODUCTION

We are all facing the challenges of a changing climate. We lose homes, businesses and even lives to superstorms like Katrina and Sandy and to wildfires. We lose food and livelihoods to drought. We must change how we use and generate energy. All communities can and must help. But energy efficiency and renewable energy can also create much needed cost savings to cash strapped families and jobs for our economy. Good public policy can support community-based solutions.

As the fastest growing populations in the country suffering disproportionately from dirty energy, communities of color must be part of climate change policy and community scale innovation. Despite being generally overlooked in discussions of climate change solutions, many have been developing ideas at the local level that, when replicated, can build better communities and help the planet we all depend on. This case study is our third in a series highlighting how communities of color are leading the way toward a clean and sustainable energy future.

The Oakland, CA, story is remarkable because communities of color demonstrate the potential of energy democracy – from planning to policy to projects. In People Powered Policies, we learn about policy strategies that community of color organizations in Oakland have developed to help them tackle climate change while improving their communities. They won accountable planning policy at the city level, developed community-scale solar projects and crafted state policy to support community projects. As we identified in our first case study, *Energy Democracy: Community Scale Innovation in Boston*, communities of color face particular capacity building and financing challenges that blocked development of a home weatherization cooperative in the Roxbury section of Boston. In this case study, we see a successful use of an alternative form of financing. In our second case study, *Energy Democracy: Broadway Triangle – Multiracial Efforts towards a Sustainable Neighborhood*, we learned that unaccountable local planning decisions thwarted an energy-plus affordable housing development in Brooklyn, NY. In this case study, we learn about successful local requirements for accountability and participation in planning. And we also learn of a state policy idea to support more local innovation, particularly in communities of color.

Efforts like these are part of the growing demand for what CSI calls Energy Democracy. It is a movement of communities making decisions about how they use and generate energy to become more adaptive and resilient in the face of climate change. Communities of color want to move away from an antiquated power system that uses dirty energy and inefficient distribution to a renewable energy economy driven by local production and distribution. Communities of color want to produce clean energy, creating jobs, improving their health and building their wealth.

With the rapidly declining cost of photovoltaic (PV) solar technology (the panels that we see on rooftops) we can directly turn the sun's energy into electricity and create jobs in manufacturing, installation and maintenance of solar generating systems – seven times more than reliance on coal.[1]

Not only do we have the technology, but low-income communities and communities of color have ample space for solar generation. We have roofs on our schools, vacant lots and brownfields in need of remediation, and underutilized farmland where we can install solar arrays. As the map below shows, there is tremendous potential for solar generation in areas with significant populations of color. What we need is public policies to make it happen.

[1] Sungevity.
www.sungevity.com/go-solar

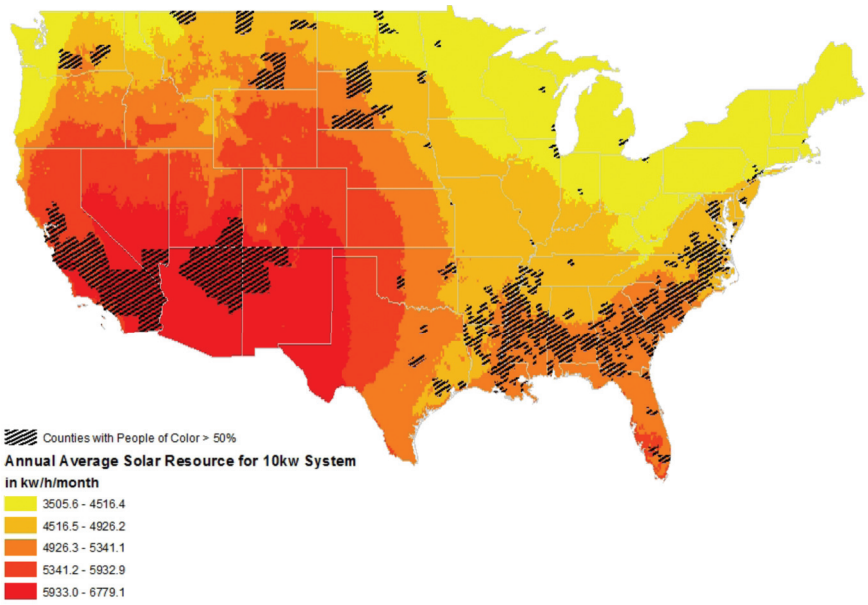

Figure 1 Solar PV Potential in Lower 48 States with Majority People of Color (by County)
Source: ESRI, US Census Bureau, NREL Open PV

STRATEGY 1: ENGAGING THE COMMUNITY IN ENERGY PLANNING

When the city of Oakland announced it would create an Energy and Climate Action Plan (ECAP), a broad array of organizations came together to form a multi-racial coalition known as the Oakland Climate Action Coalition (OCAC). They would draft their own plan first. Convened by the Ella Baker Center, the OCAC included base-building organizations rooted in West and East Oakland, whose members are primarily people of color and low-income. Also participating were environmental and labor organizations and local businesses. The OCAC would make certain the plan incorporated equity and sustainability goals, including hundreds of jobs in low income communities of color.

Oakland's plan is one of the most ambitious in the country. It commits to a 36% reduction of greenhouse gases below 2005 levels by 2020 and an 85% reduction by 2050. OCAC worked closely and cooperatively with city staff and elected officials on ways to meet those goals. The final product did not go as far as coalition members would have liked, but over 50 of the 150 polices contained in Oakland's ECAP were proposed by the OCAC. They won policies to make affordable housing part of transportation-oriented development, growing food on vacant lots to make the community more resilient and expanding energy efficiency programs to benefit renters as well as homeowners.[2]

With the majority (56%) of Oakland's greenhouse gas emissions coming from building energy use, the ECAP calls for a 32% decrease in electricity consumption through a combination of renewable generation, conservation and energy efficiency.[3] On the generation side of the equation, this means 62 million kWh of electricity from solar panels, enough to power roughly 5,500 homes, and 2.7 million therms of heat from solar or other renewable sources, enough to serve over 7,000 homes annually[4] Responding to OCAC's input, the plan explicitly supports community-based solar power. Along with the general mandate of 33% renewable energy on the electric grid, it calls for "new local renewable systems generating an additional 3% of Oakland's energy for buildings".[5]

To reach that goal, a community solar program will help communities of color participate by providing technical assistance with opportunity assessment and procurement support, and by connecting residents to financing opportunities. The City is also exploring Community Choice Aggregation (CCA), a model that would give Oakland control over its energy generation sources and establish a foundation for local renewable generation. (There is more information about CCA on page 11.)

OCAC produced its policy recommendations through a rigorous and democratic process designed "to ensure ECAP was truly inclusive and reflective of Oakland's diversity." The Coalition had active committees working on different aspects of the plan, including transportation and land use, building and energy use, consumption and solid waste, and community engagement. Each committee had two co-chairs, one with policy expertise and one from a base-building organization in low-income and communities of color to help hold the process, itself, accountable to marginalized communities. The co-chairs of all the committees comprised the Coalition's steering committee, which held public conversations around a variety of intersectional issues from transit and food access to jobs and clean energy development.
The Coalition's planning process reached deep into the community by convening

[2] Ella Baker Center. "Oakland Climate Action Coalition Toolkit" www.ellabakercenter.org/toolkit-create-climate-action-in-your-city

[3] City of Oakland. "Oakland Energy and Climate Action Plan" www2.oaklandnet.com/Government/o/PWA/s/SO/OAK025294

[4] Ibid.

[5] Ibid

[6] Ella Baker Center. "Oakland Climate Action Coalition Toolkit" www.ellabakercenter.org/toolkit-create-climate-action-in-your-city

workshops in different neighborhoods across the city. These workshops allowed community residents to voice their needs, express their demands and shape the policy asks that would form the OCAC proposed climate plan. Workshops were accessible to non-English speakers to ensure that all could participate. For example, the Asian Pacific Environmental Network (APEN) held Chinese-language workshops for its members in Chinatown, and Movement Generation conducted workshops in Spanish in the largely Latino Fruitvale District. By participating in dozens of events, more than a thousand low-income residents and residents of color had a direct voice in climate action planning.[7]

Community participation didn't end when the City Council approved Oakland's ECAP in December 2012. According to Denise Fan, then-organizer at the Ella Baker Center, "A big strength of the plan is the language about community engagement. [The plan] explicitly lays out how the community can and will stay involved in the process, even after the plan has been passed." ECAP builds in transparency and accountability by requiring the City to report annually on how it is being implemented and to update the plan every three years.

The report measures the progress on each goal, identifying if they are "complete", "underway", "pending" or "exploring". It identifies companies and organizations involved in the implementation process, how much funding or public resources are used to support the implementation and geographic descriptors of where investments are made.

To foster community engagement in implementation plans, the City provides "ongoing opportunities for the public to receive information on the City's progress in implementing ECAP actions, and to provide input as the implementation process proceeds."[8] Residents can participate by commenting online as well as attending quarterly community climate forums. The forums are meetings for city officials and staff to update residents on progress of the action plan and engage residents on ways to improve and inform the implementation of the plan. OCAC is ongoing, too, and continues to push the City's thinking around investing in community-based solutions, particularly in urban agriculture and renewable energy, to better respond to the needs and innovation of Oakland's communities of color.

The scope of Oakland's plan and the process of its creation and implementation are models of energy democracy. As a result, communities of color are in a better position to participate in the greening of Oakland. Other local governments and community organizations can adopt these models to advance climate action.

[7] Ibid.

[8] City of Oakland. "Oakland Energy and Climate Action Plan" www2.oaklandnet.com/Government/o/PWA/s/SO/OAK025294

STRATEGY 2: USING CREATIVE FINANCING & COMMUNITY ASSETS

Oakland's community based organizations are already moving on the goals that they called for in the ECAP, including creating clean energy. An innovative company called Mosaic worked closely with the Ella Baker Center and four other social-justice non-profits based in communities of color to pilot solar generation projects. Their goal, Fan said, was to show "that we could bring solar projects to our communities, create green jobs, lower greenhouse gas emissions and save money for these nonprofits so they could reinvest into their communities." In other words, investing in community solar was a no-brainer.

Mosaic's founders recognized that many people would like to participate in the solar revolution but can't because they don't own their homes or don't want to invest in large solar corporations. Their idea was to use crowdfunding to finance community-serving solar projects. Mosaic's first pilot project put 120 solar panels on the roof of the Asian Resource Center, a converted warehouse in Oakland's Chinatown that houses numerous non-profits, including APEN, plus retail businesses, medical facilities and a community art gallery. The East Bay Asian Local Development Corporation (EBALDC), which owns and operates the building, had a long-standing interest in solar energy but couldn't afford the upfront costs or take advantage of tax credits that support renewables because it is a non-profit. With Mosaic's help, EBALDC has realized significant savings on utilities, which means it can continue to help its non-profit tenants serve the community by keeping their rents low.

For People's Grocery, the second pilot site, going solar was an opportunity to live out the organization's mission to support a healthy community. "A healthy world is not just about a healthy body but a healthy environment," said Nikki Henderson, Executive Director. The 9 kW project produced a 40% drop in the organization's energy bill, which freed up resources to invest in helping West Oakland residents create their own food businesses.

Saving money was also important to the St. Vincent dePaul Society of Alameda County (SVdP), which serves Oakland's homeless, sick and re-entry population. SVdP provides meals, job training, education and housing on a very tight budget. Going solar also fit with SVdP's long history of recycling and reuse of clothing, furniture and all sorts of items, which makes it Oakland's "oldest green organization", according to then-Executive Director Philip Arca. Plus, it was an opportunity for cross-generational collaboration. "It's really important in this day and age," Arca said, "for older organizations with resources like we have [properties] and younger organizations who are innovative and creative to work together to create valuable partnerships that can be beneficial to the community."

SVdP installed a 26 kW system installed on their roof, and felt the savings immediately. Within the first month, SVdP saw its energy bill drop $1,800 – money that can help fund their programs like Kitchen of Champions, which prepares people for careers in the food and hospitality industry. The success has SVdP dreaming big. They saved space on the roof to create a solar hot water system and envision turning their 1,800 square foot warehouse in East Oakland into a solar roof that could house a 150 kW solar project.

[2] Ella Baker Center. "Oakland Climate Action Coalition Toolkit" www.ellabakercenter.org/toolkit-create-climate-action-in-your-city

[3] City of Oakland. "Oakland Energy and Climate Action Plan" www2.oaklandnet.com/Government/o/PWA/s/SO/OAK025294

[4] Ibid.

[5] Ibid

[6] Ella Baker Center. "Oakland Climate Action Coalition Toolkit" www.ellabakercenter.org/toolkit-create-climate-action-in-your-city

These three community organizations were able to achieve solar savings thought impossible just a few years earlier thanks to crowdfunding. Oakland was a great place to start with its "many community buildings, nonprofits, churches, schools and warehouses with large empty roofs that are perfect for solar," said Mosaic Communications Director Lisa Curtis. Mosaic prioritized working with organizations rooted in low-income communities and communities of color knowing it would be difficult for these groups to finance solar on their own, especially since only five percent of US banks finance solar projects.[9] Building on its relationship with the Ella Baker Center to engage other local organizations, Mosaic assessed the solar potential of possible sites, performed feasibility studies and did a cost-benefit analysis to show the organizations how the projects would work. To do the installations, they contracted with Sun Light and Power, a local solar developer committed to hiring local graduates of green jobs training programs, like one operated by Laney College in partnership with the Ella Baker Center.

Using an online platform, Mosaic worked with each nonprofit to raise funds for their solar projects. Altogether, 374 people contributed $275,000 earmarked to the projects of their choice, with more than one-third of the donations coming from the Oakland community. This crowdfunding endeavor covered half of the costs for the three pilots, while tax credits and a private grant covered the other half. The up-front cost to the community organizations: zero.

With this model, Mosaic essentially provided no cost loans to the non-profits, which are repaid from the savings on energy costs. Mosaic owns the solar installation for the first seven to ten years; once the loan is repaid, the community organizations become the owners reaping the rewards for the life of the system.

While getting the pilot projects underway, Mosaic was also working on a plan to solicit online investors rather than donors. The first organization benefiting from this new financing model was the Youth Employment Project (YEP), Oakland's largest youth employment training program. The 47 kW installation attracted over $40,000 from 51 investors and has an expected return of 6.38% annually. A grant and tax rebates covered the rest of the cost.

YEP's success paved the way for Mosaic's first major offering in January 2013 to finance solar energy for four affordable housing developments in California. The online offering sold out in less than 24 hours. With shares priced at $25, it brought in more than $313,000 from over 400 investors. The average investment was $700. Mosaic estimated a 4.5% return over nine years. The success of this initial offering demonstrates demand to invest in renewables and tremendous potential for nonprofits and the people they serve to share in the benefits of going green.

[9] Interview with Lisa Curtis, Director of Communications at Mosaic

STRATEGY 3: PRODUCING POLICIES THAT MAKE RENEWABLES ACCESSIBLE, PARTICULARLY TO COMMUNITIES OF COLOR

Both the city of Oakland and the state of California have recognized that increasing the use of renewables is critical to reaching their goals to reduce greenhouse gases. But exactly how to reach those goals is still a matter of debate. Miya Yoshitani, Associate Director of Asian Pacific Environmental Network (APEN) poses the options: Should the emphasis be solely on getting the most solar for the least cost, which favors large-scale profit-making developments? Or, should there also be a priority on maximizing the tremendous potential for solar energy to serve a broader public purpose and benefit communities with greatest needs?

While Oakland's ECAP is important, organizations involved in the citywide coalition recognized the need for state policy support for local strategies. APEN and Communities for a Better Environment (CBE) play vital roles in the California Environmental Justice Alliance (CEJA), a statewide coalition of grassroots environmental justice organizations calling for solar policies that support economic development and green job growth in low-income communities and communities of color.

In 2012, CEJA proposed state legislation to support community renewables, which nearly passed and will be reintroduced in 2014. Called *Solar for All* (AB 1990), the bill was a groundbreaking attempt to focus investment in needy communities, benefitting communities of color. It called for targeting "the most impacted and disadvantaged communities with high unemployment that bear a disproportionate burden from air pollution, disease, and other impacts from the generation of electricity from the burning of fossil fuels."[10] It would establish a pilot program with the goal of installing 375 megawatts of renewable electrical generating capacity in the state's most impacted and disadvantaged communities by 2020.

Solar for All projects would be relatively small-scale – up to 500 kilowatts, which is enough to power up to 100 homes,[11] and could fit on a roof the size of an average Costco store. Installations could be on commercial buildings, multi-family residences or community institutions, and according to CEJA, the bill would support at least 1,000 projects.

Solar for All would require the state Public Utilities Commission (PUC) to develop program elements to encourage hiring of employees from the communities where projects would be installed. Altogether, the Solar for All pilot program would create an estimated 4,000–6,000 jobs.[12]

To determine which communities would be eligible to participate, CEJA recommended using the Cumulative Impacts (CI) screening method developed by three noted professors at California universities.[13] The CI tool measures impacts in neighborhoods in terms of proximity to hazards; health risk and exposure; and social and health vulnerabilities, such as race, income and educational attainment. The bill was amended to utilize a similar screening tool being developed by the Office of Environmental Health Hazard Assessment for Cal EPA, which CEJA worked to strengthen and eventually accepted as a compromise.

[10] California Assembly Bill 1990 www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1951-2000/ab_1990_bill_20120525_amended_asm_v95.html

[11] Nesbitt, Katy. 2011. The Observer."500-kilowatt solar facility near Joseph generating power" www.lagrandeobserver.com/News/Business/500-kilowatt-solar-facility-near-Joseph-generating-power

[12] Communities for a Better Environment. "AB 1990 Q&A" www.cbecal.org/wp-content/uploads/2012/02/AB-1990-Faq.pdf

[13] Morello-Frosh, Rachel, Pastor, Manuel and Sadd, Jim "Environmental Justice Screening Method" http://www.arb.ca.gov/cc/ejac/meetings/060910/presentation.pdf

The key element of AB 1990 is the establishment of a long-term, fixed rate price that utilities would pay for excess energy the projects generate and sell back to the grid. Called a Feed-in Tariff (FiT) or Clean Energy Contract (CLEAN), this guaranteed return is important for two reasons. First, it helps project developers secure financing to cover their installation costs because they can demonstrate their ability to repay investors. For communities of color historically denied credit, this is an essential breakthrough. Second, by setting a fair price, these contracts create revenue that can be reinvested to stimulate the community's economy. The PUC would set the rates utilities must pay.

CEJA members mounted a grassroots lobbying campaign in support of Solar for All. The bill easily won approval in Assembly committees, the full Assembly and the appropriate Senate committees. It was on its way to the Senate floor when utility industry lobbyists came out in force and pried away enough supporters to kill the bill. "In the last days of the session," CEJA reported, "Pacific Gas & Electric, San Diego Gas & Electric, and Southern California Edison utility companies mobilized statewide and even nationally to squash AB 1990 because of the precedent it would set. It would have democratized energy production and forced the utilities to engage in a program that focuses on benefits to low-income communities and communities of color, instead of benefits to the bottom line."[14]

While it did not pass, the fight isn't over. CEJA is building multiracial and multi-sectoral alliances to push for Solar for All again in 2014. In addition, APEN is leading efforts to target how dollars generated from California's Cap and Trade program (The Greenhouse Gas Reduction Fund) are used. The fund is estimated to generate over $1 billion dollars in 2013 and $30 billion over the next seven years. APEN advocated for and won legislative changes that will require the California Air Resources Board, which controls the fund, to set aside 25% of revenues for investments in projects that benefit priority environmental justice communities and require that at least 10% of the projects occur in these communities.[15]

Another approach APEN, CBE and other groups are working on is Community Choice Aggregation (CCA), which was authorized by the California legislature in 2002. This model legislation allows cities and counties a way to move away from dirty energy, provide savings for residents and support local economic development.

According to the Local Clean Energy Alliance, Community Choice "enables cities and other jurisdictions to choose where the electricity provided to their residents and businesses will come from. This means that local communities can decide to procure their electricity from renewable energy sources: either by purchasing renewable electricity on the market, or more importantly, by developing local renewable energy resources in the community."[16] The existing utility company for the area continues to handle transmission, distribution, billing and other administrative matters.

Since the passage of the legislation, only Marin County, one of the most affluent counties in the country, has successfully formed a CCA, called Marin Clean Energy (MCE), but this is beginning to change. Many jurisdictions are considering establishing CCAs, and in 2012, the city of Richmond joined Marin County's MCE.

APEN has been organizing Richmond residents for nearly 20 years to "protect the health and safety" of the thousands of Asians and Pacific Islanders "who live, work and go to school in the shadow of the Chevron oil refinery" and to "champion renewable energy and jobs for Richmond residents."[17] As the Richmond City Council worked

[14] California Environmental Justice Alliance. September 7, 2012. "CEJA and allies fight hard for Solar For All", www.caleja.org/news/

[15] www.apen4ej.org/wp-content/uploads/2012/09/draft-com-and-climate-invest-principles-3-2013-3.pdf

[16] The Local Clean Energy Alliance. www.localcleanenergy.org/policy-platform/communitychoiceenergy

[17] Asian Pacific Environmental Network. www.apen4ej.org/what-we-do/organizing/Richmond/

out the arrangement with MCE, APEN advocated for provisions to guarantee that Richmond residents would share in the benefits of economic development opportunities like locally-generated solar. While the agreement between Richmond and MCE did not include APEN's proposals, MCE recently announced that it is beginning to set aside money to develop its own renewable energy generation projects, and the number one place on its list of potential sites is the Port of Richmond.[18]

Meanwhile, APEN, CBE, the Local Clean Energy Alliance and others are building momentum for creation of an East Bay CCA that would include Oakland, APEN's other stronghold, and create an alternative CCA for Richmond to join if MCE does not serve the city's residents well.

As CCAs get established and determine who will supply them with renewable energy, APEN's agenda is to create pathways and incentives for new solar projects in low-income communities of color and effective rules requiring local hiring and procurement. For these communities, Yoshitani explains, the greatest potential impact of the shift to solar is the creation of new jobs and businesses, including installation, manufacturing and maintenance, and CCAs can play a significant role.

[18] Marin Energy Authority. www.marinij.com/novato/ci_23168670/marin-energy-authority-moving-ahead-plan-build-its

BARRIERS TO COMMUNITY SOLAR

While the organizations covered in this case study are making great headway, community solar remains out of reach for many of us throughout the United States, particularly in communities of color. As the map on the following page shows, there are many more solar projects happening in the Northeast than in areas with much greater solar potential and larger populations of color. What stands in the way? A status quo that favors large energy suppliers and ignores community needs and interests.

Federal supports for renewables go in two very different directions. One is the tax credit for homeowners who install solar, which leaves out the estimated 75% of people who are renters or who can't afford the upfront costs; in both cases, these are disproportionately people of color. The second is grants and loan guarantees to large-scale renewable energy producers. In 2012, over $6 billion in loan guarantees went to 16 projects, including $1.37 billion for a solar thermal project in the Mojave Desert.[19] Community solar projects were left out.

As John Farrell, senior researcher at the Institute for Local Self-Reliance, explains: "In the United States, community-based, decentralized renewable energy projects are stymied time and again... Americans get centralized renewable energy dominated by corporate owners because our policy favors such developers, not for any inherent economics."[20]

The economics increasingly favor solar over dirty fuels. And small-scale solar has advantages over large-scale solar – lowering distribution costs, wasting less energy, creating more quality jobs and keeping wealth within the community.[21]

Nonetheless, access to financing is a major barrier to community solar. As mentioned earlier, only five percent of banks lend to solar projects because they deem it too risky or because the transactional costs of financing small to medium size projects is not worth the investment. With the exception of some community-based banking institutions, lenders have a long history of failing to serve communities of color or preying on them with abusive loans.

In addition to financing, community-scale solar projects can be stymied by utilities that won't allow them to connect to the grid or don't pay them fairly for the energy they produce. Finally, as CSI's earlier reports and case studies show[22], complicated permitting and zoning procedures, lack of technical expertise and exclusionary planning and decision-making processes also impede community solar.

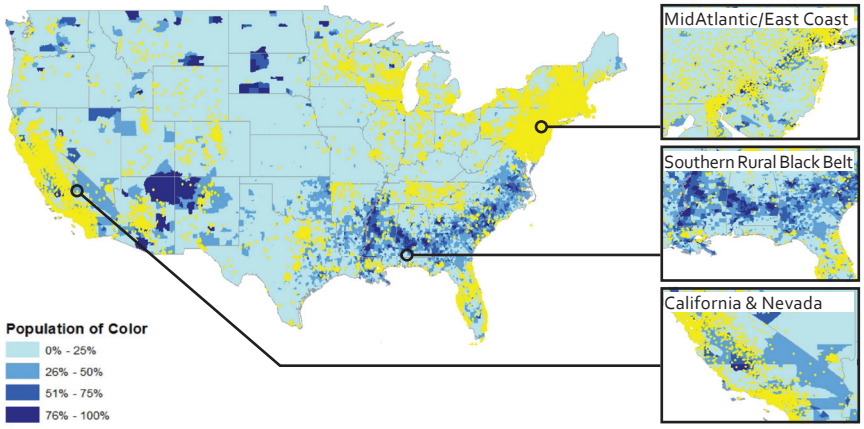

Figure 2 Solar PV Potential in the US and Majority People of Color (by Census Tract)
Source: ESRI, US Census Bureau, NREL Open PV

[19] Weinraub, Al. "Community Power: Decentralized Renewable Energy in CA" www.localcleanenergy.org/Community-Power-Publication

[20] Ibid.

[21] Farrel, John. "Distributed Small Scale Solar Competes with Large Scale PV". www.ilsr.org/distributed-small-scale-solar-competes-large-scale-pv/

[22] For more information on CSI's previous case studies, please visit: www.centerforsocialinclusion.org/category/publications/energy-democracy-publications/

POLICY SOLUTIONS

Policy change at local, state and national levels can eliminate existing barriers to community solar and provide necessary supports. The stories in this case study offer multiple examples of how policies that favor communities can upset the status quo, promote energy democracy and combat climate change. These and other promising policy solutions are summarized below.

1. SETTING GOALS

Renewable Energy Portfolio Standards (RPS), which require utilities to procure a certain percentage of electricity from renewables, are a good tool to boost solar generation. California has one of the highest in the country – 33% by 2020. Only 29 states have an RPS, and only 16 of those include a mandate for solar or for locally produced energy, known as distributed generation.[23] Unfortunately, states with significant populations of people of color and strong solar potential – Alabama, Georgia, Louisiana, Mississippi and South Carolina, for example – have not adopted an RPS.

Arizona, on the other hand, has not only adopted an RPS but it requires that 30% of its annual renewables production come from distributed generation. This has a positive impact on communities by opening up the market for small, local power producers. RPS policies can go even further to ensure that communities of color are included. For example, to help meets its RPS, Colorado passed legislation to facilitate the creation of solar gardens and included a requirement that at least 5% of subscribers to a solar garden must be low income.

A similar policy should be enacted at the national level. The Obama Administration has called for a federal RPS that will require 25% of American electricity be derived from renewable sources by 2025.[24] Adding a mandate for both local distributed generation and a carve out for marginalized communities would make this proposal much stronger.

2. AGGREGATE LOCAL POWER

California and a handful of other states have enacted Community Choice Aggregation (CCA) policies that provide an opportunity for cities or counties to have local control over where their energy comes from and what it costs. A CCA can purchase electricity from suppliers of renewable energy or produce its own. The utility company in the area continues to handle transmission, distribution and billing. CCAs can lower costs, reduce harmful emissions and create jobs. A critical component of CCAs is that energy decisions are made to match community needs and local conditions that build upon a community's assets, geographic location, renewable resources, and other environmental factors.[25]

Because CCAs are public, non-profit entities, the wealth they generate does not go to an outside power authority or utility, but is kept within the local community. The economic benefits are especially strong when CCAs generate their own renewable energy locally.[26] How a CCA is implemented is critical to ensuring that all communities can benefit. The most effective policies would target benefits to communities of color that have suffered the most from dirty energy production and have high rates of unemployment.

[23] www.dsireusa.org/documents/summarymaps/Solar_DG_RPS_map.pdf

[24] "The Obama Biden Plan". www.change.gov/agenda/economy_agenda/

[25] Weinraub, Al. "Community Choice Fact Sheet" www.localcleanenergy.org/files/CommunityChoice%26Jobs_0.pdf

[26] Weinraub, Al. "Community Choice Fact Sheet" www.localcleanenergy.org/files/CommunityChoice%26Jobs_0.pdf

3. FINANCING

Because the upfront costs of installing solar are prohibitive for so many, California and a few other states have created programs to help make solar affordable for lower-income residents, local governments and nonprofits. As part of the "Million Solar Roofs" envisioned by Governor Schwarzenegger, for example, the California Solar Initiative (CSI) provided incentives to install solar in both single- and multi-family affordable housing.

In Illinois, government and nonprofit entities can apply for grants covering up to 40% of project costs for community solar or wind projects. The city of Boulder, Colorado, provides grants for up to 50% of the costs of solar installations on housing enrolled in the city's affordable housing program and low- to moderate-income housing owned or developed by non-profit organizations.[27]

A number of online crowdfunding platforms, including New Generation Energy's Green Project Listing Site and RE-volv's Solar Seed Fund, are successfully raising money for community solar projects from donors who want a cleaner environment. So far, Mosaic is the only one offering opportunities to earn a return on investment, and it has only done so in California and New York where state securities laws make it feasible.

To expand the model to the rest of the country, Mosaic is working with the Securities and Exchange Commission (SEC) to change the rules that now restrict it to offering shares to "accredited" investors. That restriction leaves out the 95.5% of Americans who earn less than $200,000 a year or who don't have a million dollars in assets on top of the value of their homes. The JOBS Act, passed by Congress in 2012, directed the SEC to issue new rules more conducive to crowdsourcing; the SEC should speed the drafting of these rules.

At the federal level, funding for community solar should be allocated by shifting public dollars from fossil fuels to clean energy, particularly to communities of color that have energy assets (such as brownfields or school rooftops), but have faced a history of redlining and disinvestment that make access to financing difficult. President Obama has proposed an *Energy Security Trust* to fund research on clean energy transportation alternatives. There should be a set aside of Trust dollars to fund community-scale renewables in communities of color and low-income communities. Current federal programs, such as the Environmental Protection Agency's brownfield grants, could also be used to support renewable projects. The EPA has already assisted a pilot project in Houston, Texas, to build a solar generating system on a former landfill near downtown.[28]

4. ACCESS AND FAIR COMPENSATION

Community solar isn't feasible unless utilities are required to buy the power generated at a guaranteed fair price. State policy can accomplish this through a mechanism known as a Feed-In Tariff (FiT) or a CLEAN Contract (Clean, Local, Energy, Accessible Now). The FiT or CLEAN sets a specific price over a specific period of time for a certain amount of locally generated energy produced. This provides a secure revenue stream that allows solar projects to secure financing.

States or local governments should consider FiTs as a way to incentivize local solar production, particularly in marginalized communities that may lack the resources and capital to start solar projects on their own. FiTs should prioritize smaller-scale projects with strong community participation to ensure the benefits go to communities rather than outside businesses that parachute in to take advantage of the opportunity.

[27] Database of State Incentives for Renewable Energy. www.dsireusa.org/rpsdata/index.cfm

[28] Environmental Protection Agency. Office of Brownfields and Revitalization www.1.usa.gov/1sT1d1

There is precedent for this policy solution. In Ontario, Canada, FiT rules give priority to renewable projects developed by community co-ops, First Nations communities and public schools or hospitals. The *Solar for All* bill in California would mandate a FiT explicitly to support the development of solar projects in marginalized communities. All states should adopt FiTs that similarly benefit community-based projects, particularly in communities with greatest need.

Federal policy makers should also consider a FiT "as the key mechanism for encouraging renewable energy development," recommends ISLR's Farrell. "Its fairness, simplicity, and stability can help the United States maximize the benefits of the renewable energy revolution."[29]

5. INCLUSIVE PLANNING AND CAPACITY BUILDING SUPPORT

While all of these policy solutions are critical entry points to changing how communities of color can participate in renewable energy production, there needs to be dedicated investment in inclusive planning processes and capacity building efforts. First, learning from Oakland's ECAP process, cities and states should pursue inclusive planning processes that engage residents and meet their needs and demands. This requires that officials reach out to all constituents across race; identify and work with established community leaders (like Ella Baker Center, APEN, and CBE); and engage community leaders and nonprofits at the beginning of and throughout the planning process. Community workshops that allow residents to identify community needs, priorities and interests should be at the root of energy planning decisions.

Second, community efforts need capacity building support. Renewable energy projects require resources and skills that communities of color and low-income communities often lack. Funding to help them develop or acquire business, legal, technical and other capacities is critical for renewable energy endeavors in these communities to succeed.

6. ENERGY INVESTMENT DISTRICTS[30]

CSI has been developing a policy proposal to create Energy Investment Districts (EID) to give communities planning and financing opportunities to improve energy efficiency and generate renewable energy. An EID might be as large as a neighborhood or as small as a few blocks. Some states, like Arizona and Connecticut, have passed legislation authorizing cities and counties to create mechanisms similar to what we propose (sometimes called *Energy Improvement Districts*). And California's CEJA has proposed a similar policy model called Green Zones. Regardless of the terminology, the concept behind EIDs and *Green Zones* is the same: designate a geographic area for investment in energy infrastructure and support local capacity to develop and execute efficiency and generation projects. Businesses would receive tax or other incentives for investment in EIDs. EIDs would have community participatory planning requirements and community-based organizational partnerships. They would be administered as public agencies governed by residents and other stakeholders situated within the EID zone.

An EID offers a framework that allows a community to:

- Engage residents in community planning for energy investment;
- Create projects that improve energy efficiency, such as weatherization for residences, businesses, government facilities and community institutions;
- Develop small-scale energy production, such as solar or wind installed in residences, businesses, government facilities and community institutions;

[29] Farrel, John. "Feed in Tarrifs in America" www.ilsr.org/feed-tariffs-america

[30] Formerly referred to in our previous reports as Energy Improvement Districts

- Streamline permitting processes for renewable projects and change zoning practices to allow for greater use of public and private space for energy-related improvements;
- Procure funding for energy projects through bond measures, grants and investments form social entrepreneurs.
- Invest in the local leadership and capacity of communities to be planners, decision-makers and implementers of their energy future.

Like *Solar for All*, legislation to create EIDs should target marginalized communities with high rates of unemployment, communities that are environmentally compromised or low-income communities that have a great need for energy efficiency upgrades and assets for renewable energy, such as brownfields or community spaces. And like the process for developing the Oakland Climate Action Plan, EIDs should use collaborative, inclusive, transparent and accountable planning, decision-making and implementation processes.

The federal government can spur the development of EIDs by creating a pilot program that would provide matching funds and technical assistance to local EIDs. Similar to the Partnership for Sustainable Communities, the Department of Energy and the Environmental Protection Agency can catalyze the development of this innovative and effective model.

CONCLUSION

Energy democracy requires all of us to participate, particularly communities of color that have faced the challenges of our dirty energy past. *People Powered Policies* shows the innovative solutions that communities of color are pursuing in planning, policy and project development.

Taking Oakland's lead, community leaders and policymakers can craft effective energy policy from the local to the national level. By creating inclusive and responsive planning practices, policies that invest resources in capacity and infrastructure in marginalized communities, and projects that turn community assets into community power centers, we can start creating transformative change that opens up opportunity for all of us to participate as planners, decision-makers and owners in a renewable energy future.

The Center for Social Inclusion works to unite public policy research and grassroots advocacy to transform structural inequality and exclusion into fairness and inclusion for all. We work with community groups and national organizations to develop policy ideas, foster effective leadership, and develop communications tools for an opportunity-rich world in which we all will thrive.

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