Affordable Housing and Sustainable Communities Program

California Gold: Partnership for Cap and Trade Success

December 8, 2015 | SCAG Main Office
What are we talking about here?

California Climate Investments
(aka Cap and Trade)
(aka Greenhouse Gas Reduction Fund (GGRF) Projects)
California Climate Investments

• Three-year investment plan completed in May 2013
• Focus on enhancing or expanding existing programs
• Update to the Expenditure Plan in December 2015
  – Cross Cutting Approaches
  – Local Climate Action in Disadvantaged Communities
<table>
<thead>
<tr>
<th>GGRF Appropriations by Fiscal Year</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSRA - High Speed Rail*</td>
<td>--</td>
<td>$250M</td>
<td>$500M</td>
</tr>
<tr>
<td>Caltrans - Low Carbon Transit Operations*</td>
<td>--</td>
<td>$25M</td>
<td>$100M</td>
</tr>
<tr>
<td>CalSTA - Transit and Intercity Rail Capital*</td>
<td>--</td>
<td>$25M</td>
<td>$265M</td>
</tr>
<tr>
<td>SGC – Afford. Housing/Sustainable Communities*</td>
<td>--</td>
<td>$130M</td>
<td>$400M</td>
</tr>
<tr>
<td>ARB - Low Carbon Transportation</td>
<td>$30M</td>
<td>$200M</td>
<td>$90M</td>
</tr>
<tr>
<td>CSD – Residential Weatherization/Solar</td>
<td>--</td>
<td>$75M</td>
<td>$79M</td>
</tr>
<tr>
<td>CEC - Energy Efficiency for Public Buildings</td>
<td>--</td>
<td>$20M</td>
<td>--</td>
</tr>
<tr>
<td>DWR – Water Energy Efficiency</td>
<td>$30M</td>
<td>$40M</td>
<td>$20M</td>
</tr>
<tr>
<td>CDFA - Agricultural Energy Efficiency</td>
<td>$10M</td>
<td>$35M</td>
<td>$40M</td>
</tr>
<tr>
<td>CDFW - Wetlands and Watershed Restoration</td>
<td>--</td>
<td>$25M</td>
<td>--</td>
</tr>
<tr>
<td>CALFIRE – Sustainable Forests</td>
<td>--</td>
<td>$42M</td>
<td>--</td>
</tr>
<tr>
<td>Cal Recycle - Waste Diversion</td>
<td>--</td>
<td>$25M</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total (as of Sept. 2015)</strong></td>
<td><strong>$70M</strong></td>
<td><strong>$892M</strong></td>
<td><strong>$1,494M</strong></td>
</tr>
</tbody>
</table>
Affordable Housing and Sustainable Communities Program

Objectives

• To fund projects that
  – result in the reduction of greenhouse gas emissions and vehicle miles travelled (VMT) and
  – increase accessibility of housing, employment centers and key destinations through low-carbon transportation options such as walking, biking and transit.
Affordable Housing and Sustainable Communities Program

- Competitive Statewide Program
- 50% required investment in affordable housing
- 50% required investment in disadvantaged communities
- Awarded $121.9 million in 2014-15
- $400 million* available in 2015-16
- Eligible Applicants: Local Governments, Transportation and Transit Agencies, For- and Nonprofit Developers and Program Operators
### 2014-15 Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric Tons in Avoided GHG Emissions</td>
<td>723,286</td>
</tr>
<tr>
<td>Taking 140,000 Cars off the Road for One Year</td>
<td></td>
</tr>
<tr>
<td>Affordable Units Near Transit</td>
<td>2,003</td>
</tr>
<tr>
<td>Projects</td>
<td>28</td>
</tr>
<tr>
<td>Cities</td>
<td>21</td>
</tr>
<tr>
<td>Counties</td>
<td>19</td>
</tr>
<tr>
<td>Money for Transit, Walking &amp; Biking</td>
<td>$32 million</td>
</tr>
<tr>
<td>Money for Disadvantaged Communities</td>
<td>$92 million</td>
</tr>
</tbody>
</table>

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*Note: The image includes a logo at the bottom left corner.*
Affordable Housing and Sustainable Communities Program

AHSC 2015-2016

Final Draft Program Guidelines
Affordable Housing and Sustainable Communities Program

MAJOR PROGRAM CHANGES FROM ROUND 1

• Restructured GHG Reductions scoring criteria to better balance with other Supplemental Strategies
  • Revised Structure for GHG Bins by Project Area
• Creation of New Project Area Type – Rural Innovation Project Area
  • For ICPs and RIPAs, minimum award amount was reduced from $1 million to $500,000.
• Greater Emphasis on Transportation Investments that Support Mode Shift
MAJOR PROGRAM CHANGES FROM ROUND 1

• Refinement of TOD and ICP Project Areas to encourage a stronger balance of housing, transportation, and transit investments, while encouraging housing and transportation collaboration
  • AHSC program staff have adjusted scoring for points allocated to a joint application between a housing developer and a public agency.
• Replaces Funds Leveraged and Financial Readiness as a Concept filter
• Incentives to Encourage use of 4% low income housing tax credits
  • Proposed $60,000 boost for 4% projects
NEW! FINAL DRAFT GUIDELINES – MPO Role

- Formalized role in Application Review
- Concept Application: MPOs will review regional applications to ensure that they implement the regional Sustainable Communities Strategy
- Full Application: MPO has option to develop regional scoring criteria and provide recommendations to the SGC on applications within their respective region.
- Staff-level Consultation: AHSC Program Staff and MPO staff may consult on applications which initial scores do not align
NEW! FINAL DRAFT GUIDELINES – Eligible Costs

• Structured Parking
  – AHSC funding allowable is related to proportional parking spaces to unit ratio regardless of base zoning percentage reduction.
  – Future years, expect this cost to be ineligible.

• Prior Experience
  – Developers have to have two (2) similar projects completed within the previous ten (10) years, as opposed to five (5).
Affordable Housing and Sustainable Communities Program

Eligible Project Area Types:

• Transit-Oriented Development (TOD) Project Area
• Integrated Connectivity Project Area (ICP)
• Rural Innovation Project Areas (RIPA)
Affordable Housing and Sustainable Communities Program

High-Quality Transit

1) **Frequency**
   
   Peak Period headway frequency of every 15 minutes or less and service seven days a week

2) **Dedicated Infrastructure**
   
   Operation on a railway or be a Bus Rapid Transit (BRT) service that either fully or partially operates on a dedicated bus-only lane, or uses High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lanes

*Must be in operation by the time of AHSC Full Application due date*
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Project Type: Transit-Oriented Developments:

- Located within a ½ mile of High-Quality Transit
- May include transportation, but not required*

**Required**
- Affordable Housing or Housing-Related Infrastructure

**AND at least one additional use**
- Sustainable Transportation Infrastructure
- Additional Capital or Program Uses
TOD PROJECT EXAMPLES

Affordable Housing Development

Housing-Related Infrastructure

At least one Capital Project, such as...

Station area improvements, including bus stop benches or shelters

OR

Sidewalks and dedicated bicycle paths providing connectivity between housing and a transit station

OR

Transit signal priority technology systems
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Project Type: Integrated Connectivity Projects:

• Must have Qualifying Transit
• Must include Transportation Infrastructure*

**Required:**
- Sustainable Transportation Infrastructure

**Required:** At least one of the following
- Affordable Housing (AHD or HRI)
- Transportation-Related Amenities
- Programs

**Optional:**
- Additional Capital or Program Uses

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
Affordable Housing and Sustainable Communities Program

<table>
<thead>
<tr>
<th>Sustainable Transportation Infrastructure</th>
<th>Capital or Program Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicycle/pedestrian connections from employment center to transit</td>
<td>Improvements to a transit station</td>
</tr>
<tr>
<td>Transit Station Improvements</td>
<td>Affordable Housing Development</td>
</tr>
<tr>
<td>Vanpool Fleet</td>
<td>Transit Ridership Program</td>
</tr>
</tbody>
</table>
Affordable Housing and Sustainable Communities Program

Project Type: Rural Innovation

Project Area:
- CANNOT be served by High Quality Transit*
- Must be located in a Rural Area*
- Must meet same requirements as an ICP*

**Required**
- Sustainable Transportation Infrastructure

**Required: At least one of the following**
- Affordable Housing (AHD or HRI)
- Transportation-Related Amenities
- Programs

**Optional**
- Additional Capital or Program Uses

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Statutory Thresholds:

- GHG Reduction
- Supports implementation of a Sustainable Community Strategy*
- Consistent with State Planning Priorities
- Project Readiness

*SB 862: “If a Sustainable Communities Strategy is not required for a region by law, a regional plan that includes policies and programs to reduce greenhouse gas emissions” will meet this requirement.
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Key Thresholds:
(Must in secured or addressed by the full application deadline)

• Qualifying Transit/High Quality Transit
• Environmental clearances
• Entitlements
• No outstanding legal challenges to Project
• Construction has not started
• Climate Adaptation
• No conversion of working or natural resource lands
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Concept & Full Application Process

- Concept Proposal Stage
- Approved Concepts Invited for Full Application
- Full Application Submittal
- Funding Recommendations to SGC
Concept Proposal Filter:

Demonstration of level of Enforceable Funding Commitments (EFCs) calculated as follows*:

AHSC Funds Requested + EFCs – Deferred Costs

Total Development Costs – Deferred Costs

At least one eligible application from each MPO will be invited to apply

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
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Full Application Scoring Criteria*

- Policy Objectives: 50%
- GHG Quantification Methodology: 30%
- Supplemental GHG-Reducing Strategies: 20%

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
<table>
<thead>
<tr>
<th>GHG Reduction</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GHG Quantification</strong></td>
<td></td>
</tr>
<tr>
<td>Estimated GHG Emissions Reductions (CaLEEMod and TAC)</td>
<td></td>
</tr>
<tr>
<td>a. Total Project GHG Reductions</td>
<td>15</td>
</tr>
<tr>
<td>b. Efficiency of Reductions (Total Project GHG Reductions/AHSC $)</td>
<td>15</td>
</tr>
<tr>
<td><strong>Supplemental Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>• Active Transportation Improvements</td>
<td>10</td>
</tr>
<tr>
<td>• Water, Energy, and Greening (WEG)</td>
<td>10</td>
</tr>
<tr>
<td><strong>GHG REDUCTIONS CATEGORY SUBTOTAL</strong></td>
<td>50</td>
</tr>
<tr>
<td><strong>Policy Objectives</strong></td>
<td></td>
</tr>
<tr>
<td>• Depth and Level of Housing Affordability</td>
<td>10</td>
</tr>
<tr>
<td>• Housing and Transportation Collaboration</td>
<td>10</td>
</tr>
<tr>
<td>• Community Benefit and Engagement</td>
<td>8</td>
</tr>
<tr>
<td>• Access &amp; Connectivity to Destinations</td>
<td>8</td>
</tr>
<tr>
<td>• Total Funds Leverage (Project and Program)</td>
<td>5</td>
</tr>
<tr>
<td>• Anti-Displacement Strategies</td>
<td>4</td>
</tr>
<tr>
<td>• Program Need and Readiness</td>
<td>3</td>
</tr>
<tr>
<td>• Implementation of Planning Efforts</td>
<td>2</td>
</tr>
<tr>
<td><strong>POLICY OBJECTIVES CATEGORY SUBTOTAL</strong></td>
<td>50</td>
</tr>
<tr>
<td><strong>TOTAL POINTS</strong></td>
<td>100</td>
</tr>
</tbody>
</table>

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
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Scoring Criteria:

GHG REDUCTIONS – 30 Points

(Scale of Reductions)
Total Project GHG Reduction Score

(Efficiency of Reductions)
Total Project GHG Reductions AHSC $ Request

= Total Quantified GHG Reduction Score

<table>
<thead>
<tr>
<th>Bin 1</th>
<th>Bin 2</th>
<th>Bin 3</th>
<th>Bin 4</th>
<th>Bin 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 points</td>
<td>12 points</td>
<td>9 points</td>
<td>6 points</td>
<td>3 points</td>
</tr>
</tbody>
</table>

Total Project GHG Reductions Score + Efficiency of Reductions Score = Total GHG Reduction Score

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
NEW! FINAL DRAFT GUIDELINES – Scoring

• GHG Reductions Scoring
  - TOD, ICP, and RIPA Projects will be binned and scored separately within their respective project areas.
  - Once the 35% target of funding available for TODs, the 35% target of funding available for ICPs, and the 10% target of funding available for RIPAs have all been met, the remaining projects will be ranked and binned without regard for Project Type.
  - The remaining 20% target will consist of the highest scoring applicants after the remaining applicants have been re-binned.
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Scoring Criteria: Supplemental GHG Reducing Strategies - 20 points:

**Active Transportation Improvements** – 10 points
- Installation, expansion or improvement of active transportation infrastructure
  - Purpose and Need
  - How proposed Project addresses purpose and need

**Water, Energy and Greening** – 10 points
- Incorporation of infrastructure components or building standards that contribute to reduction in GHG emissions through:
  - Carbon Sequestration
  - Energy Efficiency
  - Renewable energy solutions

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
Scoring Criteria: Housing & Transportation Collaboration - 10 points:

• **4 points** for applications brought forth as a joint-application between a housing developer and a public agency

• **3 points** for applications with a coordinated housing and transportation investment
  - At least $500,000 in AHSC funds requested for each Affordable Housing (AHD/HRI) and STI

• **1 point** for projects which have received funding from other GGRF programs which directly benefit or contribute to the development of the Project

• **1 point** for Projects within an environmentally cleared High Speed Rail station planning area

• **1 point** for a narrative explanation demonstrating thoughtful integration of housing and transportation infrastructure investment.

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
Additional Scoring Criteria:

• **Community Benefit and Engagement** – 8 points:
  • Demonstration of meaningful public engagement and implementation of community benefits that reflect needs and interests

• **Location Efficiency & Access to Destinations (Walkability/Bikeability)** – 8 points
  • WalkScore and BikeScore
  • Additional points for Proximity to Specific Critical Services

• **Funds Leveraged** – 5 points
  • Capital and Program funds leveraged

• **Anti-Displacement Strategies** – 5 points
  • Points for strategies to address physical and economic displacement, and workforce development strategies

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
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Other Programmatic Changes:

- Acquisition and Rehabilitation projects exempt from minimum density requirements
- Requires for AHSC-funded Affordable Housing Developments (AHD) to include secure overnight bicycle parking (1 space/2 units)
- Limits AHSC funds for AHD parking
- Incentivizes use of 4% tax credits
- Clarifies Joint and Several Liability requirements
- Clarifies threshold requirements for CEQA and NEPA

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015
## Affordable Housing and Sustainable Communities Program

### Estimated Timelines for 2015-16 Funds

<table>
<thead>
<tr>
<th>Event/Date</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGC Workshops: Lessons Learned</td>
<td>JULY 2015</td>
</tr>
<tr>
<td>(Sacramento &amp; LA)</td>
<td></td>
</tr>
<tr>
<td>Stakeholder Meetings on 2015-2015</td>
<td>Late October 2015</td>
</tr>
<tr>
<td>Draft Guidelines</td>
<td></td>
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<tr>
<td>Comments due on Draft Guidelines</td>
<td>October 30, 2015</td>
</tr>
<tr>
<td>Revision of Guidelines</td>
<td>Late Fall/Early Winter 2015</td>
</tr>
<tr>
<td>Final Guidelines presented to</td>
<td>December 2015</td>
</tr>
<tr>
<td>Council for Approval</td>
<td></td>
</tr>
<tr>
<td>Funding Availability</td>
<td></td>
</tr>
<tr>
<td>Concept Applications Due</td>
<td>March 2016</td>
</tr>
<tr>
<td>Full Applications Due</td>
<td>June 2016</td>
</tr>
<tr>
<td>Awards Announced</td>
<td>August 2016</td>
</tr>
</tbody>
</table>
Revised Program Guidelines
and
Year 2 Timeline
SALC Objectives

• To fund projects that protect agricultural lands under threat of conversion to non-agricultural uses.

• Types of Projects funded:
  - Grants to cities and counties to develop local and regional land use policies and strategies that protect critical agricultural land; and
  - Funding for agricultural conservation easements to protect lands in perpetuity for agricultural use.
Sustainable Agricultural Lands Conservation Program

- Allocated $5 million in 2014-2015, awarded 12 projects
- FY 2015-16 up to $40 million available
  - $2.5 million allocated for Strategy & Outcome grants
  - $37.5 million allocated for Agricultural Conservation Easements
Sustainable Agricultural Lands Conservation Program

• Strategy and Outcome Types:
  - Type 1: Establishment of an Agricultural Land Mitigation Program
  - Type 2: Establishment of an Agricultural Easement Purchasing Program
  - Type 3: Adoption of an Urban Limit Line or Urban Growth Boundary
  - Type 4: Increased Zoning Minimum for Designated Strategic Agricultural Areas
  - Type 5: Adoption of an Agricultural Greenbelt and Implementation Agreement
Sustainable Agricultural Lands Conservation Program

• Match Contribution:
  - The proposed SALC Program contribution may be up to 90 percent of the fair market value of an Agricultural Land Conservation Easement ACE located within a disadvantaged community.
  - It may be up to 75 percent of the fair market value of an ACE not located within a disadvantaged community.
## Estimated Timelines for 2015-16 Funds

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solicitation for Projects Released, following approval of SALC Final Guidelines by SGC Council</td>
<td>December 2015</td>
</tr>
<tr>
<td>Pre-Proposal Summaries Due for Strategy &amp; Outcome grants, and Agricultural Conservation Easement grants.</td>
<td>February 25, 2016</td>
</tr>
<tr>
<td>Note this is a courtesy review, and not required in order to submit a full application.</td>
<td></td>
</tr>
<tr>
<td>Complete Applications Due for SALC Agricultural Conservation Easement Grants</td>
<td>April 13, 2016</td>
</tr>
<tr>
<td>Complete Applications Due for SALC Strategy and Outcome Grants</td>
<td>April 13, 2016</td>
</tr>
<tr>
<td>Technical Committees review applications and prepare proposed recommendations for award</td>
<td>April – June/July 2016</td>
</tr>
<tr>
<td>Recommend Projects for Award to SGC Council</td>
<td>July/August 2016</td>
</tr>
</tbody>
</table>
Affordable Housing and Sustainable Communities Program

California Gold: Partnership for Cap and Trade Success

December 8, 2015 | SCAG Main Office
## Estimated Process for Future Year Projects

| Planning & Community Engagement | • Local General, Specific Community Plans  
• Sustainable Community Strategy/Metropolitan Transportation Plan  
• Active Transportation Plans |
|---------------------------------|-----------------------------------------------------------------------------------|
| AHSC Project Exploration        | • Identification and prioritization of potential projects – transportation & housing  
• Identification and cultivating relationships between applicants and partners |
| AHSC Project Design             | • Identify core components of project and lead applicant  
• Identify additional partners  
• Understand potential GHG reductions from project variations |
| Pre-Application                 | • Stay apprised of AHSC Program Updates & Technical Assistance opportunities |

* Pending SGC adoption of 2015-16 AHSC Guidelines in December 2015