JOINT MEETING OF THE
REGIONAL COUNCIL;
COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT;
ENERGY AND ENVIRONMENT; AND
TRANSPORTATION COMMITTEES

Please Note Time
Thursday, November 6, 2014
10:00 a.m. – 12:00 p.m.

SCAG Main Office
818 W. 7th Street, 12th Floor
Board Room
Los Angeles, CA 90017
(213) 236-1800

If members of the public wish to review the attachments or have any questions on any
of the agenda items, please contact Lillian Harris-Neal at (213) 236-1858 or via email
at harris-neal@scag.ca.gov. In addition, regular meetings of the Regional Council
may be viewed live or on-demand at
http://www.scag.ca.gov/NewsAndMedia/Pages/SCAGTV.aspx

Agendas & Minutes for the Regional Council are also available at:
http://www.scag.ca.gov/committees/Pages/default.aspx

SCAG, in accordance with the Americans with Disabilities Act (ADA), will
accommodate persons who require a modification of accommodation in order to
participate in this meeting. SCAG is also committed to helping people with limited
proficiency in the English language access the agency’s essential public information
and services. You can request such assistance by calling (213) 236-1858. We
request at least 72 hours (three days) notice to provide reasonable
accommodations. We prefer more notice if possible. We will make every effort to
arrange for assistance as soon as possible.
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JOINT MEETING OF THE REGIONAL COUNCIL AND POLICY COMMITTEES
(COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE; ENERGY AND ENVIRONMENT COMMITTEE; TRANSPORTATION COMMITTEE)
AGENDA
NOVEMBER 6, 2014

CALL TO ORDER & PLEDGE OF ALLEGIANCE
(Hon. Carl Morehouse, President)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Council, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker. The President has the discretion to reduce the time limit based upon the number of speakers. The President may limit the total time for all public comments to twenty (20) minutes.

CONSENT CALENDAR

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DISCUSSION ITEM

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<td>2. Cap-and-Trade Greenhouse Gas Reduction Fund Workshop</td>
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ADJOURNMENT
Joint Regional Council and Policy Committees Minutes of the Meeting – March 6, 2014

MINUTES OF THE JOINT MEETING OF THE REGIONAL COUNCIL, COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT (CEHD) COMMITTEE; ENERGY AND ENVIRONMENT COMMITTEE (EEC); AND THE TRANSPORTATION COMMITTEE (TC) OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
MARCH 6, 2014

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS AND/OR DISCUSSIONS THAT OCCURRED AT THE JOINT MEETING. A VIDEO RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT http://scag.ca.gov/NewsAndMedia/Pages/SCAGTV.aspx

### EEC Members Present:

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<tr>
<th>Rank</th>
<th>Name</th>
<th>Representing</th>
<th>District</th>
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<tr>
<td>Chair*</td>
<td>Hon. Cheryl Viegas-Walker</td>
<td>El Centro</td>
<td>District 1</td>
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<tr>
<td>Vice-Chair*</td>
<td>Hon. James Johnson</td>
<td>Long Beach</td>
<td>District 30</td>
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<td>3.</td>
<td>Hon. Denis Bertone</td>
<td>San Dimas</td>
<td>SGVCOG</td>
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<td>4.</td>
<td>Hon. Margaret Clark</td>
<td>Rosemead</td>
<td>District 32</td>
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<td>5.</td>
<td>Hon. Jordan Ehrenkranz</td>
<td>Canyon Lake</td>
<td>WRCOG</td>
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<td>6.</td>
<td>Hon. Larry Forester</td>
<td>Signal Hill</td>
<td>GCCOG</td>
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<td>7.</td>
<td>Hon. Laura Friedman</td>
<td>Glendale</td>
<td>Arroyo-Verdugo Cities</td>
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<td>Hon. Sandra Genis</td>
<td>Costa Mesa</td>
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<td>9.</td>
<td>Hon. Linda Krupa</td>
<td>Hemet</td>
<td>WRCOG</td>
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<td>10.</td>
<td>Hon. Thomas Martin</td>
<td>Maywood</td>
<td>Gateway Cities</td>
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<td>11.</td>
<td>Hon. Judy Mitchell</td>
<td>Rolling Hills Estates</td>
<td>District 40</td>
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<td>13.</td>
<td>Hon. Mike Munzing</td>
<td>Aliso Viejo</td>
<td>District 12</td>
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<td>14.</td>
<td>Hon. Sam Pedroza</td>
<td>Claremont</td>
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<td>15.</td>
<td>Hon. David Pollock</td>
<td>Moorpark</td>
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<td>16.</td>
<td>Hon. Carmen Ramirez</td>
<td>Oxnard</td>
<td>District 45</td>
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<td>Hon. Deborah Robertson</td>
<td>Rialto</td>
<td>District 8</td>
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<td>Hon. Jack Terrazas</td>
<td>Indio</td>
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<td>19.</td>
<td>Hon. Lupe Ramos Watson</td>
<td>Indio</td>
<td>District 66</td>
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<td>20.</td>
<td>Hon. Diane Williams</td>
<td>Rancho Cucamonga</td>
<td>SANBAG</td>
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### TC Members Present:

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<th>Name</th>
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<tr>
<td>Chair</td>
<td>Hon. Keith Millhouse</td>
<td>Moorpark</td>
<td>VCTC</td>
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<td>Vice Chair*</td>
<td>Hon. Alan Wapner</td>
<td>Ontario</td>
<td>SANBAG</td>
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<td>3.</td>
<td>Hon. John Addleman</td>
<td>Rolling Hills Estates</td>
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<td>* 4.</td>
<td>Hon. Michael D. Antonovich</td>
<td>Riverside</td>
<td>Los Angeles County</td>
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<td>* 5.</td>
<td>Hon. Rusty Bailey</td>
<td>Riverside</td>
<td>District 68</td>
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* 6. Hon. Bruce Barrows  
   Cerritos  
   District 23
   Simi Valley  
   District 46
* 8. Hon. Art Brown  
   Buena Park  
   District 21
* 9. Hon. Gene Daniels  
   Paramount  
   District 24
* 10. Hon. Jeff DeGrandpre  
   Eastvale  
   District 4
* 11. Hon. Roy Francis  
   La Habra Heights  
   District 31
12. Hon. Bert Hack  
   Laguna Woods  
   OCCOG
* 13. Hon. Matthew Harper  
   Huntington Beach  
   District 64
* 14. Hon. Carol Herrera  
   Diamond Bar  
   District 37
* 15. Hon. Jim Hyatt  
   Calimesa  
   District 3
16. Hon. Trish Kelley  
   Mission Viejo  
   OCCOG
17. Hon. Randon Lane  
   Murrieta  
   North L.A. County
* 18. Hon. Michele Martinez  
   Santa Ana  
   District 16
* 19. Hon. Andrew Masiel, Dr.  
   Pechanga Band of Luiseño Indians  
   Tribal Government
* 20. Hon. Ryan McEachron  
   Victorville  
   SANBAG
* 21. Hon. Barbara Messina  
   Alhambra  
   District 34
* 22. Hon. Leroy Mills  
   Cypress  
   District 18
* 23. Hon. Brett Murdock  
   Brea  
   District 22
* 24. Hon. Kris Murray  
   Anaheim  
   District 19
25. Hon. Frank Navarro  
   Colton  
   SANBAG
* 26. Hon. Steven Neal  
   Long Beach  
   District 29
* 27. Hon. Pam O’Connor  
   Santa Monica  
   District 41
28. Hon. Micheal O’Leary  
   Culver City  
   WSCCOG
* 29. Hon. Linda Parks  
   VCOG
* 30. Hon. Gregory Pettis  
   Cathedral City  
   District 2
* 31. Hon. Ronald Roberts  
   Temecula  
   District 5
* 32. Hon. Adam Rush  
   RCTC
33. Hon. Teresa Real Sebastian  
   Monterey Park  
   SGVCOG
34. Hon. David Spence  
   La Cañada/Flintridge  
   Arroyo-Verdugo Cities
* 35. Hon. Karen Spiegel  
   Corona  
   District 63
36. Hon. Tim Spohn  
   City of Industry  
   SGVCOG
* 37. Hon. Jess Talamantes  
   Burbank  
   District 42
38. Hon. Brent Tercero  
   Pico Rivera  
   Gateway Cities
* 39. Hon. Donald Voss  
   La Cañada/Flintridge  
   District 36

CEHD Members Present:  
Representing

Chair*  1. Hon. Margaret E. Finlay  
   Duarte  
   District 35
Vice-Chair*  2. Hon. Bill Jahn  
   Big Bear Lake  
   District 11
3. Hon. Carol Chen  
   *Cerritos*  
   GCCCOG

4. Hon. Steven Choi  
   *Irvine*  
   District 14

5. Hon. Jeffrey Cooper  
   *Culver City*  
   WSCCOG

6. Hon. Rose Espinoza  
   *La Habra*  
   OCCOG

7. Hon. Debbie Franklin  
   *Banning*  
   WRCOG

8. Hon. James Gazeley  
   *Lomita*  
   District 39

9. Hon. Tom Hansen  
   *Paramount*  
   Gateway Cities

    *South Pasadena*  
    Arroyo Verdugo Cities

11. Hon. Paula Lantz  
    *Pomona*  
    District 38

12. Hon. Larry McCallon  
    *Highland*  
    District 7

13. Hon. Kathryn McCullough  
    *Lake Forest*  
    District 13

14. Hon. Carl Morehouse  
    *Ventura*  
    District 47

15. Hon. Ray Musser  
    *Upland*  
    SANBAG

16. Hon. Edward Paget  
    *Needles*  
    SANBAG

17. Hon. Beck Shevlin  
    *Monrovia*  
    SGVCOC

18. Hon. Frank Zerunyan  
    *Rolling Hills Estates*  
    SBCCOG

*Regional Council Member

**Regional Council Member Present:**

1. Hon. Leslie Daigle  
   *Newport Beach*  
   District 15

**Staff Present**

Hasan Ikhrata, Executive Director
Sharon Neely, Chief Deputy Executive Director
Debbie Dillon, Deputy Executive Director, Administration
Joe Silvey, General Counsel
Joann Africa, Chief Counsel
Basil Panas, Acting Chief Financial Officer
Rich Macias, Director of Transportation Planning
Huasha Liu, Director of Land Use & Environmental Planning
Darin Chidsey, Director of Strategy, Policy and Public Affairs
Lillian Harris-Neal, Clerk of the Board
Tess Rey-Chaput, Office of Regional Council Support

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

President Greg Pettis, Cathedral City, District 2, called the meeting to order at approximately 10:00 a.m.
Hon. Jim Hyatt, Calimesa, District 3, led the Pledge of Allegiance.

**PUBLIC COMMENT PERIOD**

There was no public comment card received.
**ACTION ITEM**

1. **Minutes of the November 7, 2013 Joint Meeting of the Regional Council and Policy Committees**

A motion was made (Hack) to approve the Minutes of the November 7, 2013 Joint Meeting of the Regional Council and Policy Committees. Motion was SECONDED (Morehouse) and passed by the following votes:


**NOE/S:** (None)

**ABSTAIN:** McCullough, Navarro and Rush

**DISCUSSION ITEM**

2. **Southern California’s Water Future – Issues, Challenges and Potential Solutions**

President Pettis welcomed the panel of speakers. Hasan Ikhrata, Executive Director, introduced meeting Moderator, Richard Atwater, Executive Director, Southern California Water Committee (SCWC).

Mr. Atwater provided background information on SCWC and noted that Fact Sheets have been distributed to the members. He introduced the following panel of speakers: William Croyle, Drought Manager, California Department of Water Resources; Brandon Goshi, Manager, Water Policy and Strategy, Metropolitan Water District (MWD); James Famiglietti, Director, Center for Hydrologic Modeling, UC Irvine; David Petersen, General Manager, Las Virgenes Municipal Water District; and Mark Grey, PhD, Director, Environmental Affairs, Building Industry of Southern California (BIASC).

Mr. Croyle stated that due to California’s current water shortfalls, which are among the highest in recorded state history, Governor Brown issued a proclamation declaring a “Drought State of Emergency.” Mr. Croyle discussed and illustrated historic water supply lows in California; statewide water allocation; major reservoir conditions; and California’s water resources and demands. He provided an update regarding actions taken by California legislators and summarized the drought legislation.

Mr. Goshi presented an overview of MWD and how they manage the state’s drought condition while providing service and meeting the demands of 18 million residents in Southern California. He reported on the following: the region’s sources and diversification of water; regional investments on conservation, recycling, groundwater recovery and desalination; MWD’s 14% increase in storage capacity and reserves; and the Colorado aqueduct—being the major source of water.

Mr. Famiglietti discussed the models being built that is required for groundwater forecast and water management which may be used to link climate prediction models and satellite observations of surface water and soil moisture. He also discussed water storage changes; groundwater depletion; surface water allocations; and increasing water cycle changes in the state.
Mr. Pedersen discussed the importance of communication between water purveyors and the municipalities; the need for collaboration to support the state; to adhere to conservation measures for drought response; funding sources from MWD; and to support Governor Brown’s call for 20% voluntary water conservation efforts.

Dr. Grey provided perspective on private land development and public infrastructure. He illustrated the latest generation of Phase 1 MS4 Permits in Southern California and discussed the types of systems and allowed practices that may be used by cities to comply with stormwater permits. Dr. Grey also presented new technologies to promote conservation and storage.

Mr. Atwater emphasized the importance of the role of the cities; encouraged the Regional Councilmembers to support and adopt the Governor’s resolution; and to coordinate water conservation efforts.

Discussion ensued and comments/questions were made related to the challenges in MS4 encountered by the cities in fulfilling stormwater requirements; consideration for a water pipeline and a removable dam system; process of water delivery in the Central Valley; changing agricultural practices while being economically-viable; challenges in the use of artificial turf; drought and snow pack conditions; and the salinity levels with respect to the Bay Delta Conservation Plan (Forrester, O’Leary, Clark, Morehouse, Rush, Hack, Harper, Wilson, Robertson, Spiegel and Mitchell).

As referenced by Mr. Atwater, President Pettis requested a copy of the restrictions of water transfer—passed by Congress in 1968 [The Wild and Scenic Rivers Act of 1968]—be provided to staff. Mr. Atwater acknowledged the request.

On behalf of the Regional Council and Policy Committee members, Hasan Ikhrata, Executive Director, acknowledged the panel of speakers and presented each of them with a token of appreciation.

**ADJOURNMENT**

There being no further business, the Joint Meeting of the Regional Council and Policy Committees adjourned at 12:08 p.m.

Lillian Harris-Neal, Clerk of the Board
EXECUTIVE SUMMARY:
As previously reported to the RC and the Policy Committees on June 20, 2014, Governor Brown signed the FY 2014-15 state budget that includes the first investment plan for the Cap-and-Trade Greenhouse Gas Reduction Fund (GGRF). Today’s Joint Meeting of the Regional Council and Policy Committees is a workshop intended to provide the Board, partners and stakeholders critical up-to-date information on the Cap-and-Trade GGRF expenditure plan; the processes for developing guidelines; and details on the various opportunities for funding. The workshop is being presented in collaboration with Climate Resolve and the Los Angeles Regional Collaborative for Climate Action and Sustainability. SCAG staff greatly appreciates the participation of State agency representatives in today’s workshop to help better inform SCAG members and stakeholders. Topics to be discussed include the overall intent of the Cap-and-Trade Program; the GGRF and the various expenditure programs; the role of Metropolitan Planning Organizations; project eligibility; and relation to the implementation of Sustainable Communities Strategies. Following the presentations by the speakers, there will be an opportunity for questions by the RC and Policy Committee members. Details of the workshop and speakers’ presentation materials will be distributed under separate cover.

STRATEGIC PLAN:
This item supports SCAG’s Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a) Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:
The Legislature and Governor appropriate Cap-and-Trade auction proceeds from the GGRF to state agencies and programs through the budget process is consistent with the implementing legislation. The GGRF is administered by the Air Resources Board (ARB). ARB is also required to develop guidelines on greenhouse gas (GHG) reporting and quantification methods for agencies that receive appropriations to ensure that the requirements of AB 32 and SB 535 (De León) are met.

The two categories under the Cap-and-Trade program that will receive multi-year funding allocations are: 1) Transit, Housing, and Sustainable Communities (35%); and 2) High-Speed Rail (25%). The remaining 40% of Cap-and-Trade funds will be subject to the annual budget process for other program areas.
Funding for FY 2014-15 varies from this formula because of a one-time $200 million allocation to ARB’s clean transportation program to accelerate the transition to low carbon freight and passenger transportation.

FY 2014-15 appropriations are broken down by the following allocations:

- $250 million to High-Speed Rail;
- $200 million to Low Carbon Transportation Program;
- $130 million to Affordable Housing and Sustainable Communities (AHSC);
- $50 million to Transit and Intercity Rail Capital Program & Low-Carbon Transit Operations Program;
- $202 million for non-transportation related programs for energy, water, waste diversion and weatherization.

SCAG staff has been regularly monitoring and reporting on the programs supported by the auction proceeds derived from ARB’s AB 32 Cap-and-Trade Program. Allocating an equitable share of these funds to transportation and sustainable communities’ implementation was a top legislative priority for the Regional Council and this was reflected in the appropriation to the GGRF in the State Budget for FY 2014-15. These critical funding programs are expected to help local jurisdictions and SCAG’s partners implement the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS).

Today’s workshop will cover a number of discussion items related to the GGRF, as outlined below (Workshop Agenda forthcoming):

- **CalEnviro Screen Tool**
  To inform the overall process under [SB 535](http://oehha.ca.gov/ej/ces2.html), the State is expected to use CalEnviroScreen (California Communities Environmental Health Screening Tool), developed by the Office of Environmental Health Hazard Assessment, to identify communities most burdened by pollution from multiple sources and most vulnerable to its effects. As of the writing of this report, the Secretary of the California Environmental Protection Agency has not yet identified which of the 8,000 census tracts throughout the State will be considered disadvantaged for the purposes of SB 535.

  More information is available at: [http://oehha.ca.gov/ej/ces2.html](http://oehha.ca.gov/ej/ces2.html)

- **Interim Guidance to Agencies Administering GGRF Monies**
  Overarching the entirety of the GGRF is the Air Resources Board’s (ARB) recently adopted Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (“Interim Guidance”). This document was developed to address the requirements of SB 535 and [SB 862](http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm) which directs state and local agencies to make significant investments that improve California’s most vulnerable communities. ARB’s Interim Guidance document will be followed by a multi-stage public process to develop full funding guidelines over the coming months. These will include direction on metrics and quantification, as well as tracking and reporting for relevant projects. The full guidelines are expected to benefit from lessons learned in early implementation of the investment program and may include changes to the Interim Guidelines that will apply to subsequent appropriations.

  More information is available at: [http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm](http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm)
Affordable Housing and Sustainable Communities Program
The Strategic Growth Council (SGC) released preliminary draft guidelines for the Cap-and-Trade Affordable Housing and Sustainable Communities (AHSC) program on September 23, 2014, with comments due by October 31, 2014. SGC held a public workshop on the draft guidelines on October 27, 2014 at SCAG’s headquarters in Los Angeles (which was video-conferenced to satellite offices and archived on the SGC webpage).

The guidelines establish two (2) distinct pathways to compete for funds:

1. Transit Oriented Development (TOD) Project Area: TODs are intended to integrate High-Quality Transit systems with key destinations including residential/mixed uses, with an emphasis on affordable housing development. At least 40 percent of AHSC funds will be allocated to TODs. Maximum award: $15 million.

2. Integrated Connectivity Project (ICP): ICP’s are intended to increase connectivity between land uses and improved transit access and service, within non-metropolitan areas and metropolitan areas lacking qualifying High-Quality Transit systems. Areas with transit meeting the definition of qualifying High-Quality Transit service are ineligible to apply as an ICP. At least 30 percent of AHSC funds will be allocated to Integrated Connectivity Projects. Maximum award: $8 million.

The expected timeline for the AHSC Program is as follows:

- December 11, 2014 - SGC Meeting to consider Final AHSC Program Guidelines
- January 2015 - SGC releases Notice of Funding Availability
- February 2015 - Concept Applications due
- April 2015 - Full Applications due (from invitees only)
- Late May/early June - SGC Staff Reports with Project Selection Recommendations
- Late June - SGC Meeting to determine awards and award letters to applicants and legislators

The draft AHSC guidelines and additional information are available at [http://sgc.ca.gov/](http://sgc.ca.gov/).

It is important to note that SGC staff has identified several outstanding issues to be resolved prior to SGC’s adoption of the Final Guidelines in December. The primary issue relative to SCAG are the details of the coordination and partnership between MPOs/regional agencies and the State to ensure effective implementation of the Program. SB 862 requires that the SGC “coordinate with the MPOs and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the goals and objectives of this division.” State agencies and departments are seeking to develop the details of a meaningful partnership with MPOs to support effective implementation of the AHSC Program, including review and input on grant applications. In anticipation of this process, SCAG staff is preparing a consolidated checklist of 2012 RTP/SCS policies, programs, and strategies which could be used for an initial screening of projects. Staff will report to the RC, as well as continue with timely stakeholder outreach, as the details of MPO involvement is identified.

- **California Sustainable Agricultural Lands Conservation Program**
SGC, in conjunction with the California Natural Resources Agency and California Department of Conservation staff have released preliminary draft guidelines for the California Sustainable
Agricultural Lands Conservation Program (SALCP), a component of the AHSC program.

The three (3) major elements to the long term investments proposed for the SALCP are:

1. Sustainable Agricultural Land Strategy Plans - grants to counties, cities, and partners to inventory and evaluate which agricultural lands are most highly productive and critically threatened.
2. Agricultural Conservation Easements - provide funding to leverage the permanent protection of strategically located agricultural conservation easements on highly productive and critically threatened agricultural land.
3. Land Management Incentives - leverage USDA and other funding to incentivize management practices designed to reduce GHGs or sequester carbon on working agricultural operations.

The draft SALCP guidelines are available at [http://sgc.ca.gov/](http://sgc.ca.gov/).

- **Urban & Community Forestry GGRF Grants**
  
  As part of the natural resource category of GGRF investments, the California Department of Forestry and Fire Protection (CAL FIRE) has begun the process for their FY 2014-15 Urban & Community Forestry GGRF Grants. CAL FIRE held workshops on this program in the Los Angeles/Orange County area on October 1, 2014, and in the Inland Empire on October 2, 2014. Concept Proposals are due November 13, 2014.

  The purpose of the Urban and Community Forestry Program is to promote expansion and better management of urban forests to help improve the quality of urban environments and the quality of life of urban residents. Projects must reduce GHG emissions and help meet the goals of AB 32; must be in an urban area or urban cluster as defined by the US Census Bureau; and must be located in a disadvantaged community or be directly serving a disadvantaged community.


- **Low Carbon Transit Operations and Transit and Intercity Rail Programs**
  
  Senate Bill 862 created the Low Carbon Transit Operations Program and the Transit and Intercity Rail Program and describes goals and eligible projects for each program. The Transit and Intercity Rail Capital Program goals include the reduction of greenhouse gas emissions, expanded rail service to increase ridership, the integration of different rail and bus systems, and improved rail safety. Eligible projects include rail and bus capital projects, and operational improvements that result in increased ridership and reduced greenhouse gas emissions. The California State Transportation Agency (CalSTA) will establish guidelines for the Transit and Intercity Rail Program. Once draft guidelines are completed, they will be shared with the Legislature and CalSTA will hold at least two (2) additional public meetings prior to finalizing the guidelines. CalSTA will work with Caltrans, and the California Transportation Commission to implement this program.

  The Low Carbon Transit Operations Program will support new or expanded bus or rail services, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. The Low Carbon Transit Operations Program will target grants so that at least 50 percent of project expenditures will benefit disadvantaged communities in agencies that
include communities designated as disadvantaged. Caltrans, in coordination with the ARB, will develop guidelines describing methodologies to meet criteria for this program.

The Administration will release draft guidelines for Low Carbon Transit Operations Program and the Transit and Intercity Rail Program in the fall of 2014, with guidelines finalized and a solicitation for projects planned in the first half of calendar year 2015.

SCAG staff has been reporting to the RC and Policy Committees on these programs and making information available to our stakeholders on SCAG’s website and through other outreach efforts. SCAG staff will continue to closely monitor and work with the State and stakeholders as these programs are further developed. This Joint Meeting is intended to provide additional information on these processes.

About Climate Resolve
Climate Resolve’s mission is to make Southern California more livable and prosperous today and for generations to come by inspiring people at home, at work and in government to reduce greenhouse gas pollution and prepare for climate impacts.

About the Los Angeles Regional Collaborative for Climate Action and Sustainability
LARC is a network designed to encourage greater coordination and cooperation at the local and regional levels by bringing together leadership from government, the business community, academia, labor, environmental and community groups. The purpose of this collaboration is to share information, foster partnerships, and develop system-wide strategies to address climate change and promote a green economy through sustainable communities. It is housed at and receives logistical support from the UCLA Institute of the Environment and Sustainability.

FISCAL IMPACT:
Work associated with this item is included in the current FY2014-15 Overall Work Program (15-20.SCG00161.04: Regulatory Compliance

ATTACHMENTS:
1. Cap-and-Trade Expenditure Plan
2. Summary Table: Programs and State Agencies that have been Appropriated GGRF Monies
3. SGC Draft Guidelines Workshop Presentation
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Cap and Trade Expenditure Plan

The California Global Warming Solutions Act of 2006 (AB 32) established California as a global leader in reducing greenhouse gas emissions (GHGs). To meet the goals of AB 32, the state has adopted a three-pronged approach to reducing emissions, including adopting standards and regulations, providing emission reduction incentives via grant programs, and establishing a market-based compliance mechanism known as Cap and Trade. The Cap and Trade program sets a statewide limit on the GHG sources responsible for 85 percent of California GHG emissions. Through an auction mechanism, it establishes a financial incentive for industries subject to the statewide cap to make long-term investments in cleaner fuels, more efficient energy use, and transformational technological and scientific innovations. The Cap and Trade program provides GHG emitters the flexibility to implement the most efficient options to reduce GHG emissions. Based on the first update to the Climate Change Scoping Plan, the Cap and Trade program will be responsible for approximately 30 percent of the required GHG emission reductions to meet the AB 32 goal of reducing GHG emissions to 1990 levels by 2020.

Chapter 830, Statutes of 2012 (SB 535), requires that the state invest at least 10 percent of the auction proceeds within the most disadvantaged communities and at least 25 percent of the proceeds be invested to benefit these communities. The California Environmental Protection Agency, directed by SB 535, will determine the list of disadvantaged communities using CalEnviroScreen, a tool developed by the Office of Environmental Health Hazard Assessment, in collaboration with stakeholders and an advisory group.
The Budget provides $832 million of Cap and Trade proceeds to support existing and pilot programs that will reduce GHG emissions and meet SB 535 goals (see Figure CAP-01). This expenditure plan will reduce emissions by modernizing the state’s rail system including high-speed rail and public transit, encouraging local communities to develop in a sustainable manner with an emphasis on public transportation and affordable housing, increasing energy, water, and agricultural efficiency, restoring forests in both urban and rural settings, and creating incentives for additional recycling. The Budget permanently allocates 60 percent of future auction proceeds to public transit, affordable housing, sustainable communities, and high-speed rail. The remaining proceeds will be allocated in future budgets.

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Department</th>
<th>Program</th>
<th>2014-15</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Communities and Clean Transportation</td>
<td>High-Speed Rail Authority</td>
<td>High-Speed Rail Project</td>
<td>$250</td>
<td>25 percent</td>
</tr>
<tr>
<td></td>
<td>State Transit Assistance</td>
<td>Low Carbon Transit Operations Program</td>
<td>$25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Caltrans</td>
<td>Transit and Intercity Rail Capital Program</td>
<td>$25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strategic Growth Council</td>
<td>Affordable Housing and Sustainable Communities Program</td>
<td>$130</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Air Resources Board</td>
<td>Low Carbon Transportation</td>
<td>$200</td>
<td>Annual Appropriations</td>
</tr>
</tbody>
</table>

| Energy Efficiency and Clean Energy*  | Department of Community Services and Development | Energy Efficiency Upgrades/Weatherization | $75           |         |
|                                      | Energy Commission                         | Energy Efficiency for Public Buildings      | $20           | Annual Appropriations |
|                                      | Department of Food and Agriculture        | Agricultural Energy and Operational Efficiency | $15         |         |

| Natural Resources and Waste Diversion | Department of Fish and Wildlife            | Wetlands and Watershed Restoration          | $25           |         |
|                                      | Department of Forestry and Fire Protection| Fire Prevention and Urban Forestry Projects | $42           | Annual Appropriations |
|                                      | Cal Recycle                                | Waste Diversion                            | $25           |         |

Total: $832

* Emergency drought legislation enacted in February 2014 included $40 million of Cap and Trade funds for water use efficiency projects.
Specifically, the Cap and Trade Expenditure Plan invests in the following programs:

**Sustainable Communities and Clean Transportation**

- **High-Speed Rail**—$250 million for the High-Speed Rail Authority for construction of the initial construction segment in the Central Valley and further environmental and design work on the statewide system. The Budget also provides an ongoing commitment of 25 percent of future Cap and Trade proceeds to the high-speed rail project and specifies that $400 million remaining from a prior General Fund loan also be available for the project. This long-term funding commitment allows for the advancement of the project on multiple segments concurrently, which yields cost savings and creates an opportunity for earlier potential private sector investment. These investments in the high-speed rail system will alleviate pressure on California’s current transportation network and will provide both environmental and economic benefits.

- **Low Carbon Transit Operations Program**—$25 million for local transit agencies to support new or expanded bus and rail services, with an emphasis on disadvantaged communities. Expenditures are required to result in an increase in transit ridership and a decrease in GHG emissions. The Budget also provides an ongoing commitment of 5 percent of future auction proceeds for this purpose.

- **Transit and Intercity Rail Capital Program**—$25 million for Caltrans to administer a competitive grant program for rail and bus transit operators for capital improvements to integrate state and local rail and other transit systems, including those located in disadvantaged communities, and those that provide connectivity to the high-speed rail system. The Transportation Agency will prepare a list of projects recommended for funding, to be submitted to the California Transportation Commission for programming and allocation. The Budget also provides an ongoing commitment of 10 percent of future auction proceeds for this purpose.

- **Affordable Housing and Sustainable Communities Program**—$130 million to support the implementation of sustainable communities strategies required by Chapter 728, Statutes of 2008 (SB 375), and to provide similar support to other areas with GHG reduction policies, but not subject to SB 375 requirements. The Strategic Growth Council will coordinate this program. Projects that benefit disadvantaged communities will be given priority. Also, projects will reduce GHG emissions by increasing transit ridership, active transportation (walking/biking), affordable housing near transit stations, preservation of agricultural land, and local planning that promotes infill development and reduces the number of vehicle miles traveled.
The Budget also provides an ongoing commitment of 20 percent of future auction proceeds for this program and requires that at least half of the expenditures be allocated for affordable housing projects.

- **Low Carbon Transportation**—$200 million for the Air Resources Board to accelerate the transition to low carbon freight and passenger transportation, with a priority for disadvantaged communities. This investment will also support the Administration’s goal to deploy 1.5 million zero-emission vehicles in California by 2025. The Board administers existing programs that provide rebates for zero-emission cars and vouchers for hybrid and zero-emission trucks and buses. These expenditures will respond to increasing demand for these incentives, as well as provide incentives for the pre-commercial demonstration of advanced freight technology to move cargo in California, which will benefit communities near freight hubs.

**ENERGY EFFICIENCY AND CLEAN ENERGY**

- **Weatherization Upgrades/Renewable Energy**—$75 million for the Department of Community Services and Development to assist in the installation of energy efficiency and renewable energy projects in low-income housing units within disadvantaged communities. Weatherization measures typically include weather-stripping, insulation, caulking, water heater blankets, fixing or replacing windows, refrigerator replacement, electric water heater repair/replacement, and heating and cooling system repair/replacement. Renewable energy measures include installation of solar water heater systems and photovoltaic systems. This program will serve a mix of single and multifamily housing units.

- **Energy Efficiency in Public Buildings**—$20 million for the Energy Resources Conservation and Development Commission to finance energy efficiency and energy generation projects in public buildings, including the University of California, the California State University, and courts. Energy savings projects will include lighting systems, energy management systems and equipment controls, building insulation and heating, ventilation, and air conditioning equipment.

- **Agricultural Energy and Operational Efficiency**—$15 million for the Department of Food and Agriculture to support projects that reduce GHG emissions from the agriculture sector by capturing greenhouse gases, harnessing greenhouse gases as a renewable bioenergy source, improving agricultural practices and promoting low carbon fuels, agricultural energy, and operational efficiency.
**Natural Resources and Waste Diversion**

- **Wetlands and Coastal Watersheds**—$25 million for the Department of Fish and Wildlife to implement projects that provide carbon sequestration benefits, including restoration of wetlands (including those in the Delta), coastal watersheds and mountain meadows. In addition to furthering the goals of AB 32, these types of projects are also identified in the Water Action Plan and are integral to developing a more sustainable water management system statewide.

- **Fire Prevention and Urban Forests**—$42 million for the Department of Forestry and Fire Protection to support urban forests in disadvantaged communities and forest health restoration and reforestation projects that reduce wildfire risk and increase carbon sequestration. These expenditures will enhance forest health and reduce fuel loads in light of climate change increasing wildfire intensity and damage.

- **Waste Diversion**—$25 million for the Department of Resources Recycling and Recovery to provide financial incentives for capital investments that expand waste management infrastructure, with a priority in disadvantaged communities. Investment in new or expanded clean composting and anaerobic digestion facilities is necessary to divert more materials from landfills, a significant source of methane emissions. These programs reduce GHG emissions and support the state’s 75-percent solid waste recycling goal.
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<table>
<thead>
<tr>
<th>Appropriations</th>
<th>Potential Projects Identified by Implementing Agencies</th>
<th>2013-14 (M)</th>
<th>2014-15 (M)</th>
<th>2015-16 (%)</th>
<th>% of 2014-15 Funds Benefitting Disadvantaged Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Speed Rail (HSRA)</strong></td>
<td>Planning/Design</td>
<td>$59</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Right-of-way acquisition of Initial Operating Segment</td>
<td></td>
<td>$191</td>
<td>25%</td>
<td>0-25%</td>
</tr>
<tr>
<td></td>
<td>Construction of Initial Operating Segment</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Transit and Intercity Rail Capital Program (CalSTA)</strong></td>
<td>Connectivity to existing/future rail systems by adding new rail cars/engines</td>
<td>$25</td>
<td>$25</td>
<td>25%</td>
<td>(in statute)</td>
</tr>
<tr>
<td></td>
<td>Increase service and reliability of intercity and commuter rail systems</td>
<td></td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Encourage multi-modal transit via integrated ticketing / scheduling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Low Carbon Transit Operations Program (Caltrans to local agencies)</strong></td>
<td>New/expanded bus or rail services or expanded intermodal transit facilities</td>
<td>$25</td>
<td>$25</td>
<td>5%</td>
<td>50% (in statute)</td>
</tr>
<tr>
<td></td>
<td>Service or facility improvements, e.g. equipment, fueling, and maintenance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Affordable Housing and Sustainable Communities (SGC and member agencies)</strong></td>
<td>Intermodal affordable housing</td>
<td></td>
<td>$130</td>
<td>20%</td>
<td>50% (in statute)</td>
</tr>
<tr>
<td></td>
<td>Transit capital projects</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>Active transportation/complete streets</td>
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<td></td>
<td>Transit-oriented development</td>
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<td></td>
<td>Agricultural land preservation</td>
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<td></td>
<td>Local planning and implementation</td>
<td></td>
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<tr>
<td><strong>Low Carbon Transportation (ARB)</strong></td>
<td>Passenger ZEV rebates</td>
<td>$30</td>
<td>$200</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Heavy duty hybrid/ZEV trucks and buses</td>
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<td></td>
<td>Freight demonstration projects</td>
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<tr>
<td></td>
<td>Pilot programs (car sharing, financing, etc.) in disadvantaged communities</td>
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</tr>
</tbody>
</table>

SUMMARY DEVELOPED BY THE CALIFORNIA AIR RESOURCES BOARD
## Greenhouse Gas Reduction Fund Programs

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>Potential Projects Identified by Implementing Agencies</th>
<th>2013-14 (M)</th>
<th>2014-15 (M)</th>
<th>2015-16 (%)</th>
<th>% of 2014-15 Funds Benefitting Disadvantaged Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weatherization Upgrades/Renewable Energy (CSD)</strong></td>
<td>Single-Family Weatherization</td>
<td></td>
<td>$75</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Installation of energy efficiency and renewable energy projects in single and multifamily low-income housing units within disadvantaged communities. Weatherization measures typically include weather-stripping, insulation, caulking, water heater blankets, fixing or replacing windows, refrigerator replacement, electric water heater repair/replacement, and heating and cooling system repair/replacement. Renewable energy measures include installation of solar water heater systems and photovoltaic systems.</td>
<td>Multi-Family Weatherization</td>
<td></td>
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<tr>
<td></td>
<td>Solar PV and Water Heating</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy Efficiency in Public Buildings (CEC)</strong></td>
<td>Energy audits</td>
<td>$20</td>
<td></td>
<td>&lt;25%</td>
<td></td>
</tr>
<tr>
<td>Energy efficiency and energy generation projects in public buildings, including the University of California, the California State University, and courts. Energy savings projects will include lighting systems, energy management systems and equipment controls, building insulation and heating, ventilation, and air conditioning equipment.</td>
<td>Building retrofits for energy efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Energy generation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Agricultural Energy and Operational Efficiency (CDFA)</strong></td>
<td>Water use and energy use efficiency</td>
<td>$10</td>
<td></td>
<td>&lt;25%</td>
<td></td>
</tr>
<tr>
<td>Projects that reduce GHG emissions from the agriculture sector by capturing greenhouse gases, harnessing greenhouse gases as a renewable bioenergy source, improving agricultural practices and promoting low carbon fuels, agricultural energy, and operational efficiency.</td>
<td>Dairy digesters</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Alternative and renewable fuels</td>
<td>$15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water Action Plan - Water-Energy Efficiency (DWR)</strong></td>
<td>Efficient hydro energy turbines</td>
<td>$30</td>
<td></td>
<td>&lt;25%</td>
<td></td>
</tr>
<tr>
<td>Funding for grants that support water use efficiency and conservation projects, leak detection and repair projects that reduce GHG emissions, with additional consideration given to disadvantaged communities. The funding will also support projects at the Thermalito and Hyatt State Water Project facilities.</td>
<td>Water conservation and efficiency grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water Action Plan - Wetlands and Watershed Restoration (DFW)</strong></td>
<td>Delta coastal wetlands</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement projects that provide carbon sequestration benefits, including restoration of wetlands (including those in the Delta), coastal watersheds and mountain meadows. In addition to furthering the goals of AB 32, these types of projects are integral to developing a more sustainable water management system statewide.</td>
<td>Mountain meadows</td>
<td>$25</td>
<td></td>
<td>0-25%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Water use efficiency in wetlands</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable Forests (CAL FIRE)</strong></td>
<td>Urban and community forestry</td>
<td>$18</td>
<td></td>
<td>100%</td>
<td></td>
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<tr>
<td>Urban forests in disadvantaged communities and forest health restoration and reforestation projects that reduce wildfire risk and increase carbon sequestration. These expenditures will enhance forest health and reduce fuel loads in light of climate change increasing wildfire intensity and damage.</td>
<td>Fire risk reduction/ improved forest management</td>
<td>$24</td>
<td></td>
<td>0-25%</td>
<td></td>
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<tr>
<td></td>
<td>Forest health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Waste Diversion (CalRecycle)</strong></td>
<td>Organics composting/ anaerobic digestion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial incentives for capital investments that expand waste management infrastructure, with a priority in disadvantaged communities. Investment in new or expanded clean composting and anaerobic digestion facilities is necessary to divert more materials from landfills. These programs reduce GHGs and support the 75% solid waste recycling goal.</td>
<td>Increased recycling manufacturing</td>
<td>$25</td>
<td></td>
<td>&lt;25%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organics and recycling project loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$70</td>
<td>$832</td>
<td>60%</td>
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<tr>
<td><strong>General Fund Loan Repayment</strong></td>
<td></td>
<td>($100)</td>
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</tbody>
</table>
Affordable Housing and Sustainable Communities Program

DRAFT GUIDELINE WORKSHOPS

October 23 | Merced, CA          October 27 | Los Angeles, CA
October 24 | Oakland, CA             October 28 | Sacramento, CA

Presentation Outline

• Program Purpose
• Eligible Uses
• Eligible Project Types and Requirements
• Funding Set-Asides
• Eligible Applicants
• Awards: Ranges and Limits
• Proposed Scoring Elements
• Proposed Application and Review Process
• Estimated Timeline
Affordable Housing and Sustainable Communities (AHSC) Program

The complete Draft Guidelines for the AHSC Program can be found here: http://sgc.ca.gov/s_ahscprogram.php
**Purpose of the AHSC Program**

Supports projects that will increase accessibility of housing, employment centers and **Key Destinations** via low-carbon transportation options (walking, biking and transit), resulting in fewer vehicle miles travelled (VMT).

The Program will provide grants and affordable housing loans for infill and compact transit-oriented development and related infrastructure and program activities.

*Before we get into the details, let’s look at the big picture vision...*
Existing Conditions

Avenue developed as a mixed-use transit corridor
Existing Conditions

Sidewalks protected from traffic with street trees; addition of dedicated bike lane and buildings at sidewalk
Infill buildings (including housing) built to sidewalk; addition of median with street trees

Addition of side median creating dedicated bike and slow access lanes
Key Program Thresholds

• Reduce GHG primarily through reduced VMT, including mode shift from single occupancy vehicles (SOV)
• Consistent with Sustainable Communities Strategy, or similar planning document*
• Consistent with the State planning priorities per 65041.1 of the Government Code

*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.

State Planning Priorities*

• Promote infill development and equity by maintaining and improving existing infrastructure
• Protect environmental and agricultural resources
• Encourage efficient development patterns by ensuring infrastructure for new development does the following: uses land efficiently; is built adjacent to existing developed areas; is in an area appropriately planned for growth; served by transportation and other essential utilities and services; and minimizes costs to taxpayers

*Paraphrased from Section 65041.1 of the Government Code
Projects must demonstrate GHG reductions that focus on VMT reductions.

In addition, projects may also demonstrate ancillary GHG reductions through:

- Improved energy efficiency
- Net GHG sequestration
- Other GHG reductions or emissions avoidance

### Big Picture – VMT Reduction Per Capita

**Travel Mode**

- ✔ Rail: Heavy/light
- ✔ Bus/BRT
- ✔ Bike
- ✔ Walk
- ✔ Alternatives to Single-Occupancy Vehicles (e.g. car-sharing, ride-sharing)

**Key Destinations**

- ✔ Home
- ✔ Work
- ✔ Shopping
- ✔ Schools
- ✔ Parks
- ✔ Critical Services
- ✔ Recreational
Examples of Factors Influencing VMT

• Density – Residential
• Diversity of Land Uses
• Design of Street Network
• Destination Accessibility
• Distance to Transit
• Other Project Characteristics

For additional information, please see ARB’s policy briefs related to impacts of transportation and Land Use-Related Policies at: [http://arb.ca.gov/cc/sb375/policies/policies.htm](http://arb.ca.gov/cc/sb375/policies/policies.htm)

GHG Quantification

• Applications must demonstrate the proposed project(s) would reduce GHG emissions, subject to methodologies established by ARB
• Initial first year guidance on approaches to estimate GHG reductions will be provided in the Program Draft Final Guidelines, posted on Dec. 1, 2014
Disadvantaged Communities (DAC) Guidance

- Guidance on eligible DAC census tracts will be available in the next few weeks from the California Environmental Protection Agency (CalEPA)
- Guidance includes eligible DAC census tracts as identified by the CalEnviroScreen 2.0 tool, which is based on 19 indicators of pollution burden and population characteristics

Role of Metropolitan Planning Organizations (MPOs)

- Mandated by SB 375 to adopt regional GHG reduction targets for Sustainable Community Strategies of Regional Transportation Plans (RTPs)
- Pursuant to SB 862, SGC is to coordinate with MPOs and other regional agencies to identify and recommend qualifying projects
- Will participate in Program workshops and provide technical support.
Eligible Uses

**ELIGIBLE CAPITAL USES**
- Housing Developments*
- Housing-Related Infrastructure*
- Transportation or Transit-Related Infrastructure (includes Active Transportation)*
- Green Infrastructure*
- Planning Implementation

**ELIGIBLE PROGRAM USES**
- Active Transportation
- Transit Ridership
- Criteria Pollutant Reduction

* Infrastructure-Related Capital Uses.
**Housing Development**

- New construction, **substantial rehabilitation**, conversion or preservation
- At least 20% of total units as restricted units
- Minimum project size
  - **Metro Areas**: ≥ 100 units
  - **Non-Metro Areas**: ≥ 50 units

<table>
<thead>
<tr>
<th></th>
<th>Residential</th>
<th>Mixed Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large City Downtown</td>
<td>≥ 60 units/acre</td>
<td>&gt;3.0 FAR</td>
</tr>
<tr>
<td>Urban Center</td>
<td>≥ 40 units/acre</td>
<td>&gt;2.0 FAR</td>
</tr>
<tr>
<td>All other Areas</td>
<td>≥ 20 units/acre</td>
<td>&gt;1.5 FAR</td>
</tr>
</tbody>
</table>

**Housing-Related Infrastructure**

- Improvements required as a condition of the **Affordable Housing Development** (e.g. sewer upgrades, streets, utility access/relocation, etc.)
- Site acquisition
- Impact fees (< $200,000)
ELIGIBLE CAPITAL USES

Transportation & Transit-Related Infrastructure

• To enhance public transit
• To enhance pedestrian or bicycle access between transit station, housing and **Key Destinations**
• Soft costs directly related to the construction or acquisition (e.g. engineering, planning, construction management, architectural and design work) are eligible.

ELIGIBLE CAPITAL USES

Green Infrastructure

• To enhance environmental sustainability of the **Project Area** (i.e. heat island mitigation, tree canopy, stormwater filters)
• Soft costs directly related to the construction or acquisition (e.g. engineering, planning, construction management, architectural and design work) are eligible.
**ELIGIBLE CAPITAL USES**

Pre-Development Costs Related to Planning Implementation

- Examples:
  - Improvement or updates to existing plans or zoning codes to allow for the development of the project
  - Parking studies for the proposed Project Area
  - Project-based infrastructure financing plans

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**ELIGIBLE PROGRAM USES**

- Active Transportation
- Transit Ridership
- Criteria Pollutant Reduction

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<table>
<thead>
<tr>
<th>Eligible Costs</th>
<th>Ineligible Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-up costs associated with program creation</td>
<td>Ongoing operational costs beyond the term of the award</td>
</tr>
<tr>
<td>Expansion costs for existing programs to serve new populations or offer new services</td>
<td>Supplanting existing funding</td>
</tr>
</tbody>
</table>
Eligible Project Types & Requirements

### Eligible Project Types

- **Transit-Oriented Development (TOD)**
  Corridors, Districts & Neighborhoods

- **Integrated Connectivity Projects (ICP)**

### Funding Breakdown

- **TOD Applications** (at least 40% of funds)
- **ICP Applications** (at least 30% of funds)

  30% for either TOD or ICP*

*Based upon score and meeting Affordable Housing (AH) and Disadvantaged Communities (DAC) Requirements*
Transit-Oriented Developments

- Must be designed to support low-carbon transportation options within areas that have High Quality Transit
- Connect High Quality Transit to Key Destinations
- Must include at least one Affordable Housing Development
Transit Requirements

Transit-Oriented Developments (TODs)

- Required Affordable Housing Development must be located within ½ mile of a Qualifying Transit Station or within a Major Transit Corridor
- Must include a Major Transit Stop
- Served by High Quality Transit – HSR, Heavy/Light Rail, BRT, Express Bus (i.e. 15 min. peak headway)
- Transit Station must be located within existing transit corridor or within a new transit corridor for which funding has been committed and programmed with construction of transit line underway

Transit-Oriented Developments

- Located within a ½ mile of Qualifying High Quality Transit (defined by 15 min. peak headways)

<table>
<thead>
<tr>
<th>Required</th>
<th>Required</th>
<th>Optional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing (AHSC-funded or other)</td>
<td>At least one Capital Use</td>
<td>Additional Capital or Program Uses</td>
</tr>
</tbody>
</table>
TOD Project Examples

Affordable Housing Development (AHSC funded or other)

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

OR

Station area improvements, including bus stop benches or shelters

OR

Transit signal priority technology systems

OR

Transit-related roadway access improvements

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

Integrated Connectivity Projects

• Must be designed to achieve GHG reduction by increasing connectivity between Key Destinations through new or significantly increased transit ridership

• For Non-Metropolitan areas and portions of Metropolitan Areas lacking High Quality Transit requirements of a TOD
Transit Requirements

Integrated Connectivity Projects (ICP)

• Project Area must include at least one **Qualifying Transit Station** with service by High Speed Rail, Heavy/Light Rail, Bus Rapid Transit, Bus or Vanpool/Shuttle
• No specified distance requirements between **Key Destinations**
## ICP Project Examples

<table>
<thead>
<tr>
<th>Capital Use</th>
<th>Capital or Program Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicycle/pedestrian connections from housing or employment to transit</td>
<td>Improvements to one or more transit stations</td>
</tr>
<tr>
<td>Affordable Housing Development</td>
<td>Complete street improvements to increase walking and biking to Transit Station or Stop</td>
</tr>
<tr>
<td>Inter-regional commuter transit or vanpool service</td>
<td>Transit Ridership Program</td>
</tr>
</tbody>
</table>

### TOD & ICP Project Type Summaries

<table>
<thead>
<tr>
<th>TOD Project Categories (Corridor, District or Neighborhood)</th>
<th>Integrated Connectivity Projects (ICP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Areas with Qualifying High Quality Transit</td>
<td>Areas with Potential to Improve Transit</td>
</tr>
<tr>
<td><strong>Transit Requirements</strong></td>
<td></td>
</tr>
<tr>
<td>Project Area must include a Major Transit Stop within a ½ mile catchment area with service by at least one of the following:</td>
<td></td>
</tr>
<tr>
<td>- High Speed Rail</td>
<td>- High Speed Rail</td>
</tr>
<tr>
<td>- Heavy/Light Rail</td>
<td>- Heavy/Light Rail</td>
</tr>
<tr>
<td>- Bus Rapid Transit (BRT)</td>
<td>- Bus Rapid Transit (BRT)</td>
</tr>
<tr>
<td>- Express Bus</td>
<td>- Express Bus</td>
</tr>
<tr>
<td>- Bus</td>
<td>- Bus</td>
</tr>
<tr>
<td>- Vanpool/Shuttle</td>
<td>- Vanpool/Shuttle</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible Projects</th>
<th>Eligible Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects <strong>MUST</strong> include at least TWO Eligible Uses.</td>
<td>Projects <strong>MUST</strong> include at least TWO Eligible Uses.</td>
</tr>
<tr>
<td>Must include (1) an affordable housing development (residential or mixed-use) and (2) one Infrastructure-Related Capital Use.</td>
<td>At least one of the Eligible Uses must include an Infrastructure-Related Capital Use.</td>
</tr>
</tbody>
</table>
Funding Set-Asides

- At least 50% of annual proceeds appropriated for affordable housing*
- At least 50% of funding to benefit Disadvantaged Communities*
- These two requirements may occur in one project (e.g. construction of affordable housing in a disadvantaged community)

*SB 862
Eligible Applicants

A Public Agency* that has jurisdiction over the Project Area is a required applicant either alone or jointly with any of the following:

- Joint Powers Authorities
- Public Housing Authorities
- Developers (profit or non-profit)
- Transit Agencies/Operators
- School District
- Facilities or other special district

In addition, a Non-Profit Organization, Community Development Financial Institutions (CDFIs) or Community Development Corporations (CDCs) may be a co-applicant with an eligible Public Agency.

*In most cases will be a City or County
Awards: Ranges & Limits

- Maximum award of $15 million per funding cycle per city, city/county, or unincorporated county
- Only one award per Project Area
- A single developer may receive no more than $15 million per funding cycle
Proposed Scoring Elements

- Feasibility & Readiness: 35-40% of Score
- Connectivity & Improved Access: 40-45% of Score
- Community Orientation: 15-20% of Score
Feasibility & Readiness (35-40%)  
Criteria will be used to assess “shovel-readiness” including entitlements, other funding sources and implementation of planning efforts supporting GHG reduction.

• Readiness of the Affordable Housing Development
• Readiness of Non-Housing Infrastructure Project(s)
• Program Readiness, Capacity, Need and Leverage
• Leverage of Other GGRF Funds and Prior Planning Efforts

Connectivity & Improved Access (40-45%)  
Criteria assesses how changes in the built environment improve connectivity between housing, transit, employment centers and Key Destinations.

• Access to Qualified Employment Areas
• Proximity to Transit Supportive Land Uses
• Increase in public transit ridership
• Parking/Transit Passes/Car sharing/electric vehicle infrastructure
• Walkable corridors
• Bicycle features
• Community Greening and Natural Resource Conservation
Community Orientation (15-20%)

Criteria will assess context sensitivity and extent to which proposed project addresses the needs of the community.

- Extent to which Housing Development serves lower- and moderate-income households
- Location Affordability Index
- Anti-Displacement Strategies
- Extent to which the Project addresses Co-Benefits
- Community Engagement

Proposed Application & Review Process
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

Proposed Application Process

1. Regional Outreach Workshops
2. Concept Submittal and Review
3. Top Ranked Concepts Invited to Submit Full Application
4. Full Application Submittal and Review
5. Funding Recommendations to SGC

Review Process & Scoring

- **TOD Applications**
  - TOD-specific Scoring Criteria
  - TOD & ICP Applications Reviewed & Scored Separately

- **ICP Applications**
  - ICP-specific Scoring Criteria

**Total Score**
(% of max. applicable points based on application type)

+ GHG-based Score*

= CUMULATIVE SCORE

*Pending ARB Guidance
Review Process and Scoring

CUMULATIVE SCORES

Statutorily Required Program Set-Asides (AH & DAC)

Minimum Funds Per Project Type (TOD & ICP)

Funding Recommendations to SGC

Review Process and Scoring

CUMULATIVE SCORES

Statutorily Required Program Set-Asides (AH & DAC)

Total Available Funds

- 50% Affordable Housing (AH) Requirement
- 50% Disadvantaged Community (DAC) Requirement
Review Process and Scoring

CUMULATIVE SCORES

Minimum Funds Per Project Type
Approximately $120 Million Available in FY 14/15

TODs > 40% of funds
$48 Million

30% for either

ICPs > 30% of funds
$36 Million

Funding Recommendations to SGC

AHSC Program Funding – FY 2014/15

Approx. $120 million*

40% TODs $48 M
Max Award: $15 M

30% ICPs $36 M
Max Award: $8 M

(If even split between TOD & ICP)

Potential # of Awards**
4-8

Potential # of Awards**
4-6

Potential # of Awards**
5-9

Approximately 13-23 Awards Statewide

* Excludes SALC Program component
** Range of potential awards based upon all awards at max (low end) vs. all awards at mid-range, i.e. 50% of maximum award (high end)
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

Estimated Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUGUST 2014</td>
<td>Three Public Workshops on Guideline Development</td>
</tr>
<tr>
<td>SEPTEMBER 2014</td>
<td>Release Draft Guidelines</td>
</tr>
<tr>
<td>OCTOBER 2014</td>
<td>Four Public Workshops on Draft Guidelines</td>
</tr>
<tr>
<td>DEC 1, 2014</td>
<td>Release Draft Final Guidelines</td>
</tr>
<tr>
<td>DEC 11, 2014</td>
<td>Final Guidelines to Council for Approval</td>
</tr>
<tr>
<td>JANUARY 2015</td>
<td>Funding Solicitation Released</td>
</tr>
<tr>
<td>FEBRUARY 2015</td>
<td>Concepts Due</td>
</tr>
<tr>
<td>APRIL 2015</td>
<td>Full Applications Due</td>
</tr>
<tr>
<td>JUNE 2015</td>
<td>Awards Announced</td>
</tr>
</tbody>
</table>

Existing Conditions
BRT lane and station; dedicated bike lane wider sidewalks, street lamps, and shade trees

Dense corridor development connecting transit, housing, jobs and key destinations
Additional comments can be submitted to the following link:

http://sgc.ca.gov/s_ahscwebcommentform.php