



California Strategic Growth Council



Affordable Housing and Sustainable Communities Program

California Gold: Partnership for Cap and Trade Success

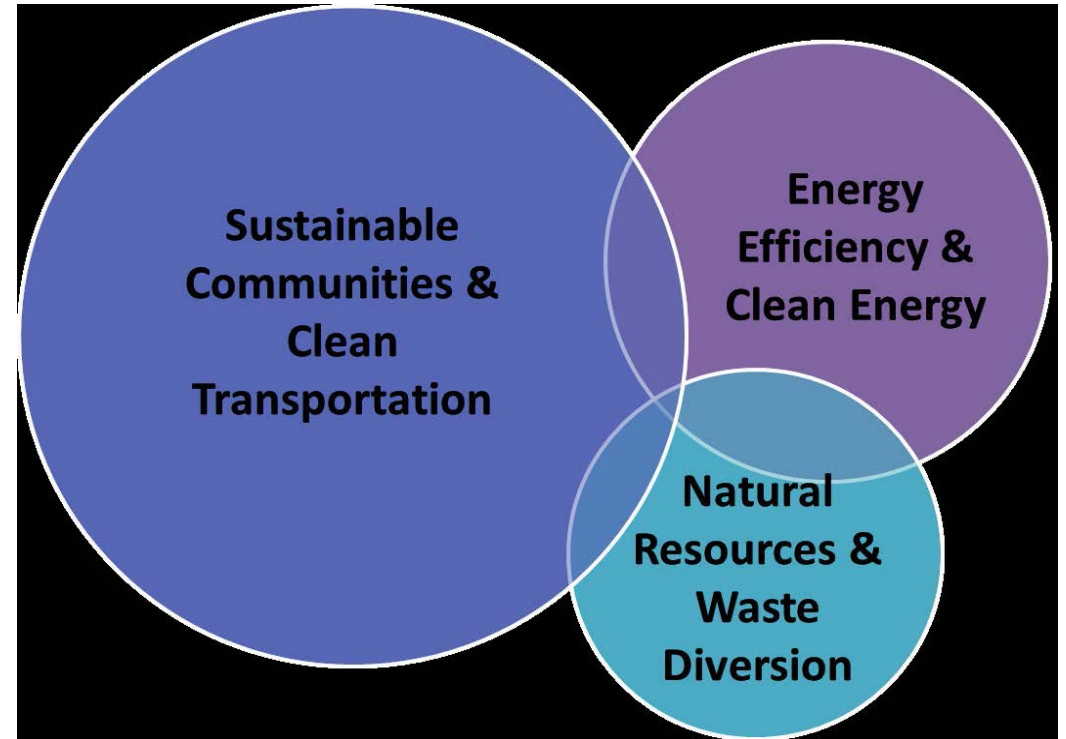
December 8, 2015 | SCAG Main Office

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



GGRF Appropriations by Fiscal Year	2013-14	2014-15	2015-16
HSRA - High Speed Rail*	--	\$ 250M	\$ 500M
Caltrans - Low Carbon Transit Operations*	--	\$ 25M	\$ 100M
CalSTA - Transit and Intercity Rail Capital*	--	\$ 25M	\$ 265M
SGC – Afford. Housing/Sustainable Communities*	--	\$ 130M	\$ 400M
ARB - Low Carbon Transportation	\$ 30M	\$ 200M	\$ 90M
CSD – Residential Weatherization/Solar	--	\$ 75M	\$ 79M
CEC - Energy Efficiency for Public Buildings	--	\$ 20M	--
DWR – Water Energy Efficiency	\$ 30M	\$ 40M	\$ 20M
CDFA - Agricultural Energy Efficiency	\$ 10M	\$ 35M	\$ 40M
CDFW - Wetlands and Watershed Restoration	--	\$ 25M	--
CALFIRE – Sustainable Forests	--	\$ 42M	--
Cal Recycle - Waste Diversion	--	\$ 25M	--
Total (as of Sept. 2015)	\$ 70M	\$ 892M	\$1,494M

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

723,286 METRIC TONS IN AVOIDED GHG EMISSIONS =
TAKING 140,000 CARS OFF THE ROAD FOR ONE YEAR

2,003 new
affordable units
near transit

28 projects

19 counties

21 cities

\$92 million to
benefit
Disadvantaged
Communities

\$32 million for transit,
walking & biking

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

Affordable Housing and Sustainable Communities Program

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

Affordable Housing and Sustainable Communities Program

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

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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).

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Eligible Project Area Types:

- **Transit-Oriented Development (TOD) Project Area**
- **Integrated Connectivity Project Area (ICP)**
- **Rural Innovation Project Areas (RIPA)**

High-Quality Transit

1) Frequency

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

2) Dedicated Infrastructure

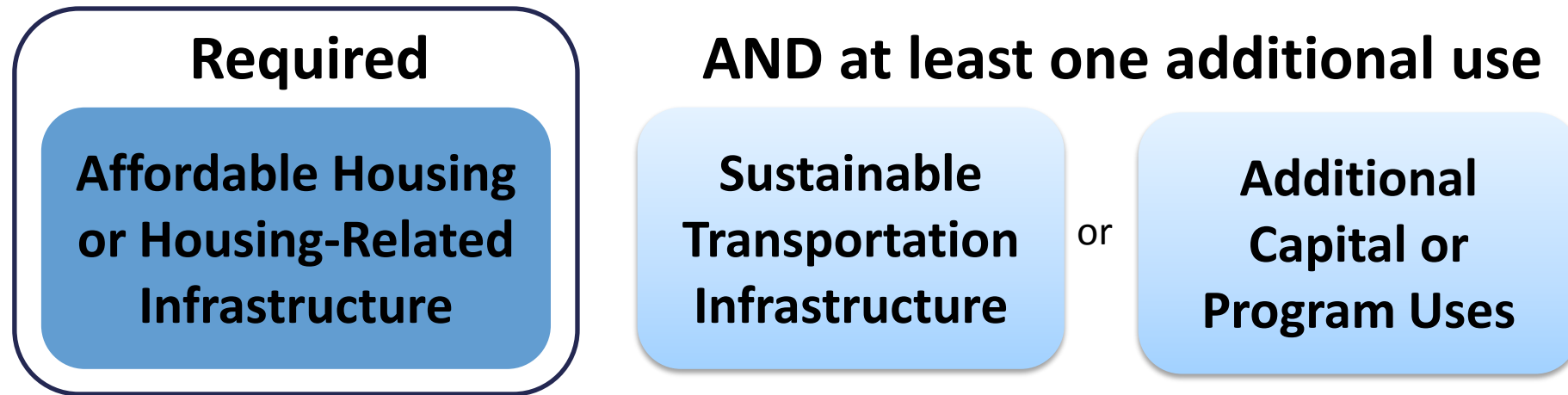
Operation on a railway or be a Bus Rapid Transit (BRT) service that either fully or partially operates on a dedicated bus-only lane, or uses High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lanes

***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*



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TOD PROJECT EXAMPLES

Affordable Housing
Development

OR

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

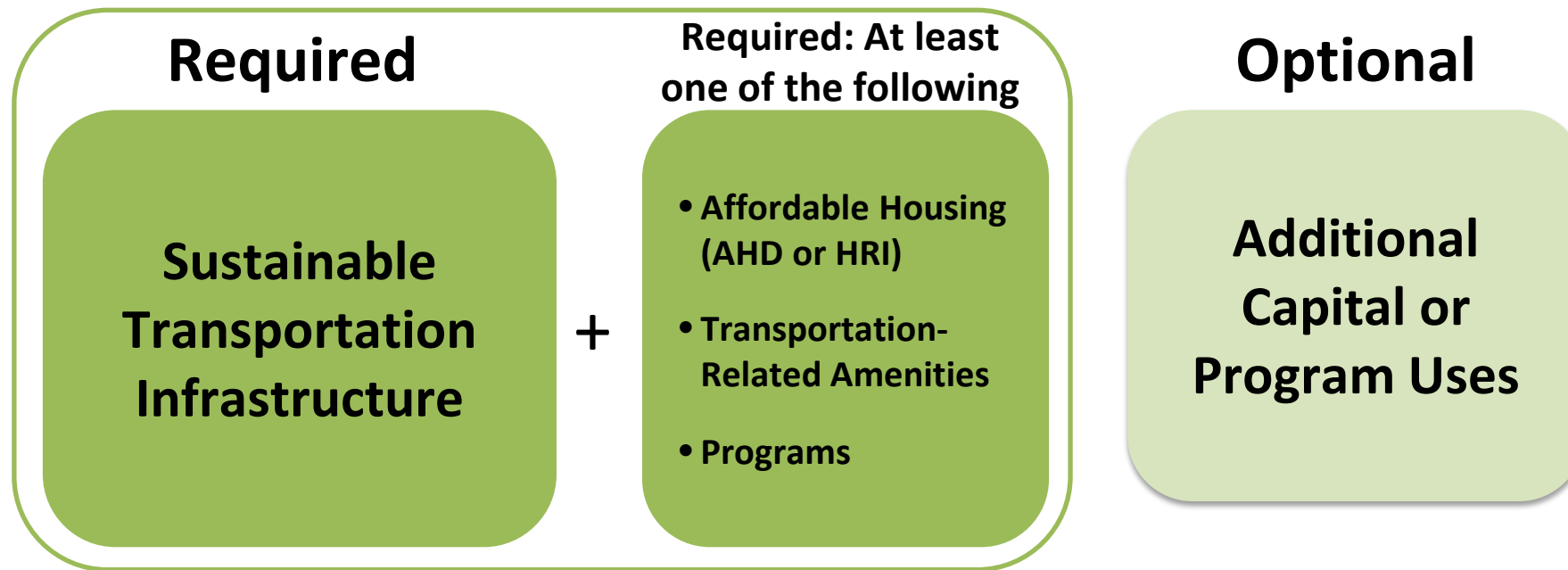
OR

Transit signal priority technology systems

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Project Type: Integrated Connectivity Projects:

- Must have Qualifying Transit
- Must include Transportation Infrastructure*



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

Affordable Housing and Sustainable Communities Program

+

ICP PROJECT EXAMPLES

**Sustainable Transportation
Infrastructure**

Capital or Program Use

**Bicycle/pedestrian connections
from employment center to
transit**

+

Improvements to a transit station

Transit Station Improvements

+

Affordable Housing Development

Vanpool Fleet

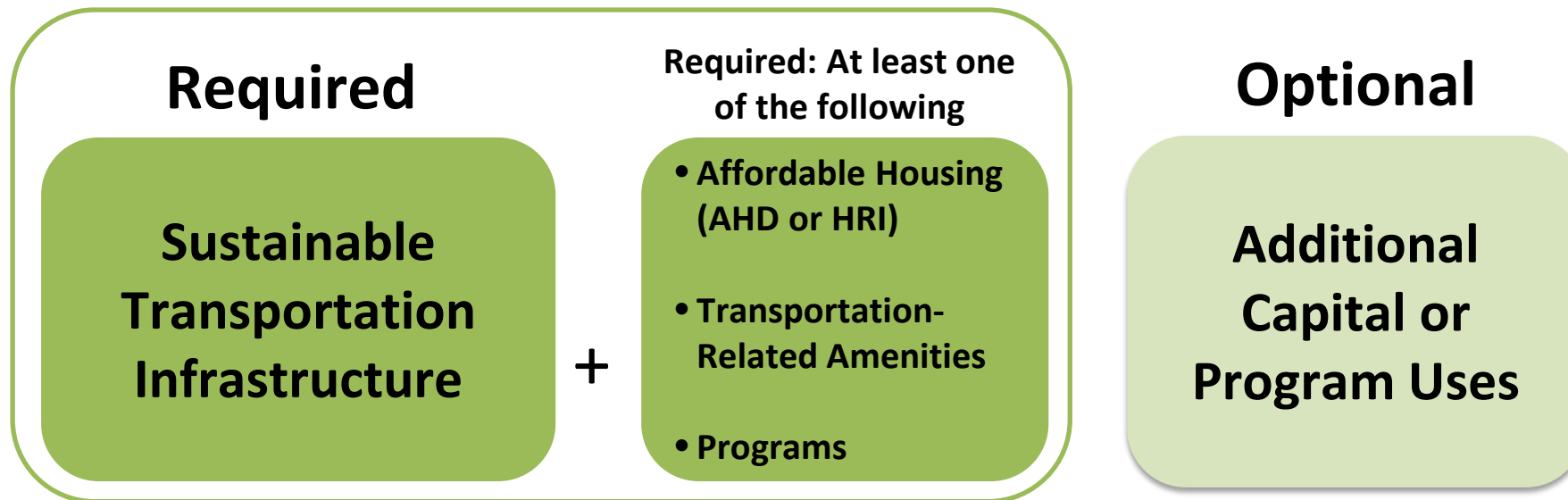
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Transit Ridership Program

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*



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

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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 be 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

Affordable Housing and Sustainable Communities Program

Concept & Full Application Process

Concept Proposal Stage

Approved Concepts Invited for Full Application

Full Application Submittal

Funding Recommendations to SGC

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Concept Proposal Filter:

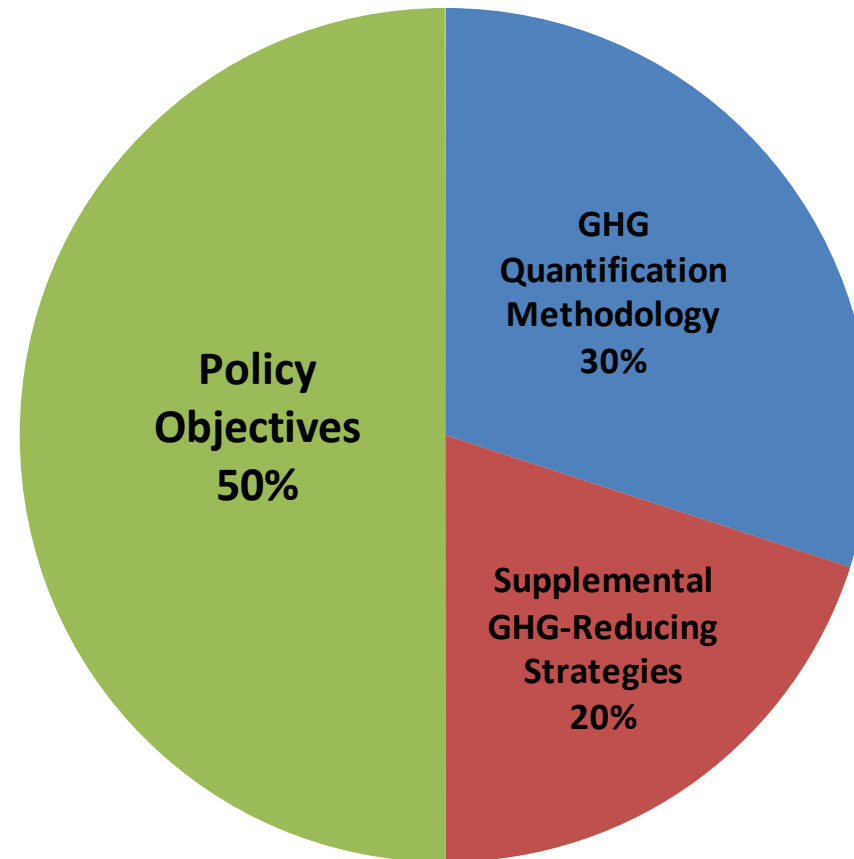
Demonstration of level of Enforceable Funding Commitments (EFCs)
calculated as follows*:

$$\frac{\text{AHSC Funds Requested} + \text{EFCs} - \text{Deferred Costs}}{\text{Total Development Costs} - \text{Deferred Costs}}$$

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

Affordable Housing and Sustainable Communities Program

Full Application Scoring Criteria*



AHSC Scoring Criteria

<u>GHG Reduction</u>	POINTS
GHG Quantification	
Estimated GHG Emissions Reductions (CalEEMod and TAC)	
a. Total Project GHG Reductions	15
b. Efficiency of Reductions (Total Project GHG Reductions/AHSC \$)	15
<u>Supplemental Strategies</u>	
• Active Transportation Improvements	10
• Water, Energy, and Greening (WEG)	10
GHG REDUCTIONS CATEGORY SUBTOTAL	50
<u>Policy Objectives</u>	
• Depth and Level of Housing Affordability	10
• Housing and Transportation Collaboration	10
• Community Benefit and Engagement	8
• Access & Connectivity to Destinations	8
• Total Funds Leverage (Project and Program)	5
• Anti-Displacement Strategies	4
• Program Need and Readiness	3
• Implementation of Planning Efforts	2
POLICY OBJECTIVES CATEGORY SUBTOTAL	50
TOTAL POINTS	100

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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

Total Project GHG Reductions Score		Efficiency of Reductions Score	
Bin 1 = 15 points	+	Bin 1 = 15 points	=
Bin 2 = 12 points		Bin 2 = 12 points	
Bin 3 = 9 points		Bin 3 = 9 points	
Bin 4 = 6 points		Bin 4 = 6 points	
Bin 5 = 3 points		Bin 5 = 3 points	
		Total GHG Reduction Score	

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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

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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.

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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**

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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

Affordable Housing and Sustainable Communities Program

Estimated Timelines for 2015-16 Funds

✓ SGC Workshops: Lessons Learned (Sacramento & LA)	JULY 2015
✓ Stakeholder Meetings on 2015-2015 Draft Guidelines	Late October 2015
✓ Comments due on Draft Guidelines	October 30, 2015
✓ Revision of Guidelines	Late Fall/Early Winter 2015
Final Guidelines presented to Council for Approval	December 2015
Release of 2015-2016 Notice of Funding Availability	January 2016
Concept Applications Due	March 2016
Full Applications Due	June 2016
Awards Announced	August 2016

Sustainable Agricultural Lands Conservation Program

Revised Program Guidelines and Year 2 Timeline

Sustainable Agricultural Lands Conservation Program

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.

Sustainable Agricultural Lands Conservation Program

Estimated Timelines for 2015-16 Funds

Solicitation for Projects Released, following approval of SALC Final Guidelines by SGC Council	December 2015
Pre-Proposal Summaries Due for Strategy & Outcome grants, and Agricultural Conservation Easement grants. Note this is a courtesy review, and not required in order to submit a full application.	February 25, 2016
Complete Applications Due for SALC Agricultural Conservation Easement Grants	April 13, 2016
Complete Applications Due for SALC Strategy and Outcome Grants	April 13, 2016
Technical Committees review applications and prepare proposed recommendations for award	April – June/July 2016
Recommend Projects for Award to SGC Council	July/August 2016

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California Gold: Partnership for Cap and Trade Success

December 8, 2015 | SCAG Main Office

Affordable Housing and Sustainable Communities Program

Estimated Process for Future Year Projects

Planning & Community Engagement	<ul style="list-style-type: none">• Local General, Specific Community Plans• Sustainable Community Strategy/Metropolitan Transportation Plan• Active Transportation Plans
AHSC Project Exploration	<ul style="list-style-type: none">• Identification and prioritization of potential projects – transportation & housing• Identification and cultivating relationships between applicants and partners
AHSC Project Design	<ul style="list-style-type: none">• Identify core components of project and lead applicant• Identify additional partners• Understand potential GHG reductions from project variations
Pre-Application	<ul style="list-style-type: none">• Stay apprised of AHSC Program Updates & Technical Assistance opportunities