



*California*  
**Strategic Growth Council**



# Affordable Housing and Sustainable Communities Program

**2015-2016**

## **DRAFT GUIDELINE WORKSHOPS**

**October 19 | Sacramento**

**October 21 | Los Angeles**

**October 23 | Oakland**

**October 26 | Fresno**

# Workshop Agenda

- Welcome, Introductions, Overview of Round One
- Changes for Year Two
- Clarifying Questions on Guideline Revisions
- Year Two Timeline
- Public Comments

# Background

The Affordable Housing and Sustainable Communities (AHSC) Program funds projects that:

- Result in the reduction of greenhouse gas emissions and vehicle miles travelled (VMT) through land use, housing, transportation, and agricultural land preservation practices that support infill and compact development
- Increase accessibility of housing, employment centers and key destinations through low-carbon transportation options such as walking, biking and transit.

# Background

- The Budget Act of 2014 appropriated \$130 million from the Greenhouse Gas Reduction Fund (GGRF) for the 2014-2015 AHSC and the Sustainable Agricultural Lands Conservation programs.
  - SGC awarded \$121.9 million in 2014-15 for AHSC
- SB 862 apportioned 20 percent of GGRF annual proceeds to the AHSC program beginning in 2015-2016.
  - Over \$400 million available in 2015-16
- Competitive Statewide Program
  - 50% required investment in affordable housing
  - 50% required investment in disadvantaged communities

## AHSC Year One – 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

21 cities

19 counties

\$32 million for transit, walking & biking

\$92 million to benefit Disadvantaged Communities

# Key Factors in Year One

- Project Readiness (site control, permits and environmental clearances)
- Leverage of other funding sources
- Housing Unit Density
- Proximity to Dense Job Centers
- Balancing Transit and Active Transportation investments
- Jurisdictional Caps
- Timing of Application

# 2015-2016 Public Review Draft Guidelines

Key proposed revisions:

- **Emphasis on Transportation investments that support mode shift**
- **Refinement of Transit Oriented Development (TOD) and Integrated Connectivity Project (ICP) Project Areas: stronger balance of housing, transportation and transit investments**
- **Incentives for housing/transportation collaboration and partnerships**

# 2015-2016 Public Review Draft Guidelines

Key proposed revisions:

- **Revised GHG scoring criteria: GHG quantification & supplemental strategies**
- **Creation of a new, Rural Innovation Project Area type**
- **Elimination of the jurisdictional cap for localities**
- **Incentives to encourage use of 4% tax credits**

# 2015-2016 Public Review Draft Guidelines

Key proposed revisions:

- **Increased award amount of up to \$20 million**
- **Financial Readiness clarified**
- **Community benefit and engagement, access to destinations, depth and level of housing affordability, and anti-displacement strategies**



# California Strategic Growth Council



**What's new in the draft 2015-16 AHSC Guidelines?**

# What does AHSC fund?

Capital Projects – all applications must include at least one

- **Affordable Housing Developments (AHD) - (loans)**
- **Housing-Related Infrastructure (HRI) - (grants)**
- ***Sustainable Transportation or Transit-Related Infrastructure (STI) - (grants)***
  - *Capital improvements that result in the enhancement of 1) public transit access 2) pedestrian network or 3) project area bicycle network*
  - *Associated fees, green infrastructure and soft costs*
- ***Transportation or Transit-Related Amenities (TRA) - (grants)***
  - *Publically accessible capital improvements that provide supportive amenities to cyclists, pedestrians, and transit riders (i.e. bike parking, bus shelters, benches, street trees, etc)*
  - *Associated fees, green infrastructure and soft costs*

Programs that Support Mode Shift Behavior (grants for up to three years)

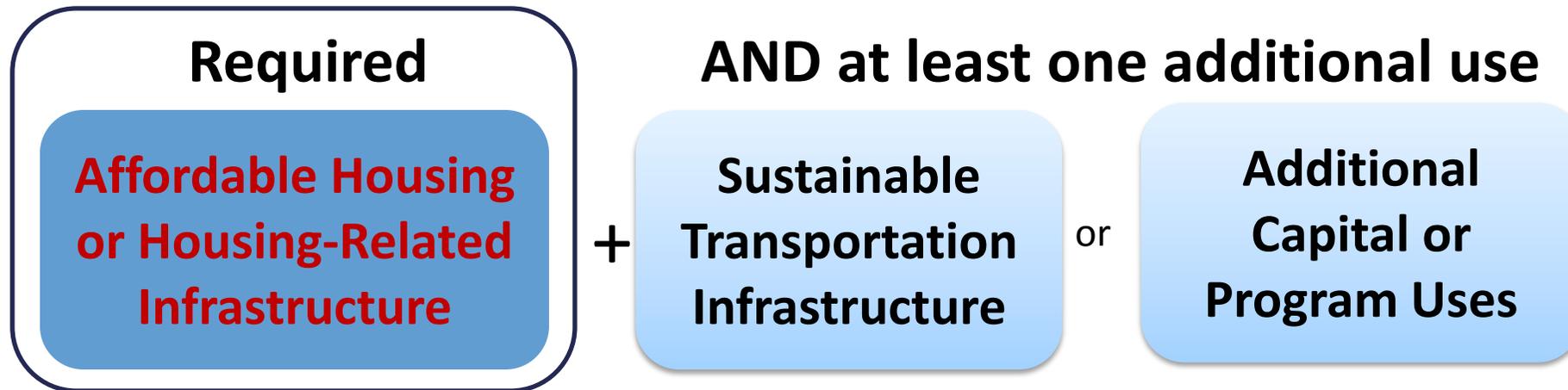
- Program: Active Transportation and/or Transit Ridership incentives
- Program: Community Outreach and Education on transportation safety and ridership usage

# Eligible Project Area Types

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

# Transit Oriented Development (TOD) Project Areas

- Located within a ½ mile of High-Quality Transit
- **NEW for 2015: May include transportation, but not required**



# TOD Project Examples

**Affordable  
Housing  
Development**

**OR**

**Housing-  
Related  
Infrastructure**

**+**

**At least one additional Eligible Use, such as...**

**Station area improvements, including bus stop benches or shelters**

**OR**

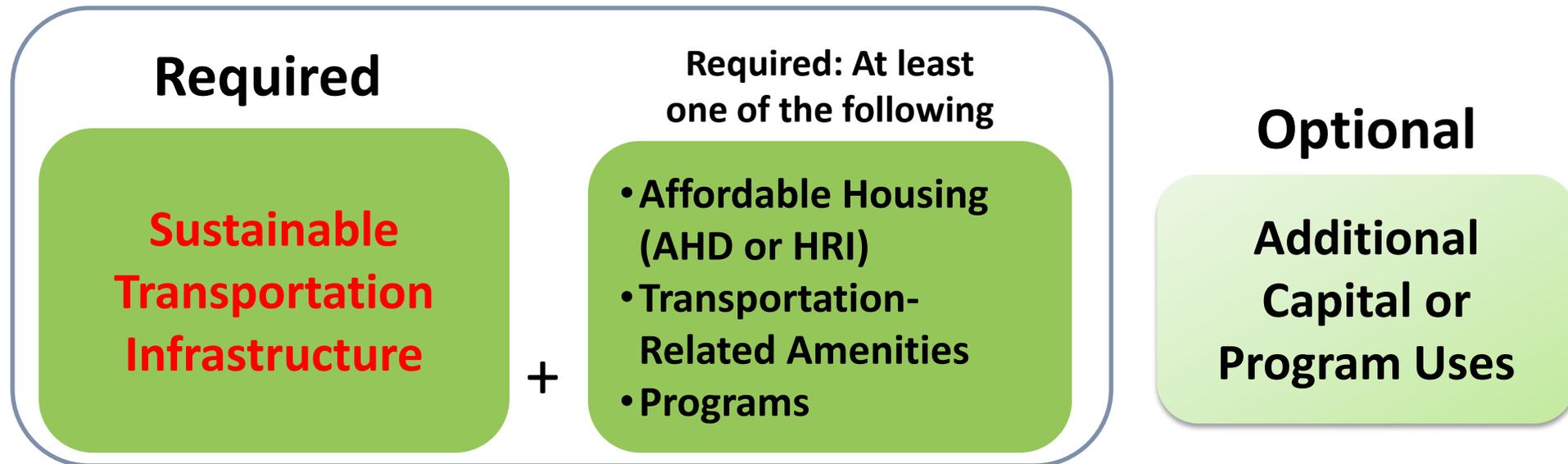
**Sidewalks and dedicated bicycle paths providing connectivity between housing and a transit station**

**OR**

**Transit signal priority technology systems**

# Integrated Connectivity Project (ICP) Area

- Must have Qualifying Transit
- **NEW for 2015: Must include Transportation Infrastructure that supports mode shift from passenger vehicles**



# Rural Innovation Project Area (RIPA)

## New Project Area Type for Year Two

- 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**

+

At least 1 of the following:  
Affordable Housing (AHD or HRI)  
• Transportation-Related Amenities  
• Programs

### Optional

**Additional  
Capital or  
Program  
Uses**

# ICP / RIPA Project Examples

**Sustainable Transportation Infrastructure**

**+**

**At least One Additional 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**

**+**

**Transit Ridership Program**

# Sizing of AHSC Program Awards

**Award Range: \$1 million - \$20 million**

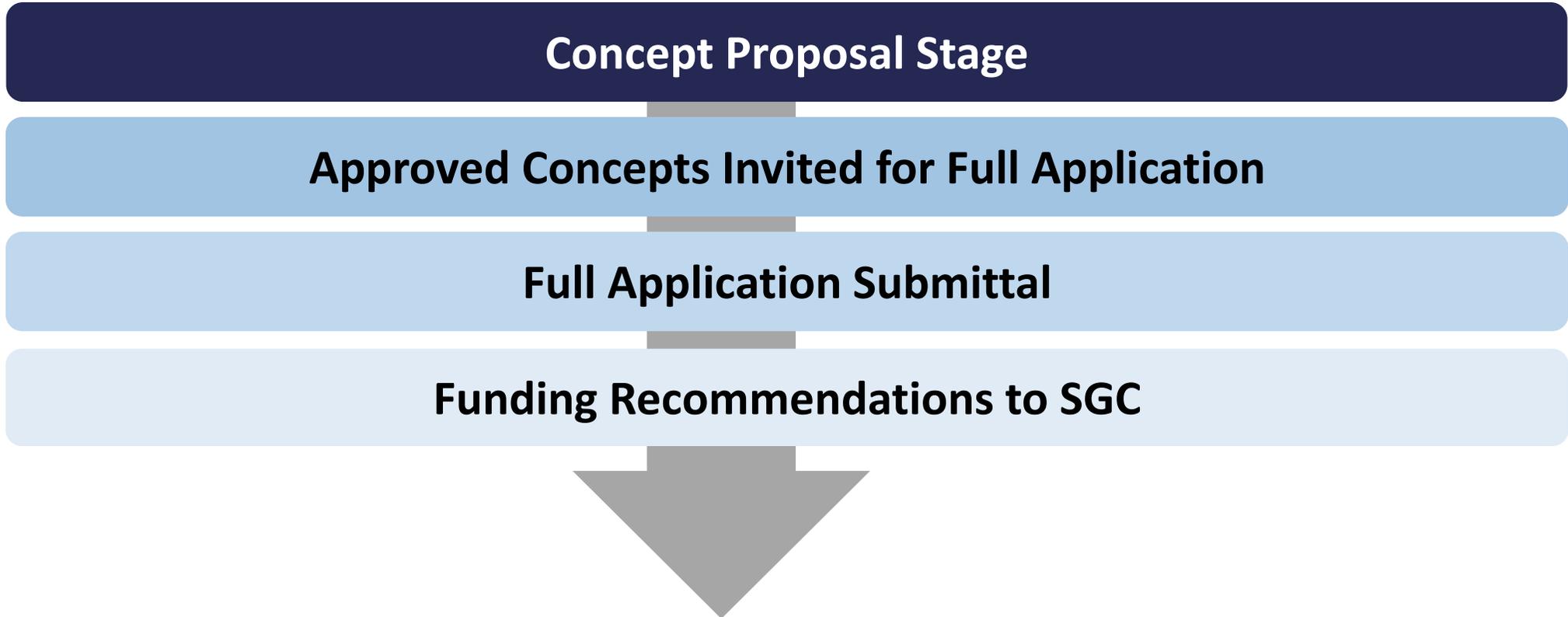
- AHD awards determined by MHP calculations
  - \$55-105k/unit depending on size and AMI
  - **\$50,000 per restricted unit boost for 4% tax credit deals**
- HRI awards determined by # of units (limit 50K per restricted, \$35K per unrestricted)
- STI and TRA awards determined by cost of infrastructure items
- Program awards based on costs typically associated with Program creation or expansion and may include up to 3 years of operational costs.

# 2015-2016 Public Review Draft Guidelines

## Other Proposed Program Changes

- Planning Costs are no longer standalone Eligible Costs
- All AHSC-funded Affordable Housing Developments must provide at least one secure overnight bicycle parking for every two units.
- Clarification that Acquisition and Substantial Rehabilitation projects are exempt from minimum density requirements.
- Limits the amount of AHSC funds allowed for parking

# Proposed 2015-16 Application Process



# Threshold Requirements

## Statutory Thresholds

- Results in GHG Reductions
- Supports implementation of a Sustainable Community Strategy\*
- Consistent with State Planning Priorities

*\*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.*

## Programmatic Thresholds

Must be addressed by full application deadline

- Project Readiness
  - Environmental clearances
  - Entitlements
  - Site Control
  - No outstanding legal challenges to Project
- Construction has not started
- Addresses Climate Adaptation
- No conversion of working or natural resource lands

# Concept Proposal Required Components

- Project Overview
  - Project Description, Location, Map
  - Eligibility for Set-Asides
  - Co-Benefits
  - Description of Funding Request
- Thresholds
  - Statutory
  - Programmatic
- Project Readiness

# Concepts will be invited to Full Application based on:

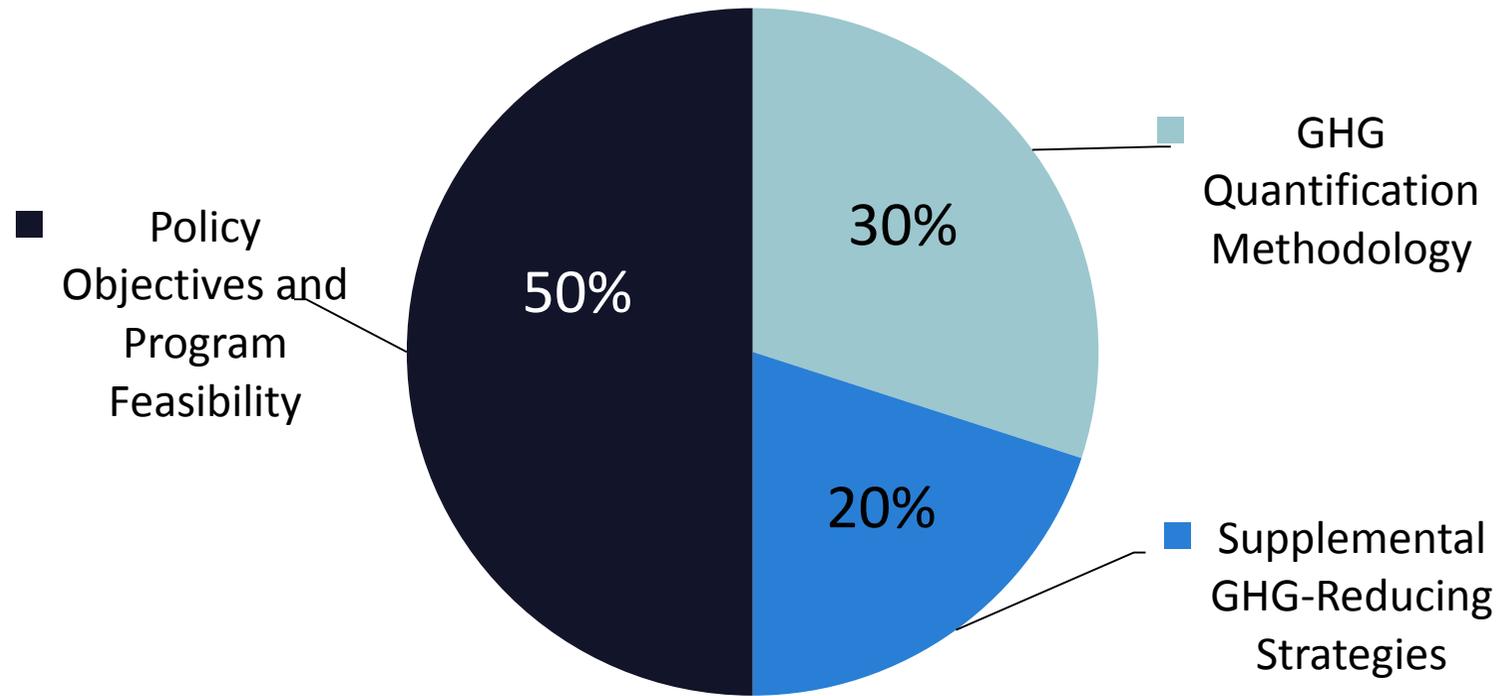
- Eligibility
- Thresholds
- Demonstration of Enforceable Funding Commitments (EFCs) calculated as follows:

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

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

# Full Application Scoring Criteria

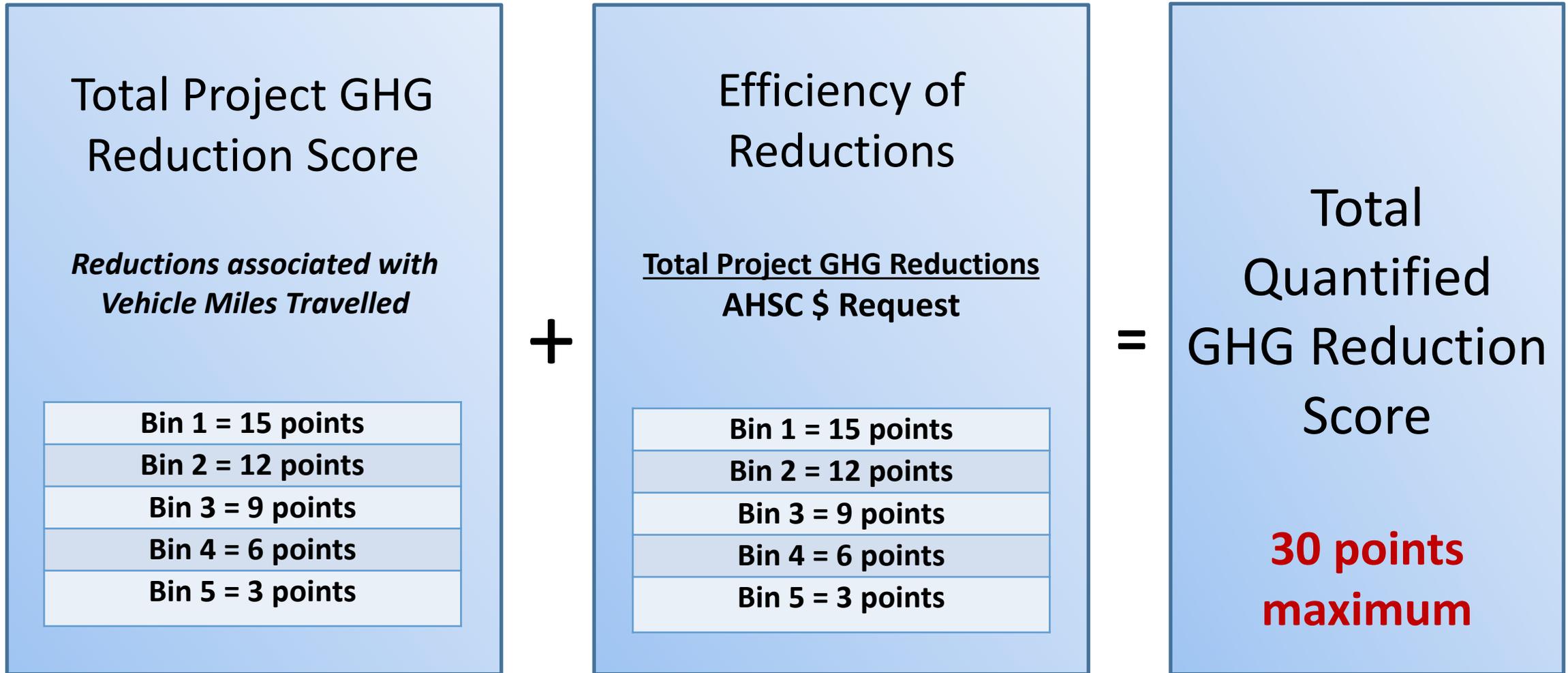
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## Draft Revised 2015-16 Scoring Criteria

	POINTS
<b>GHG REDUCTION</b>	
<ul style="list-style-type: none"> <li>• <b>Greenhouse Gas (GHG) Emissions Quantification Methodology (CalEEMod and TAC):</b></li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Total Project GHG Reductions</b></li> </ul>	15
<ul style="list-style-type: none"> <li>• <b>Efficiency of Reductions (Total Project GHG Reductions per AHSC \$ requested)</b></li> </ul>	15
<b><u>Supplemental GHG Strategies</u></b>	
<ul style="list-style-type: none"> <li>• <b>Active Transportation Improvements</b></li> </ul>	10
<ul style="list-style-type: none"> <li>• <b>Water, Energy, and Greening</b></li> </ul>	10
<b>GHG REDUCTIONS CATEGORY SUBTOTAL</b>	50
<b>POLICY OBJECTIVES</b>	
<ul style="list-style-type: none"> <li>• <b>Depth and Level of Housing Affordability</b></li> </ul>	10
<ul style="list-style-type: none"> <li>• <b>Housing and Transportation Collaboration</b></li> </ul>	10
<ul style="list-style-type: none"> <li>• <b>Community Benefit and Engagement</b></li> </ul>	8
<ul style="list-style-type: none"> <li>• <b>Access to Destinations</b></li> </ul>	8
<ul style="list-style-type: none"> <li>• <b>Funds Leveraged</b></li> </ul>	5
<ul style="list-style-type: none"> <li>• <b>Anti-Displacement Strategies</b></li> </ul>	4
<ul style="list-style-type: none"> <li>• <b>Program Need and Readiness</b></li> </ul>	3
<ul style="list-style-type: none"> <li>• <b>Implementation of Planning Efforts</b></li> </ul>	2
<b>POLICY OBJECTIVES CATEGORY SUBTOTAL</b>	50
<b>TOTAL POINTS</b>	100

# GHG Emissions Reductions Quantification Criteria Score



# 2015-2016 Draft GHG Quantification Methodology

- Lessons Learned Workshops informed updates
  - Additional clarifications
  - Lookup tables for emission factors
- Methodology uses existing tools to allow a consistent, statewide approach
  - GHG reductions based on reduced vehicle miles traveled
  - Additional methods to calculate new train and/or ferry service
  - Information on reporting after a project is selected for funding
- Possible updates in final include
  - New CalEEMod model
  - Automation of some calculations

# Draft 2015-16 Scoring Criteria

## Revised Scoring Criteria: Supplemental Strategies for GHG Reduction

- **Active Transportation Improvements – 10 points**
  - Installation, expansion or improvement of active transportation infrastructure
- **Water, Energy and Greening – 10 points**
  - Incorporation of infrastructure components or building standards that contribute to reductions in GHG emissions through:
    - Carbon Sequestration
    - Energy Efficiency
    - Renewable energy solutions
    - Low Impact Development & Green Infrastructure
    - Elements above and beyond Title 24 Green Building Code

# Draft 2015-16 Scoring Criteria

## Revised Scoring Criteria: Policy Objectives

- **Housing and Transportation Collaboration – 10 points**
  - Encourages applications brought forth as a joint-application between a housing developer and a public agency (transportation/transit)
  - Some points for applications which represent a coordinated housing and transportation investment
  - Demonstration of thoughtful integration of housing and transportation infrastructure investments

# Draft 2015-16 Scoring Criteria

## Revised Scoring Criteria: Policy Objectives

- **Depth and Level of Housing Affordability – 10 points**
- **Community Benefit and Engagement – 8 points**
  - Must demonstrate meaningful public engagement and direct implementation of projects that reflect community needs and interests
- **Access to Destinations – 8 points**
  - Applies Walkscore and Bikescore to estimate accessibility and proximity of services and key destinations
- **Funds Leveraged – 5 points**
  - Considers both capital and program funds leveraged

# Draft 2015-16 Scoring Criteria

## Revised Scoring Criteria: Policy Objectives

- **Anti-displacement – 4 points**
  - Projects must avoid physical and economic displacement of low-income residents and businesses
- **Program Need and Readiness – 3 points**
  - Demonstration of need & benefit beyond the term of award to ensure behavior change and mode shift
- **Implementation of Planning Efforts– 2 points**
  - Stronger ties to Sustainable Communities Strategy implementation and climate adaptation efforts

# 2015-15 Proposed Program Timeline

Stakeholder Meetings on 2015-2016 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	February 2016
Full Applications Due	April 2016
Awards Announced	July/August 2016

# Estimated Process for Future Year Projects

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

# 2015-16 Draft Guidelines Public Comment

**Public Comments Due**

**Friday, October 30, 2015**

**Please send all comments to**

**AHSC@SGC.CA.GOV**