

# California's Strategic Growth Council

## October 6, 2014 Meeting Minutes—Draft

### **Council Members and Representatives in Attendance:**

Vice-Chair Bob Fisher, Public Member;  
Deputy Director Louise Bedsworth, Governor's Office of Research and Planning (OPR);  
Secretary Diana Dooley, California Health and Human Services Agency (CHHS);  
Secretary Matt Rodriguez, California Environmental Protection Agency (CalEPA);  
Secretary John Laird, California Natural Resources Agency (CNRA);  
Secretary Anna Caballero, Business, Consumer Services, and Housing Agency (BCSH);  
Secretary Karen Ross, California Department of Food and Agriculture (CDFA);  
Undersecretary Brian Annis, California State Transportation Agency (CalSTA);  
Gail Goldberg, Public Member.

**1:03pm**

### **Agenda item #1: Call to Order**

Vice-Chair Bob Fisher calls the meeting to order. Mr. Fisher introduces new Public Member, Gail Goldberg.

**1:07pm**

### **Agenda item #2: ACTION: Approval of Minutes**

Motion to approve the June 3, 2014 and July 10, 2014 Meeting minutes: Secretary Laird

Second: Secretary Caballero

Motion approved: 9-0

### **Agenda item #3: INFORMATION: Executive Report**

**Mike McCoy, SGC:** In keeping with newly established tradition of abbreviated Executive Report, I'll just go straight to the headlines and in your packets you will find a full report on all of the items that we've been working on over the last three months, but I won't go through them line by line this afternoon. First, I am pleased to introduce our two most recent SGC staff members; sitting to my left is our Intergovernmental Policy Analyst, Mackenzie Wieser and seated next to her is our Executive Assistant, Kim Danko.

I wanted to call your attention just to a couple of items today. One is that in cooperation with the Department of Finance, in their fall Finance Letter this year, there is a paragraph referring to the need of departments and agencies to alert us to the documents that they use ordinarily to interpret whether or not an infrastructure item that they're requesting finance for is consistent with California's planning priorities. We're fairly sure, after talking with many of the business officers throughout the system that this is a routine activity and we're going to be very pleased to publicize the fact that this takes place and this will also facilitate our ability to understand the five year infrastructure plan in the context of California's planning priorities.

We are not going to forget Member Fisher's request to consider that definition of the word "infrastructure" as it occurs in the five year infrastructure plan's relatively short list of things that are required, relative to all of the infrastructure finance that the State of California offers both locally and regionally and through schools and other institutions. We have the assistance of the California Research Bureau, who is examining the twenty nine places in statute and code where the word "infrastructure" is used variously and we will come back to you with an answer on that at a later date.

We have been working with the High Speed Rail (HSR) Authority, as you know, to support their pledge to assure that California High Speed Rail is more than a train; it's a transformation. We are working with HSR, with our Senior Advisor for Community Development, Suzanne Hague, to talk to communities that are in or near station stop communities about how they might best take advantage of the tremendous economic opportunity that is presented there and by HSR. I've asked Suzanne to just say a couple words to you about that.

Ms. Hague presents slideshow.

**Mike McCoy, SGC:** I just want to make sure that you are kept abreast of the fact that your Council is working with HSR on these important initiatives and that concludes my report. If you have any questions, I'm happy to answer them now or upon carefully reading every word of the Executive Report, you run across something you would like to talk about, let me know.

**1:17pm**

**Agenda item #4: INFORMATION: Council Communications and Updates**

**Secretary Laird, CNRA:** I just wanted to thank some of the colleagues here, but to acknowledge to everybody here on the issue of water. Secretary Rodriquez and Secretary Ross and I, in January, issued the California Water Action Plan and there was at least one highly placed legislative assistant whose comment was, "there's no meat on these bones" and in the subsequent nine months, there's an amazing amount of meat that has been added.

The drought package that the legislature approved put \$470 million of integrated regional planning dollars out the door and we announced the first round of grants ten days ago. The operations plan between the state and federal agencies for operating the water system in the drought really showed how you could do operational efficiency without the need for legislation and then the water bond filled in conservation, storage, recycling, more integrated watershed money, wetlands restoration. Of the ten big things that were in the Water Action Plan, it addressed the majority of them with steps to take and

then the legislature, with tremendous support from some of the various Undersecretaries here, especially Matt's, adopted the first groundwater management structure, essentially in the history of the state, in a desperate attempt to have us catch up with Texas. If you look at what's happened in this year, it's phenomenal and it's really at the heart of what this group does.

The one last thing I would say about that is that I've been all over the state in the last few weeks and many people are already spending the money in the water bond and I want to caution you; we are all here on the state dime, so we cannot in any way get near campaigning, so I just want to say the water bond hasn't passed yet and you should all educate yourselves and vote your conscience in November because before people rush to spend it, it does have to pass. All this was a real team effort between agencies to make this all happen and I think it's phenomenal; I never dreamed we would be as far as we were when we put that report out in January.

**Secretary Caballero, BCSH:** A couple of good news pieces, the \$600 million veterans bond that passed in June, it is a joint project with Veterans Affairs and Housing and Community Development and the first round of \$75 million, the draft guidelines are out. The good news about that is 50% will go to projects for extremely low income veterans and will include supportive services, mental health, drug and alcohol, and physical therapy type programs. The grants will be made in late spring or early summer.

Also, we have a new NOFA of \$40 million; it is the remainder of Prop C funding, which is infill infrastructure grants, all small amounts, but they make a tremendous difference in our community. We will have a NOFA out within ten days for \$90 million for multiple family affordable housing and then the Keep Your Home California, which has been tremendously successful here in the state. It's a foreclosure prevention program to help those individuals that are upside down or at risk of losing their home, nearly 27,000 families have been assisted today, \$800 million committed, so significant things being done in regards to affordable housing.

**1:22pm**

**Agenda item #5: ACTION: SGC Resolution-Integrated Regional Planning Initiative**

**Vice-Chair Fisher:** What we are being asked to do here is to adopt an SGC resolution that supports an Integrated Regional Planning Initiative that will be the link between development and conservation planning in California. Let me introduce Denny Grossman, who is the SGC's Senior Environmental Science and Policy Advisor, to speak to this item.

**Denny Grossman, SGC:** I am very pleased to have this opportunity to bring up what I feel is a very important resolution and initiative and a timely one. I was brought on by the SGC around six months ago to help advance a program called Regional Advanced Mitigation Planning and what I'm presenting here is, to me, a very logical next step that needs to happen in order to really implement this program.

For Mr. Grossman's presentation, click [here](#)

**Secretary Laird, CNRA:** I would like to add to what Denny said and I know we have a new member, so maybe I can try to very briefly step through this a little because the Regional Advanced Mitigation Planning project, or RAMP, was embarked on a pilot basis for five counties in the Sacramento Valley. The idea was that there are mitigations that come with government investment in projects and they're

usually just right there on site or nearby and if you identify regional needs, it's a way to redirect and deal with money that is in the area of mitigations then address the regional needs.

Before Denny came, there was a little bit of a roadblock; the major amounts of money were coming from the Department of Water Resources and CalTrans and there wasn't any strong leadership, so people were finding it hard to get out of their comfort zones in their individual agency and their individual agency's needs rather than look at the regional. Denny was brought in to help with that, in addition to the fact that HSR is going to provide some significant resources in some places and how do we get this ready to try to expand it across the state and what I think this resolution does is, he's moved very fast in six months and very well and it allows him, rather than looking in, or his partners or whoever is working with him, to looking out at where other agencies or other regional entities, other conservation plans have been done and try to align them.

I think this is a great resolution because it puts the weight of the SGC and the state behind that effort, but at the same time, he mentioned the Biodiversity Council, which I chair with the California Director of the Bureau of Land Management and the difference between what we've been doing and moving to bat is that brings in local and federal agencies, so we can go past just the state agencies and try to align on a much larger basis. I think this is a good effort and this allows us to move forward in a very good way that aligns with other people. For at least the purposes of discussion, I would move the resolution.

**Secretary Caballero, BCSH:** John, I appreciate your comments because the concern I had, and I actually had a number of questions, is are we only talking about state projects in regards to the way that the resolution is written because my concern is that land use is local and it's the local governments that decide land use and all of the growth that they're anticipating.

My concern was, is this process in lieu of CEQA, is it on top of CEQA, how does it interconnect with CEQA, and I think John gave a good example of it working with local government and that's my biggest concern because there's no local government representative that's part of the work that's going on and the resolution doesn't say "state projects will work with local governments", so I just want to be clear—exactly what are we talking about, how far are we going to go, and I don't want us to put ourselves in a position where the state is coming in and saying, "we've decided you've got lots of natural resources and we're not going to let you grow anymore because we've decided that the mitigation will be too much".

**Secretary Laird, CNRA:** When Denny had a map up there of a regional plan, it was a regional plan that was put together by local governments for their conservation in the region, so that when you get to align with that, you're aligning with the local government.

**Secretary Caballero, BCSH:** I think that's what's important because it wasn't clear to me as I read the information and, in theory, I really like the work that you're doing, but the practicality of it is you really do have to start from a position where you've understood where the local governments are coming from, in terms of their own planning, and hopefully can influence it by bringing in resources that might otherwise not be available. As long as that's understood and I would prefer having something in here that calls out the local government concern, but we hate to wordsmith at the dais, so I'm not going to suggest that we do that, but—

**Denny Grossman, SGC:** Let me just assure you that is the intent and the expectation is actually providing more resources for the local governments to become involved in identifying their priorities and in also understanding the broader context of priorities, so they can incorporate that as they see fit.

**Gail Goldberg, Public Member:** Denny, is this similar to a program that we had in San Diego, I remember—the multiple species conservation program?

**Denny Grossman, SGC:** It is very similar to that. Part of what we're doing is just embarking in the process to identify the standards that we want to be looking at. A lot of the processes like that had local species that we are working with; we may have a broader suite of species and habitats that we're looking at, particularly in light of climate change, to be able to identify the best possible suite of scenarios to do the protection that we want to do.

**Vice-Chair Fisher:** We have one public comment.

**Liz O'Donoghue, Nature Conservancy:** It might not be a surprise to you that I fully support this resolution. This is years in the making and I really want to commend Secretary Laird, Denny, Mike, Allison for really moving forward, also the Transportation Agency as well. There's plenty of years of research that shows that this is the state of the art. As Secretary Laird said, we've had a slow start in California, in part because this is so difficult with the massive importance of biodiversity in this state, the suite of species, as well as with the very large number of projects, so this is really where we need to go.

I want to address Secretary Caballero's comment, where this has been successful is at the local government, so the San Diego program is really the gold standard, but San Diego and Orange County and others have really pioneered how to do this and it's contemplated how to really touch ground at the local level by providing the framework and the standards and the expectations of what makes this really work. I'm fully supportive of this and I really look forward to working with you all and staff in helping make this reality, so thank you very much.

Motion to approve staff recommendation: Secretary Laird  
Second: Secretary Dooley  
The motion passes 9-0.

**1:37pm**

**Agenda item #6: ACTION: Proposition 84 Planning and Monitoring Funds Workplan**

**Allison Joe, SGC:** This item looks at our previous suite of grantees associated with Prop 84, primarily our sustainable communities planning grant and incentives program. We have approximately \$565,000 available in this particular planning and monitoring funds account to directly inform and support our grantees. Now that we actually have three rounds of grantees, we are hoping to provide some more direct resources to those grantees as a condition of the Prop 84 water bond money.

For Ms. Joe's presentation, click [here](#)

**Vice-Chair Fisher:** Any discussion of this motion?

**Secretary Caballero, BCSH:** Thank you for the information that you just provided. The items in the report are numbered a little bit differently than on your overhead, so I'm struggling with trying to figure out how to address (the) questions I have.

I guess my overall concern with—let me just start off by saying that these 6 grant ideas are great ideas. Some are stronger than others in my mind, particularly since what I'm concerned about is that we spend resources to get data that's actually helpful in the work that we're doing, because you can spend a lot of money and do a lot of research and then never actually use it. That's really what we want out of the last of these resources and these are the last of the resources. Let me just say that I think some are better than others, but I am concerned about that because there are 6, there probably is not enough money to do all of them justice. I was trying to figure out is there a way to get information so that we can prioritize the 6 and say, "item 1-3 are the most important, but see what comes back in regards to the requests for proposals". I want to make sure that they really have applicability to the work that's getting done.

Probably, in my mind, the highest priority is the GHG reduction quantification because I think that one is really important as we move into cap and trade and it will relate to a conversation we're going to have on the next item, which is that the use of cap and trade dollars in rural communities hasn't been studied enough for us to be able to quantify what the reduction is if we're talking about vehicles. It is my argument that if you build housing for farm workers, you don't have single occupancy vehicles leaving, so you already have a transportation system that is reducing GHG emissions, but there's no data, so I would like that one, in particular, to have a little more research done so we can start quantifying that.

My first comment is to make sure that we include rural communities, in terms of our research on that particular item. The technology support, which was item #2 listed in our package, it wasn't clear what our long term goal is in regards to the technology support on that particular item; for me, that one didn't rate as one of the highest priorities because I thought that was more internal to our grant recipients, as opposed to exterior looking to the community of people that would be using data, and that's a higher priority for me.

**Allison Joe, SGC:** I can speak to the technology support. The idea is actually that we would support, through the SGC as coordinator, a common technology platform for our grantees to house and support the data that is used within those planning projects; it's not required, however, it's a useful tool to help coordinate and provide basically a hub for that data while the plan is being developed, to have that in one centralized source. Once the plan is adopted, the data that informed that plan, could and should ultimately be made available to the public. It's an immediate project-specific use, as well as an ultimate greater public use and access to that data for those specific projects, so we're hoping to provide some useful tools for coordination, collaboration, as well as ultimately sharing to the general public.

The issue that you raised related to rural communities is a really important one. A good number, and I don't have the exact percentage, of our grantees are rural communities and we do need to be able to think about how those rural communities are planned for and how do we coordinate them to help

support future implementation, whether it be in the future cap and trade auction proceeds program or in other programs. What we would like to do within this set of 6, identify a couple of opportunities for rural communities, for research within those rural communities specific to what we've identified and we'll certainly keep that in mind as we develop the RFPs and the scopes.

**Secretary Caballero, BCSH:** I think my biggest concern is just that I'm not sure we have enough money to get all of these done to the extent that they're going to be as helpful as you think they are, but I'm willing to be supportive and have you go out and do the work and then come back and let us know and I would recommend that, in that case, you would figure out what priority you want to get them done in. My experience is \$50,000 grants don't get you much.

**Allison Joe, SGC:** It's not a lot. I think the idea is that we wanted to get the full Workplan before the Council to have some realistic conversation about how we would fulfill this, how we would focus on what's really important—should we be looking at the fiscal impact, should we be talking more about specific best practices, and really identifying that and prioritizing. We will be happy to do that, but we wanted to get the full scope of the Workplan in front of you.

**Secretary Caballero, BCSH:** One other thing, as a footnote—at some point, I think we're going to need to develop a strategic plan for the organization so that we know where we're going and we can figure out how this all plays into the data we're going to need in the future.

**Mike McCoy, SGC:** Thanks for bringing that up, Secretary. As most Council Members know, the strategic plan that we're operating under was a plan that sunsets in 2014--this year is 2014. Certainly, one of the major assets of bringing Mackenzie Wieser to work with us is having a strategic planner on board. Anybody that can handle DMV's strategic plan could probably handle ours, so this is something that we have our sights set on and we will be talking to you about this extensively in the coming months.

**Vice-Chair Fisher:** Any other discussion? Can we get a motion to approve this Workplan?

Motion to approve staff recommendation: Secretary Laird  
Second: Secretary Rodriguez

**Vice-Chair Fisher:** On to public comments--Heather Adamson.

**Heather Adamson, AMBAG:** As a planning director and a member of the MPO statewide planning working group, I want to express my support for the SGC staff recommendation to encumber the remaining Prop 84 funds. Consistent and ongoing long-term collaboration between state agencies in our region is very critical to the successful continued implementation of SB375. State agencies and MPO staff have been meeting regularly for the past few years and has successful discussions related to SB375 planning issues, including collaborations on the first target-setting process, providing input on the GHG analysis on GHG reductions measures related to transportation and land use, coordinating with HCD on issues related to regional growth forecast, as well as the regional housing needs assessment process in relation to SB375 implementation, and collaboration on a report on the statewide performance monitoring indicating for transportation planning. These coordination efforts are beneficial to both

state agency staff, as well as MPO technical staff to have a venue for conversation and collaboration and we support the continuation of this effort.

**Vice-Chair Fisher:** Thank you. Any other comments? All in favor of the motion? Any opposed? Motion passes.

The motion passes 9-0.

**1:55pm**

**Agenda item #7: ACTION: Health in All Policies (HiAP) Task Force: SGC Endorsement of the 2014 Active Transportation Action Plan**

**Julia Caplan, CDPH:** I lead the Health in All Policies Task Force facilitation team in the Department of Public Health and I'm here on behalf of the Task Force today. I'm on the agenda to share information with you on the Health in All Policies Task Force's work on active transportation and to ask for your support and endorsement of the new Active Transportation Plan.

For Ms. Caplan's presentation, click [here](#)

**Undersecretary Annis, CalSTA:** One of the metrics we can look to is this group—the League of American Bicyclists ranks states based on the bicycle friendly nature of the state and California moved from nineteenth to ninth in this last year. They cited the creation of a significant ongoing funding program with the Active Transportation Program and the legislation that passed last year, AB 1371, the three foot bike space when cars are passing is very positive development.

Interestingly, we've been talking to CalTrans about a goal of moving into the top ten and it happened within a few months, so perhaps now we have a top five goal for bike friendliness—we'll work on that, but I think we have a good chance of advancing again because of the work you're doing and the group is doing and also we've had some new funding opportunities with the AHSC program that we'll be talking about more today and again some new legislation being passed by the legislature and signed by the Governor. There was a bill, AB 1193, that requires CalTrans to develop specifications for protected bikeways, which we are finding that a lot of bicyclists are intimidated by being close to cars and that's a barrier for some of them. I think some of the separations are improvements and are successful in bringing more bicyclists out. Great progress is being made and thank you for your efforts.

**Vice-Chair Fisher:** We have four public comments.

**Wendy Alfsen, California Walks:** I just want to say from an external stakeholder viewpoint, we really want to support this effort. We've been involved in trying to make it happen at all stages along the way and we're really pleased with the progress. I think this is yet another example of important work that the SGC has initiated and the leadership that you've demonstrated for all the rest of California and I look forward to the implementation of the new plan.

**Jeanie Ward-Waller, Safe Routes to School:** I'm also in strong support of the implementation of the plan. We provided input through the development and really look forward on continuing to push this

work forward. We have a statewide effort that I know is interested in almost all of these efforts, so we will certainly continue to be involved with the Task Force and I appreciate your support.

**Joshua Stark, TransForm:** We are pleased to support the Active Transportation Action Plan. The plan does a strong job of focusing in on key opportunities over the next few years and we look forward to partnering with the Task Force on several of these. For example, with the passage of AB 441 in 2012, a bill we co-sponsored, the Regional Transportation guidelines will be updated to include a section on improving health and equity. HiAP provides an excellent link educating and empowering the public, health and other communities about this and other opportunities like it. TransForm looks forward to working with the HiAP Task Force on the Active Transportation Action Plan and we respectfully urge your endorsement.

**Rueben Cantu, CPHEN:** We are in support of the Active Transportation implementation. We have worked with the Task Force and the staff on the importance on everything from access to transportation to active transportation and its implications for health, especially for communities of color. We're very much in support.

Motion to approve: Secretary Dooley

Second: Secretary Laird.

Motion passes 9-0.

**2:12pm**

**Agenda item #8: INFORMATION: SGC Sustainable Communities Implementation Program**

**Mike McCoy, SGC:** First of all, I want to say that I certainly appreciate the Governor's support, your support, the legislature's support in recognizing the third leg of the greenhouse gas reduction stool. It really is critical and difficult to achieve greenhouse gas reductions from a transformation of our urban planning, but it is, in the long run, the most sustainable and effective tool that we have for the reduction of greenhouse gas emissions. It's easy to see why fuels and fleets come early to our thoughts, because this is science we can manage—now we're talking about managing landscapes and communities in assisting people making decisions that lead to more sustainable communities and lifestyles. Definitely a more challenging environment, but certainly a worthwhile one and I'm really glad we're at the doorstep of doing this together.

We're going to have a presentation that goes through and really, in a way, symbolizes the sort of unity that we've developed as staff across your agencies in this process. We're going to start out with Julie Alvis, Deputy Assistant Secretary of the Natural Resources Agency, who will talk about the Ag Land Conservation component of this program, followed by Kate White, Assistant Secretary, California State Transportation Agency; Susan Riggs, Assistant Secretary, Business, Consumer Services, and Housing and finally, Allison Joe, Deputy Director of the Strategic Growth Council.

**Vice-Chair Fisher:** Let me also make one quick comment from a process standpoint. We're going to have the Ag Lands Conservation program presented, we'll have Council discussion, then we'll go on and present the Affordable Housing and Sustainable Communities Program, have Council discussion on that and then invite for public comments. We are not approving anything today; this is really the best and

only major opportunity that the Council has both to hear public comments and to discuss two really important programs when we're all together, so please proceed.

**Julie Alvis, CNRA:** Thank you Council Members. I'm happy to be here today to talk about the current status of the Agricultural Lands Conservation Program. I've been working very closely with the Department of Conservation and the Department of Food and Agriculture to put together the draft guidelines, which are now posted to the website for public comment.

For Ms. Alvis' presentation, click [here](#)

**Secretary Laird, CNRA:** I want to thank Julie for the work on this and I think what you just heard in the presentation is a very good presentation of trying to take what is a relatively small amount of money in the scheme of this and leverage it against other contributions and try to deal with the fact that, in terms of the Williamson Act, I know I said at one of these meetings that it was hanging by a thread and I have now read that quote all over the place, but it is and this, I think, is some measure to begin the discussion if that doesn't get funded again in a significant way what we would do.

I think what it does is it works with a certain number of counties and cities, if that's relevant, and really looking at prioritizing what are the lands that are most at risk of development in those particular areas. Without waiting for a second or third year, trying to use the balance of the money to do easements for things that are at risk right now and with understanding that as this moves forward, we'll have the results of what comes from these grants and we'll begin to have the discussion of what we can do next and we're just very conscious that it's in the context of cap and trade and greenhouse gas reductions, but that it serves these larger needs. I know the Secretary of Food and Ag has been very committed to this as well and I did note that the third hearing might be in Secretary Caballero's former Assembly district, so we're focusing where this is most at risk.

I couldn't help but note in Mike's Executive Report for the person on HSR, the maps that really tell when the development of that happens about how development around the high speed rail might really impact ag lands, so we are really trying to deal with this process and we were given a reprieve by the economic downturn on development pressures in some of these areas and as the economy has come back, so have they. This is a very important thing and I really look forward—we tried to also accommodate some of the comments that people might still make in the public process here, because I think everybody sees this in a way that they see everything they want in it and I sort of see \$5 million and think how much can you see in that, unless you leverage many other things, and I think there were comments about getting things on the table at least if this program continues in certain ways for years going ahead and if you saw at least a third category, I think it was the attempt to address that. I think given the amount of money and given the real public policy need, this is a really good direction.

Secretary Dooley leaves – 2:35 pm

**Secretary Ross, CDFA:** Thank you and I also want to thank Natural Resources and the Department of Conservation; it's been a very collaborative process and I think you've come up with a good starting place. I also want to remind people here and anyone who may be watching this on the web, it's really important to take that step of being engaged in these public workshops because Secretary Laird is exactly right—it is a critical time to have this discussion about how we can serve farm lands, coming at a

time when we can also think about the water for that farm land and how the landscape has already changed significantly. When we think about the previous report on Health in All Policies and the strong desire to be able to source our food locally and to be able to do that in a very sustainable way, it's a really important time for all of us to be engaged in this discussion. Earlier this year, the California Round Table on Agriculture and the Environment released its report, so I hope that we'll have a lot of active engagement throughout these workshops and really provide you some good input about what we can do with \$5 million and what we need to be building for in the future, so I want to thank you all for your work.

**Vice-Chair Fisher:** Julie, I had one question. How does this program coordinate with the Affordable Housing and Sustainable Communities Program?

**Julie Alvis, CNRA:** Well I actually heard a good phrase and I think it's applicable, "it's really the other side of the equation" so when we're focusing investments on infill, we also need to be very cognizant of the lands that surround. I have also been participating on the AHSC program, which is the next presentation here to make sure that investments that we grant through that program will also consider what those entities are doing in terms of understanding their ag, their open space resources. Likewise, as part of our goal here is to really be strategic in the lands we pick as part of this program that are most at risk or right on those borders that could be developed. I really think it's absolutely one program—it's administratively different, just because we're talking about different types of projects here; it just makes it a lot more efficient, both for staff and for applicants to compete against like projects knowing that the goals really are overarching.

**Vice-Chair Fisher:** Have we considered giving additional points in these two programs to proposals that are coordinated?

**Julie Alvis, CNRA:** We do have questions in our scoring criteria that speak to that where they need to demonstrate why this particular strategy or this easement really applies to those lands that are most critical. Likewise, in the AHSC program, it speaks mostly to the state planning priorities, but that's a threshold requirement and one of the state planning priorities is your consideration of ag lands protection, open space protection.

**Louise Bedsworth, OPR:** Just a quick question and that's in terms of data availability to know what's at risk and who will determine highest risk areas? Are we relying on local governments or regional agencies to do that or the state to do that and do we have a way to check it to make sure that we are getting ag lands that are at highest risk?

**Julie Alvis, CNRA:** The way that the grant program is currently structured, the proposed structure is that it would be counties that we would be asking in partnership with other entities to develop that data. Department of Conservation for years has been doing exactly that through their Farm Land Conservation program. Certainly, as a requirement for getting the grant funding, we would have an expectation that the data is shared with the state. As far as the details of how that all works, we would certainly rely on Department of Conservation's experience, so I guess "yes".

Discussion of Affordable Housing and Sustainable Communities Program

**Kate White, CalSTA:** I am very pleased to present our progress to date on developing the guidelines on the AHSC program. It's been a real pleasure to work with Julie—thank you for your presentation overview. I think we've met every week for many months to develop this program and it is two sides of the coin.

For the AHSC program presentation, click [here](#)

**Gail Goldberg, Public Member:** A question of clarification—I've only been on the Council three days, but I did read this whole packet and I'm sort of curious because I want to clarify that what I think I read is true. Whenever you reference in here "housing development" as a project, all housing development has to have an affordable component. Am I correct in that? I was a little confused when the affordability threshold was discussed in this third category and I sort of assumed that was the level of affordability that was discussed there, but when I read it, I thought that every housing project that was a part of this had some affordability component.

**Allison Joe, SGC:** The clarification is that in order to be funded by this program, the housing component must be affordable. However, you can have a mixed-income project with market rate housing and affordable housing.

**Susan Riggs, BCSH:** The TOD projects must have an affordability component. The ICP projects do not.

**Secretary Laird, CNRA:** So if there's a TOD project that's not in a disadvantaged community that is mixed, the money has to go towards the affordable piece of it?

**Susan Riggs, BCSH:** No.

**Secretary Laird, CNRA:** See, that's where you got me confused because the two circles talked about affordability and disadvantaged communities, so why would any of the affordability money go to the part of it that's not affordable?

**Susan Riggs, BCSH:** In theory, you could have a project that is being funded through this program that is in a disadvantaged community or benefits a disadvantaged community that does not include any affordable housing component. The practical is that because 50% of the funding is going to be invested in a way that creates affordable housing, the practical piece of that is that because our projects are anticipated to have multiple uses—both affordable housing, mixed use, active transportation, complete streets—the practical implication of that is more likely than not, the vast majority of projects are going to have an affordable housing component of some sort because 50% of the money needs to be invested to create affordable housing

**Secretary Laird, CNRA:** Let me ask it a different way. If we're trying to prioritize affordable housing, how are we doing it by doing that?

**Susan Riggs, BCSH:** If you remember on the chart, the very last filter we're going to go through is we've scored all the projects in the two different categories, so they're both going to be scored independently and they're going to come down the very last filter is, based upon our priority projects, we need to make sure that 50% of those are benefitting disadvantaged communities—

**Secretary Laird, CNRA:** The question I was asking was about this chart. When I said, factor out the 50% for disadvantaged community, does that mean that the 50% that's the affordable housing requirement goes just for affordable housing?

**Susan Riggs, BCSH:** Yes.

**Secretary Laird, CNRA:** So it's the disadvantaged community that you were just talking about where you factor in all of these things and it doesn't necessarily have to be affordable housing.

**Mike McCoy, SGC:** Can I confuse the matter further? If a particular feature associated with affordable housing is a condition of approval for that affordable housing, we may pay for that item that's the condition of approval and not for the housing, just to keep the record straight. So we might pay for a storm water drain that is the very last thing needed in order for that affordable housing unit to be built, in which case we'd consider that the building of affordable housing.

**Secretary Laird, CNRA:** That's helpful and I get that. My misfortune was to be a Mayor and Councilman in the 80s and the Carter era and prior housing programs were being phased out. There was still some leftover money, there were all these stupid credit systems that allowed people that had a lot of money to bring it to affordable housing systems and you're trying to put together twelve or fourteen different funding sources until everybody had met what it had meant to them to build affordable housing and I think that's what you were just saying is you could do that, but what I'm trying to understand is given the controversies over affordable housing and the fact that it's way behind and people aren't building it or looking for different ways to be successful, I'm looking to understand how this leverages things and sort of goes way past the investment we're making to make it really successful. In the ideal world, you'd find one that was fully funded except for the storm drain and you'd put the money in for the storm drain and that would push them over and that would get you a certain number of units rather than having to just do the core funding for it and what I'm trying to understand in this long presentation is how we do that.

**Susan Riggs, BCSH:** Our hope is that this is even going to open up new doors. Because the projects are going to be even more comprehensive than we've traditionally seen with affordable housing, they're going to have multiple uses that could be funded, so it may open up new doors for leverage. In the past, the affordable housing community has struggled to apply the Federal New Market tax credit program to an affordable housing project and that is a whole new world if we can begin to bring more of those into the state of California and leverage those against these projects and I think there's other sources of funding out there right now that I think could really potentially be left on the table because we haven't had the leveraging sources here in the state, so potentially we have new resources to play with.

**Vice-Chair Fisher:** I would like to open it up to Council Member comments. You need not comment on these outstanding issues, but I think it would be helpful to give staff some directions on these four issues. These are areas where key staff can't resolve points of view, so there's been a bit of conflict among key staff and if Council Members can weigh in on these four outstanding issues, I think it would be helpful and you're free to talk about anything.

**Secretary Rodriquez, CalEPA:** I would like to go back and revisit why we divided this up into two buckets in the first place and what I really want to make sure of is that in the statutes governing our decisions here, the legislature identified that there are a number of projects eligible for funding through this program and I want to make sure that all the projects identified by the legislature are available for funding as we've developed this program. In particular, as I look at this, there is some reference to complete streets programs and a reference to including pedestrian and bicycle facilities and support of infrastructure, but I just want to make sure that we've captured the full range of programs that were identified by the legislature being made available for funding.

**Allison Joe, SGC:** The short answer is yes. This slide here reflects in our guidelines what we've identified as eligible program and capital uses—they are all directly relatable to what was identified in statute.

**Secretary Rodriquez, CalEPA:** Do we have the flexibility if we wanted to do something differently, could we do something different? Could we just have the complete streets? Identifying that we still need to have some reduction in GHG emissions, but could you have that and if so, could it fit into either one of these two buckets? It doesn't sound like it does.

**Allison Joe, SGC:** You could do it, we would have to restructure the definition of the ICP.

**Mike McCoy, SGC:** I think I would add, Allison, Secretary Rodriquez, is that the Workgroup, in making this recommendation, was interested in going beyond what other programs did. We felt these other programs will exist, will continue to exist, will enjoy ongoing funding; we felt that we had an opportunity to leverage GHG reductions by combining strategies and working across transportation modalities in order to do that. In final analysis, that could be not a good choice, but it's the choice that we have recommended up to this point.

**Secretary Rodriquez, CalEPA:** I just wanted to make sure that it was a deliberate choice and wanted to relate what we were doing here back to the statute and the discussion of what the legislature had identified in statute.

The other question I had was how did we come up with the division of 40/30 and what was the rationale for that?

**Eugene Lee, HCD:** As you see in the proposed grant amounts, are the TOD projects have a higher ceiling than the ICP projects. Being a new program, we're unsure of the subscription rate of the TOD project versus the ICP project, that's why we wanted to afford as much of a 30% flexibility to either bucket.

**Secretary Rodriquez, CalEPA:** Why divide them at all? Why not just see what comes in through the door?

**Eugene Lee, HCD:** By nature, you'll see that they're very different between the two in design and in characteristic and requirements.

**Claudia Cappio, HCD:** To keep it simple, we had a 50% affordable housing requirement, so we weighted it given that housing is expensive to produce and build and we have a requirement for at least 50% of those funds to go toward housing.

**Undersecretary Annis, CalSTA:** Continuing on the line of clarifications, my impression was that one of the rationales for the two programs was to ensure some access for more medium-sized urban areas or rural areas with the second program. Is that the rationale?

**Allison Joe, SGC:** That's correct. If you look at the TOD category, the defining characteristic is really looking at high-quality transit, so that is fairly limited to urban areas, largely the Bay Area and Southern California. It leaves out the rest of the state in terms of that kind of frequency of transit service. What we wanted to do was come up with a more comprehensive way to address transit in other areas and the opportunity to connect them with effective infrastructure projects that would ultimately still get them to transit. The ICP projects really do allow for that broader access by the rest of the state. In thinking about incorporating vanpools and expanding the definition of transit stations or transit stops accounted for vanpool stops, not your traditional transit station definition. We wanted to make sure there was some allowance for that as well.

**Undersecretary Annis, CalSTA:** In a related question, in terms of the different types of rail that are listed, I noticed one that's not included is intercity rail, that would include Amtrak service—was the intent or determination that wasn't a high quality transit?

**Allison Joe, SGC:** We are excited to include intercity rail, however, it was in a last minute edit redefined and was unintentionally excluded, so in future drafts that will be brought back in.

**Secretary Caballero, BCSH:** While I don't mind hearing the public comment as part of the discussion, I want to make a couple of comments real quickly about a couple of issues. One is that, at our last hearing, there were two comments that I thought were very important and I want to make sure that we don't lose them. One of them was the role of the MPOs; they were very firm in saying that they want to be very involved in the determination as to whether the projects that are being proposed are part of their SCSs. I think that's one of the questions that has been posed and I think it's very important and we need to take that into consideration.

The other thing that I recall hearing is there was a concern about technical assistance for disadvantaged communities. There is a callout in this document to make sure that we're providing a benefit to disadvantaged communities and technical assistance was one of the issues that was raised. I think in part of our timeline, we have to consider the need and the time for technical assistance. In many communities, the planning departments have been gutted; there's been very little construction and that's really what supports planners, so it's probably not only disadvantaged communities, it may be smaller communities who don't have the resources just because they haven't really had projects, so I think that's going to be an issue.

The other issue that came up—the geographic distribution, I think we’re probably going to hear a lot of discussion about that and I think that challenge is when you see how many awards are going to be made potentially under this proposal is that there are not going to be hundreds. It’s going to be important that we can show that all parts of the state have the opportunity to participate in this kind of a program. Whether it’s going to be feasible or not remains to be seen, but I think we need to cognizant that we really want everybody to reduce GHGs, it’s all about responsibility, so we’re going to have to have resources to figure out how to do that. As a footnote to that, the TOD grants that came out of HCD all went to big cities and I think that’s the reason why we’re talking about the other category. None of it went to rural communities, yet we have a responsibility to rural communities as well and they need to be engaged, so it may be necessary, and I put this out there, is we may need to come up with another program that can address issues for rural communities and another funding source in order to be able to get them on board and really thinking about how they can serve and how they build up, not out. There is the incentive that we offer some of the more urban areas. They just don’t have the transportation infrastructure in place to be able to meet their needs, so if you ignore them, it never gets built and then they’re not participating, so we have to figure out a way to be able to include them in that.

The last issue is the GHG quantification and this really goes back to the comment I made in one of the earlier items, we need research on this. We need good numbers—I hesitate to create a score based on the reduction that equals the funding, if I’m saying that right. John, because this goes back to your issue, if the final piece financing piece is to come in and have this program fix the sewer system so that the whole project works at reducing GHGs, so you’re doing the infrastructure in place, how do you score the GHG reduction of that particular piece? If you do the whole project, then you have to include credits and grants from the feds and it just seems to me that we’re really making it complicated and let me just say that I wanted to start off with thanking staff because I think they’ve done a stellar job on this project. This is not easy; the legislation dictates certain things, so we’re trying to make it work in a way that grants some flexibility, but also that really does reduce GHGs, so this is really complicated, but I think staff has done a really good job and I want to say that because none of this really takes away from that, we just have to get it right.

**Louise Bedsworth, OPR:** I have a clarifying question, which I’ll pose. I hate to go back to this question and I don’t want to confuse it—does every project have to have a housing component? My understanding is that the ICP projects do not. Could a large city with a robust transit system, have an ICP project? I’m just thinking, it’s very important that we don’t leave commercial development out of this program because it’s very important that we get jobs near transit to reduce VMT and increase transit ridership, not just to get housing near transit, so I think anything we can do to make that very clear would be really helpful. I understand the distinction is a little bit to get the medium cities in, but it would be nice to know that some of the places with more robust transit, could also be doing some of these commercial development projects.

**Susan Riggs, BCSH:** So TOD is only eligible within a half mile radius of that high frequency of fifteen minute headway transit services. You can have a big metropolitan area that has a development location that does not qualify for TOD because you have to have that high quality transit. You can have an ICP in

a metropolitan area. The idea of that type of development is we should be very inclusive to recognize that we suburban development, small city development that doesn't have high quality transit in rural areas, so it's inclusive of all those things that don't meet the traditional definition of TOD.

The other thing I wanted to mention is the reason that we really emphasize the affordable housing in the TOD category is that we know through lots of research that as soon as you site that type of transit, the cycle of displacement and gentrification starts at that moment. As soon as you site a transit station that's going to have that type of frequency, we know that the value of that land starts to go up, property values go up, so the idea is that we want to integrate the displacement policies in that development so that the households that are living there now benefit from the improvements that are being made and we aren't driving them out and that goes equally as much for the businesses.

**Secretary Laird, CNRA:** Two things—one is, and it's painful, but I feel like I should be direct about it, and that's on the MPOs. There's a real attempt at the legislature to get specificity in terms of a carve-out and a role and it didn't succeed. I'm not really thrilled about the fact that it would be re-litigated here, so I think that's an important comment to make before it's re-litigated by 20 people, rather than after and I think it is very helpful, because I think Secretary Caballero's comment—that was very helpful, is that if there's an example of an existing plan that needs to be integrated, so that's really appropriate, we need to figure that out. If there are ways that, in doing their job, they do it—we want that, but the water bond, in a very similar way, ended most of the traditional carve-outs and said everybody will compete on merit against the goals in each pot, rather than sort of sending it in certain places and I think it was done in that spirit, so I recognize the legislature did that, I recognize that there was a debate, and I recognize that it determined the outcome, so I just don't want to re-litigate that here. It would be helpful if the testimony is geared toward how can we use what they do and how when they recognize merit in their areas, can we make sure we recognize the same merit.

The other thing is on the geographic distribution, I have sat on many different state boards and the one that comes immediately to mind is the Integrated Waste Management Board, that had specific requirements about geographic distribution that were a nightmare. In that one, there was just a line and an absolute certain percentage below that line had to be granted and a certain percentage above it. It was never workable; you could never figure it out, you always had applications that weren't 100% in the right place and no matter what you did, you couldn't necessarily get applications in the other place. So somebody stands up and asks about geographic equity, I'm really looking for, not just that blanket statement, how they might suggest a workable way or a fair way of how they might actually achieve it, because I think we need the equity, but we need some flexibility and it's a question of how we mix those, so I just wanted to make those before the public comment.

**Vice-Chair Fisher:** I want to open it up to public comment. I would like everyone to limit their comments to two minutes in order to be able to hear everyone and give the Council ample time to discuss this. Let's also remember that there are four workshops, so there's ample time for everybody's comments to be heard from staff. This is the main opportunity for the public's comments to be heard by Council, but there will be four workshops in October, so you will be heard.

**Chanell Fletcher, Climate Plan:** The Strategic Growth Council has long been a champion to promote sustainability state-wide and we are grateful for your hard work and leadership. I think as evidenced by the Council's discussion and the staff members as well, these draft guidelines are an important step forward and we support the general framework. At the same time, we do have a number of concerns around specific details of the program. I will note that one big thing is really the VMT reductions; we are very concerned with how this is being assessed and we know that this is also on ARB's plate, but we really encourage the Strategic Growth Council to make sure that it is something that is clear so that advocates understand and know how we are assessing these. We also believe that the co-benefits are extremely important and in the scoring, I think it was 15-20% of the general weight, and that is something that we believe is very low considering that co-benefits are a huge part of this program. We would really advise staff to increase the weight to ensure that it is something that is supported overall by this program. Climate Plan looks forward to working with the Council and with staff to address these issues, as well as other ones that we have and ensure that these guidelines support and promote sustainable communities.

**Rob Weiner, CA Coalition for Rural Housing:** First, I'd like to commend the staff for appealing to us to try to work with them to develop a program that will work in rural areas. Since the 1970s, for good reason, every state housing and community development finance program, that I'm aware of, has either been targeted specifically to rural communities or has created a set-aside for rural communities. That's for good reason, because no one has yet to design the program that will not disadvantage rural communities in a direct competition with urban and suburban communities. We haven't seen that program. Rural California is separate and unequal--that's why we need special consideration for these communities.

Unfortunately, the rules that we've seen so far are designed to fail in rural communities. Number one is they take 40% right off the top; at least 40%. For TOD projects, that will not benefit rural communities and, in fact, will not benefit most communities in the state that cannot meet those very narrow headways during peak commute hours. Secondly, the 50 unit minimum threshold requirement is too high in rural communities. Third, the 20 unit to the acre net density requirement is also too high. Fourth, the requirement that projects include at least one transit station or stop will also disqualify really good rural projects that don't have transit, but which can demonstrate, qualitatively and quantitatively, reductions in VMT. Fifth, the local government co-application process is very troubling because some rural local governments are quite politically conservative; they don't necessarily welcome affordable housing and they have very low capacity, so they may not have the capacity to be the lead applicant. Finally, the 20% requirement for affordable housing—why have 80/20 projects? What is the GHG science that says that a 60/40 project or a 50/50 project or a majority of units being affordable won't reduce GHG? We're sort of befuddled by that.

**Mike McKeever, CALCOG:** I'm here representing CALCOG, the state-wide representation of MPOs and COGs, county transportation agencies and I might beg the chair's indulgence to make a comment with SACOG CEO hat on as well. I'm mainly here to represent CALCOG, and I'm not here, Secretary Laird, to re-litigate the law, but I am here to help you implement it effectively, so let me remind you in part what

it requires: the Council shall coordinate with local MPOs and other agencies to identify and recommend projects within their respective jurisdictions. I think we are partners in this; we need to be on the same side of the table, we need to be taking advantage of each of each other's unique assets to deliver the most GHG savings possible with the limited amount of money that's available this year and going forward. You've had a lot of discussions about some of the details in the staff information in front of you and at the end of the day, I think the task is pretty simple: do you deliver the most GHG savings to the state possible within this? You can get the other co-benefits with it that the statute requires and which you want, which we all want—that's even better.

I think some of the unique assets that your MPO partners bring to the table are: 1) Capacity. You're discussion—we've had this discussion for decades in terms of trying to figure out what's a fair and equitable and effective way to disseminate funding. We have lots and lots of people in the field with lots and lots of knowledge on lots of projects. Because of a prior partnership with the state, where we've been working on the razor's edge of the GHG emission target reductions that ARB gives to us, I think we have clear policy alignment with you in doing that. I think we can help and I think it will be better if we can work together.

With my SACOG hat on, I would really encourage you to, because you have the performance imperative of the statute, to be as flexible and as simple as you can be as to how those GHG savings are delivered to you. The more prescriptive you are, the more categories you have, I don't think—you're going to have some of that, the statute requires it, but if you can lean towards flexibility and simplicity and balance it all on the razor's edge of how much savings are being delivered, which the state will be in charge of determining, I think that's where you want to go.

**Phoebe Seaton, Leadership Counsel for Justice & Accountability:** A couple key overarching points, benefitting disadvantaged communities is not near enough; not near robust enough. Not only does there need to be a higher threshold, a higher amount of points addressing community orientation, but there needs to be better specificity in how projects are benefitting disadvantaged communities as defined by 535 and lower income households and ensuring that those benefits match with what disadvantaged communities have identified as their needs. I also want to echo that some of the issues addressing the more rural communities are problematic.

One issue that I want to clarify in the next month or so is whether the definition of non-metropolitan areas and communities with a 10,000 population threshold, what that will do for some of the more rural areas, if we really want to set that 10,000 person threshold. Many other folks, I'm sure, will talk about the 80/20 issue; 20% of housing at 80% threshold should be much deeper. I think others will discuss that the lower income households, actually the better housing opportunities you provide, the lower you're going to see in GHG reduction. The requirement that there should be a transit stop may be an undue burden and not necessarily achieve the goals of the program.

**Wendy Alfsen, California Walks:** I wanted to echo the comments that have been made regarding disadvantaged communities and really strengthening the demonstration of the true benefit, the

community prioritization of the need, and the location. I also wanted to stress that the integrated connectivity projects, in our view, need to clearly be multi-modal and not just road projects. If there's any kind of a road project involved in that, it needs to be a complete street project. For there to be actual walkable inner-connectivity, people need to be able to get across the street and they have to be able to get to the transit stop. It has to be fine-grained, so I think that it shouldn't be prescriptive from your point of view. I wanted to point out that some of the best projects that we've heard about that benefit disadvantaged communities, come out of your own sustainable communities planning grant program and you did a lot of work on what is benefitting disadvantaged communities there that I think we can incorporate and build upon and we look forward to working with you and realizing this program, which has great potential to tie transportation, jobs, and housing in a livable environment that people can walk. Thank you.

**Erika Whitcomb, Policy Link:** I wanted to echo what has been previously stated that the community orientation criteria should be weighted more heavily. There should be priority points assigned to projects, such as integrated connectivity projects that are benefitting disadvantaged communities, in addition to the affordable housing projects. Priorities should be placed for projects that are specifically achieving co-benefits for disadvantaged communities. Priorities should be placed for applicants that include community workforce agreements that are increasing access to living wage jobs for specifically disadvantaged communities. Applicants should be required to describe a process that allowed for the community to reach their priorities and how these are reflected in the project. There should be more specific language that directs applicants to describe how the primary purpose and goal of their project is to increase access to benefits for disadvantaged communities if they're going to be accredited to that specific set-aside of funding.

**Jeanne Merrill, CA Climate & Agriculture Network:** Today our comments focus on the integration of the two programs. The two programs combined, we think, offer an important path forward on how to support that compact infill development of cities and towns, while also supporting vibrant agricultural communities. It's the integration of the affordable housing and sustainable communities program and the sustainable agricultural lands conservation program that we urge you to more clearly articulate as you move forward. Projects supported by both programs must demonstrate that they are supporting smart growth strategies that create compact affordable communities that reduce vehicle miles traveled, increase carbon sequestration and void the conversion of agricultural lands to urban development and that can be accomplished by clearly articulating that the affordable housing and sustainable communities program will not support projects that convert agricultural land, both in its goals and objectives, but in its application and scoring. For the sustainable lands conservation program, this can be accomplished by focusing on areas where the investment in agricultural conservation will be enhanced by smart growth land use policies and projects of the neighboring cities that include agricultural land conservation as their objectives and we'll follow up with more specifics on those recommendations, but we look forward to working with the Council and staff on this and we think it's an important path forward.

**Liz O'Donoghue, The Nature Conservancy:** I want to throw my seconds to Jeanne Merrill on the conservation program, I think Mr. Fisher, you had some good suggestions at the beginning of this discussion of demonstrating real tangible cooperation and collaboration between the two programs. I think if they remain siloed, we'll be losing out on a lot of benefits that can be achieved. Second, I want to commend the inclusions of green infrastructure in the affordable housing & sustainable communities program; there are real benefits to including green infrastructure. They provide multiple benefits, have tangible benefits to GHG emissions reductions and really promote livability. Third, I want to also align my comments on the issue of co-benefits. As we know, littered throughout the statutes is a real important view of leveraging co-benefits in the cap and trade auction proceeds and I think there can be some things that can be done to raise that up in this program. Finally, I would like to say that the primary goal and outcome of these investments is GHG reductions, so it's important to know how they will be quantified and addressed and how they will be integrated in the program. I want to commend the staff for their great work and the Council for their guidance and I look forward to working with you in the development of these guidelines.

**Joshua Stark, TransForm:** First of all, a big thank you to staff and to you all for developing robust guidelines that catalyze new and innovative projects, reduce GHG emissions, and provide great housing and transportation choices. We are pleased to see a clearly defined eligibility for transit subsidy programs. These programs have a demonstrable impact on ridership increases, a current example being the Santa Monica any ride-any time program, a cooperative effort between the City of Santa Monica and Santa Monica College begun in 2008 that includes transit passes and route improvements. Last year, a record number of student and staff used the service, a 9% increase a year over, and it's still growing. We're also extremely happy to see many of the trip reductions strategies we use in TransForm's GreenTrip certification program, like lower parking ratios, residential transit passes, and onsite car sharing. There is very strong empirical evidence these strategies reduce vehicle miles traveled. In regards to the scoring of co-benefits, we recommend that the community orientation category should be given a larger proportion of the AHSC scoring elements and criteria than the 15-20% it currently constitutes. AB 32, AB 1532, and SB 862 all prioritize the maximizing of co-benefits and achieving greater affordability, along with GHG reductions. Increasing the proportion of the category's scoring element would more accurately represent the importance of co-benefits and affordability in the project selection.

**Ella Wise, Natural Resources Defense Council:** These draft guidelines represent such a tremendous effort on behalf of so many and I'm honored to be supporting this incredibly exciting and important endeavor. As a city planner and a resident of California, I want to thank all of those who have contributed. With that, I have a few comments. Just like Deputy Secretary, Kate White, I'd like to start with the purpose of the program, which is well laid out in the guidelines. The purpose of the program is to reduce GHG emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices and that support related and coordinated public policy objectives. Some of those public policy objectives include achieving co-benefits, directing benefits to disadvantaged communities, and building affordable housing. Based on this purpose, my first concern is

the lack of information about quantifying GHG reductions. Although the SGC is not directly responsible for developing the GHG quantification guidelines, it's hard to assess these guidelines without some concept of how the GHGs will be quantified. In fact, the critical question is still outstanding. These eligible projects will reduce GHG emissions, compared to what? A threshold? A counterfactual? I understand the time constraint and it's an enormous project, but it's a critical component of the program. Secondly, I'm confident this was done repeatedly through the drafting process, but I'm going to do it again. I would like to step back and make sure to raise the big question of whether these guidelines are meeting the purpose of the program and I think working through specific project examples would be really helpful and we want to extend our support in creating those specific project examples.

**Erin Niemela, Infill Builder Federation:** We supported the budget trailer bill as it moved through the process and, in particular, we have a number of non-profit affordable housing members who, like the Infill Builder Federation in general, support the emphasis in the legislation and the emphasis in your proposed guidelines on affordable housing and on disadvantaged communities. However, as we look at the Venn diagram that we've looked at so much today, the ideal sweet spot for many of our members is the overlap between disadvantaged communities and affordable housing. Many of our developers do projects in urban Los Angeles and the Bay Area and they serve disadvantaged communities, but they may not be located in disadvantaged communities, given the CalEnviroScreen and the reason for that is many of these project developers and many of these localities are trying to get away from gentrification. Many of the communities will be served in communities that they haven't traditionally been served. Specifically in the Bay Area, within those individual census tracts, there is broad disparity in income levels and we appreciate that and we want to get away from having a single income category in a single census tract—that's the goal—unfortunately, the Ca EnviroScreen part of the disadvantaged community component requirement, many of our developers believe, may preclude that. We ask the Council, to the degree that you have the discretion, that you take that into account as you move forward with the guidelines.

**Jeanie Ward Waller, Safe Routes to School National Partnership:** I support the comments of several of my colleagues that have gone before in really asking you to lift up co-benefits and community involvement in the criteria. I think that is really critical to ensuring that these projects are effective, particularly in disadvantaged communities. On the active transportation front for biking and walking infrastructure, it's really critical that we think more innovatively about these types of projects and of the types of infrastructure that people are really going to use—things like cycle tracks, things like traffic calming, parking restricting, restricting speed—make a huge difference and are really critical to actually getting people biking and walking. I would also encourage staff to think about school involvement and put schools really on par with employment centers, in terms of scoring criteria. I think that's critical for a number of reasons; it will also help us get to some of the concerns in rural areas, because in many rural communities, the school is the primary public institution and I think if we're thinking about connectivity to schools, we're going to help reduce VMT in rural areas.

**Julie Snyder, Housing CA:** First, I would like to commend the staff, I think these guidelines are a cohesive, elegant, and thoughtful approach to building in a number of public policy and statutory requirements. Second, I want to support the suggestions from a number of our allies, especially around the community orientation scoring and the challenges of the minimum project size. It's very hard to find infill sites these days that will accommodate 100 units in urban areas or 50 units in suburban and rural, so we would like to see that revisited. Third, I wanted to make two other specific suggestions. First, we appreciate the draft recognizes that large-scale public investments in transit and in market-rate housing development can displace lower income residents in disadvantaged communities, however, this phenomenon is just as likely to occur outside of disadvantaged communities to lower income residents. We believe that protecting against physical and economic displacement along all transit lines, is critical to the GHG success of this program. We want the people who are most likely to ride transit to actually be able to continue living near it. Therefore, we would recommend that anti-displacement provisions actually be a threshold requirement for every project that you consider funding, so we're not working at counter purposes. Second, this program represents a very rare opportunity to both improve the environment and address a major issue in our urban areas of homelessness. The people at the bottom of the income spectrum, those who are most at risk of becoming homeless, are also the most likely to ride transit, get rid of their cars, and use the system, so we would urge you to require every proposed housing development to have a minimum amount—maybe 10%--to match the tax credit program of homes that are affordable to extremely low income households. Half of those are seniors and people with disabilities, so we'll be achieving multiple social and environmental goals.

**Dave Snyder, CA Bicycle Coalition:** I want to start first by going back a couple of agenda items and thanking Julia Caplan and her work with the Health in All Policies. I want to say how much I love the term "integrated connectivity projects", I hope ICP becomes a common acronym, but I'm not sure that it is the right moniker to get at what you're trying to do here. Really what you're trying to do is talk about two different kinds of neighborhoods—transit oriented developments, very dense neighborhoods, and suburban and rural neighborhoods and I don't think that ICP is a good description because, just like Councilor Bedsworth asked, can you do an ICP project in a TOD? Really, we want to have active transportation projects that connect destinations, ones that are integrated connectivity projects for active transportation everywhere, including in a transit oriented development neighborhood. I fear that the way the guidelines are written, we're not going to get a stand-alone active transportation project in dense urban neighborhoods; I'm not even sure we're going to get a stand-alone active transportation project in any neighborhood. It's really important to leverage access to transit and it's really important for lower income people who are way more likely to rely on bikes and walking for all of their transportation. We have to make that dignified, we have to make that easy, and we have to make it safe so that when they get a little bit of extra money, they don't buy a car, they continue to rely on active transportation. I urge you to figure out how to do something to bump up the chances of active transportation to get funding.

**Holly Wunder, Mutual Housing CA:** We have been committed for 25 years to building housing for low income families in our area; our area includes both urban Sacramento and rural communities

surrounding. Our most recent project is in Woodland, so we're familiar with both urban and non-urban development challenges. We've also been extremely committed to the goals of sustainable development, energy efficiency, and reducing energy loads by creating zero net energy communities. I think as much as anybody, we're excited, we're delighted, we're thrilled to see this resource made available to us in the work that we do. Having said that, I will say that reviewing these proposed guidelines is rather daunting. The work that we do is hard and this looks harder than anything we've ever done before. I would make the urge for simplicity that I've heard already here today. I would also urge to consider the variety of situations in our varied communities throughout California. We have communities where transit is rich and the opportunity to build TOD is waiting for us. We have communities that don't have a lot of transit options, but where there's still opportunities to reduce vehicle miles traveled, perhaps not so much by looking at proximity to a major transit stop, but by looking at where we locate housing within those communities so that people will be driving less. Also, the political variations in communities; some communities have strong regional planning, some communities don't. I would hate for that to be a barrier to our success.

**Vice-Chair Fisher:** I would like to thank everybody for their comments. I apologize for rushing through everybody; we need to keep on a schedule. Why don't we open it up now for Council discussion.

**Secretary Rodriguez, CalEPA:** I want to commend the staff. I realize how difficult this task is; it's enormously complicated, in particular because you're trying to deal with so many different policies that apply here and I think they've done a very good job of looking at those policies and trying to integrate them into these guidelines. Having said that and addressing some of the issues that were raised by the staff initially, I'll keep it short and just agree with Secretary Laird that I think on the role of the MPOs, the legislation sort of outlines the role, we're to coordinate with the MPOs, we certainly want the input of the MPOs on the projects as they're coming in and it will be given to us and then we'll consider it here, so people will know how it's figured into our decision making process, so I think that we need to consult with and hear from the MPOs and we need to build that into the process.

On the award size, I didn't hear an awful lot on that today; I will say that I, like many of the commentators here, found this to be enormously complex. To the extent that we can remove some of the complexity from these provisions and provide us with an opportunity for a little bit more flexibility, particularly in this growing period of this program, I think that would be very helpful. I would just ask the staff to take a look at the minimums and the maximums here and come back with a rationale for why the recommendations are what they are at the end of the day, but I would argue in favor of flexibility to the extent that we can.

I think that's one of the ways to deal with the concerns that we heard from some of the folks that are dealing with rural projects. I'd be concerned about satisfied especially for rural projects, but I don't want anything in the guidance that would prevent rural projects from competing here and I think that we do need to take a look at this. Geographic distribution, I think is a factor that we should consider, but in line with what I've been saying about flexibility, I'd be reluctant to require certain geographic distribution at this point. Maybe it's a factor that we can consider [in terms of] how many projects we

have in a given area, but I don't think that I would like to see a hard and fast rule on geographic distribution for a whole number of reasons. Again, I just think we need to provide ourselves with some of flexibility.

GHG quantification, at the end of the day, I am very sensitive about the comments that came on about community orientation and how that has to be an important part of scoring any project. On the other hand, I'd also say that we really need to focus on at the end of the day that we're getting our GHG reductions. We really need to work with ARB on that and I think it's important that we come up with some guidance on how we're going to quantify those reductions and I think that needs to be an important part of the scoring as we're looking at these projects. We'll work with you in terms of some of the other issues that we saw, but as I said, to the extent that we can instill some flexibility in this process, I think that will be helpful for everyone.

**Secretary Laird, CNRA:** I pretty much subscribe to everything Secretary Rodriguez said and I would do two brief additions. One, with regard to the agricultural land section, almost nobody had any comments, so I'm going to take that to mean that the direction is generally a place that people have a level of comfort with. The other thing I just say is this is the beginning of a process; there are the workshops and I think what people heard today about some of the quantifications in the grants are things that people might think about and bring forth alternatives or opinions to the workshops because this just opens the comment period. We're not taking action, this isn't the end-all, so just something to think about and I appreciate the thoughtfulness from some of the comments today.

**Gail Goldberg, Public Member:** I share Secretary Caballero's concerns around the quantification of the GHG reductions and how that can be used to actually score projects. I think that's a very complicated issue and I think we have to think carefully about that. I have concerns about the issues of displacement and replacement, which are two separate issues and the disadvantaged communities. I am very concerned that we are careful to achieve the goals that we want to achieve, in terms of displacement and replacement, without destroying the viability of projects and that's a careful balance, so I hope that we pay careful attention to that. I'm also concerned about how we are going to balance the geographic distribution of the grants and still achieve the goals of the program. I'm a little concerned with using as a measure or as a way of distribution, the single jurisdiction idea, meaning that in a large city--and I'll use LA as an example--with 469 square miles, that they can have one project and a very small city with a few square miles would qualify for a project. I think we want the best projects. I do agree that we do have to think about distribution; we do have to make sure that the money is spread at least in some way, but the bottom line is GHG reduction.

**Louise Bedsworth, OPR:** When I read through the guidelines the first time, I think my first question was, "are these going to be accessible to all communities". I think that's an important question for us to keep in mind; they are very complicated and so I think attempts to keep it accessible and simple are important. Similarly, on the role of MPOs, I think one of our last commenters said, "different MPOs have different capacities" and I think we want to keep that in mind as we think about and different

relationships and engagements with local governments, so reflecting that and how we take into account MPO and work with the MPOs will be important.

On GHG reduction quantification, it's critical, it's a threshold requirement, on the other, what we do with it is the confidence we have in the methodology and I think what we've heard here, it's really complicated and so I think until we really know what the methodology is, I would say we sort of keep that question open. I think the other thing I'll flag, which gets a little bit more specific, but I think is really critical, cause hopefully this is going to be a growing program over the next several years, and we're making investments in really important infrastructure in CA in housing and in transportation, is that these investments need to be reflecting our state's priorities, which of course, GHG reduction is one, climate resilience is another. I think it's very important that in these guidelines, we're reflecting the priorities that we've put in the safeguarding CA plan and in other documents are reflected in this program. I would include the Ocean Protection Council's sea level rise guidance, that should be brought in here, there's nice conversation about energy efficiency and green building. I would also think about how we talk about green infrastructure in the program; that should be not just something we're investing in, it should be a priority. I think that is also consistent with the safeguarding plan. Those are just things I would flag as we continue to go through this, that we think about, this is an important GHG reduction program of course, but it also should reflect our broader state priorities, and I think going in this first year, it's really critical that we have as robust of projects that we can and I think regardless of what number that is, we want projects with really quantifiable emission reduction benefits and co benefits, all of those pieces that we can characterize them as clearly and concisely as we can so we can show the success of this program going forward. I think that should be something key that we keep in mind, particularly as we plan this first year.

**Vice-Chair Fisher:** Secretary Caballero, and the others, as you go through if you could comment, do you have any thoughts on the award size? It's one thing we haven't heard much about. The trade-offs between increasing or decreasing the award size along with any additional comments you were going to make.

**Secretary Caballero, BCSH:** That's one of the areas I have the hardest time dealing with, frankly because I think it's going to depend on what kinds of applications we see and I was impressed with how few awards we get, but at one point there was a discussion about "why don't we do one big project and really put it all into that so that people could see the benefit of that" and of course that would never fly; that's not what anybody wants to do, so I have a hard time with that, frankly. I think we're going to have to take a look at what we receive and try to figure out if the award sizes that we've envisioned based on past experience with TOD projects actually work and we may be back here looking at something substantively different if we find out that we're really only going to get a few very large projects and they need more support, so that's probably as far as I can go with that.

John, I think the ag land presentation was great and we probably should have at least commented on that. My concern is that there's just not enough money in it and so the real question is how do you

leverage the other resources that are out there. I expect you'll be back with that answer once you get going, but I think it's great.

I agree with Matt, the flexibility, looking at the minimums and maximums is an important thing. I pretty much spoke to everything else, except for one other thing and that is, I know that the air board [ARB] recently was grappling with the notion of the whole disadvantaged communities and the question they had to deal with—is it a location or is it a population. So as you're building affordable housing, does the affordable housing have to be located in a poor community and I know they're going to be coming back and looking at that as grants come in and I want to just say that putting more low income people in neighborhoods where the health risks are high doesn't make any sense to me and so what we really want to do is be able to create opportunities to build affordable housing in areas where there's more opportunity for success and healthier outcomes, so I think that we're going to hear a little bit more about that, but I think that's important. You really want to create resiliency.

**Secretary Ross, CDFA:** On the ag land piece, because it is such limited dollars, I agree with Jeannie Merrill that I think we have to look at the ag land piece as being complimentary to our sustainable communities and where it's possible, to really think about high priority ag land that helps to create hard boundaries of where we're going, but that also can create opportunities on the food access piece of what we all work on. Healthy communities is making sure that we still keep agriculture that's viable in those communities and a lot of that can be creating opportunities for new beginning farmers and smaller-scale farmers and that it becomes a really important part of sustainable communities, so that was the easy part I was going to speak to.

We have to remember this is our first year and it's really important that what we do can achieve success because success breeds success and so as much as I'm a big proponent of co-benefits and we want to be able to account for those co-benefits wherever they are, at the end of the day, we have to be about reducing GHG emissions and the air board has a lot on their shoulders with the methodologies to help us do that, but I think that has to be a driver in this first year of really being able to quantify that to prove that this a program that's worth putting more money into.

When it comes to disadvantaged communities, I agree with you, Secretary. I think we have to really think about where are we investing in our infrastructure that creates opportunities and doesn't isolate people to continue to be in a place that may not have the schools, may not have the access to health care, may not have the job opportunities or the job training, and think more holistically about how we want to be able to do that and that's why I'm proud that you guys looked beyond this whole TOD thing; the ICP thing I think is a very important component of that and how we can create a better California by being able to do that. I would say I wouldn't get hung up on funding a lot of grants and I would think about, if you get a few projects that we know really can move the needle, I think you're ranges are fine for now, and let's get some feedback on that, but I would not get married to that. I would want to really get focused on prioritizing what's really going to show success and help us move the needle.

**Undersecretary Annis, CalSTA:** On the involvement of the MPOs, I think we didn't have many of them speak today, Mike I think represented most of them, but I think staff has been working hard with them and I think there's some ideas out there that may be mutually acceptable to find a path to receiving some meaningful input and involvement, but still, as Secretary Laird mentioned, following that intent of the legislation, this is a state-level competitive program. On the geographic equity, rural equity, I do think that is important and maybe it gets to the art versus the science, I think maybe the reasons this is fairly complex in its drafting is staff is trying to be very transparent with the scoring and so forth, but at the same time, I think if all of the projects get grouped along the coast or in larger urban areas, we're missing an opportunity maybe to use this as the catalyst type of project to bring this investment distributed across the state, so that communities are annually interested in applying and seeing there's an opportunity for a successful application, so they're in the game and looking at ways they can try to do these things in their communities.

**Secretary Ross, CDFA:** I'm just wondering—we don't have the money in this round and it's not the right time, but I think in the future, one of the things I keep focused on is how do we help build capacity to help bring communities that may not otherwise be able to be as competitive, what are we putting into our system to make sure that we're constantly building capacity and filling the pipeline?

**Vice-Chair Fisher:** There was some discussion and comments about the GHG metrics; we've touched on that a little bit. I'm not sure what the timing is on receiving the GHG metrics and maybe someone can speak to that.

**Cynthia Marvin, ARB:** What we're planning to do, what we've committed to do is to provide at least references to reasonable metrics that SGC can include in the final version of the guidance that comes to the Council in December. We would certainly hope to have pieces that are available before that; we have this program and many other programs lined up and we'll be starting work on that in the next couple weeks.

**Vice-Chair Fisher:** You obviously see the importance of these metrics to us in being able to approve the final guidelines, so we need them well enough in advance to be able to filter the guidelines through them because that's what we're going to be using ultimately to assess these projects. The other thing I wanted to bring up was we had one comment from infill builders, I don't know how many private sector folks we're talking to about this, but that's a critical component. The NGO sector was very well represented here in many different areas, but for these programs to work, we need jobs, we need retail, and these other components have to be an important part of any housing.

**Secretary Rodriguez, CalEPA:** I just had one question about the guidelines and that is that it seemed like one of the pre-requisites in filing an application is that you really had to have a project that was ready to go, you were just looking for financing in that as I read it. This is what I'm asking for confirmation on - you needed to have your CEQA compliance already, you needed to have all your permits already, you were really looking for financing, and I'm just wondering whether that confines us.

I understand there's an interest in having shovel ready projects, but I'm just wondering how many projects are out there that have all their approvals and they're just looking for that final bit of financing.

**Allison Joe, SGC:** To confirm, we are looking for shovel ready projects with the bulk of their entitlements, land site control, all of the things that you need to put a shovel in the ground. There are some things we do allow for in terms of the planning, pre development changes, some other smaller tweaks and adjustments that would be allowable costs for that, but the primary goal is to get things built and to get them built soon.

**Secretary Rodriguez, CalEPA:** Do you think there are enough of them out there I guess is the question.

**Claudia Cappio, HCD:** We believe that we have, at least for this round, enough projects. With the end of redevelopment, there were many backlogged that did not get funded, but the proof will be in the pudding and we'll constantly monitor that. I need to also say that, unfortunately, not having CEQA completed represents a significant vulnerability and we need to balance that out as well.

**Secretary Rodriguez, CalEPA:** Ok, I just wanted to make sure that whatever we were doing, that we were going to get projects.

**4:23pm**

**Agenda item #9: General Public Comments**

**Agenda item #10: Meeting Adjourned**

**Vice-Chair Fisher:** I received no general comments from anybody, so just to summarize, I want to thank everybody for attending, I thought those were great comments, very helpful for the Council and for that staff. We'll come back in this room on December 11 hopefully to approve the final guidelines, so there's not a small amount of work to be done between now and then. I want to thank the staff for the massive work that you guys have done to get us this far. This is a huge amount of effort that has gone into this from so many different departments and I think exhibiting the kind of behavior that SGC wants to emulate. With that, the meeting is adjourned.

MEETING ADJOURNED: 4:25 pm.