



Land Use, Housing & Air Quality Committee

Item #07-6-8
Information

June 4, 2007

Preliminary Discussion on Community Design Program Round 3

Issue: Initial discussion on direction for 2007-09 Community Design Program.

Recommendation: None.

Discussion: SACOG staff seeks to have a preliminary discussion with the Committee about the direction for the next cycle of funding for the Community Design Program. The Board created the Community Design Program in the 2002 MTP to help provide incentives for smart growth land use projects. The first round (2003-05) of funding provided \$13 million to 15 projects, and the second round (2005-07) funded 24 projects for \$12.7 million. Based on past conversations with most eligible SACOG jurisdictions and past recipients, all would like to see the program continue and grow, as they see the program as one of the few means they can receive critical funding for Blueprint-style projects. For this reason SACOG staff is recommending the program grow to \$20 million in this cycle.

Staff has a number of recommendations about Round 3. First, the selection process includes some procedural changes including placing a higher emphasis on past performance and accountability of current recipients, and continuing to encourage all eligible jurisdictions to submit applications. Second, staff recommends focusing on selected areas of Blueprint-type community development instead of open categories of the past rounds. The program would be focused into three areas:

- (1) Dedicate a higher percentage of the funds (approximately 90%) to capital rather than planning projects. The main reason for this recommendation is that capital projects are much more likely to meet federal transportation funding requirements.
- (2) Segment the current program into at least three separate programs targeted at different situations.
 - a. Infill incentives: An infill program designed to produce more housing and help create a higher density, mixed-use environment in transportation corridors (e.g. arterials) and nodes (around light rail stations, downtowns in any community in the region).
 - b. RHNA Incentives: Some of the funds could be set aside for those jurisdictions that take more than their "fair share" of the Regional Housing Need Allocation (RHNA) for low and very low income units.
 - c. Jobs/Housing Balance Incentives: A sustainable communities program designed to produce more base sector jobs in communities located far from the urban core that are willing to link the rate of housing growth to the production of these types of jobs. Assistance attracting base sector jobs (i.e. not shopping centers, but businesses that produce a good or service) would help to change that formula, allowing the construction of whole, self-sustaining communities.
- (3) Possibly make some movement towards funding fewer, larger projects. This will improve the utility of the program to projects that are striving to make a difference at a larger-scale.

Approved by:

Mike McKeever
Executive Director

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Key Staff: Kenneth Hough, Director of Community Planning & Operations, (916) 340-6229
Pete Hathaway, Director of Transportation Planning, (916) 340-6235
Greg Chew, Senior Planner, (916) 340-6227

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