



Strategic Planning Committee

Item # 16-1-4
Action

January 4, 2016

Cap-and-Trade Update and Affordable Housing and Sustainable Communities (AHSC) Program Final Guidelines

Issue: What approach should SACOG use to increase regional competitiveness in Cycle 2 of the Cap-and-Trade Affordable Housing and Sustainable Communities (AHSC) program?

Recommendation: That the Strategic Planning Committee recommend the adoption of a regional approach for reviewing and prioritizing projects.

Discussion: During the December committee cycle, staff provided an update on the status of the Strategic Growth Council's (SGC) guideline development for Cycle 2 of the Affordable Housing & Sustainable Communities (AHSC) Program. This \$400 million statewide program targets projects that facilitate the reduction of GHG emissions by improving mobility options, increasing infill development, and protecting agricultural land from sprawl development. Final Guidelines for this program were released on December 7, 2015 and are recommended for approval by the SGC Board on December 17, 2015. Attachment A is a high-level summary of this program, which has \$320 million available competitively. Full program guidelines may be found at https://www.sgc.ca.gov/s_ahscprogram.php.

As described in the Final Guidelines (summarized in Attachment B), MPOs are defined as part of the Concept Application review process. MPOs review submitted Concept Applications to evaluate how the projects support the implementation of the MTP/SCS. Additionally, prior to the Concept Application due date, MPOs may develop their own process to identify and recommend any projects that are invited by SGC to submit a Full Application. The intent of the process is to identify projects that reflect the highest regional priorities specific to the AHSC program.

Critical dates to note following the anticipated December 17th approval of the SGC's Cycle 2 Final Guidelines are:

- January 2016: Funding solicitation and application to be released; MPOs to develop regional prioritization process.
- February 2016: Concept Applications for projects are due; MPOs and SGC review Concept Applications.
- March 2016: Selected project sponsors are invited to submit Full Applications.
- April 2016: Full Applications are due; MPOs and SGC review Full Applications; MPOs and SGC may consult.
- July/August 2016: Award recommendations announced for SGC approval.

Given the condensed timeline, restrictiveness of AHSC project eligibility, and complexity of emission calculations, staff is actively engaged in providing technical assistance to eligible applicants in the development of concept proposal ideas. In mid-January, concurrent with the release of the funding solicitation for the program, SACOG will hold a Workshop to help applicants approach the development of their Concept Applications.

SACOG is recommending a regional approach for reviewing and prioritizing projects based upon the AHSC program scoring. This can serve multiple purposes. First, in Cycle 1 of the program, MPOs that took an active role in the prioritization process tended to be more successful from a regional “fair share” perspective. Second, as described in the guidelines, the SGC will use the regional ranking as a point of consultation focused on where the two processes identify different priority projects, noting “The goal of the consultation is for each party to understand the basis for the other’s determination.”

SACOG proposes to undertake cross comparisons of the emission impacts of proposed AHSC projects, using the AHSC methodology and SACOG’s modeling tools. SACOG’s modeling tools including our land use and travel models which are the foundation of the analysis used in developing the MTP/SCS as part of the review and prioritization of projects. Additionally, SACOG is proposing to use the Goals and Priorities from the 2015 Bicycle and Pedestrian Funding Program as a basis for reviewing proposed Active Transportation Improvements. The proposed regional reviewing and prioritization method, for which staff is seeking Board authorization, is detailed in Attachment C.

Approved by:

Mike McKeever
Chief Executive Officer

MM:RDO:ds
Attachments

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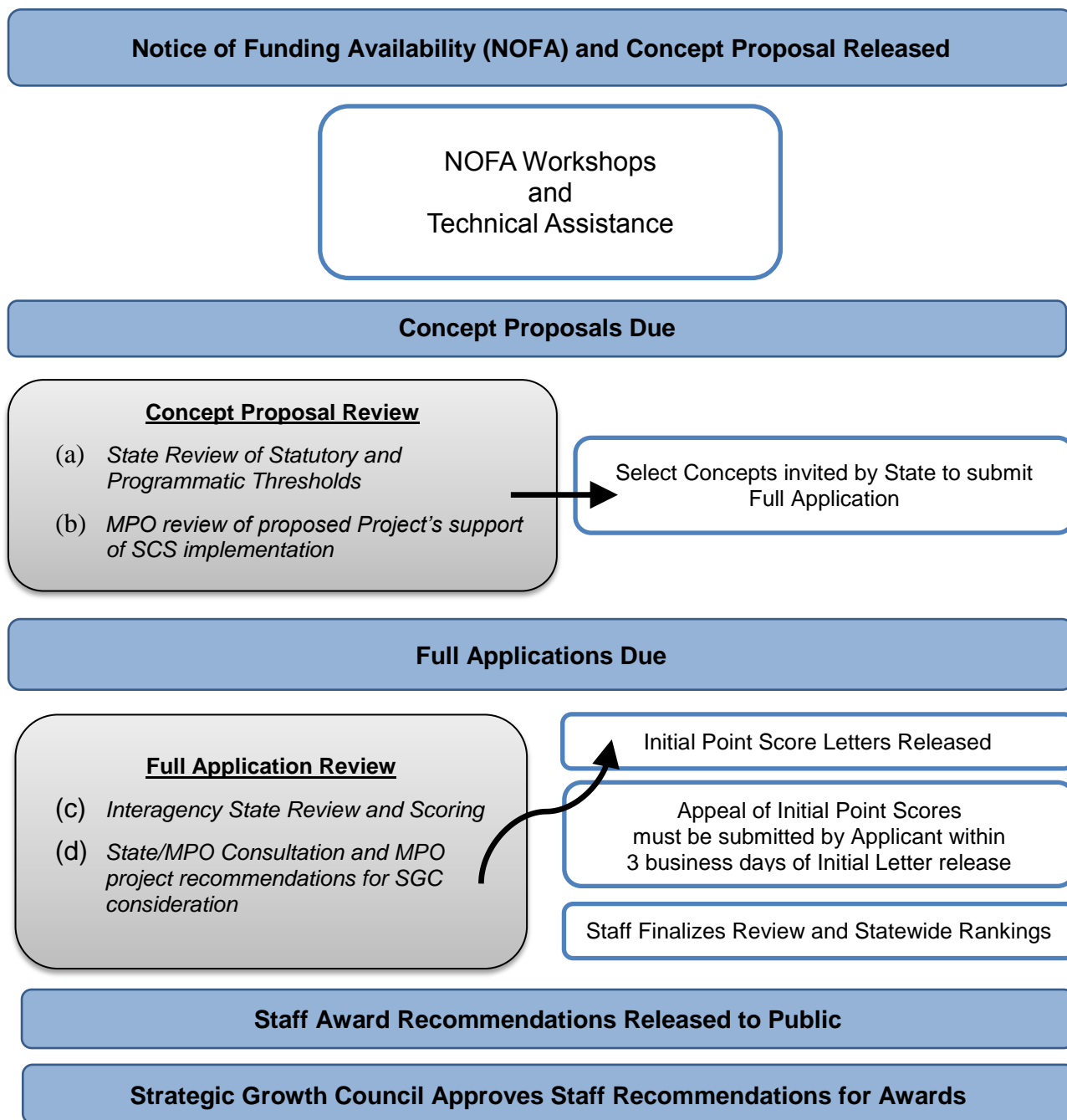
2015-2016 Final Draft AHSC Program Guidelines

Article II. Program Requirements

Figure 1
AHSC Program Summary

Project Area Types	Transit Oriented Development (TOD) Project Area	Integrated Connectivity Project (ICP) Project Area	Rural Innovation Project Area (RIPA)
Transit Requirements (All Project Areas) §102	<ul style="list-style-type: none"> MUST include Qualifying Transit, which means a transit line serving the public that is operated by a public entity (directly or via contract), or operated as a grant recipient (or sub-recipient) from a public entity. Qualifying Transit includes various forms of Rail Service, Bus Service and Flexible Transit Service. All Project Areas MUST also include a Transit Station/Stop, which is a designated drop-off and pick-up location served by at least one Qualifying Transit line departing two or more times during Peak Hours (unless it is Flexible Transit Service). <p><i>Note: Transit requirements based on transit that is operational as of date of application submission. ICP/RIPA projects that would build High Quality Transit will remain eligible as an ICP/RIPA.</i></p>		
Project Area Specific Requirements §102	<ul style="list-style-type: none"> MUST be served by High Quality Transit Headway frequency of 15 minutes or less during Peak Hours Must operate on a railway or be a Bus Rapid Transit (BRT) service that either fully or partially operates on a dedicated bus-only lane, or uses HOV or HOT lanes Project Area MUST include an Affordable Housing Development (funded either through AHSC Program funds or other sources). 	<ul style="list-style-type: none"> CANNOT be served by High Quality Transit 	<ul style="list-style-type: none"> CANNOT be served by High Quality Transit MUST be located within a Rural Area
Required AHSC Funded Components §102	AHSC Program funds MUST be used for Affordable Housing (which <u>includes</u> Affordable Housing Developments or Housing Related Infrastructure) AND at least one (1) other type of Eligible Use		AHSC Program funds MUST be used for Sustainable Transportation Infrastructure AND at least one (1) other type of Eligible Use
Eligible Uses §103	<ul style="list-style-type: none"> Affordable Housing Developments Housing Related Infrastructure (HRI) Sustainable Transportation Infrastructure (STI) (Active Transportation and Transit Infrastructure) Transportation-Related Amenities (TRA) (includes transit-related amenities, active transportation-related amenities and Green Streets) Programs 		
Affordable Housing Development Requirements §103	Affordable Housing Developments may be: <ul style="list-style-type: none"> New construction Acquisition and Substantial Rehabilitation including preservation of affordable housing at-risk Conversion of one or more nonresidential structures to residential dwelling units 		
Funds Available §106	Target 35 percent of available funds to TOD Project Areas	Target 35 percent of available funds to ICP Project Areas	Target 10 percent of available funds to RIPAs
<i>Only applications which meet all Threshold Requirements will be eligible and considered for funding. If insufficient eligible applications are received in any Project Area Type (TOD, ICP or RIPA) funds targeted to that Project Area Type will roll over to fund additional applications in other Project Area Types.</i>			
Project Awards §104	All Project Area Types are subject to the following minimum and maximum award amounts: Maximum: \$20 Million Minimum: \$1 Million for TOD Project Areas or \$500,000 for ICP and RIPA Project Areas		
Statutory Funding Set-asides §105	<ul style="list-style-type: none"> 50 percent of the AHSC Program expenditures shall be for Affordable Housing (Health & Safety Code § 39719(a)(1)(C)) 50 percent of AHSC Program expenditures shall be for projects benefitting Disadvantaged Communities (Public Resources Code § 75214) <p><i>Note: A single project can address both set-asides above, and are not mutually exclusive.</i></p>		

**Figure 6
AHSC Program Application Review Process**



SACOG Proposed Regional Approach for Reviewing Concept Applications for MTP/SCS Consistency

1.) Determine if the project is consistent with the general land use designation, density, building intensity, and applicable policies.
2.) Determine if transportation improvements are consistent with existing documentation in the MTP/SCS, MTIP, and Regional Conformity.

SACOG Proposed Regional Approach for Reviewing and Prioritizing Projects Invited by SGC to Submit a Full Application

AHSC Defined Point Structure (12/17/15)

AHSC Scoring Element #	AHSC Points Available	AHSC Elements and Criteria	SACOG Proposed Method for Review and Prioritization
1	30	GHG Quantification Methodology	GHG Quantification Methodology
a	30	Estimated GHG Emissions Reductions	1.) Utilize AHSC Defined Methodology 2.) Utilize SACOG's modeling tools to estimate the ghg impacts of project. These tools include our land use and travel models that are the foundation of the analysis used in the development of the MTP/SCS
2	20	Supplemental Strategies	Supplemental Strategies
b	10	Active Transportation Improvements	1.) Utilize AHSC Defined Points 2.) Inform sub-scores based upon the 2015 Bicycle & Pedestrian Funding Program Goals and Priorities*
c	10	Water, Energy and Greening	Utilize AHSC Defined Methodology
3	50	Policy Objectives	Policy Objectives
d	10	Depth and Level of Housing Affordability	Utilize AHSC Defined Methodology
e	10	Housing and Transportation Collaboration	Utilize AHSC Defined Methodology
f	8	Community Benefit and Engagement	Utilize AHSC Defined Methodology
g	8	Location Efficiency and Access to Destinations	1.) Utilize AHSC Defined Methodology 2.) Consider Complete Street Locational Map
h	5	Funds Leveraged	Utilize AHSC Defined Methodology
i	4	Anti-Displacement Strategies	Utilize AHSC Defined Methodology
j	3	Program Need and Readiness	Utilize AHSC Defined Methodology
k	2	Implementation of Planning Efforts	1.) Utilize AHSC Defined Methodology 2.) Inform sub-scored based upon Regionally Approved Documents and Locally Approved Documents

*The 2015 Bicycle & Pedestrian Funding Program Priorities and Goals were approved by the SACOG Board in April 2015. "Bicycle Capital Project Priorities: 1. Increase access to transit services; 2. Increase access to schools; 3. Eliminate gaps in the existing bicycle/pedestrian network; 4. Remove physical barriers in the bicycle and pedestrian network; 5. Facility completion; and 6. Reduce vehicle miles traveled (VMT). Non-capital Projects and Programs Goals: 1. Encourage biking and walking through public information, education, and awareness; 2. Where needed, perform studies and develop plans for capital facilities that support the goals stated above; and 3. Increase the level of public agency staff expertise on bicycling and walking."