



January 16, 2014

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Ken Alex, Chair
Strategic Growth Council
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VIA E-MAIL

RE: Affordable Housing and Sustainable Communities Program Guidelines

Dear Chairman Alex and members of the Strategic Growth Council:

The California State Association of Counties (CSAC) appreciates the opportunity to submit comments on the final draft guidelines for the Affordable Housing and Sustainable Communities (AHSC) grant program. CSAC is the unified voice of California's 58 counties before the state and federal governments. California's counties are committed to promoting sustainability through the implementation of SB 375 sustainable communities strategies and similar regional transportation plans in areas outside of MPOs.

CSAC's October 31st comments on the draft guidelines focused on the complexity of the program, eligibility for funding, geographic equity concerns, the program's apparent focus on providing the "last dollar" of funding for specific projects, and particular concerns for transportation-focused projects. While we hope to work with the Strategic Growth Council (SGC) to refine the guidelines in subsequent funding rounds—an exercise that will benefit enormously from the experience of a completed round of grants—there are several changes in the final draft that CSAC largely supports, although some could benefit from further refinements.

Our main concern continues to be rigid requirements that do not allow transportation projects in areas served by qualifying high-quality transit unless they are accompanied by an affordable housing development, and the corresponding inability to pursue affordable housing projects in the integrated connectivity project areas. We hope this framework can be reconsidered in the future, as we worry that it may unnecessarily constrain the number of GHG-reducing projects that will be eligible for grant funds.

Project areas and related definitions (Section 102)

CSAC supports the simplifications and refinements made to the definitions of a project area and the removal of specific mode requirements for transit oriented development (TOD) and integrated connectivity project (ICP) project areas. We also support the one-mile radius for project areas served by fixed-route transit.

Affordable housing densities and unit minimums (Section 103)

CSAC supports the elimination of the minimum project size and unit limits in the guidelines, but recognizes that the size of a transit-oriented development and therefore the magnitude of greenhouse gas (GHG) emissions reductions from shorter or fewer vehicle trips by

residents will be reflected in the GHG metric. While CSAC is also supportive of reducing density requirements to allow affordable housing developments in all types of transit-served communities to compete for funding, we question whether state housing element default densities are an appropriate metric for the guidelines.

Existing statutory default densities were negotiated and agreed upon between local governments and housing advocates in an attempt to provide local governments with greater certainty in the HCD review process to meet affordable housing requirements. Their use is one of two ways counties and cities can demonstrate that a local government has zoned adequate amounts of land that can reasonably accommodate affordable housing developments. Default density requirements are redundant in the context of this grant program, because *only* affordable housing is eligible for funding and project density and size will be considered indirectly through the GHG emissions reduction metric.

Transportation-related infrastructure costs (Section 104)

CSAC strongly supports the removal of the fifty-percent matching requirement for transportation infrastructure projects.

Public agency role in applications (Section 105)

CSAC supports the clarification of the role of a public agency in applying for AHSC funds, including limiting the requirement for public agencies serving as co-applicants to instances when there is a financial or real property public agency interest in a proposed project.

Disadvantaged communities identification and benefits (Section 107)

CSAC has previously raised concerns with CalEnviroScreen, the environmental health screening tool, and many counties continue to criticize its use as the sole tool to identify disadvantaged communities for purposes of investing cap and trade auction revenues. While CalEnviroScreen is one method for identifying disadvantaged communities with high pollution burdens, other tested methods still prove useful. For instance, recognizing that communities can be considered “disadvantaged” due to a variety of factors, the Active Transportation Program offered flexibility by allowing the identification of disadvantaged communities using any of the following criteria:

1. the top 10-percent of communities within CalEnviroScreen;
2. median household income less than 80% of the statewide median based on the most current census tract level data from the American Community Survey; or
3. at least 75% of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program.

Nothing in statute (Chapter 830, Statutes of 2012) prevents CalEPA and CARB from using a more diverse set of criteria to identify disadvantaged communities to ensure cap and trade auction proceeds are invested to benefit all Californians suffering from a high pollution burden or other socioeconomic vulnerabilities.

Revised Selection Criteria (Section 107)

CSAC broadly supports the adjustments to the “criteria buckets” which rightfully demonstrate the program’s fundamental focus on reducing greenhouse gas emissions from land use and

transportation. As such, we believe it is appropriate to award 55% of the total score for emissions reductions, 15% for feasibility and project readiness, and 30% for other policy considerations. We also appreciate the refinements and streamlining to other selection criteria, including the removal of criteria which can be captured by the GHG metric, or which were considered too prescriptive.

CSAC supports anti-displacement criteria which ensure that TOD and ICP projects do not result in a net loss of affordable housing. Given their statutory obligations to plan to accommodate affordable housing, local governments have a clear interest in ensuring that AHSC projects do not decrease the supply of affordable homes.

Technical assistance

CSAC appreciates the SGC's plan to host workshops to provide guidance on the Notice of Funding Availability and other technical assistance, as well as the availability of specific technical assistance to assist with GHG emissions quantification through the California Air Resources Board. After the first grant round, CSAC looks forward to working with the SGC to better understand long-term local agency needs for technical assistance, thereby ensuring that no agency is dissuaded from applying due to a lack of technical expertise.

Thank you for your consideration of CSAC's comments on these important guidelines. Please do not hesitate to contact me via phone at (916) 327-7500 ext. 566 or email at kbuss@counties.org, if you would like to discuss our perspectives in greater detail.

Sincerely,



Kiana Buss
Legislative Representative