

2020/21 Sustainable Communities Program (SCP) Program Guidelines + Housing and Sustainable Development Call for Applications

SCP Overview

The Southern California Association of Governments (SCAG) announces the Call for Applications for the 2020 Sustainable Communities Program (SCP) – Housing and Sustainable Development (HSD). Since 2005, SCAG’s various sustainability planning grant programs (Compass Blueprint, Sustainability Planning Grants, Sustainable Communities Program) have provided resources and direct technical assistance to jurisdictions to complete important local planning efforts and enable implementation of the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), which today is called [Connect SoCal](#).

The SCP allows SCAG to strengthen partnerships with local agencies who are responsible for land use and transportation decisions. Projects selected will allow local agencies to facilitate coordination and integration of transportation planning with active transportation, housing production, safety, smart cities, mobility innovation, transportation demand management, green region initiatives and sustainability. The SCP also serves as the primary funding vehicle where SCAG partners with local agencies to implement the goals, objectives and strategies of Connect SoCal and achieve an integrated regional development pattern that reduces greenhouse gas (GHG) emissions. Applicants are encouraged to review strategies promoted in Connect SoCal to align project applications with regional planning priorities and concepts.

The SCP provides local jurisdictions with multiple opportunities to seek funding and resources to meet the needs of their communities, address recovery and resiliency strategies considering COVID-19, and support regional goals. SCAG will release Calls for Applications throughout Fiscal Year '21 to select projects within different program areas and funding categories. SCAG may bundle similar projects together in a common contract.

SCP Goals

The SCP aims to:

- Provide needed planning resources to local jurisdictions for active transportation and multimodal planning efforts, sustainability, land use, and planning for affordable housing;
- Promote, address and ensure health and equity in regional land use and transportation planning and to close the gap of racial injustice and better serve our communities of color;
- Encourage regional planning strategies to reduce motorized Vehicle Miles Traveled (VMT) and greenhouse gas (GHG) emissions, particularly in environmental justice communities where there is the highest need for air quality improvements;
- Develop local plans that support the implementation of key strategies and goals outlined in Connect SoCal and the Sustainable Communities Strategy;
- Develop resources that support the Key Connections as outlined in Connect SoCal, including Shared Mobility and Mobility as a Service, Smart Cities and Job Centers, Accelerated Electrification, Go Zones, and Housing Supportive Infrastructure;
- Support a resilient region that looks to climate adaptation and public health preparedness as key strategies to address community prosperity, safety and economic recovery and sustainability;

- Increase the region’s competitiveness for federal and state funds, including, but not limited to the California Active Transportation Program and Greenhouse Gas Reduction Funds.

Moreover, the SCP seeks to advance Connect SoCal’s “Core Vision,” which prioritizes maintaining and better managing Southern California’s transportation network for moving people and goods, while expanding mobility choices by locating housing, jobs and transit closer together and increasing investment in transit and complete streets. The Core Vision includes policies and investments that support sustainable development; system preservation and resilience; demand management strategies and intelligent transportation systems; a regional transit backbone; complete streets; and goods movement.

On July 2, 2020, the SCAG Regional Council adopted a resolution reaffirming the agency’s commitment to working toward a fair and just society and toward systemic change to eliminate all barriers that reduce opportunity and undermine Southern California’s shared values and ability to thrive. SCAG affirmed its commitment to meaningfully advance justice and equity; and SCAG declared its intent to strengthen the way it engages and convenes to protect and expand community voice and power, and work in partnership with others to close the gap of racial injustice and better serve our communities of color, and in so doing, serve all the people of the region. The SCP aims to prioritize resources where there is a demonstrated need, guided by the Connect SoCal Goal, “to support healthy and equitable communities.” SCAG is committed to advancing equity through addressing systemic disparities in the SCAG region, and to center communities most impacted by economic, social, and environmental injustices towards the goal of creating healthy and equitable communities.

Housing and Sustainable Development (HSD) Guidelines

Housing and Sustainable Development (Overview)

The Sustainable Communities Program HSD Program will provide beneficial resources to cities and counties for housing production planning implementing the Regional Housing Need Allocation (RHNA) and to further implementation of the Sustainable Communities Strategy [\(SCS\)](#).

Housing Goals and Purpose

The Connect SoCal HSD Program aspires to increase and accelerate housing production for all household types at all [income levels](#) in Southern California. In addition, the program aims to integrate and align housing goals with the region’s adopted SCS.

Connect SoCal’s “**Core Vision**,” which is wholly integrated within the SCS, prioritizes maintaining and better managing the transportation network, while expanding mobility choices by locating housing, jobs and transit closer together.

All applicants are encouraged to review and align proposals with the recommended strategies, which can be found in the [Sustainable Communities Strategy \(SCS\) Technical Report](#).

By directing resources toward projects that implement Connect SoCal, SCAG aims to achieve the following goals:

- To encourage development and preservation of diverse housing types in areas that are supported by multiple transportation options;

- To create dynamic, connected, built environments that support multimodal mobility, reduce reliance on single-occupant vehicles, and reduce VMT;
- To reduce greenhouse gas emissions and improve air quality;
- To support healthy and equitable communities;
- To complement and increase competitiveness for state funding programs, including by increasing the number of cities with “pro-housing local policies” focusing on location efficient development and access to opportunity to receive preference in designated state programs;
- To employ strategies to mitigate negative community impacts associated with gentrification and displacement and achieve equitable outcomes.

Housing and Sustainable Development Project Types

The HSD Call for Applications will prioritize planning projects which aspire to integrate and align Southern California’s housing production, preservation and protection opportunities with Connect SoCal - the region’s adopted SCS. Applicants are encouraged to review strategies included within Connect SoCal – specifically, the SCS Technical Report, to align project applications with regional planning priorities and concepts. The most competitive applications will advance multiple planning goals, prioritize practical context-based need, utilize innovative or creative planning practices, and result in planning products or programs that are clearly tied to accelerating housing production, community need and implementation, and can serve as “best practices” for jurisdictions in the region. Conducting collaborative public participation efforts to involve communities or entities representing diverse lower-income households is required.

Applications for planning resources may be submitted for one of three project types:

1. [Advancing Accessory Dwelling Unit \(ADU\) Implementation](#)
2. [Housing Sustainability Districts, Workforce Housing Opportunity Zones, and Housing Supportive Tax Increment Financing Districts](#)
3. [Objective Development Standards for Streamlined Housing, Prohousing Designation Program and Parking Innovation](#)

These project types are discussed in depth below. Required project components include (but are not limited to) how a planning project will result in the production of more housing, affordable housing, and streamlined entitlements; reduce GHG emissions and/or VMT; and benefit low-income and/or disadvantaged communities. Projects must have a strong nexus with the primary goals of increasing housing production, as well as advance one or more previously described program goals. Please quantify desired results and outcomes where possible.

Note: SCAG encourages applicants to assess jurisdictional priorities and apply for only one project type, however jurisdictions are allowed to submit more than one application. Please note the application required applicants to note the priority of each applications. SCAG staff is available to support applicants in determining the most appropriate category for their project(s).

Scoring Rubric & Criteria

The overall application scoring rubric for each project type will be the same. Each application includes 3 main scoring criteria – 1) Project Need, 2) Scope of Work and Project Outcomes and 3) Partnerships and Community Engagement. Application questions vary by category within each topic area depending on the types of projects eligible. The potential points to be awarded for responses to each question also vary by category and project type and are noted in each application. Further clarification regarding how points are awarded are provided in the project application forms.

| Scoring Criteria | | |
|------------------|---------------------------------------|-----------|
| Topic 1 | Project Need | 55 Points |
| Topic 2 | Scope of Work and Project Outcomes | 30 Points |
| Topic 3 | Partnerships and Community Engagement | 15 Points |

Funding

The HSD program will draw resources primarily from AB101 (2019) funding, specifically the Regional Early Action Planning (REAP) grant funds, per guidelines established by SCAG (September 2020) and the Notice of Funding Availability (NOFA) established by the California Department of Housing and Community Development (HCD) published on February 27, 2020. It is estimated that \$15 million will be available for projects funded through SCAG's multiple SCP funding opportunities, with selected HSD Program projects to receive a portion of this funding. Additional state and federal resources may be used to supplement specific projects depending on availability.

The Sustainable Communities Program will not provide direct grant funding to applicants for HSD assistance, but will instead provide a combination of consultant services, SCAG staff resources, and direct technical assistance to complete planning projects in close collaboration with cities and counties. SCAG will work with the awarded agency to complete necessary procurement and contracting. SCAG staff will serve as the administrative project manager, manage the contract and pay for all costs incurred. SCAG may bundle similar projects together in a common contract.

Period of Performance and Time Extensions

A project initiation schedule and expectations regarding period of performance will be determined within sixty days of project award announcements, and will be based on project complexity, funding source, and agency capacity. Once the project schedule has been established, extensions will be considered only under extraordinary circumstances, on a case-by-case basis. Extensions and scope changes must be requested in letter format. All requests must include an explanation of the issues and actions the agency or local jurisdiction has taken to correct the issues. All extensions will be contingent on funding availability and the program requirements of the funding source assigned. Program completion is based on statutory provisions and SCAG intends all selected projects to be completed in a timely manner and requires that applicants coordinate internal resources to ensure timely completion of the projects.

Schedule

The following schedule outlines important dates for the HSD Call for Applications.

| SCP-Housing and Sustainable Development Milestones | Date |
|--|------|
|--|------|

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|---|------------------------------|
| Call for Applications Opens | November 9, 2020 |
| Application Workshop | December 2, 2020 |
| Call for Applications Submission Deadline | January 15, 2021 (5:00 p.m.) |
| Regional Council Recommendation | March 4, 2021 |
| Final Work and Invoices Submitted | June 30, 2023 |

Contact Information

Questions regarding the SCP application or application process should be directed to:

Hannah Brunelle
 Telephone: 213-236-1907
 Email: brunelle@scag.ca.gov

Submittal Information

Applications are due Friday, January 15, 2021 by 5:00 p.m. using the instructions provided in the application. Questions regarding submitting applications for each category should be emailed to the contact person listed above. Applications should include all supporting documents in a single PDF file. Applications should include all supporting documents in the online application. Applicants are not required to demonstrate that a governing body has taken official action in order to apply, but a supporting resolution from the governing body or a letter of intent in support of the project from the appropriate executive officer will be required prior to project initiation. Files should be labeled in the following format:

Phase Category_City Name_Application Category_Project Name

For example:

Housing_Plannersville_ADUPoliciesandOrdinances_CitywideADUOrdinance

Regional Distribution

Efforts will be made so that HSD projects are awarded in each county within the SCAG region.

Eligible Applicants

Incorporated cities and unincorporated counties within the SCAG region are eligible to apply for HSD resources

Prioritizing Community Engagement Across Project Types

Community engagement is essential in developing any HSD project. SCAG encourages each applicant to engage local communities and community-based organizations during the project, to help achieve equitable outcomes and affirmatively further fair housing (AFFH). Pursuant to [State law](#), AFFH means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

Project Type: Advancing Affordable Accessory Dwelling Units (ADU) Implementation

The intent of this project type is to provide planning assistance to help jurisdictions develop implementation policies and programs, focused on affordable rental ADU programs and ordinances, required for housing element programs updated for consistency with State law. The most competitive applications will advance multiple planning goals; prioritize practical context-based need; utilize innovative or creative planning practices; result in planning products or programs that are clearly tied to accelerating housing production, community need and implementation; and can serve as “best practices” for cities in the region.

ADUs have the potential to be an innovative, affordable, effective option for adding much-needed housing in California. HCD is the state’s recognized expert on local [ADU ordinances](#), which have grown exponentially in number as more cities, counties, and homeowners become interested in ADUs as one solution to increasing the supply of affordable housing.

ADUs can be designed and supported as more affordable housing because they do not require paying for land, major new infrastructure, parking, or elevators. ADUs can provide a source of income for homeowners and can allow extended families to be near one another. ADUs can provide as much living space as many newly-built apartments and condominiums, and they are well suited for a variety of living situations. ADUs offer homeowners the flexibility to share independent living areas with household members and others and are an option to allow seniors to age in place.

Moreover, as jurisdictions prepare site inventories for the 6th Housing Element Update Cycle, site capacity must be designated for residential development, including ADUs, to meet Regional Housing Needs Allocations (RHNA) for each designated income level. Many local governments have updated their ADU ordinances for consistency with recent amendments to State law, but still need programs to incentivize development of affordable ADUs.

SCAG has already conducted an analysis in order to provide local governments in the region with assumptions for ADU affordability that can be used to assign ADUs to income categories for the purpose of 6th Housing Element Update Cycle. Since HCD [has determined](#) SCAG’s Regional ADU Affordability Analysis meets statutory requirements, SCAG’s ADU project type may therefore be used to address additional housing element requirements such as ADU development trends, resources and incentives, and policies and programs. There is need for development of financing programs to support ADUs affordable to lower income households, described, for example in this [University of California – Berkeley report](#). Applicants who wish to apply for this program are strongly encouraged to attend an application workshop and/or reach out to SCAG staff for more information.

| Advancing Affordable ADUs Implementation - Scoring Criteria | |
|---|-----------|
| Focus Area 1: Project Need | 55 Points |

| | |
|---|------------------|
| Nexus to increased ADU production through updated policies, ordinances and programs | 30 |
| SCS Implementation | 15 |
| Disadvantaged Community Need | 10 |
| Focus Area 2: Scope of Work and Project Outcomes | 30 Points |
| Estimated housing production potential | 15 |
| SCS Implementation | 10 |
| Supporting AFFH policies | 5 |
| Focus Area 3: Partnerships and Engagement | 15 Points |
| Partnerships | 5 |
| Inclusive Diverse and Equitable Community Engagement | 10 |

Project Type: [Housing Sustainability Districts](#), [Workforce Housing Opportunity Zones](#), and [Housing Supportive Tax Increment Financing Districts](#)

The intent of this project type is to provide planning assistance to help jurisdictions implement and adopt Housing Sustainability Districts, Workforce Housing Opportunity Zones, and Housing Supportive Tax Increment Financing Districts that support housing production. The most competitive applications will advance multiple planning goals; prioritize practical context-based need; utilize innovative or creative planning practices; planning products or districts that are clearly tied to accelerating housing production, community need and implementation; and can serve as “best practices” for cities in the region.

The [2017 Legislative Housing Package](#) provided a renewed focus on California’s housing crisis. The housing package offered an injection of new regulatory and financial resources, and with it, an opportunity to innovate in the way housing is delivered throughout the state of California. Examples of eligible plans include but are not limited to the following:

Housing Sustainability Districts (AB 73): Planning assistance to help jurisdictions implement AB 73, through the use of incentives to local governments to create housing on infill sites near public transportation, including fair housing analysis, identifying potential areas for affordable housing, and developing equity-based housing policies and programs. Certain CEQA streamlining and ministerial approval options may also become available in a Housing Sustainability District.

Workforce Housing Opportunity Zones (SB 540): Planning assistance to help jurisdictions implement SB 540, through the use of streamlining the housing approval process by having cities identify Workforce Housing Opportunity Zones and completing up-front planning focused on employment and affordable housing in areas close to jobs, transit, and result in reduced VMT.

Housing Supportive Tax Increment Financing Districts: Planning assistance to help jurisdictions implement tax increment financing districts that will result in accelerating housing production, through the development of infrastructure improvements to support infill housing and transit-oriented mixed-use development, such as:

Enhanced Infrastructure Financing Districts (EIFDs) (SB 628). EIFDs are authorized to utilize tax increment financing to fund infrastructure improvements, maintenance, and related projects. EIFDs do not increase property taxes. Jurisdictions designate a district for investment through a public financing authority. There is no mandatory affordable housing set-aside for this type of tax increment financing district.

Community Revitalization and Investment Authorities (CRIAs) (AB 2). CRIAs are funded through tax increment financing and increase funding for and production of affordable housing in disadvantaged communities. To qualify, a city/county must meet the criteria for disadvantaged communities or meet other socioeconomic conditions. CRIAs have an affordable housing set aside of 25%.

Neighborhood Infill Finance and Transit Improvements (NIFTIs) (AB 1568). The NIFTI Act permits cities/counties to allow EIFDs to funnel sales and use tax revenues toward affordable housing and supportive transit infrastructure projects. The law outlines the requirements for the ordinance that must be established to create a NIFTI. NIFTIs have a 20% affordable housing requirement.

Affordable Housing Authorities (AHAs) (AB 1598). As public financing entities, AHAs use property or sales tax increment to provide bonds for affordable housing and workforce housing production. AHAs are funded by an affordable housing fund that is financed by property tax increment revenues. AHAs have a 95% affordable housing requirement.

Infrastructure and Revitalization Financing Districts (IRFDs) (AB 229). IRFDs finance housing development and other development projects of communitywide significance in current and former redevelopment project areas using funds from the Redevelopment Property Tax Trust Fund. Districts that develop housing are required to set aside a minimum of 20% low- and moderate-income housing.

Applicants who wish to apply for this program are strongly encouraged to attend an Application Workshop and/or reach out to SCAG staff for more information.

| Housing Sustainability Districts (AB73), Workforce Housing Opportunity Zones (SB540) and Housing Supportive Tax Increment Financing Districts - Scoring Criteria | |
|---|------------------|
| Focus Area 1: Project Need | 55 Points |
| Nexus with increased housing production | 30 |
| VMT reduction | 15 |
| Disadvantaged community need | 10 |
| Focus Area 2: Scope of Work and Project Outcomes | 30 Points |
| Estimate housing production potential | 15 |
| VMT reduction | 10 |
| Supporting AFFH policies | 5 |
| Focus Area 3: Partnerships and Engagement | 15 Points |
| Partnerships | 5 |
| Inclusive Diverse and Equitable Community Engagement | 10 |

Project Type: Objective Development Standards for Streamlined Housing, Prohousing Designation Program and Parking Innovation

The intent of this project type is to provide planning assistance to help jurisdictions revise and adopt Objective Development Standards, implement prohousing policies and programs, revise and adopt housing supportive parking policies and programs. The most competitive applications will advance multiple planning goals; prioritize practical context-based need; utilize innovative or creative planning practices; result in planning products, policies or programs that are clearly tied to accelerating housing production, community need and implementation; and can serve as “best practices” for cities in the region.

Speeding up approvals and permit processing, including instituting programs that streamline or consolidate the review process, can expedite the production of housing in a community, and can incentivize infill development and affordable housing. Moreover, reducing parking, implementing parking pricing programs, and other parking innovations can also significantly reduce the cost of producing new housing.

Developing Objective Development Standards or pre-approved site and architectural plans can facilitate non-discretionary permitting and streamline the housing approval process. In 2017, [SB 35](#) provided for a streamlined, ministerial approval process for multi-unit residential development in localities that have not met their RHNA targets for any given year. These standards involve “no personal or subjective judgement by any local official and are uniformly verifiable by reference to an external and uniform benchmark, or criterion available and knowable by both the development applicant or proponent and the public official.” Objective development standards can facilitate compliance with the Housing Accountability Act; see HCD Memorandum: [Housing Accountability Act Technical Assistance Advisory](#) (PDF) (AB 678, AB 1515, AB 3194, SB 330).

To facilitate process streamlining, HCD is implementing a new Prohousing Program to incentivize cities to reduce housing costs by speeding up the process of housing entitlements. HCD has a [living document](#) that provides insight on best practices that support Prohousing communities [HCD’s pending Prohousing Guidelines should be available prior to the deadline for completing applications].

Eligible proposals include but are not limited to the following:

Streamlining permit processing. Planning assistance to help jurisdictions implement streamlining the housing approval process by having cities revise and adopt ordinances, policies, fee reductions and programs that focus on accelerating housing production.

Prohousing Designation. Planning assistance to help jurisdictions attain an HCD Prohousing designation, by implementing streamlined & objective development standards, and/or reducing development impact fees, to reduce housing costs for infill development and by encouraging by-right housing.

Parking Innovation. Planning assistance to help jurisdictions implement innovative parking strategies such as reducing or eliminating parking minimums, implementing parking pricing

programs, and other parking policies that significantly reduce the cost of producing new housing.

Applicants who wish to apply for this program are strongly encouraged to attend an Application Workshop and/or reach out to SCAG staff for more information.

| Objective Development Standards for Streamlined Housing, Prohousing Designation Program and Parking Innovation - Scoring Criteria | |
|--|------------------|
| Focus Area 1: Project Need | 55 Points |
| Nexus to increased housing production through objective development standards for streamlined housing, achieving a Prohousing designation, or parking innovation | 30 |
| SCS Implementation | 15 |
| Disadvantaged Community Need | 10 |
| Focus Area 2: Scope of Work and Project Outcomes | 30 Points |
| Estimate housing production potential | 15 |
| SCS Implementation | 10 |
| Supporting AFFH policies | 5 |
| Focus Area 3: Partnerships and Engagement | 15 Points |
| Partnerships | 5 |
| Inclusive Diverse and Equitable Community Engagement | 10 |

Match Requirements

There are no local match requirements for HSD planning projects.

Application Process

Eligible applicants are encouraged to apply to the SCP by completing an application specific to one of the three Project Types described above that prioritizes jurisdictional goals. While one application is recommended, jurisdictions may submit multiple project applications. Please contact SCAG staff if support is needed in identifying the proper application category. An application workshop will be scheduled in December 2, 2020 to address any questions related to the application process. For more information and details on the workshop, please see the [SCAG SCP website](#). **Applicants must complete and submit their application by 5:00 p.m. on January 15, 2021.**

Evaluation Process

An evaluation team specific towards each project type will review the applications. Each evaluation team will be made up of internal and external representatives, related to the specific categories. Recommendations will be made to the Regional Council in March 2021. Following project award announcements, unsuccessful applicants are encouraged to talk with SCAG staff to obtain feedback on opportunities to improve their applications for future program cycles.