

California
Strategic Growth Council



Affordable Housing & Sustainable Communities Program

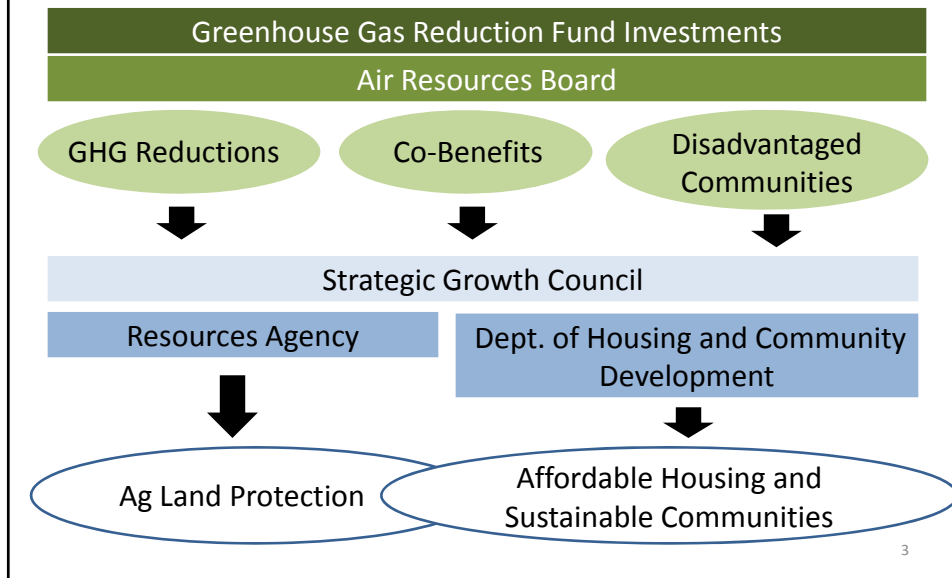
Claudia Cappio
Housing and Community Development Department
November 6, 2014

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

What is the Strategic Growth Council?

- Business, Consumer Services & Housing Agency
- California Environmental Protection Agency
- Health & Human Services Agency
- Department of Food & Agriculture
- Natural Resources Agency
- California State Transportation Agency
- Governor's Office of Planning & Research
- Public Member appointed by Governor
- Public Member Appointed by Speaker of the Assembly
- Public Member Appointed by Senate Rules Committee

Structure of SGC-led Cap and Trade Proceed Investments



AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

Purpose of the AHSC Program

Projects that will increase accessibility of housing, employment centers and **Key Destinations** via low-carbon transportation options (walking, biking and transit), resulting in fewer vehicle miles travelled (VMT).

The Program will provide grants and affordable housing loans for infill and compact transit-oriented development and related infrastructure and program activities.

Key Program Thresholds

- Reduce GHG primarily through reduced VMT, including mode shift from single occupancy vehicles (SOV)
- Consistent with **Sustainable Communities Strategy**, or similar planning document*
- Consistent with the State planning priorities per 65041.1 of the Government Code

**SB 862: "If a Sustainable Communities Strategy is not required for a region by law, a regional plan that includes policies and programs to reduce greenhouse gas emissions" will meet this requirement.*

11/6/2014

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Projects must demonstrate GHG reductions that focus on VMT reductions

Projects may also demonstrate ancillary GHG reductions through:

- Improved energy efficiency
- Net GHG sequestration
- Other GHG reductions or emissions avoidance

11/6/2014

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Co-Benefits

Project scoring criteria shall support co-benefits beyond the reduction of GHG emissions, which includes:

- Maximizing economic, environmental, and public health benefits
- Improving air quality
- Reducing energy consumption
- Reducing criteria pollutants
- Reducing water consumption
- Reducing greenfield land consumption
- Reducing commute times
- Reducing public fiscal costs
- Support economic growth
- Support workforce development
- Support civic partnerships
- Support stakeholder engagement
- Protect or improve public health

ARB will be providing further guidance on measuring co-benefits which will be incorporated into program guidelines

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Big Picture – VMT Reduction

Travel Mode

- ✓ Rail – Heavy/light
- ✓ Bus/BRT
- ✓ Car-sharing
- ✓ Bike
- ✓ Walk



Key Destinations

- ✓ Housing
- ✓ Work
- ✓ Retail
- ✓ Schools
- ✓ Parks
- ✓ Critical Services
- ✓ Recreational



VMT



GHG

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GHG Quantification

- Applications must demonstrate how funded projects will reduce GHG emissions, subject to methodologies and reporting requirements established by the California Air Resources Board
- Guidance on the accepted methodologies and metrics will be provided in the Draft Final Guidelines for SGC adoption, posted on Dec. 1, 2014

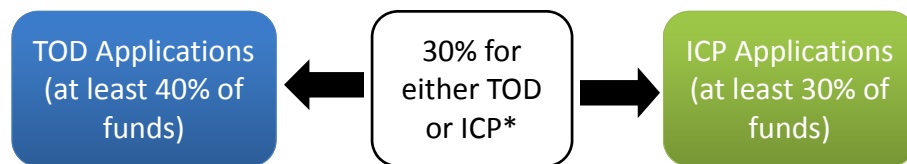
Eligible Applicants

A Public Agency* that has jurisdiction over the Project Area is a required applicant either alone or jointly with any of the following:

- Joint Powers Authorities
- Public Housing Authorities
- Developers (profit or non-profit)
- Transit Agencies/Operators
- School District
- Facilities or other special district

Eligible Project Types

- **Transit-Oriented Development (TOD)**
Corridors, Districts & Neighborhoods
- **Integrated Connectivity Projects (ICP)**



**Based upon score and meeting Affordable Housing (AH) and Disadvantaged Communities (DAC) Requirements*

11/6/2014

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ELIGIBLE CAPITAL USES

- Housing Developments*
- Housing-Related Infrastructure*
- Transportation or Transit-Related Infrastructure (includes Active Transportation)*
- Green Infrastructure*
- Planning Implementation

ELIGIBLE PROGRAM USES

- Active Transportation
- Transit Ridership
- Criteria Pollutant Reduction

** All applications must include at least one of these Primary Capital Uses.*

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TOD & ICP Project Type Summaries

	TOD Project Categories	Integrated Connectivity Projects (ICP)
	Areas with Qualifying High Quality Transit	Areas with Potential to Improve Transit
Transit Requirements	Project Area must include a Major Transit Stop within a ½ mile catchment area with service by at least one of the following: <ul style="list-style-type: none"> ▪ High Speed Rail ▪ Heavy/ light rail ▪ Bus Rapid Transit (BRT) ▪ Express Bus 	Project Area must include at least one (1) Transit Station or stop with service by at least one of the following: <ul style="list-style-type: none"> ▪ High Speed Rail ▪ Heavy/light Rail ▪ Bus Rapid Transit (BRT) ▪ Express Bus ▪ Bus ▪ Vanpool/shuttle
Eligible Projects	Eligible projects MUST include an affordable housing development (residential or mixed-use) AND at least ONE infrastructure-related Capital Use(s).	Projects MUST include at least <u>TWO</u> Eligible Uses. At least one (1) of the Eligible Uses must include an Infrastructure-Related Capital Use.
Award Amounts	Minimum – \$1 million Maximum – \$15 million	Minimum – \$500,000 Maximum – \$8 million

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

**Feasibility
&
Readiness**

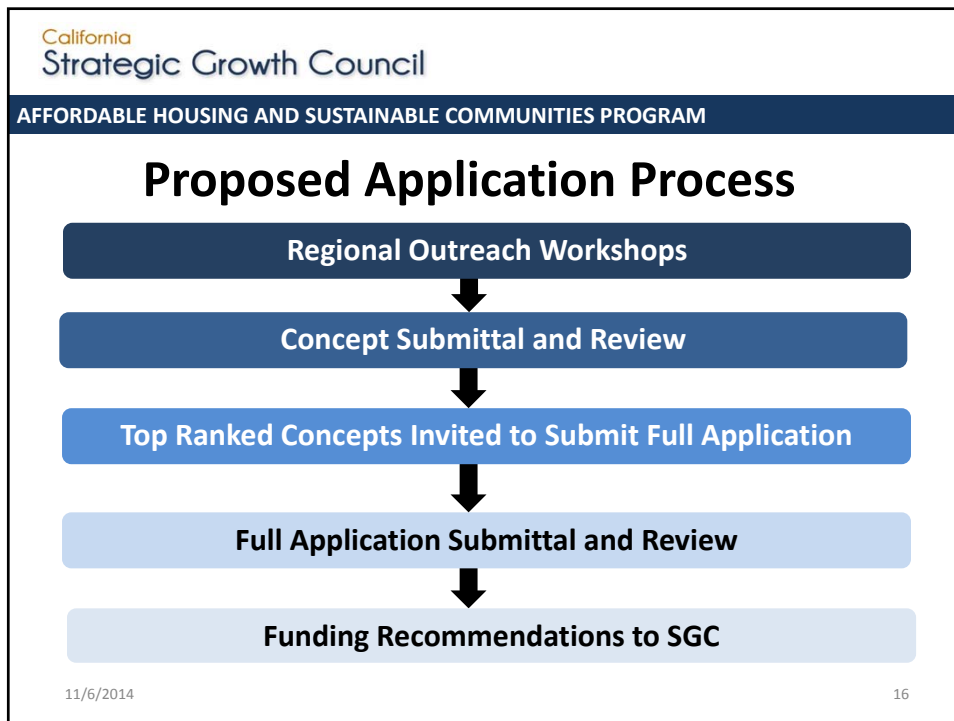
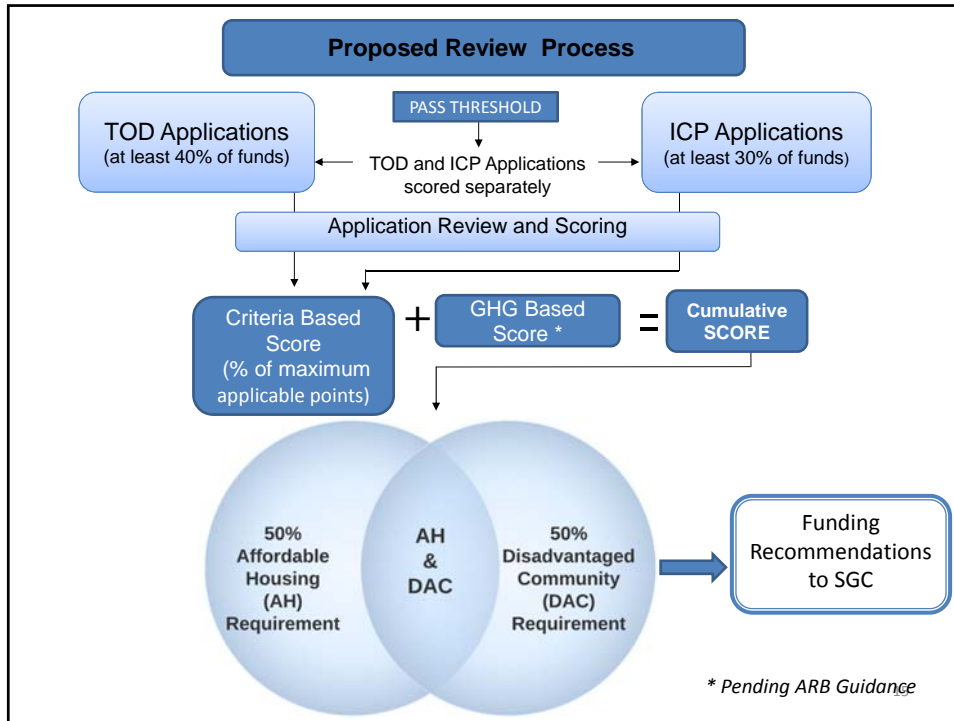
**35-40%
of Score**

**Connectivity
&
Improved
Access**

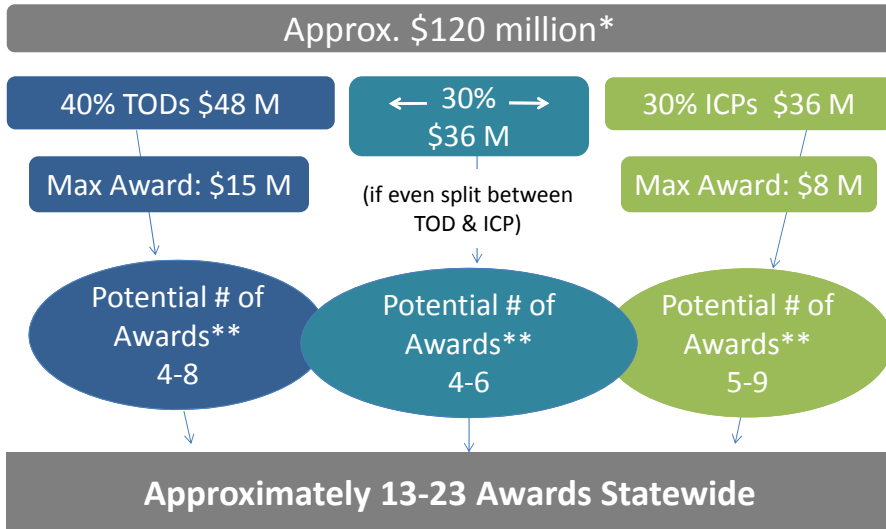
**40-45%
of Score**

**Community
Orientation**

**15-20%
of Score**



AHSC Program Funding – FY 2014/15



* Excludes SALC Program component

** Range of potential awards based upon all awards at max (low end) vs. all awards at mid-range, i.e. 50% of maximum award (high end)

California Strategic Growth Council

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

Estimated Timeline

✓	AUGUST 2014	Three Public Workshops on Guideline Development
✓	SEPTEMBER 2014	Release Draft Guidelines
✓	OCTOBER 2014	Four Public Workshops on Draft Guidelines
	DEC 1, 2014	Release Draft Final Guidelines
	DEC 17, 2014	Final Guidelines to Council for Approval
	JANUARY 2015	Funding Solicitation Released
	FEBRUARY 2015	Concepts Due
	APRIL 2015	Full Applications Due
	JUNE 2015	Awards Announced

Further Information:

http://www.sgc.ca.gov/s_ahscprogram.php

- Draft Guidelines
- FAQs
- listserv notification sign-ups



TRANSIT AND INTERCITY RAIL CAPITAL & LOW CARBON TRANSIT OPERATIONS PROGRAMS

SB 862 (2014)

November 6, 2014

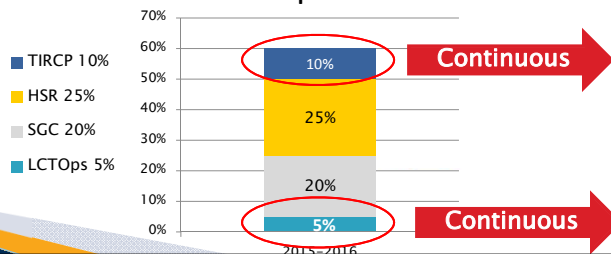
Starting Points: Climate Policy to Reduce GHG Emissions

- ▶ **AB 32 (2006)**
 - Target: Greenhouse Gas (GHG) emissions at **1990 levels by 2020** and maintain reductions
 - Authorized the **Cap and Trade Program** at the Air Resources Board (ARB)
- ▶ **SB 375 (2008)**
 - Required **Sustainable Communities Strategies** in Regional Transportation Plans
- ▶ **High-Speed Rail/Prop. 1A (AB 3034, 2008)**
 - Helps reduce GHG emissions by investing in both high-speed rail and existing rail systems



2014-15 Budget – SB 862

- ▶ Directs future proceeds from Greenhouse Gas Reduction Fund [GGRF] **continuously to two new programs:**
 - ▶ Transit and Intercity Rail Capital Program [**TIRCP**]
 - ▶ Low Carbon Transit Operations Program [**LCTOP**]
- ▶ Each program gets \$25 million of FY 2014-15 funds
- ▶ **TIRCP:** 10% of future annual GGRF proceeds
- ▶ **LCTOP:** 5% of future annual GGRF proceeds



How Do TIRCP and LCTOP Differ?

▶ TIRCP:

- **Competitive** process
- Successful projects will excel by meeting certain criteria, allow for “**transformative investments**”

▶ LCTOP:

- **Formula** Based
- Access to funds guaranteed by meeting certain criteria

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What Are Their Policy Objectives?

TIRCP:

- ▶ Projects will:
 - Improve/expand rail service/ridership
 - Focus on integrating with other rail and transit, including high-speed rail
 - Improve rail safety
 - Prioritize disadvantaged communities

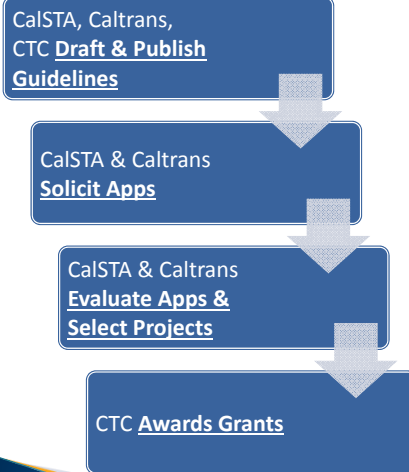
LCTOP:

- ▶ Projects will:
 - Improve mobility
 - Prioritize disadvantaged communities

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What are their respective processes?

TIRCP:



LCTOP:



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What are the roles of the State Agencies?

TIRCP:

- ▶ **CalSTA administers** the program
- ▶ **CalSTA consults with Caltrans** in drafting the guidelines, soliciting and evaluating the apps, and selecting the projects
- ▶ **CTC awards** the grants to the selected projects

LCTOP:

- ▶ **Caltrans administers** the program:
 - Draft and publish guidelines
 - Determine eligibility of proposed expenditures
 - Establish reporting requirements
 - Evaluate apps and approve expense types
 - ▶ **SCO allocates** funding
-
- ▶ **ARB is consulted**, for both, providing guidance on:
 - Reporting and quantification of GHG reduction effects
 - Maximizing benefits to disadvantaged communities
 - ▶ **SGC reviews** guidelines for consistency with State policy

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Who are Eligible Applicants?

TIRCP:

- ▶ Shall be **public agencies including JPAs** that operate existing or planned
 - Intercity rail
 - Commuter passenger rail
 - Urban rail transit service
 - Bus Services
- ▶ **May “partner”** with other transit operators to integrate tickets/scheduling with bus or ferry
- ▶ Goal of **at least 25%** to benefit disadvantaged communities

LCTOP:

- ▶ **Public Transit Agencies** that currently qualify for funding in the **State Transit Assistance Program**
- ▶ Goal of **at least 50%** of available funding must benefit disadvantaged communities, where applicable

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Necessary Requirements for Projects

FOR BOTH PROGRAMS:

- ▶ “[A] project **shall demonstrate** that it will achieve a reduction in [GHG] emissions.” (Emphasis added.)
 - Cal. Pub. Res. Code section 75221, subd. (b)

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What are Examples of Eligible Projects?

TRICP:

- ▶ Rail and bus capital projects
 - Rolling stock; expand, enhance, improve existing systems; connectivity to existing and future systems, high-speed rail
- ▶ Rail integration projects
 - Shared-use corridors; ticket integration
- ▶ Intercity and commuter rail projects
 - Increase/improve service
- ▶ Bus transit projects
- ▶ Other project types may be identified

LCTOP:

- ▶ Expenditures supporting new or expanded bus or rail services, including operations expenses to increase ridership
- ▶ Expanded intermodal transit facilities, including equipment acquisition, fueling, maintenance
- ▶ Other costs to operate services and facilities

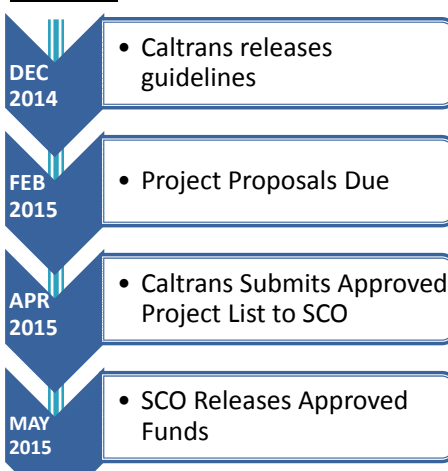


What's Next? The Path Forward:

TIRCP:



LCTOP:



Questions?

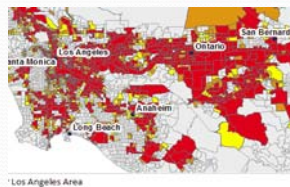
Kate White, Deputy Secretary of Environmental
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DRAFT



SB 535, SB 862, CalEnviroScreen Tool for Disadvantaged Communities

Ashley Conrad-Saydah, Deputy Secretary for Climate Policy, CalEPA

November 6, 2014



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Overview

- SB 535
 - CalEnviroScreen process
 - CalEPA Secretary’s decision
 - Maps and supporting documents
- SB 862
 - Implications for future investments
- ARB Interim Guidance on Greenhouse Gas Reduction Fund expenditures

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Senate Bill 535 (De León, 2012)

- At least 25 percent of Greenhouse Gas Reduction Fund moneys shall be allocated to projects that benefit disadvantaged communities.
- At least 10 percent of these moneys shall be allocated to projects located in disadvantaged communities.
- CalEPA shall identify disadvantaged communities “based on geographic, socioeconomic, public health and environmental hazard criteria.”

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CALENVIROSCREEN 2.0 INDICATORS

Pollution Burden		Population Characteristics	
Exposures	Environmental Effects	Sensitive Populations	Socioeconomic Factors
<input type="checkbox"/> PM 2.5 concentrations <input type="checkbox"/> Ozone concentrations <input type="checkbox"/> Diesel PM emissions <input type="checkbox"/> Drinking water contaminants <input type="checkbox"/> Pesticide use <input type="checkbox"/> Toxic releases from facilities <input type="checkbox"/> Traffic density	<input type="checkbox"/> Cleanup sites <input type="checkbox"/> Groundwater threats (Leaking underground tanks and cleanups) <input type="checkbox"/> Impaired water bodies <input type="checkbox"/> Solid waste sites and facilities <input type="checkbox"/> Hazardous waste generators and facilities	<input type="checkbox"/> Prevalence of children and elderly <input type="checkbox"/> Asthma emergency department visit rate <input type="checkbox"/> Rate of low birth weight births	<input type="checkbox"/> Educational attainment <input type="checkbox"/> Linguistic isolation <input type="checkbox"/> Poverty: Percent residents below 2x national poverty level <input type="checkbox"/> Unemployment rate

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Geographic scale: Census tracts

- Approximately 8000 census tracts in California.
- Represents a relatively fine scale of analysis.
- Each census tract receives a CalEnviroScreen score (between 1 and 100) based on how its 19 indicators compare with other census tracts.
- CalEnviroScreen ranks census tracts based on their scores.
 - Census tracts with higher scores have higher pollution burdens and vulnerabilities than tracts with lower scores.

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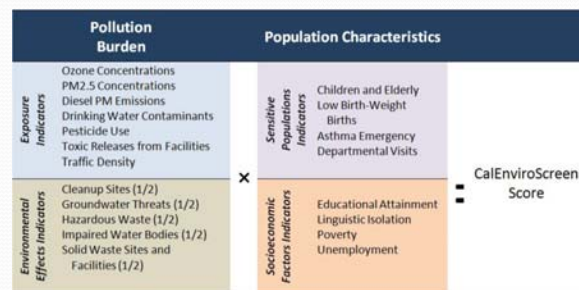
Identifying Disadvantaged Communities

- Per SB 535, CalEPA Secretary identifies the “cut point” in the scores
 - Census tracts with highest 15%, 20% or 25% of scores calculated from CalEnviroScreen data generally represent 15%, 20% and 25% of California’s population
- Workshops on 5 potential methods to determine cut point were held throughout the State
- Method 1 chosen
- Top 25 percent communities identified as disadvantaged for purposes of Greenhouse Gas Reduction Fund investments

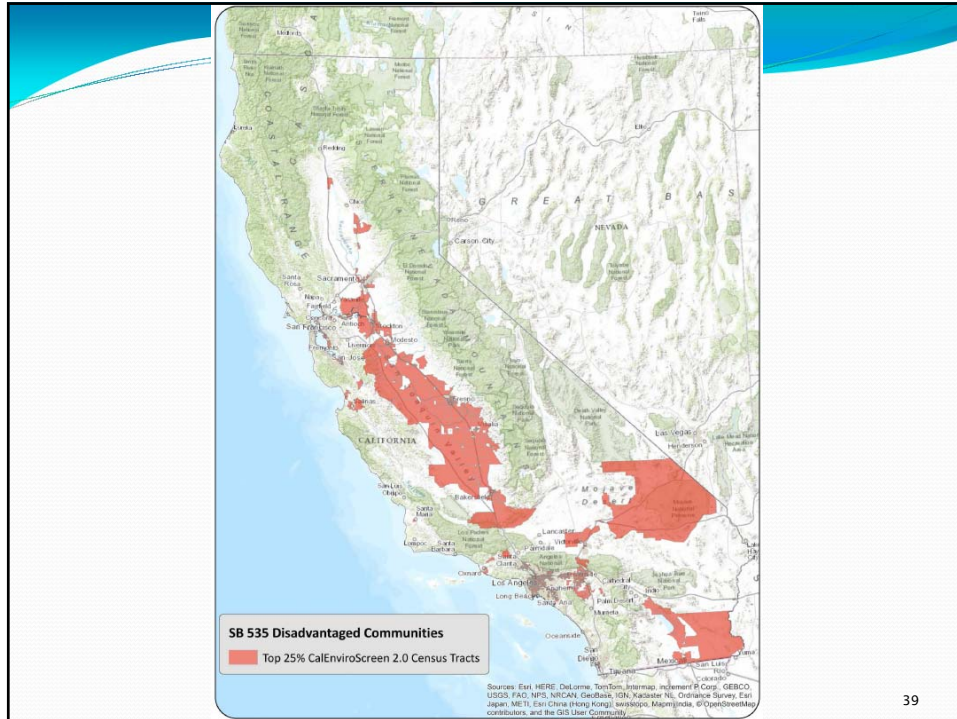
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Method 1: Top CalEnviroScreen scores

- For each census tract, the Pollution Burden score is multiplied by the Population Characteristics score to get a final CalEnviroScreen score.
- Consistent with scientific studies showing that population characteristics can affect health risks from pollution.

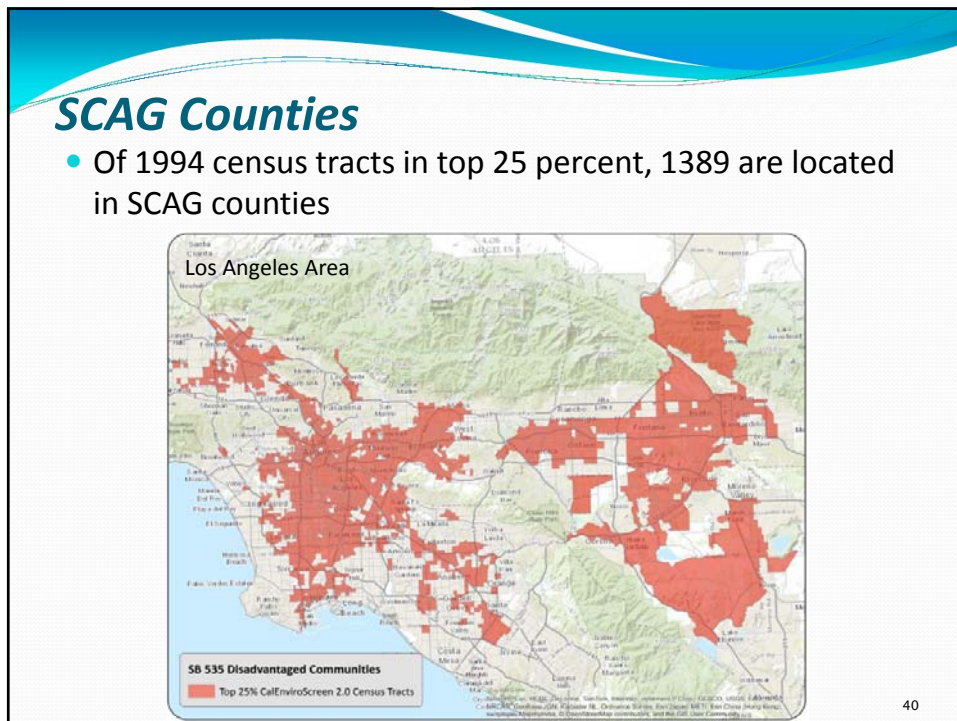


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SCAG Counties

- Of 1994 census tracts in top 25 percent, 1389 are located in SCAG counties



SB 862

- 60 percent of Greenhouse Gas Reduction Fund allocated by statute to:
 - High Speed Rail (25 percent)
 - Affordable Housing and Sustainable Communities Program, administered by the Strategic Growth Council (20 percent)*
 - Transit and Intercity Rail Capital Program, administered by the Transportation Agency and Transportation Cmsn (10 percent)
 - Low Carbon Transit Operations, administered through the State Transit Assistance formula (5 percent)
- Remainder of GGRF allocated per tri-annual Investment Plan and annual Expenditure Plan

* Half to affordable housing

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Inter-agency Coordination

- Administration-led effort + ARB leadership + Department of Finance engagement + Inter-agency coordination team...
- ...results in benefits at local, regional and state level stemming from California's climate action

Thank you!

Questions?

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Cap and Trade Auction Proceeds Guidance for Agencies Administering Greenhouse Gas Reduction Fund Monies

California Environmental Protection Agency

 **Air Resources Board**

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State Administering Agencies



- Each agency designs and implements its own program consistent with statutory direction, including public process, project criteria & selection
- Each agency incorporates ARB guidance on investments to benefit disadvantaged communities, quantification of benefits, tracking and reporting

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ARB Auction Proceeds Website

arb.ca.gov/auctionproceeds

- Central portal for information on all programs
 - Budgets
 - Program links
 - Guidance
 - Expenditure records
 - Notice of events

Current Activities

- Information on Funded Programs and Events
 - Transportation
 - Energy
 - Resources and Waste

What's New

Investments to Benefit Disadvantaged Communities

- Board Notice
- ARB Draft Interim Guidance
- Submit Comments
- CalEPA Discussion Document

Other Activities

- CAL FIRE GHG Grants Webinar September 24
- CSD-Weatherization Guideline Workshop

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Interim Guidance for Investments to Benefit Disadvantaged Communities

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How will we meet or exceed the investment targets for disadvantaged communities?

Million \$ for FY 2014-15	\$100	Low-carbon transportation
	\$75	Weatherization/renewables
	\$65	Housing/sustainable communities
	\$18	Urban forestry
	~\$8	Low-carbon transit operations
	\$6	Transit/intercity rail capital projects
	TBD	All other programs
	\$272+	Over 32% of total funding

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ARB Interim Guidance

- Framework for projects funded w/FY 2014-15 monies so agencies can move quickly
- Approaches to maximize benefits and access to benefits
- Criteria for project evaluation to support benefits that are **direct, meaningful, & assured**



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Maximizing Benefits to Disadvantaged Communities

- Target funding for projects located in and benefiting communities, based on ARB guidance
- Expand community engagement/access to funding
- Use scoring criteria that favor projects which provide multiple benefits or the most significant benefits
- Work with other programs for multiple benefits
- Require projects to be designed to avoid displacement
- Address needs commonly identified by communities or factors contributing to “disadvantaged” status

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Steps to Assess Benefits to Disadvantaged Communities

1. Determine project eligibility according to law and agency-specific requirements
2. Screen potential projects against the “yes/no” benefit criteria in tables (by project type)
3. If “yes” for one or more criteria, all Fund monies to implement project are included toward SB 535 targets
4. If “no,” project can still be funded, but won’t be credited toward SB 535 targets

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“Yes/No” Criteria

- A. Located within and provides direct benefits to a disadvantaged community census tract
- OR**
- B. Is not located within, but provides direct benefits to, one or more disadvantaged communities
 - 1. Based on proximity/access to benefit for residents (e.g., ½ mile, ZIP code)
 - 2. Provides jobs/job training, cleaner air, transit, access to green space, waste diversion, etc.

Table A-3 Affordable Housing and Sustainable Communities Projects: Projects will receive 20% reduction in vehicle miles traveled (e.g., increasing accessibility of housing, employment centers, and key destinations via complete streets and/or low carbon transportation options such as walking, biking, and transit).
Potential administering agencies: SSC

CRITERIA TO EVALUATE PROJECTS
Agencies set and use criteria in their agencies rules.

When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).

Step 1 - General filter: Evaluate the project to see if it meets at least one of the following criteria for being located in a DAC census tract and provide direct, meaningful, and assured benefits to a DAC.

Project must meet the following criteria focused on reducing passenger vehicle miles traveled by DAC residents or in a DAC:

- A. A majority (50%+) of the project is within one or more DACs and reduces vehicle miles traveled, and the project is designed to avoid displacement of DAC residents and businesses.

Step 2 - Provides Benefit To: If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria providing direct, meaningful, and assured benefits to a DAC.

Project must meet at least one of the following criteria focused on reducing passenger vehicle miles traveled by DAC residents or in a DAC:

- A. Project is accessible by walking within ½ mile of a DAC and reduces vehicle miles traveled, and is designed to avoid displacement of DAC residents and businesses; or
- B. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a DAC; or
- C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry recognized credentials or certifications.

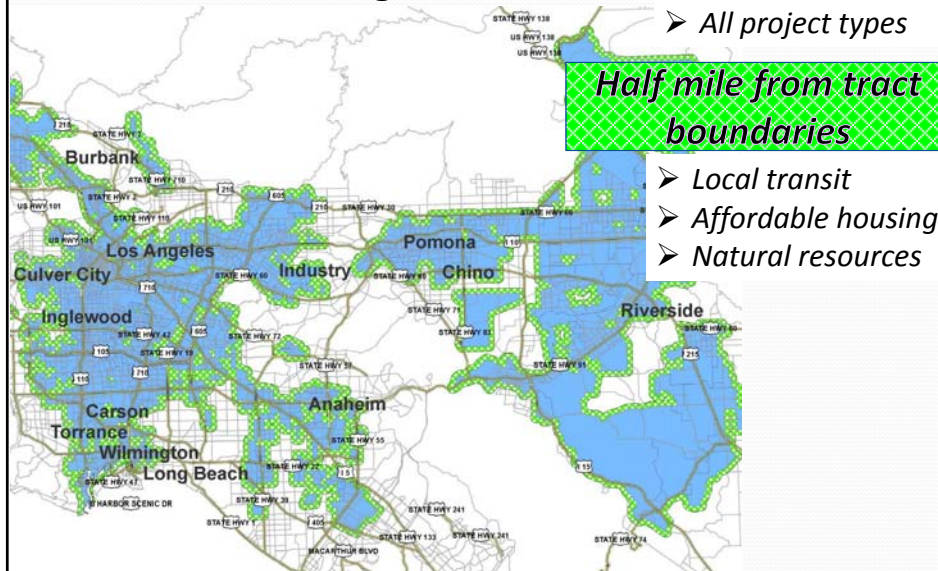
*For map of DAC census tracts, visit to http://dot.ca.gov/05/programs/sustainable_communities/

November 3, 2014 Appendix 1 Health SB 535 Guidance

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Greater Los Angeles

Top 25% of Census Tracts



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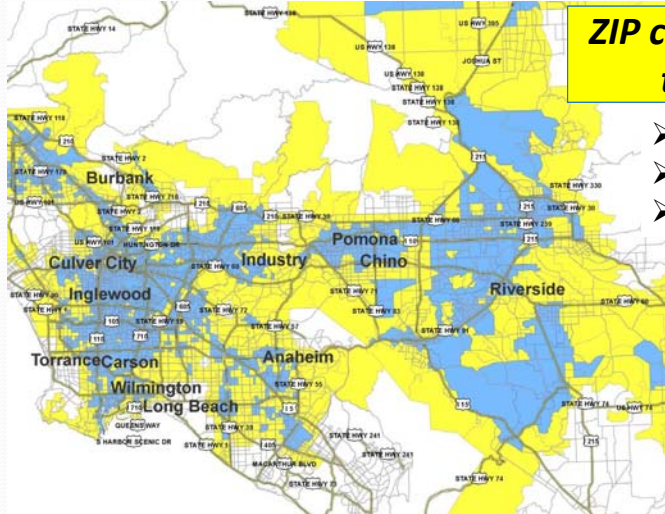
Greater Los Angeles

Top 25% of Census Tracts

➤ All project types

ZIP codes containing those tracts

- Intercity transit
- Passenger vehicles
- Freight projects



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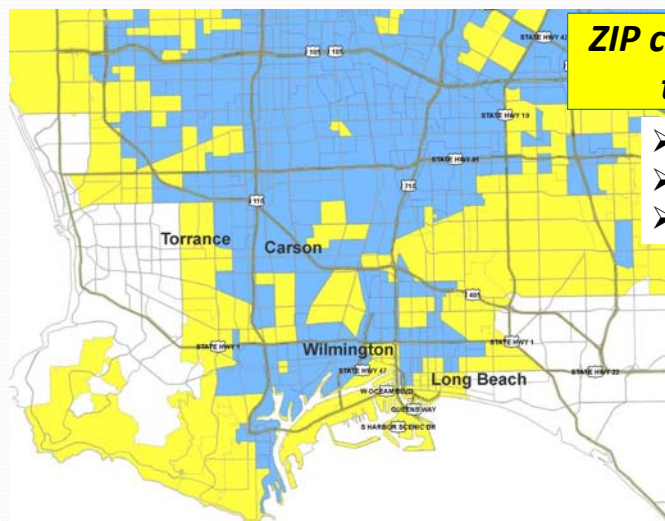
Ports of LA/LB & Points North

Top 25% of Census Tracts

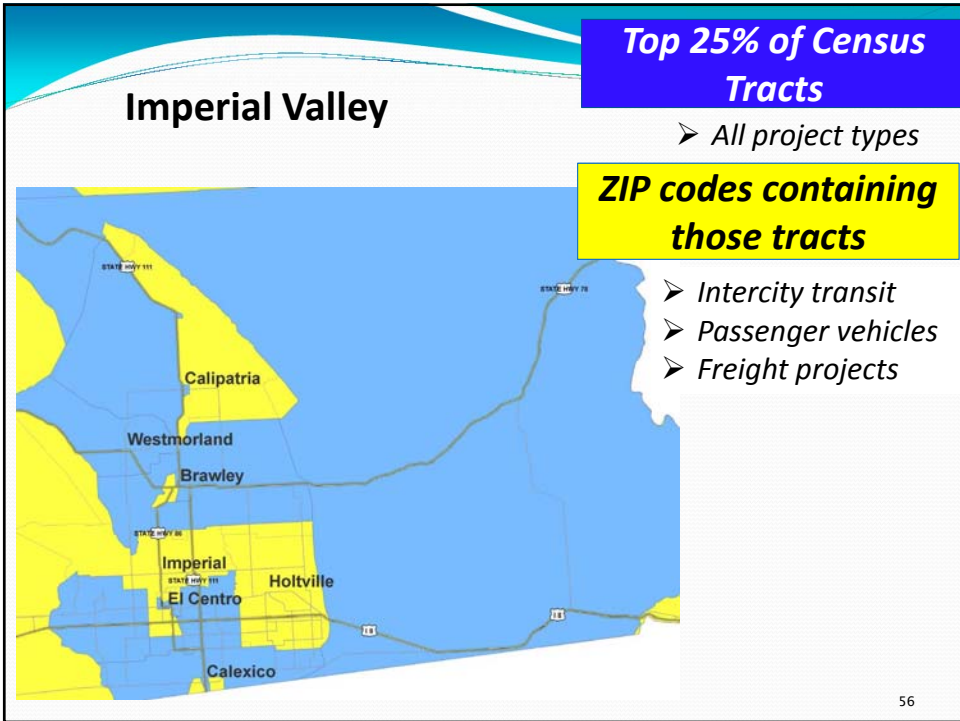
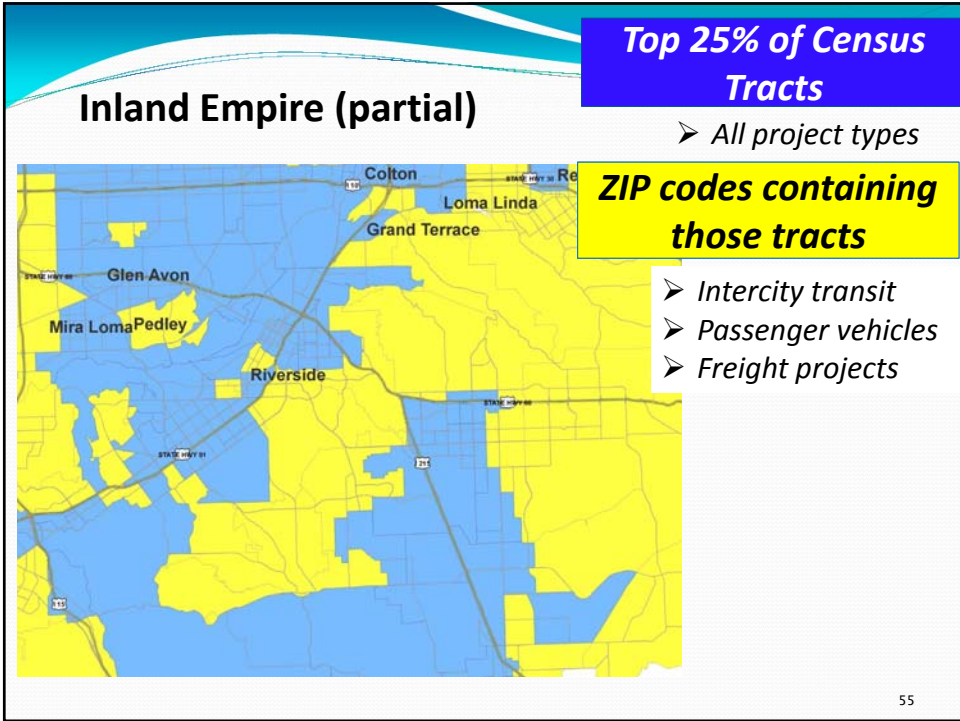
➤ All project types

ZIP codes containing those tracts

- Intercity transit
- Passenger vehicles
- Freight projects



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ARB Full Funding Guidelines in Mid-2015

- Learn from early implementation and adjust as needed
- Provide accountability, consistency, and transparency
- Guidelines to include:
 - Interim guidance topics
 - Methodologies to quantify project GHG reductions and co-benefits
 - Metrics to document project benefits
 - Reporting and on-line project tracking
- Extended public and interagency process

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First Update to 3-Year Investment Plan

- Affects FY 2016-17 to FY 2018-19 appropriations
- Will build on new planning efforts and objectives:
 - Updates to the AB 32 Scoping Plan
 - Upcoming Short Lived Climate Pollutants Plan
 - Forthcoming mid-term greenhouse gas reduction targets
- Will begin inter-agency and public input process in 2015
- Air Resources Board public hearing in late 2015
- Finance to submit to the Legislature in January 2016

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