

**DATE:** March 3, 2016

**TO:** Regional Council (RC)  
Executive/Administration Committee (EAC)

**FROM:** Hasan Ikhtrata, Executive Director, (213) 236-1944, ikhtrata@scag.ca.gov

**SUBJECT:** Cap-and-Trade Greenhouse Gas Reduction Fund: Affordable Housing & Sustainable Communities (AHSC) Program/SCAG Evaluation Criteria

**EXECUTIVE DIRECTOR'S APPROVAL:**



**RECOMMENDED ACTION FOR EAC:**

Recommend Regional Council approval of the AHSC Program Evaluation Criteria to be used by SCAG in reviewing and recommending concept and full applications prepared for projects in the SCAG region for the AHSC Program.

**RECOMMENDED ACTION FOR RC:**

Approve the AHSC Program Evaluation Criteria to be used by SCAG in reviewing and recommending concept and full applications prepared for projects in the SCAG region for the AHSC Program.

**EXECUTIVE SUMMARY:**

*As part of the Affordable Housing Sustainable Communities (AHSC) statewide grant program, the Strategic Growth Council (SGC) will be inviting a subset of concept applications to submit full applications. Concept applications are due March 16, 2016, and SCAG will review submitted applications to evaluate whether projects support the implementation of the 2012 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS). Full applications are due to SGC on June 20, 2016. Based on the attached set of Evaluation Criteria, SCAG will submit recommendations to SGC in the summer 2016 on the full applications for final awards. Staff developed the Evaluation Criteria based on the adopted policies and implementation strategies outlined in the 2012 RTP/SCS and the Sustainability Grant Program Call for Projects guidelines. Staff is requesting that the EAC and the RC approve the Criteria and authorize SCAG staff to use these Evaluation Criteria for reviewing and recommending the applications. The matter is time-sensitive as SGC requires that Metropolitan Planning Organizations (MPO)'s project evaluation process be fully developed before the concept application due date.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**

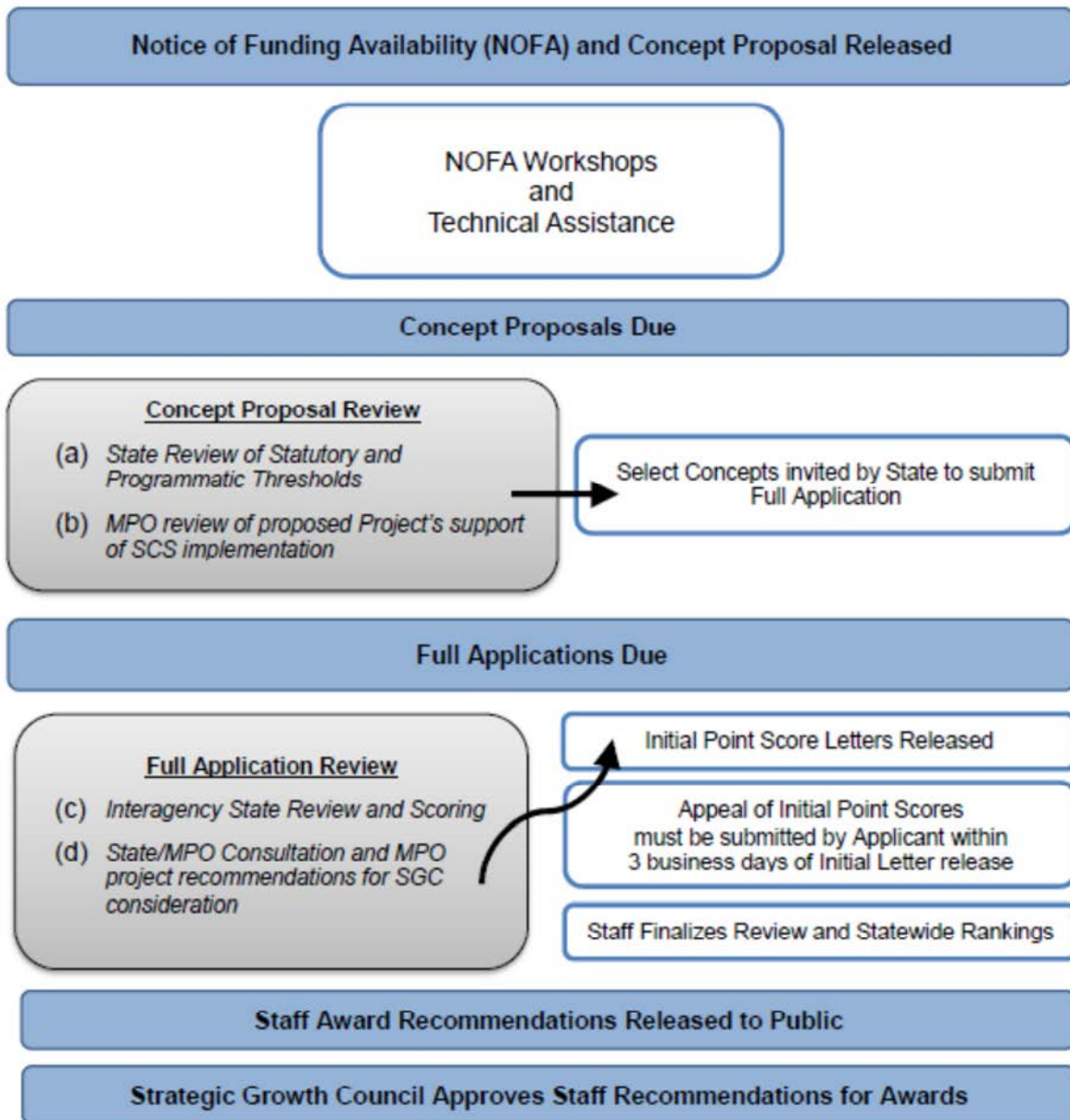
Through the State budget process, Cap-and-Trade auction proceeds are appropriated from the Greenhouse Gas Reduction Fund (GGRF) to State agencies and programs. The SGC is administering the AHSC program, which is intended to further regulatory purposes of AB 32 and SB 375 by investing GGRF monies in projects that reduce greenhouse gas (GHG) emissions through more compact, infill

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development patterns, integrating affordable housing, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development. For the 2015-2016 fiscal year, SGC and the California Department of Housing and Community Development (HCD) announced that \$320 million of funding would be available statewide for the AHSC program.

SB 862, as codified in California Public Resources Code Section 75215, provides that SGC “shall coordinate with the MPO and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the goals and objectives of this division.” Table 1 illustrates the overall AHSC application review process, including where in the process MPO coordination takes place.

## AHSC Program Application Review Process



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## Applications

Concept applications are due to SGC on March 16, 2016. SGC will invite selected participants to apply for the full AHSC program application the week of April 25, 2016. Full applications will be due to SGC by June 20, 2016, and awards will be announced in September 2016.

SCAG staff has formed a Cap and Trade Assistance Team (CTAT) to assist applicants. The CTAT can provide technical assistance on a variety of planning-related issues, including housing, transit, and land use topics. With the support of a consultant team, SCAG staff has conducted over 40 technical assistance sessions throughout the region since December 2015 to help potential applicants prepare competitive applications. Moreover, SCAG has secured nearly \$200,000 from SGC to launch a pilot technical assistance program that will strengthen concept applications from last year that did not advance to the State's final round. Resources will support applications that benefit disadvantaged communities, and will also be used to build capacity for future grant rounds.

This year, in order to continue to ensure a fair and transparent process, SCAG will have a separate set of staff (separate from the CTAT) to evaluate concept and full applications. This separate SCAG Evaluation Team will review concept applications to determine how they support RTP/SCS implementation strategies as outlined in Part Three of the Evaluation Criteria. Full applications will be evaluated based on GHG reductions, RTP/SCS co-benefits, and RTP/SCS implementation strategies as outlined in the Evaluation Criteria. The criteria are based on the 2012 RTP/SCS strategies, which reflects the most recently adopted RTP/SCS, and the SCAG Sustainability Grant Program Call for Projects. The approved Criteria will help staff identify each project's degree of support for SCS implementation strategies. The Evaluation Team will be comprised of two SCAG land use and environmental planning staff and one SCAG transportation staff.

Ultimately, in the 2014-15 round the CEHD Policy Committee and RC urged the SGC to fund all of the AHSC full grant applications in the SCAG region, and Evaluation Criteria were not applied to rank the full applications. For this cycle of 2015-2016, the decision on whether to rank the projects prior to recommending to SGC remains to be made.

In February SCAG staff provided the attached Evaluation Criteria to stakeholders including SCAG's Technical Working Group and CEO Sustainability Working Group and received no objections.

Pending recommendation and approval from the EAC and the RC, SCAG will submit the Evaluation Criteria to the SGC. SGC will post MPO Evaluation Criteria on its website, [https://www.sgc.ca.gov/s\\_ahscprogram.php](https://www.sgc.ca.gov/s_ahscprogram.php).

## **FISCAL IMPACT:**

Work associated with this item is included in the Fiscal Year 2015-2016 Overall Work Program (WBS Number 16-080.SCG00153.04: Regional Assessment).

## **ATTACHMENT:**

SCAG 2016 AHSC Evaluation Criteria

**Southern California Association of Governments  
2016 Affordable Housing & Sustainable Communities Grants (AHSC)  
Evaluation Criteria**

SCAG staff will use these guidelines to evaluate proposed AHSC projects in Transit Oriented Development (TOD) project areas, Integrated Connectivity Project (ICP) project areas and Rural Implementation Project Areas (RIPA) that have been submitted to the Strategic Growth Council. The Strategic Growth Council is administering the AHSC program, which is one out of a number of programs related to the Greenhouse Gas Reduction Fund (GGRF). These evaluation criteria reflect SCAG's 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) goals and strategies as well as the Sustainability Grant Program Call for Projects.

SCAG's recommendations are based on three overarching considerations: maximizing greenhouse gas (GHG) reduction, emphasizing co-benefits, and strong implementation of the 2012-2035 RTP/SCS. To the degree feasible, SCAG's review will consider the entirety of the project, not just the capital projects that are being funded through the AHSC. SCAG strongly supports applications benefitting disadvantaged communities.

**Evaluation:**

Evaluation and scoring is based on a point scale from 0 to 100. GHG reduction will comprise 50% of a project's score. Co-benefits and the implementation of the 2012-2035 RTP/SCS strategies will comprise 30% and 20% of a project's score, respectively.

*Part One: GHG Reduction (50 Points)*

- Project scoring will start with GHG reduction output (Metric tons of CO<sub>2</sub> over project life/Greenhouse Gas Reduction Fund Amount Requested (\$)), where figures are tabulated based on VMT reductions. SCAG will establish a reasonable range of scores based on GHG cost-benefit effectiveness. Projects will be evaluated accordingly within this range. This helps to identify the cost effectiveness of a project in reducing GHG over the life of a project.

*Part Two: RTP/SCS Co-Benefits (30 Points)*

- Projects must clearly identify three co-benefits that support the goals of the RTP/SCS as measured in Table 5.1 of the Adopted 2012 RTP/SCS Outcomes and Performance Measures/Indicators and Table 2 of the [RTP/SCS Performance Measures Appendix](#). SCAG will review the co-benefits and assign a score based on how strongly the project adheres to and demonstrates the selected co-benefit. Applications are limited to a selection of three co-benefits, and scoring will be on a scale of 1 to 10 for each respective item. This sum will then be added to the score for Part One. Co-benefits must also adhere to the categories outlined in the AHSC Program Guidelines: public health and safety, economic, and environmental co-benefits.

*Part Three: RTP/SCS Implementation Strategies (20 Points)\**

- Projects that clearly address bullets within the six categories named below through a narrative explanation will be scored higher. See Part three of Scoring Criteria

\*Scoring is not applicable to concept applications

## Categories:

### Category 1: Integrated Planning

- Promotes residential, mixed- used, and/or employment development around current and planned transportation investments

### Category 2: Land Use Mix

- Promotes a sustainable land use mix, including new housing.
- Encourages affordable housing and mixed land uses, which may include compact neighborhood serving centers.

### Category 3: Advancing Green Region

- Addresses climate change through adaptation planning.
- Promotes energy and/or water efficiency and savings.

### Category 4: Promotes Active Transportation & Public Health

- Promotes active transportation such as walking and bicycling.
- Promotes physical activity, safety, education, and outreach.
- Project is implementing a healthy community plan and/or active transportation (bicycle and/or pedestrian) plan.
- Promotes shift from automobiles to active transportation.

### Category 5: Aligning Transportation Investments

- Project is aligned with existing or planned transportation investments within 5 miles of project area including any planned bicycle infrastructure, pedestrian improvements, transit, local rail, regional rail, bus rapid transit, and/or bus rapid transit light.
- Promotes linkages within existing active transportation and transit networks.
- Project includes first/last mile strategies or is part of an area with a first/last mile strategy plan actively in development.

### Category 6: Sustaining Regional Goals

- Project is implementing a SCAG Sustainability Grant plan or a past Compass Blueprint Grant plan.
- Promotes the 3 E's of Sustainability: Economy, Equity, and Environment.
- Demonstrates innovative approaches to regional planning issues that can be replicated elsewhere, especially robust collaboration.

## **Final Recommendation Constraints:**

These constraints can be applied to the project recommendations following staff application of the above outlined three-part scoring.

- SCAG will recommend a minimum of fifty percent (50%) of project funds benefiting Disadvantaged Communities

- SCAG will target recommending a minimum of thirty-five percent (35%) TOD projects, a minimum of thirty-five percent (35%) ICP projects and a minimum of ten percent (10%) RIPA projects.

Affordable Housing & Sustainable Communities				
DRAFT Scoring Criteria				
No.	Category	Criteria	Points Possible	Score
<b>Part One: GHG Reduction (50 Points Possible - 50% of Overall Score)</b>				<b>50</b>
1A	Overall Cost Effectiveness	Metric Tons of CO2 Over Project Life/GGRF Requested (\$)	No Points	
1B		1A, ranked against other applicants' 1A score. SCAG will establish a reasonable range of scores out of 50 based on GHG reduction cost-benefit. Projects will be ranked accordingly and assigned scores within that range	50	
<b>Part Two: RTP/SCS Co-Benefits (30 Points Possible - 30% of Overall Score)</b>				<b>30</b>
2A	Co-Benefit A	Co-benefit fully relate to RTP/SCS goals (Table 5.1 or Performance Measure Appendix Table 2)	10	
2B	Co-Benefit B	Co-benefit fully relate to RTP/SCS goals (Table 5.1 or Performance Measure Appendix Table 2)	10	
2C	Co-Benefit C	Co-benefit fully relate to RTP/SCS goals (Table 5.1 or Performance Measure Appendix Table 2)	10	
<b>Part Three: RTP/SCS Implementation Strategies (20 Points Possible - 20% of Overall Score)</b>				<b>20</b>
3A	Integrated Planning	Promotes residential, mixed- used, and/or employment development around current or planned transportation investments	5	
3B	Land Use Mix	Promotes a sustainable land use mix, including new housing	1	
3C		Encourages affordable housing and mixed land uses, which may include compact neighborhood serving centers	1	
3E	Advancing Green Region	Addresses climate change through adaptation planning	1	
3F		Promotes energy and/or water efficiency and savings	1	
3G	Promotes Active Transportation & Public Health	Promotes active transportation, such as walking and bicycling	1	
3H		Promotes physical activity, safety, education, and outreach	1	
3I		Project is implementing a healthy communities plan and/or active transportation (bicycle and/or pedestrian) plan	1	
3J		Promotes shift from automobiles to active transportation	1	
3K	Aligning Transportation Investments	Project is aligned with existing or planned transportation investments within 5 miles of project area (abbreviated, see full criteria)	1	
3L		Promotes linkages within existing active transportation and transit networks	1	
3M		Project includes first/last mile strategies or is part of an area with a first/last mile strategy actively in development	1	
3N	Sustaining Regional Goals	Project is implementing a SCAG Sustainability Grant or past SCAG Compass Blueprint Grant plan	2	
3O		Promotes the 3E's of Sustainability: Economy, Equity, & Environment	1	
3P		Demonstrates innovative approaches to regional planning issues that can be replicated elsewhere, especially robust collaboration.	1	
<b>Total Project Score</b>				<b>0</b>