SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800
f (213) 236-1825

www.scag.ca.gov

Officers

President
Carl Morehouse, San Buenaventura

First Vice President
Cheryl Viegas-Walker, El Centro

Second Vice President
Michele Martinez, Santa Ana

Immediate Past President
Greg Pettis, Cathedral City

Executive/Administration Committee Chair

Carl Morehouse, San Buenaventura

Policy Committee Chairs

Community, Economic and Human Development
Margaret Finlay, Duarte

Energy & Environment
Deborah Robertson, Rialto

Transportation
Alan Wapner, San Bernardino Associated Governments

NO. 566
MEETING OF THE

REGIONAL COUNCIL

Thursday, February 5, 2015
12:15 p.m. – 2:00 p.m.

SCAG Main Office
818 W. 7th Street, 12th Floor
Board Room
Los Angeles, CA 90017
(213) 236-1800

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Lillian Harris-Neal at (213) 236-1858 or via email at harris-neal@scag.ca.gov. In addition, regular meetings of the Regional Council may be viewed live or on-demand at http://www.scag.ca.gov/NewsAndMedia/Pages/SCAGTV.aspx

Agendas & Minutes for the Regional Council are also available at: http://www.scag.ca.gov/committees/Pages/default.aspx

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1858. We request at least 72 hours (three days) notice to provide reasonable accommodations. We prefer more notice if possible. We will make every effort to arrange for assistance as soon as possible.

The Regional Council consists of 86 elected officials representing 191 cities, six counties, six County Transportation Commissions, one representative from the Transportation Corridor Agencies, one Tribal Government representative and one representative for the Air Districts within Southern California.

2015.1.8 printed on recycled paper

This Page Intentionally Left Blank

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

Regional Council

Members –February 2015

	Members		Representing	
President	**1.**	**Hon. Carl Morehouse**	***San Buenaventura***	**District 47**
1st Vice-President	**2.**	**Hon. Cheryl Viegas-Walker**	***El Centro***	**District 1**
2nd Vice-President	**3.**	**Hon. Michele Martinez**	***Santa Ana***	**District 16**
Imm. Past President	**4.**	**Hon. Greg Pettis**	***Cathedral City***	**District 2**
	5.	Hon. Jack Terrazas		Imperial County
	6.	Hon. Mark Ridley-Thomas		Los Angeles County
	7.	Hon. Michael Antonovich		Los Angeles County
	8.	Hon. VACANT		OCTA
	9.	Hon. R. Shawn Nelson		Orange County
	10.	Hon. Curt Hagman		San Bernardino County
	11.	Hon. Linda Parks		Ventura County
	12.	Hon. Marion Ashley		Riverside County
	13.	Hon. Jan Harnik	*Palm Desert*	RCTC
	14.	Hon. Alan Wapner	*Ontario*	SANBAG
	15.	Hon. Keith Millhouse	*Moorpark*	VCTC
	16.	Hon. Jim Hyatt	*Calimesa*	District 3
	17.	Hon. Clint Lorimore	*Eastvale*	District 4
	18.	Hon. Chuck Washington	*Temecula*	District 5
	19.	Hon. Frank Navarro	*Colton*	District 6
	20.	Hon. Larry McCallon	*Highland*	District 7
	21.	Hon. Deborah Robertson	*Rialto*	District 8
	22.	Hon. Paul Eaton	*Montclair*	District 9
	23.	Hon. Ray Marquez	*Chino Hills*	District 10
	24.	Hon. Bill Jahn	*Big Bear Lake*	District 11
	25.	Hon. Mike Munzing	*Aliso Viejo*	District 12
	26.	Hon. Barbara Kogerman	*Laguna Hills*	District 13
	27.	Hon. Steven Choi	*Irvine*	District 14
	28.	Hon. Steve Nagel	*Fountain Valley*	District 15
	29.	Hon. John Nielsen	*Tustin*	District 17
	30.	Hon. Steve Hwangbo	*La Palma*	District 18
	31.	Hon. Kris Murray	*Anaheim*	District 19

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

Regional Council

Members –February 2015

Members	**Representing**	
32. Hon. Tri Ta	*Westminster*	District 20
33. Hon. Art Brown	*Buena Park*	District 21
34. Hon. Marty Simonoff	*Brea*	District 22
35. Hon. Bruce Barrows	*Cerritos*	District 23
36. Hon. Gene Daniels	*Paramount*	District 24
37. Hon. VACANT		District 25
38. Hon. José Luis Solache	*Lynwood*	District 26
39. Hon. Ali Saleh	*Bell*	District 27
40. Hon. Dan Medina	*Gardena*	District 28
41. Hon. Rex Richardson	*Long Beach*	District 29
42. Hon. Lena Gonzalez	*Long Beach*	District 30
43. Hon. Steve De Ruse	*La Mirada*	District 31
44. Hon. Margaret Clark	*Rosemead*	District 32
45. Hon. Gene Murabito	*Glendora*	District 33
46. Hon. Barbara Messina	*Alhambra*	District 34
47. Hon. Margaret E. Finlay	*Duarte*	District 35
48. Hon. Jonathan Curtis	*La Cañada/Flintridge*	District 36
49. Hon. Carol Herrera	*Diamond Bar*	District 37
50. Hon. Sam Pedroza	*Claremont*	District 38
51. Hon. James Gazeley	*Lomita*	District 39
52. Hon. Judy Mitchell	*Rolling Hills Estates*	District 40
53. Hon. Pam O'Connor	*Santa Monica*	District 41
54. Hon. Jess Talamantes	*Burbank*	District 42
55. Hon. Steven Hofbauer	*Palmdale*	District 43
56. Hon. John Sibert	*Malibu*	District 44
57. Hon. Carmen Ramirez	*Oxnard*	District 45
58. Hon. Glen Becerra	*Simi Valley*	District 46
59. Hon. Gilbert Cedillo	*Los Angeles*	District 48
60. Hon. Paul Krekorian	*Los Angeles*	District 49
61. Hon. Bob Blumenfield	*Los Angeles*	District 50
62. Hon. Tom LaBonge	*Los Angeles*	District 51

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Regional Council

Members –February 2015

Members		**Representing**
63. Hon. Paul Koretz	*Los Angeles*	District 52
64. Hon. Nury Martinez	*Los Angeles*	District 53
65. Hon. Felipe Fuentes	*Los Angeles*	District 54
66. Hon. Bernard C. Parks	*Los Angeles*	District 55
67. Hon. Curren D. Price, Jr.	*Los Angeles*	District 56
68. Hon. Herb J. Wesson, Jr.	*Los Angeles*	District 57
69. Hon. Mike Bonin	*Los Angeles*	District 58
70. Hon. Mitchell Englander	*Los Angeles*	District 59
71. Hon. Mitch O'Farrell	*Los Angeles*	District 60
72. Hon. José Huizar	*Los Angeles*	District 61
73. Hon. Joe Buscaino	*Los Angeles*	District 62
74. Hon. Karen Spiegel	*Corona*	District 63
75. Hon. Jim Katapodis	*Huntington Beach*	District 64
76. Hon. Ryan McEachron	*Victorville*	District 65
77. Hon. Michael Wilson	*Indio*	District 66
78. Hon. Dante Acosta	*Santa Clarita*	District 67
79. Hon. Rusty Bailey	*Riverside*	District 68
80. Hon. Julio Rodriguez	*Perris*	District 69
81. Hon. Ross Chun	*Aliso Viejo*	TCA
82. Hon. Andrew Masiel, Sr.	*Pechanga Band of Luiseño Indians*	Tribal Government Representative
83. Mr. Randall Lewis	*Lewis Group of Companies*	(Ex-Officio)
84. Hon. Eric Garcetti	*Los Angeles*	(At-Large)

This Page Intentionally Left Blank

REGIONAL COUNCIL
AGENDA
FEBRUARY 5, 2015

The Regional Council may consider and act upon any of the items listed on the agenda regardless of whether they are listed as Information or Action Items.

CALL TO ORDER & PLEDGE OF ALLEGIANCE
(Hon. Carl Morehouse, President)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Council, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker. The President has the discretion to reduce the time limit based upon the number of speakers. The President may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

EXECUTIVE DIRECTOR'S REPORT
(Hasan Ikhrata, Executive Director)

- SCAG's 50th Anniversary Gala Celebration

PRESIDENT'S REPORT

- New Members
- Committee Appointments
- Business Update
- Air Resources Board (ARB) – Update
- January 22, 2015, Special EAC Meeting Actions

COMMITTEE REPORTS/ACTION ITEMS		**Page No.**
1. 2015 SCAG Scholarship Program ***(Hon. Carl Morehouse, SCAG President; Chair, Scholarship Committee)*** **Recommended Action:** Approve changes to the SCAG Scholarship Program as recommended by the Scholarship Committee.	**Attachment**	**1**
2. Proposed Memorandum of Understanding (MOU) with Incheon National University (INU) to Promote Joint Research and Exchange of Information on Planning Practice and Public Policy ***(Huasha Liu, Director, Land Use and Environmental Planning)*** **Recommended Action:** Approve the Memorandum of Understanding (MOU) between SCAG and INU to promote joint research and exchange of technical information in the area of urban sciences; and authorize the SCAG Executive Director or his designee to execute the MOU.	**Attachment**	**3**

REGIONAL COUNCIL
AGENDA
FEBRUARY 5, 2015

COMMITTEE REPORTS/ACTION ITEMS - *continued* **Page No.**

3. Waiver of Fiscal Year (FY) 2014-15 Member Dues **Attachment** **8**
(Hasan Ikhrata, Executive Director)

Recommended Action: Approve the waiver of the dues of the City of San Bernardino and City of Jurupa Valley for FY 2014-15.

4. 2015 State & Federal Legislative Priorities **Attachment** **9**
(Darin Chidsey, Director of Strategy, Policy &Public Affairs)

Recommended Action: Approve.

5. Sustainability Joint Work Program (JWP) between SCAG and the Orange County Transportation Authority (OCTA) **Attachment** **12**
(Huasha Liu, Director, Land Use & Environmental Planning)

Recommended Action: Approve and authorize the Executive Director to enter into a Joint Work Program with the OCTA for the implementation of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS).

6. November 6, 2014 Meeting Minutes of the Regional Council **Attachment** **18**

7. Executive Director's FY 2014-15 Performance Appraisal **Attachment** **29**
(Joseph Silvey, General Counsel)

Recommended Action: Review materials, complete and submit evaluation for Executive Director by March 2, 2015.

CONSENT CALENDAR

Approval Items

8. SCAG Memberships and Sponsorship **Attachment** **42**

9. Contract Amendment $75,000 or Greater: Contract No. 13-008-C2, SCAG Region Value Pricing Project **Attachment** **45**

Receive & File

10. Cap-and-Trade Greenhouse Gas Reduction Fund: Affordable Housing and Sustainable Communities Program Update - Final Guidelines **Attachment** **48**

11. Cap-and-Trade Greenhouse Gas Reduction Fund: Sustainable Agricultural Lands Conservation Program Updates- Final Guidelines **Attachment** **154**

12. Cap-and-Trade Greenhouse Gas Reduction Fund: Low Carbon Transit Operations Program and the Transit and Intercity Rail Program **Attachment** **266**

Receive & File – *continued*		**Page No.**
13. Purchase Orders $5,000 but less than $200,000; Contracts $25,000 but less than $200,000; and Amendments $5,000 but less than $75,000	**Attachment**	**268**
14. Fiscal Year (FY) 2013-14 External Financial Audit	**Attachment**	**270**
15. 2015 Meeting Schedule of the Regional Council and Policy Committees	**Attachment**	**271**
16. February 2015 Federal and State Legislative Update	**Attachment**	**272**
17. CFO Monthly Report	**Attachment**	**277**

FUTURE AGENDA ITEM/S

ADJOURNMENT

The next meeting of the Regional Council is scheduled for Thursday, March 5, 2015 at the SCAG Los Angeles Office.

This Page Intentionally Left Blank

REPORT

AGENDA ITEM NO. 1

DATE: February 5, 2015

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

FROM: Hon. Carl Morehouse, SCAG President; Chair, Scholarship Committee

SUBJECT: 2015 SCAG Scholarship Program

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Approve changes to the SCAG Scholarship Program as recommended by the Scholarship Committee.

EXECUTIVE SUMMARY:
At the Scholarship Committee meeting on May 27, 2014, there was some discussion regarding the future of the SCAG Scholarship Program. In order to achieve the maximum possible benefit from both the agency's and the recipient's standpoint, the Committee felt it was necessary to examine the ways in which SCAG can improve the program. Their discussion led to a slate of recommendations—which were also discussed at the Executive/Administration Committee (EAC) Retreat on July 10, 2014—that are now being presented to the EAC and the Regional Council for review and approval.

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 b: Improve regional decision making by providing leadership and consensus building on key plans and policies; develop external communications and media strategy to promote partnerships, build consensus and foster inclusiveness in the decision making process.

BACKGROUND:
In July 2009, the Regional Council approved the SCAG Scholarship Pilot Program, which is intended to provide financial support to a select group of high school and community college students and offer local planning experience that students can use to develop their long-term career goals. The program, which will be in its sixth year this year, is open to high school juniors and seniors and community college students who reside in the six-county SCAG region. Students applying are required to have a minimum 3.0 grade point average and must be enrolled in higher education, if graduating. As part of the application, students are required to submit a completed application form; an essay describing their interests in urban planning and public policy; two (2) letters of recommendation; and a current transcript of records.

In addition to a monetary award of $2,000, recipients also participate in a two-week internship with SCAG or a local planning agency. The purpose of the internship is to introduce students to a career in urban planning and local government, and scholarship recipients are expected to perform light office work and attend meetings. Students are also expected to attend a Regional Council meeting where they will have the opportunity to meet with government representatives and observe first-hand how the agency functions.

Applications are initially screened by staff based on the minimum requirements and on the interests described in the essay portion. Although a majority of the applicants meet the minimum requirements, those students whose applications exhibit some interest in planning, public policy, and/or government are selected to be forwarded to the Scholarship Committee for review.

The Scholarship Committee convened on May 27, 2014 to select the recommended recipients for the 2014 SCAG Scholarship Program. The Committee selected one finalist each for Imperial, Orange, Riverside, San Bernardino, and Ventura Counties, and two (2) finalists for Los Angeles County.

Participation amongst Committee members was at an all-time high last year, with the Committee consisting of five (5) EAC members and three (3) members representing academia. Committee members were enthusiastic and dedicated in their work for the Committee, providing invaluable input and insight.

There was some discussion regarding the future of the SCAG Scholarship Program. In order to achieve the maximum possible benefit from both the standpoint of the organization and the recipient, the Committee concluded it was necessary to examine the ways in which SCAG can improve the Scholarship Program. As a result, the Committee recommended the following:

- Increase the scholarship award amount to $4,000;
- Provide an additional scholarship that is not tied to a specific county, but could be awarded at the Committee's discretion;
- Improve outreach efforts; and
- Alter and/or improve the minimum requirements of the program (i.e., application, essay, letters of recommendation, transcript(s), etc.).

FISCAL IMPACT:
The amount budgeted for the SCAG Scholarship Program in previous years was $14,000 ($2,000 each for seven (7) scholarship recipients). Approval of the Scholarship Committee's recommendations would increase the amount budgeted to $32,000 ($4,000 each for seven (7) scholarship recipients, plus an additional $4,000 for a potential additional scholarship recipient to be awarded at the Committee's discretion).

ATTACHMENT:
None

REPORT

AGENDA ITEM NO. 2

DATE: February 5, 2015

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

FROM: Huasha Liu, Director, Land Use and Environmental Planning; 213-236-1838; iu@scag.ca.gov

SUBJECT: Proposed Memorandum of Understanding (MOU) with Incheon National University (INU) to Promote Joint Research and Exchange of Information on Planning Practice and Public Policy

EXECUTIVE DIRECTOR'S APPROVAL: Hasan Ikhrata

RECOMMENDED ACTION:
Approve the attached Memorandum of Understanding (MOU) between SCAG and INU to promote joint research and exchange of technical information in the area of urban sciences; and authorize the SCAG Executive Director or his designee to execute the MOU.

EXECUTIVE SUMMARY:
INU desires to develop a cooperative relationship with SCAG to promote joint research and exchange of technical information in the area of urban sciences. SCAG staff seeks approval from EAC and RC for the MOU and authorize for the Executive Director or his designee to execute the MOU.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan, especially our Vision Statement of serving as "an international and regional planning forum trusted for its leadership and inclusiveness in developing plans and policies for a sustainable Southern California."

BACKGROUND:
INU was founded in 1979 and is located in the Incheon Metropolitan City in South Korea. It is home to more than 20,000 students and nearly 400 full-time faculty members. INU is made up of 12 colleges, encompassing 64 departments, and 35 masters and 28 doctoral degree programs, focusing on creating the knowledge base and educating students.

The College of Urban Sciences, one of 12 colleges of the INU, was founded in 2010, and is comprised of three departments: Department of Urban Policy and Administration, Department of Urban and Environmental Engineering, and Department of Urban Architecture.The College of Urban Sciences is designed to provide students with practical integrated learning and research to address diverse urban issues related to sustainable development, globalization, urban land use and design, ubiquitous urban development, and governance.The College of Urban Sciences emphasizes three major career goals for students as (1) creative and innovative urban development experts, (2) overall and systematic urban managers, and (3) urban leaders who can be pioneers and actively serving the community. The College of Urban Sciences conducts creative and innovative research on developing the effective planning model and policy development in the area of transportation; sustainability; globalization; smart urban infrastructure; urban regeneration and energy; and governance. INU desires to expand its global network to promote more joint research opportunities in the area of urban sciences.

SCAG and INU envision that the collaborative relationship will benefit both agencies in sharing research on transportation, sustainability, globalization, smart urban infrastructure, urban regeneration and energy. Further, the exchange of research experiences will also benefit both institutions in planning best practices and public policy and finding better solutions. The cooperative relationship could develop into joint research, seminars and workshops, and exchange of technical information and researchers.

If the MOU is approved by the Regional Council, SCAG Executive Director, Hasan Ikhrata, and INU President, Sung Eul Choi, or his designee, is expected to sign the MOU on February 11, 2015.

FISCAL IMPACT:
No financial commitment is made for purposes of this MOU; any joint cooperative activity by SCAG and INU in the future will be subject to approval by SCAG's Regional Council.

ATTACHMENT:
Proposed MOU between SCAG and INU

Memorandum of Understanding

between

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

And

INCHEON NATIONAL UNIVERSITY

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) and INCHEON NATIONAL UNIVERSITY (INU) (hereinafter referred to as "the Parties") agree to this Memorandum of Understanding (hereinafter referred to as "MOU" or "Agreement") for the purpose of promoting mutual cooperation in the field of urban sciences.

Article I

The purpose of this MOU is to foster research capabilities and expand the knowledge base in the area of urban sciences on the basis of a cooperative, mutually beneficial relationship between the Parties.

Article II

The Parties shall mutually cooperate to discuss performance of the following activities and to meet on a case-by-case basis to discuss additional details and terms as deemed necessary:

1. Co-hosting open forums and joint symposia;
2. Exchanging faculty members, researchers, and students;

3. Exchanging information and periodical publications; and
4. Implementing joint research on urban sciences and public policy.

Article III

Proposals for all joint, cooperative activities may be initiated by either Party, but are subject to approval by the governing boards of both Parties. All activities, including joint projects and conferences, will be mutually agreed upon by both Parties. The objective(s), content, form, duration, costs, and all other terms and conditions of each cooperative activity shall be the subject of a separate written agreement or instrument to be approved by the Parties. For purposes of this MOU, neither Party makes any financial commitment to any joint, cooperative activities.

Article IV

Scientific information derived from joint activities may be shared and made available through customary channels to each Party. For publication of results derived from joint research projects, either Party shall obtain the prior written consent from the other Party.

Article V

This MOU shall be effective from the date of signing and shall be valid for three (3) years thereafter. It may be automatically renewed on that date and will remain valid and effective unless either Party notifies the other Party in writing, at least six (6) months prior to the renewal date, of its intention to terminate the MOU.

IN WITNESS WHEREOF, the Parties have caused this MOU, signed by their authorized representatives, to be executed in duplicate copies in English with each of the copies being equally authentic.

For SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS	For INCHEON NATIONAL UNIVERSITY
Hasan IKHRATA	**Sung Eul CHOI**
Executive Director	**President**
Date: February 11, 2015	Date: February 11, 2015

This Page Intentionally Left Blank

REPORT

AGENDA ITEM NO. 3

DATE: February 5, 2015

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

FROM: Hasan Ikhrata, Executive Director, ikhrata@scag.ca.gov, 213-236-1944

SUBJECT: Waiver of Fiscal Year (FY) 2014-15 Member Dues

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Approve the waiver of the dues of the City of San Bernardino and City of Jurupa Valley for FY 2014-15.

EXECUTIVE SUMMARY:
As of January 8, 2015, 184 cities and six (6) counties have renewed their membership while six (6) cities have not yet renewed. Two (2) of those cities, the City of San Bernardino and the City of Jurupa Valley, are not in a position to pay their dues. Staff recommends that the RC waive their dues. SCAG staff will continue to work with the remaining six (6) cities to reach 100% renewal.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

BACKGROUND:
SCAG's Bylaws state that: *"The Regional Council, for not more than one (1) year at a time, may defer, waive, or reduce payment of the annual dues for any member."*

Under the terms of its bankruptcy, the City of San Bernardino cannot pay its SCAG dues as they are not deemed to be a priority by the Bankruptcy Court. The RC previously approved the waiver of San Bernardino's dues for FY 2012-13 ($17,396) and for FY 2013-14 ($19,003).

In the case of the City of Jurupa Valley, SCAG's dues were not budgeted this fiscal as the city was contemplating disincorporation. The city is not currently pursuing disincorporation and has pledged to budget for and pay its FY 2015-16 dues. However, the city needs relief from its FY 2014-15 dues since the funds are not available in their current fiscal year budget. The RC waived the city's 2013-14 dues of $8,922.

Due to the extraordinary nature of the financial circumstances in which these two (2) cities find themselves, staff recommends that the RC waive their FY 2014-15 dues as follows:
City of San Bernardino $19,160
City of Jurupa Valley $8,919

FISCAL IMPACT:
SCAG's General Fund would forgo $28,079 in revenues which would be covered from savings in other General Fund accounts.

ATTACHMENT:
None

This Page Intentionally Left Blank

REPORT

AGENDA ITEM NO. 4

DATE: February 5, 2015

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

FROM: Darin Chidsey; Director, Strategy, Policy & Public Affairs; (213) 236-1836; chidsey@scag.ca.gov

SUBJECT: 2015 State & Federal Legislative Priorities

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Approve.

EXECUTIVE SUMMARY:
This report contains updated recommendations of SCAG's State & Federal Legislative Priorities for 2015. With prior input from the Legislative/Communications & Membership Committee (LCMC), as well as from the business community at SCAG's Fifth Annual Economic Recovery & Job Creation Summit on December 4, 2014, the Legislative/Communications and Membership Committee (LCMC), at its January 20, 2015 meeting recommended that the Executive/Administration Committee and the Regional Council adopt the following legislative state and federal priorities.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

BACKGROUND:
The LCMC makes the following recommendations for consideration for adoption in 2015:

State Legislative Priorities

- **Project Streamlining & Expediting**
  Support California Environmental Quality Act (CEQA) modernization and process reform to expedite project delivery and promote job creation. Promote design-build, innovative procurement of projects, and Public-Private-Partnerships (P3s) where appropriate for more efficient project delivery.

  At the 2012 Economic Summit, SCAG's team of economists analyzed the impacts of accelerating project delivery, moving a 5-year tranche of the 2012–2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) forward by five years. This analysis concluded that approximately 300,000 jobs per year would be created or brought forward. Advancing five years of projects would result in a decrease in construction cost by $1.25–1.95B (or 5–9% of construction cost). Staff recommends pursuing this legislative priority again in 2015 through partnerships with affected local and statewide transportation, business, labor, and environmental stakeholders to more quickly develop projects that will reduce harmful emissions and promote creation of jobs to effectuate continued economic turnaround throughout the region.

- **Cap-and-Trade Funding**
  Support legislation to equitably distribute revenues from the implementation of the cap-and-trade program to transportation improvements and sustainable communities that maximize resources to the SCAG region.

  The Regional Council at its October 2012 meeting, following the recommendations of the LCMC, adopted support of principles developed by a statewide transportation coalition of which SCAG is an active, participating member, for the use of cap-and-trade auction revenues. The coalition principles are consistent with long-standing SCAG objectives to seek enhanced financing sources for transportation purposes throughout the region, and to seek and support funding to implement sustainable communities strategies mandated by SB 375. The principles also provide for flexibility at the regional and local level to develop the most cost effective ways to meet GHG reduction goals through transportation and land use investments; and specify that project-funding determinations be made at the regional level under established statewide criteria to encourage local innovation and flexibility.

  SCAG, working with and through the Coalition, will continue to advocate for policies and expenditure priorities adopted by the Regional Council and embodied within the principles of the Coalition. Cap–and-trade revenue remains the only significant new source of funding during this time of severe budgetary and fiscal constraint at the state level to finance these important projects.

- **Workforce Development & Education**
  Support increased opportunities for workforce development and education, including financial literacy as part of workforce education, with particular emphasis on initiatives that focus on regional coordination and investment in education and skills development in the region's top industry clusters.

  The Fifty Years into the War on Poverty Summit in August 2014 helped highlight the importance of a growing crisis in Southern California that has had an impact on everyone, regardless of economic background. The Summit was a big first step towards Southern California approaching the poverty crisis as a truly region-wide challenge. The Fifth Annual Southern California Economic Recovery & Job Creation Summit held this past December an update from SCAG's economists on the state of the region's economic recovery and the unveiling of the Regional Action Plan on Poverty, which builds upon the concerns and solutions discussed in August.

  SCAG will work with the business, education, and economic development communities at the local, regional, and state levels to improve the region's collective educational attainment level and develop new and innovative workforce development programs that flow directly into meaningful career pathways that meet current and future business and industry needs.

- **Financing, Economic Development & Community Reinvestment**
  Support legislation to expand use of innovative finance structures to create new opportunities for economic development, community reinvestment, and the development of transportation projects and infrastructure investment.

- **Maintenance of State & Local Roads and Transit Systems**
  Support dedicated, secure funding to state highways, streets, and roads to support the maintenance and rehabilitation of the state and local road and transit system. In addition, support universal statewide legislation that would allow counties the authority to implement toll roads.

- **Trade & Ports**
  Support legislation to increase California exports and prevent the loss of international trade-related jobs in the Southern California region at jeopardy from the expanded investments by East and Gulf Coast ports and the Panama Canal. Support increased funding for goods movement projects throughout the region, including continued funding for the Trade Corridor Improvement Fund (TCIF) and for research, development, and demonstration of zero and near-zero emissions technologies.

Federal Legislative Priorities

- **Surface Transportation Authorization Legislation**
  Support a long-term Surface Transportation Authorization bill that includes the recommendations of the Special Panel on 21st Century Freight Transportation including full restoration of the $2 billion in annual funding to the National Freight Program; findings of the House T&I Committee Special Panel on Public-Private Partnerships to support P3s that are transparent, accountable, and synergistically marry the policy goals of the public sector with the financial needs and expertise of the private sector; build upon the provisions of the Moving Ahead for Progress in the 21st Century Act (MAP-21) to continue to improve efficiency of environmental reviews without diminishing the effectiveness of environmental review processes; and continues to support the Transportation Alternatives Program.

ATTACHMENT:
None

This Page Intentionally Left Blank

REPORT

AGENDA ITEM NO. 5

DATE: February 5, 2015

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

FROM: Huasha Liu; Director, Land Use and Environmental Planning; (213) 236-1838; liu@scag.ca.gov

SUBJECT: Sustainability Joint Work Program (JWP) between SCAG and the Orange County Transportation Authority (OCTA)

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Approve and authorize the Executive Director to enter into a Joint Work Program with OCTA for the implementation of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS).

EXECUTIVE SUMMARY:
As a follow-up to the adoption of the 2012 RTP/SCS, SCAG has worked to develop agreements or joint work programs with each of the six (6) County Transportation Commissions (CTCs) in the region. These agreements or joint work programs identify the initiatives of mutual interest that further the policies of the plan. At this time, OCTA has approved a Joint Work Program to collaborate with SCAG. This item is being brought directly to the Regional Council for approval without a recommendation of a Policy Committee due to the absence of individual Policy Committee meetings this month.

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: a. Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans

BACKGROUND:
The 2012 RTP/SCS was adopted on April 5, 2012. Since that time, SCAG has worked collaboratively with the six (6) County Transportation Commissions in the region to advance and implement key policies and strategies in the Plan. The cooperative effort includes the development of agreements or joint work programs committing to initiatives of mutual interest, along with other activities such as the convening of an ongoing CEOs Sustainability Working Group.

SCAG's approach for the upcoming 2016 RTP/SCS will be to record the progress made on implementation of action, and identify next steps. As such, these focused follow-up efforts, along with other activities, are of critical importance for future planning.

Working with SCAG staff, OCTA has developed the attached Joint Work Program (JWP). The JWP was approved by OCTA on January 15, 2015, including nine (9) identified activities, as listed in the attachment. These activities are sorted into three (3) categories: 1) planning work; 2) coordination; and 3) advocacy.

Highlights of the program include:

- Ongoing development and implementation of Regional Bikeway plans
- The development of a First Mile/Last Mile Demonstration Project
- Extensive study on development of a Pedestrian Accessibility Plan

At this time, SCAG staff is working with the respective staff from all six (6) CTCs on these joint work programs.

FISCAL IMPACT:
No direct fiscal impact associated with the recommended action. The item commits SCAG to joint work efforts with OCTA subject to future separate and on-going budget development actions and/or agreements.

ATTACHMENT:
Proposed Joint Work Program, approved by OCTA on January 15, 2015.

OCTA

AFFILIATED AGENCIES

Orange County Transit District

Local Transportation Authority

Service Authority for Freeway Emergencies

Consolidated Transportation Service Agency

Congestion Management Agency

Service Authority for Abandoned Vehicles

January 15, 2015

Mr. Hasan Ikhrata
Executive Director
Southern California Association of Governments
818 W. 7th Street, 12th Floor
Los Angeles, CA 90017

Subject: **Proposed Joint Work Program (2014-2016)**

Dear Mr. Ikhrata:

The Orange County Transportation Authority (OCTA) and the Southern California Association of Governments (SCAG) have worked together successfully for many years toward a sustainable transportation system in Southern California. The 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) was the result of open dialogue and collaboration between our two agencies, as well as our other transportation partners in the region. In this spirit, and with implementation of the RTP/SCS as a regional goal, OCTA supports a joint work effort between our two agencies.

Some recent OCTA activities that support a more sustainable transportation system are listed below.

- Development of the 2014 OCTA Long-Range Transportation Plan that identifies a host of strategies for sustainability (Appendix F). This plan also addresses Orange County's projected growth and mobility needs with reasonably foreseeable funds.
- Completion of OCTA's regional bikeway plans in Orange County's Supervisorial Districts 1, 2, and 4. Additional regional bikeway plans for the remaining two supervisorial districts are underway and anticipated to be completed by late 2015.
- Dedication of funds for bikeway projects, utilizing OCTA's allocations from the federal Congestion Mitigation and Air Quality Improvement Program.
- Addition of a full-time position to serve as a single point of contact for coordination of active transportation planning and implementation efforts, as well as for promoting various active transportation events and programs.

Orange County Transportation Authority
550 South Main Street / P.O. Box 14184 / Orange / California 92863-1584 / (714) 560-OCTA (6282)

- Implementation of a new limited-stop bus transit service (Bravo!) on Harbor Boulevard, one of Orange County's highest transit demand corridors.
- Investment in a clean fuel bus fleet to transition away from using diesel fuel.
- Establishment of the Measure M2 (M2) Freeway Mitigation and Environmental Cleanup programs. These programs exemplify the type of environmental stewardship that SCAG is now working towards with regional conservation planning.
- Implementing the M2 High-Frequency Metrolink Service program to improve Metrolink service within Orange County and to Los Angeles Union Station, providing a more convenient alternative to driving.
- Coordination with the City of Anaheim, through M2, to plan and implement the Anaheim Regional Transportation Intermodal. This will provide multimodal connectivity in a high-density, high-travel demand part of Orange County.
- Coordination with the cities of Garden Grove and Santa Ana, through M2, to plan and implement a streetcar through one of Orange County's high-density and high-travel demand areas. This will provide Orange County with its first streetcar system
- Implementation of the M2 Regional Signal Synchronization Program, coordinating signalized corridors within and between local jurisdictions and agencies to reduce emissions and travel times.
- Coordination with the Orange County Council of Governments on development of countywide complete streets strategies, designed to streamline efforts by local jurisdictions to update general plan circulation elements consistent with Assembly Bill 1358 (Chapter 714, Statutes of 2013), The California Complete Streets Act.

The attached 2014-2016 OCTA-SCAG Joint Work Program builds on the efforts listed above, with an emphasis on coordinated planning and new regional partnership efforts.

OCTA looks forward to continued collaboration with SCAG to advance implementation of the RTP/SCS, and to improve mobility throughout the region. Please contact Kia Mortazavi, Executive Director of Planning, at (714) 560-5741, or Kurt Brotcke, Director of Strategic Planning, at (714) 560-5742, with any questions.

Sincerely,

Darrell Johnson
Chief Executive Officer

DJ:ja
Attachment

ATTACHMENT

Joint Work Program between the Orange County Transportation Authority and Southern California Association of Governments To Implement the 2012-2035 Regional Transportation Plan/ Sustainable Communities Strategy

Planning Work/Products

1. Pedestrian Accessibility Plan – Develop a plan that identifies accessibility improvement opportunities for pedestrians at activity centers, such as schools, shopping/entertainment centers, and employment centers.
2. Regional Bikeway Planning – Collaborate on bikeway planning for the SCAG region, as well as OCTAs complementary bikeway planning program. This will help ensure a consistent and connected network of regional bikeways.
3. Active Transportation Plan – Develop an Orange County active transportation plan that builds off of existing bicycle and pedestrian plans to identify and prioritize regional active transportation needs, solutions, and potential funding opportunities.
4. First Mile/Last Mile Demonstration Project – Develop and implement a First Mile/ Last Mile demonstration project to improve connectivity between transit service and trip origins and destinations.

Advocacy

5. Southern California Legislative Roundtable – Participate in discussions of legislative issues and positions as they relate to Southern California, and advocate for mutually beneficial legislative initiatives and funding opportunities, including those that may support sustainable planning efforts.

Coordination

6. Active Transportation Safety Campaign – Collaborate on an Active Transportation Safety Campaign, incorporating ongoing and planned outreach activities at county transportation commission, and other regional partner agencies, as well as other regional initiatives.
7. Sustainability Program - Communicate regarding Orange County projects that are submitted to the SCAG Sustainability Program for funding, in order to avoid potential redundancies and duplication of effort.
8. Regional Sustainability Working Group – Participate in an effort initiated by the CEOs of County Transportation Commissions and led by SCAG, to actively work on the implementation of the RTP/SCS, and develop recommendations for the upcoming 2016-2040 RTP/SCS.
9. Monitor Emerging Technologies – Coordinate efforts to monitor and track emerging technologies that may influence travel behavior in the Southern California region.

1.15.15

Darrell Johnson, Chief Executive Officer
Orange County Transportation Authority

Date

Hasan Ikhrata, Executive Director
Southern California Association of Governments

Date

NO. 564
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL
MINUTES OF THE MEETING
THURSDAY, NOVEMBER 6, 2014

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. A VIDEO RECORDING OF THE ACTUAL MEETING IS AVAILABLE ON THE SCAG WEBSITE AT: www.scag.ca.gov/scagtv/index.htm

The Regional Council (RC) of the Southern California Association of Governments (SCAG) held its meeting at the SCAG Los Angeles office. There was a quorum.

Members Present

Hon. Carl Morehouse, President	*San Buenaventura*	District 47
Hon. Michele Martinez, 2nd Vice President	*Santa Ana*	District 16
Hon. Greg Pettis, Immediate Past President	*Cathedral City*	District 2
Hon. Michael D. Antonovich		Los Angeles County
Hon. R. Shawn Nelson		Orange County
Hon. Gary Ovitt		San Bernardino County
Hon. Linda Parks		Ventura County
Hon. Alan Wapner	*Ontario*	SANBAG
Hon. Keith Millhouse	*Moorpark*	VCTC
Hon. Jim Hyatt	*Calimesa*	District 3
Hon. Micheal Goodland	*Eastvale*	District 4
Hon. Larry McCallon	*Highland*	District 7
Hon. Deborah Robertson	*Rialto*	District 8
Hon. Paul Eaton	*Montclair*	District 9
Hon. Bill Jahn	*Big Bear Lake*	District 11
Hon. Mike Munzing	*Aliso Viejo*	District 12
Hon. Steven Choi	*Irvine*	District 14
Hon. Leslie Daigle	*Newport Beach*	District 15
Hon. Kris Murray	*Anaheim*	District 19
Hon. Art Brown	*Buena Park*	District 21
Hon. Brett Murdock	*Brea*	District 22
Hon. Bruce Barrows	*Cerritos*	District 23
Hon. Gene Daniels	*Paramount*	District 24
Hon. José Luis Solache	*Lynwood*	District 26
Hon. Ali Saleh	*Bell*	District 27
Hon. Dan Medina	*Gardena*	District 28
Hon. Rex Richardson	*Long Beach*	District 29
Hon. Margaret Clark	*Rosemead*	District 32
Hon. Margaret E. Finlay	*Duarte*	District 35
Hon. Carol Herrera	*Diamond Bar*	District 37
Hon. Sam Pedroza	*Claremont*	District 38

Members Present – *continued*

Hon. James Gazeley	*Lomita*	District 39
Hon. Judy Mitchell	*Rolling Hills Estates*	District 40
Hon. Pam O'Connor	*Santa Monica*	District 41
Hon. Jess Talamantes	*Burbank*	District 42
Hon. Steven Hofbauer	*Palmdale*	District 43
Hon. Glen Becerra	*Simi Valley*	District 46
Hon. Ryan McEachron	*Victorville*	District 65
Hon. Michael Wilson	*Indio*	District 66
Hon. Rusty Bailey	*Riverside*	District 68
Hon. Julio Rodriguez	*Perris*	District 69
Hon. Andrew Masiel, Sr.	*Pechanga Band of Luiseño Indians*	Tribal Government Rep.
Hon. Ross Chun	*Aliso Viejo*	TCA

Members Not Present

Hon. Cheryl Viegas-Walker, 1st Vice President	*El Centro*	District 1
Hon. Jack Terrazas		Imperial County
Hon. Mark Ridley-Thomas		Los Angeles County
Hon. Jeff Stone		Riverside County
Hon. Matthew Harper		OCTA
Hon. Jan Harnik		RCTC
Hon. Ronald Roberts	*Temecula*	District 5
Hon. Frank Navarro	*Colton*	District 6
Hon. Ray Marquez	*Chino Hills*	District 10
Hon. Kathryn McCullough	*Lake Forest*	District 13
Hon. John Nielsen	*Tustin*	District 17
Hon. Leroy Mills	*Cypress*	District 18
Hon. Tri Ta	*Westminster*	District 20
Hon. Mario Guerra	*Downey*	District 25
Hon. Gene Murabito	*Glendora*	District 33
Hon. Barbara Messina	*Alhambra*	District 34
Hon. John Curtis	*La Cañada/Flintridge*	District 36
Hon. John Sibert	*Malibu*	District 44
Hon. Carmen Ramirez	*Oxnard*	District 45
Hon. Gilbert Cedillo	*Los Angeles*	District 48
Hon. Paul Krekorian	*Los Angeles*	District 49
Hon. Bob Blumenfield	*Los Angeles*	District 50
Hon. Tom LaBonge	*Los Angeles*	District 51
Hon. Paul Koretz	*Los Angeles*	District 52
Hon. Nury Martinez	*Los Angeles*	District 53
Hon. Felipe Fuentes	*Los Angeles*	District 54
Hon. Bernard C. Parks	*Los Angeles*	District 55
Hon. Curren D. Price, Jr.	*Los Angeles*	District 56
Hon. Herb Wesson, Jr.	*Los Angeles*	District 57
Hon. Mike Bonin	*Los Angeles*	District 58

Members Not Present - *continued*

Hon. Mitchell Englander	*Los Angeles*	District 59
Hon. Mitch O'Farrell	*Los Angeles*	District 60
Hon. José Huizar	*Los Angeles*	District 61
Hon. Joe Buscaino	*Los Angeles*	District 62
Hon. Karen Spiegel	*Corona*	District 63
Hon. Jim Katapodis	*Huntington Beach*	District 64
Hon. Dante Acosta	*Santa Clarita*	District 67
Mr. Randall Lewis	*Lewis Group of Companies*	Ex-Officio
Hon. Eric Garcetti	*Los Angeles*	(At-Large)

Staff Present

Hasan Ikhrata, Executive Director
Joe Silvey, General Counsel
Joann Africa, Chief Counsel
Debbie Dillon, Deputy Executive Director, Administration
Basil Panas, Chief Financial Officer
Catherine Kirschbaum, Chief Information Officer
Rich Macias, Director, Transportation Planning
Huasha Liu, Director, Land Use and Environmental Planning
Darin Chidsey, Director, Strategy, Policy and Public Affairs
Lillian Harris-Neal, Clerk of the Board
Tess Rey-Chaput, Office of Regional Council Support

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Carl Morehouse called the meeting to order at 12:19 p.m. Councilmember Michael Wilson, City of Indio, District 66, led the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

President Morehouse opened the Public Comment period.

Katherine Lee, American Lung Association in California (ALAC), expressed support for Item No. 13, SCAG Draft Public Health Program and FY 2014-15 Public Health Action Plan, and encouraged SCAG to collaborate with County Transportation Commissions (CTCs) to develop guidelines and performance measures to ensure alignment with the Sustainability Communities Strategy (SCS) goals.

Carla Blackmar, Public Health Alliance of Southern California, expressed support for Item No. 13, SCAG Draft Public Health Program and FY 2014-15 Public Health Action Plan.

President Morehouse closed the Public Comment period.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no reprioritization of the agenda.

EXECUTIVE DIRECTOR'S REPORT

Recognition of Regional Council Members

As a result of the November 5 General Election, Hasan Ikhrata, Executive Director, acknowledged the following Regional Council members who will leave office and presented each of them with a Plaque of Appreciation: Supervisor Gary Ovitt, San Bernardino County; Councilmember Leslie Daigle, Newport Beach; Councilmember Micheal Goodland, Jurupa Valley; and Councilmember Brett Murdock, Brea. Mr. Ikhrata announced that a formal recognition will take place at the Regional Conference and General Assembly, May 7 – 8, 2015.

SCAG/SCLC 5th Annual Economic Summit

Mr. Ikhrata also announced that in lieu of the Regional Council and Policy Committees' regular meeting in December, SCAG will hold the 5th Annual Economic Summit scheduled for December 4, 2014 at the Westin Bonaventure Hotel in downtown Los Angeles with an evening Reception scheduled for December 3 and invited the councilmembers to attend.

SB 375 Greenhouse Gas (GHG) Emissions Reduction Targets

Mr. Ikhrata reported that the Executive Directors of the Metropolitan Planning Organizations (MPOs) provided a testimony at the California Air Resources Board (ARB) meeting regarding the process for updating the SB 375 GHG targets for the Sustainability Communities Strategy (SCS). He stated that ARB's report included the recommendation to maintain current targets for the upcoming SCS and to adopt targets for the 2020 Regional Transportation Plan/Sustainable Communities Strategy. As soon as information becomes available, Mr. Ikhrata will provide an update regarding his testimony specifically on the need for equitable and predictable funding that is commensurate with the state's expectations on planning and implementing the SCS.

Staff Update

Mr. Ikhrata announced and congratulated SCAG staff, Jeff Liu, as the new Manager of Communications.

Public Health Work Plan

Mr. Ikhrata reported that after the adoption of the 2012 RTP/SCS, six (6) subcommittees were formed to develop policy recommendations for the 2016 RTP/SCS in which one (1) subcommittee primarily focused on public health. To implement the recommendations of the Public Health Subcommittee, Mr. Ikhrata stated that staff developed a draft Public Health Program to ensure that SCAG is in a position to provide regional leadership; facilitate collaboration; and seek input from stakeholders.

PRESIDENT'S REPORT

President Morehouse reported that members of the Executive/Administration Committee (EAC) visited the California Polytechnic University, Pomona campus, and the City of Claremont after an invitation from Michael Woo, Dean of the College of Environmental Design, to learn about its sustainability program.

President Morehouse congratulated two (2) Regional Councilmembers who will vacate their seats as they were elected to higher office: Hon. Jeff Stone, California State Senate, representing District 28; and Hon. Matthew Harper, California State Assembly, representing Orange County Transportation Authority. He also congratulated former SCAG staff, John Procter, who was recently appointed as Mayor of the City of Santa Paula.

President Morehouse reported the recent passing of the father of Supervisor Jack Terrazas, Imperial County; and conveyed good wishes for Councilmember Kathryn McCullough, Lake Forest, District 1 and Rick Bishop, Executive Director of Western Riverside Council of Governments (WRCOG), who are facing health issues.

New Members and Committee Appointments

President Morehouse congratulated and announced the following Regional Councilmembers who were re-elected at the recent November General Elections:

Hon. Jim Hyatt, Calimesa, District 3
Hon. Larry McCallon, Highland, District 7
Hon. Paul Eaton, Montclair, District 9
Hon. Ray Marquez, Chino Hills, District 10
Hon. Steven Choi, Irvine, District 14
Hon. Michele Martinez, Santa Ana, District 16
Hon. Kris Murray, Anaheim, District 19
Hon. Tri Ta, Westminster, District 20
Hon. Pam O'Connor, Santa Monica, District 41
Hon. Carmen Ramirez, Oxnard, District 45
Hon. Glen Becerra, Simi Valley, District 46
Hon. Karen Spiegel, Corona, District 63
Hon. Michael Wilson, Indio, District 66
Hon. Linda Parks, Ventura County
Hon. Jan Harnik, RCTC
Hon. Alan Wapner, SANBAG

New Regional Council Member
Hon. Ray Marquez, Chino Hills, District 10

Appointment to the Transportation Committee
Hon. Ray Marquez, Chino Hills, District 10

Appointment to Metrolink
Hon. Art Brown, Buena Park, District 21

Business Update

Randall Lewis, Ex-Officio, Lewis Group of Companies, reported that the Global Land Use and Economic (GLUE) Council's recent meeting focused on the December 4 Economic Summit and reported that the economy is continuing to proceed at a slow pace.

Air Resources Board – Update

As an ARB Board Member, representing the South Coast Air Quality Management District (SCAQMD), Councilmember Judy Mitchell, Rolling Hills Estates, District 40, reported that at the recent ARB meeting, there were discussions relating to the requirements for the zero emissions vehicles program; including the Coachella Valley and Western Mojave Desert ozone nonattainment areas; amendments to the requirements of low-emission vehicles; truck and clean cars program; and an exhibition of zero-emission vehicles. She congratulated the cities of Riverside, Claremont and Rancho Cucamonga—the top finishers in a competition among cities to cut carbon emissions—who received special recognition at an award ceremony before the ARB marking the completion of the second "*CoolCalifornia City Challenge*." She also clarified an issue relating to a Los Angeles Times advertisement, sponsored by the Western States Petroleum Association, that claimed a "hidden gasoline tax" in relation to the cap-and-trade regulations that will take effect in January 1, 2015. Councilmember Mitchell explained that after several public workshops, transportation fuels were added to AB 32's 2015 schedule in 2011 and reported that the California Energy Commission is currently working with the oil companies to determine oil pricing.

COMMITTEE REPORTS/ACTION ITEMS

1. Notice of Exemption for the Southern California Active Transportation Safety and Encouragement Campaign (Project)

President Morehouse introduced the item and Huasha Liu, Director of Land Use and Environmental Planning, provided background information.

A MOTION was made (Jahn) to adopt Resolution No. 14-564-1 to approve the filing of a Notice of Exemption for the Southern California Active Transportation Safety and Encouragement Campaign (Project) with the State of California Office of Planning and Research (OPR) and the county clerks of all six (6) SCAG counties. Motion was SECONDED (M. Martinez) and passed by the following votes:

AYE/S: Richardson; Jahn; Robertson; M. Martinez; Daniels; McEachron; Brown; Gazeley; Goodland; Murray; McCallon; Finlay; Hofbauer; Wilson; Wapner; Rodriguez; Ovitt; O'Connor; L. Parks; Acosta; Pettis; Millhouse; Talamantes; Spiegel; Herrera; Bailey; Eaton; Morehouse; Becerra; Harnik; Marquez; Mitchell; Choi; Chun; Masiel, Sr.; Curtis; Medina; Murdock; Daigle; Solache; Antonovich; Saleh; Munzing; Nelson; and Hyatt.

NOE/S: None

ABSTAIN: None

Executive/Administration Committee (EAC) Report

2. 2014 Investment Policy

President Morehouse introduced the item and Basil Panas, Chief Financial Officer, provided background information.

A MOTION was made (Pettis) to approve the 2014 Statement of Investment Policy, as amended. Motion was SECONDED (Finlay) and passed by the following votes:

AYE/S: Richardson; Jahn; Robertson; M. Martinez; Daniels; McEachron; Brown; Gazeley; Goodland; Murray; McCallon; Finlay; Wilson; Wapner; Rodriguez; Ovitt; O'Connor; L. Parks; Acosta; Pettis; Millhouse; Talamantes; Spiegel; Herrera; Bailey; Eaton; Morehouse; Becerra; Harnik; Marquez; Mitchell; Choi; Chun; Masiel, Sr.; Curtis; Medina; Murdock; Daigle; Solache; Antonovich; Saleh; Munzing; Nelson; and Hyatt.

NOE/S: None

ABSTAIN: None

3. Final Report Related to the California Strategic Growth Council's 2011 Sustainable Communities Planning Grant and Incentive Program

Basil Panas, Chief Financial Officer, provided background information.

A MOTION was made (McEachron) to adopt Resolution No. 14-564-2 certifying SCAG's Final Report related to the California Strategic Growth Council's 2011 Sustainable Communities Planning Grant and Incentive program. Motion was SECONDED (Goodland) and passed by the following votes:

AYE/S: Richardson; Robertson; M. Martinez; Daniels; McEachron; Brown; Gazeley; Goodland; Murray; McCallon; Finlay; Wilson; Wapner; Ovitt; O'Connor; L. Parks; Acosta; Pettis; Millhouse; Talamantes; Spiegel; Herrera; Bailey; Eaton; Morehouse; Becerra; Harnik; Marquez; Mitchell; Choi; Chun; Masiel, Sr.; Curtis; Medina; Murdock; Daigle; Solache; Antonovich; Saleh; Munzing; Nelson; Hyatt; and Rodriguez.

NOE/S: None

ABSTAIN: None

Legislative/Communications and Membership Committee (LCMC) Report

As Chair of the LCMC, Councilmember Pam O'Connor, Santa Monica, District 41, reported that a quorum was not obtained at the October 21, 2014 meeting; however, the Executive/Administration Committee (EAC) recommended Item No. 8, relating to the Sponsorships and Memberships, for approval. She also noted Item No. 16, relating to the November 2014 State and Federal Legislative Update, is a list of legislative bills previously reported to the Regional Council in which SCAG has taken a legislative position that has been either signed or vetoed by the Governor. Councilmember

O'Connor also reported the following: the Cap-and-Trade funding provisions were wrapped into an omnibus budget trailer bill, SB 862; Proposition 1 was approved by the voters at the recent November 4 General Election and was supported by SCAG; and summarized that in 2014, SCAG did not oppose any legislation as it is difficult to pass legislation into law rather than to stop legislation during the legislative process.

4. Minutes of the October 2, 2014 Regional Council Meeting

President Morehouse reiterated that the Minutes of the Meeting of the Regional Council and Policy Committees will be a separate Action Item on the agenda to allow members to vote on the matter separately.

A MOTION was made (McCallon) to approve the Minutes of the October 2, 2014 Regional Council meeting. Motion was SECONDED (O'Connor) and passed by the following votes:

AYE/S: Richardson; Robertson; M. Martinez; Daniels; McEachron; Brown; Gazeley; Goodland; Murray; McCallon; Finlay; Wilson; Wapner; Ovitt; O'Connor; L. Parks; Acosta; Pettis; Millhouse; Spiegel; Herrera; Bailey; Eaton; Morehouse; Mitchell; Choi; Masiel, Sr.; Curtis; Medina; Murdock; Daigle; Solache; Antonovich; Saleh; Munzing; Nelson; Hyatt; and Rodriguez.

NOE/S: None

ABSTAIN: Becerra, Chun, Marquez, Harnik and Talamantes.

CONSENT CALENDAR

Approval Items

5. Contracts $200,000 or Greater: Contract No. 15-004-C1, Program Environmental Impact Report (PEIR) for the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS)

6. Contracts $200,000 or Greater: Contract Nos. 15-005-C1 Scenario Planning Services

8. SCAG Sponsorships and Memberships

Receive and File

10. 2015 Regional Council and Policy Committees Meeting Schedule

11. FY 2015-16 Comprehensive Budget Development Schedule

14. Notice of Funding Availability (NOFA) for Infill Infrastructure Grant (IIG) Program from the California Department of Housing and Community Development (HCD)

15. Purchase Orders $5,000 but less than $200,000; Contracts $25,000 but less than $200,000' and Amendments $5,000 but less than $75,000

16. November 2014 State and Federal Legislative Update

17. CFO Monthly Report

A MOTION was made (Robertson) to approve the Consent Calendar, except for Agenda Item Nos. 7, 9, 12 and 13. Motion was SECONDED (L. Parks) and passed by the following votes:

AYE/S: Richardson; Robertson; M. Martinez; Brown; Gazeley; Goodland; Murray; McCallon; Finlay; Wilson; Wapner; Ovitt; O'Connor; L. Parks; Acosta; Pettis; Millhouse; Talamantes; Spiegel; Herrera; Bailey; Eaton; Morehouse; Barrows; Becerra; Harnik; Marquez; Mitchell; Choi; Chun; Masiel, Sr.; Curtis; Medina; Murdock; Daigle; Solache; Antonovich; Saleh; Munzing; Nelson; Hyatt; and Rodriguez.

NOE/S: None

ABSTAIN: None

PULLED AGENDA ITEMS

7. Contracts $200,000 or Greater: Contract Nos. 15-009-C1 through 15-009-C10, On-Call Modeling and Technical Support Services

Councilmember Alan Wapner, Ontario, SANBAG, requested to pull Agenda Item No. 7 for the purposes of an abstention vote.

A MOTION was made (McCallon) to approve Agenda Item No. 7. Motion was SECONDED (L. Parks) and passed by the following votes:

AYE/S: Richardson; Robertson; M. Martinez; Brown; Gazeley; Goodland; Murray; McCallon; Finlay; Ovitt; O'Connor; L. Parks; Acosta; Pettis; Talamantes; Spiegel; Herrera; Bailey; Eaton; Morehouse**;** Barrows; Becerra; Harnik; Marquez; Mitchell; Choi; Chun; Masiel, Sr.; Curtis; Murdock; Daigle; Solache; Antonovich; Saleh; Munzing; Nelson; Rodriguez and Hyatt.

NOE/S: Medina

ABSTAIN: Murray and Wapner

9. SCAG Sustainability Planning Grants Program – Monthly Update

Councilmember Steven Choi, Irvine, District 14, requested to pull Agenda Item No. 9 for a separate discussion.

A MOTION was made (Wapner) to Receive and File Agenda Item No. 9. Motion was SECONDED (L. Parks) and passed by the following votes:

AYE/S: Acosta; Antonovich; Bailey; Barrows; Becerra; Choi; Chun; Curtis; Daigle; Eaton; Finlay; Gazeley; Goodland; Harnik; Herrera; Hyatt; Marquez; M. Martinez; Masiel, Sr.; McCallon; Medina; Mitchell; Morehouse; Munzing; Murdock; Murray; Nelson; O'Connor; Ovitt; L. Parks; Pettis; Richardson; Robertson; Rodriguez; Saleh; Solache; Spiegel; Talamantes; Wapner; and Wilson.

NOE/S: None

ABSTAIN: None

12. Upcoming Environmental Justice (EJ) Workshop for the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS)

Councilmember Dan Medina, Gardena, District 28, requested to pull Agenda Item No. 12 for a separate discussion.

A MOTION was made (Medina) to Receive and File Agenda Item No. 12. Motion was SECONDED (Pettis) and passed by the following votes:

AYE/S: Antonovich; Bailey; Barrows; Becerra; Brown; Choi; Chun; Curtis; Daigle; Eaton; Finlay; Gazeley; Goodland; Harnik; Herrera; Hyatt; Marquez; M. Martinez; Masiel, Sr.; McCallon; Medina; Mitchell; Morehouse; Murdock; Murray; O'Connor; Ovitt; L. Parks; Pettis; Richardson; Robertson; Rodriguez; Saleh; Solache; Spiegel; Talamantes; Wapner; and Wilson.

NOE/S: Munzing and Nelson

ABSTAIN: Acosta

13. SCAG Draft Public Health Program and FY 2014-15 Public Health Action Plan

Councilmember Steven Choi, Irvine, District 14, requested to pull Agenda Item No. 13 for a separate discussion.

A MOTION was made (Robertson) to Receive and File Agenda Item No. 13. Motion was SECONDED (Curtis) and passed by the following votes:

AYE/S: Acosta; Antonovich; Bailey; Barrows; Becerra; Brown; Choi; Chun; Curtis; Daigle; Eaton; Finlay; Gazeley; Goodland; Harnik; Herrera; Hyatt; Marquez; M. Martinez; Masiel, Sr.; McCallon; Medina; Millhouse Mitchell; Morehouse; Murdock; Murray; O'Connor; Ovitt; L. Parks; Pettis; Richardson; Robertson; Rodriguez; Saleh; Solache; Spiegel; Talamantes; Wapner; and Wilson.

NOE/S: Munzing and Nelson

ABSTAIN: None

FUTURE AGENDA ITEM/S

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Consideration and possible approval regarding the initiation of litigation pursuant to Government Code Section 54956.9 (c) – One potential case

The Regional Council returned from Closed Session and there is one (1) action that was taken that must be reported. With regard to the recent decision of the California Supreme Court to review the Appellate Court's decision in the matter of the *Center for Biological Diversity et al v. the Department of Fish and Game* (Case No. S217763) which involves the Newhall Ranch development, The Regional Council, on a motion by member Pettis, seconded by member Robertson, voted 31 in favor, 3 opposed, and 2 abstentions to authorize the SCAG Executive Director or staff Legal Counsel to further review the matter, including determining if the League of California Cities would be filing an amicus brief in the case, and thereafter to file or join in the filing of such amicus brief with the League of California in support of the ruling by the Appellate Court in this matter but only on the issue concerning the analysis of greenhouse gas emissions under CEQA. It was also noted that the recorded electronic votes of the individual members of the Regional Council were displayed on the screens and will be tabulated in the Minutes. The votes are identified as follows:

AYE/S: Antonovich; Bailey; Barrows; Becerra; Brown; Chun; Curtis; Eaton; Finlay; Gazeley; Goodland; Harnik; Herrera; Hyatt; Marquez; Masiel, Sr.; McCallon; Medina; Mitchell; Munzing; Murdock; Murray; O'Connor; Ovitt; Pettis; Richardson; Robertson; Solache; Spiegel; Wapner; Wilson.

NOE/S: Daigle; Millhouse; Nelson.

ABSTAIN: Morehouse; Talamantes.

ADJOURNMENT

There being no further business, President Morehouse adjourned the Regional Council meeting at 1:48 p.m. in memory of the recent passing of Pomona Officer Shaun Diamond, a 16-year veteran who served the Los Angeles and Montebello Police Departments; and the recent passing of Deputy Sheriff Eugene Kostiuchenko of Ventura County.

The next meeting of the Regional Council is scheduled for Thursday, February 5, 2015 at the Los Angeles office.

Lillian Harris-Neal, Clerk of the Board

This Page Intentionally Left Blank

AGENDA ITEM NO. 7

REPORT

DATE: February 5, 2015

TO: Regional Council (RC)

FROM: Joseph Silvey, General Counsel, silvey@scag.ca.gov, (949) 265-3411

SUBJECT: Executive Director's FY 2014-15 Performance Appraisal

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Review materials, complete and submit evaluation for Executive Director by March 2, 2015.

EXECUTIVE SUMMARY:
Article V.C.(3)(b) indicates that the Executive/Administration Committee (EAC) shall complete the Executive Director's annual Performance Evaluation no later than the regularly scheduled meeting of the RC in June. As in the past, for this year's evaluation process, Executive Director Performance Evaluation Forms will be used by members of the RC. The Evaluation Forms should be completed after a review by each RC member of the Executive Director's Duties and Obligations, as identified in Exhibit A of the Executive Director's Employment Agreement, and the 2014-2015 Work Plan, included as Exhibit B in his Employment Agreement. Completed Evaluation Forms should be submitted in confidence using one of the procedures described at the end of this report. Completed Evaluation Forms must be submitted no later than 5 pm on Monday, March 2, 2015, so that they may be included in the summary materials that will be provided to the EAC at its scheduled meeting on March 5.

STRATEGIC PLAN:
This activity is in accord with SCAG's Strategic Plan, Goal 5: Optimize Organizational Efficiency and Cultivate an Engaged Workforce; Objective (d) Define the Roles and Responsibilities at all levels of the organizations.

BACKGROUND:
Each year, the EAC undertakes a Performance Evaluation of the Executive Director using input from the RC through the Executive Director Evaluation Forms that are provided to all members of the RC. The Evaluation Forms are completed based on consideration of the Executive Director's performance compared against the Executive Director's Duties and Responsibilities and the 2014-2015 Work Plan, both of which are exhibits to his Employment Agreement.

As a member of the RC, you are being asked to complete an Evaluation Form, a copy of which is attached to this report. Also attached are copies of the Executive Director's Duties and Responsibilities and his 2014-2015 Work Plan. To assist you in completing the Evaluation Form, the Executive Director has summarized his most significant accomplishments in 2014-2015 and his summary is also included as one of the attachments to this report.

Each completed Evaluation Form should be submitted to SCAG's General Counsel using one of the confidential methods described below. Summarized numerical results from all of the Evaluation Forms will be provided to the EAC by the General Counsel along with a verbal summary of all written comments but without any source attribution or identification. All of the materials provided to the General Counsel and any summary materials created by the General Counsel will be considered confidential and will not be made available to the public or discussed outside of the closed session meeting that is used for the Executive Director's Performance Evaluation. It is expected that the EAC will meet with the Executive Director in closed session as part of the Performance Evaluation. It is also expected that, in accordance with past practice, some or all of the summary materials and results developed by the General Counsel for consideration by the EAC, again without source attribution or identification, will be confidentially provided to the Executive Director after the Performance Evaluation is completed.

This report and all of its attachments will be provided to all RC members who attend the February 5, 2015 RC meeting. In addition, the materials and an electronic version of the Evaluation Form will be emailed to all RC members after the meeting.

Last year completed Evaluation Forms were received from approximately 50% of the membership of the RC. A greater level of RC participation is desired to enhance the Executive Director's Performance Evaluation.

Each completed Evaluation Form should be considered confidential and may be submitted to the General Counsel using any one of the following confidential procedures:

1. Hand Deliver a hard copy of the Evaluation Form to Lillian Harris-Neal, Clerk of the Board, using a sealed envelope marked, "Confidential, Deliver to General Counsel"; or

2. Mail a hard copy of the Evaluation Form to Lillian Harris-Neal, Clerk of the Board, at SCAG's main address in a sealed envelope marked, "Confidential, Deliver to General Counsel": or

3. Complete an electronic (fillable) version of the Evaluation Form and email it to the General Counsel at his law office email address: jsilvey@bwslaw.com by clicking the "SUBMIT" button; or

4. Fax the Evaluation Form to the General Counsel at the following secure facsimile number: (949) 863-3350.

Questions regarding the Performance Evaluation process should be directed to the General Counsel at the email address listed above or to him by phone at (949) 265-3411.

RECOMMENDATION:
Complete the attached Evaluation Form and submit it to the General Counsel no later than 5 pm on March 2, 2015.

ATTACHMENTS:

1. Executive Director's Duties and Responsibilities (Exhibit A, Executive Director's Employment Agreement)
2. Executive Director's FY 2014-15 Work Plan (Exhibit B, Executive Director's Employment Agreement)
3. Memorandum from Executive Director Summarizing FY 2014-15 Work Plan Accomplishments
4. Hard Copy of Executive Director FY 2014-15 Performance Evaluation Form

ATTACHMENT 1

Employee's Duties and Obligations

1. **Provide staff support to the Regional council, the General Assembly and all other Policy Bodies formed by the Regional Council.**

2. **Accountability and Responsibility.**
   - Provide clear, consistent, and timely information flow to Regional Council. Maintain two-way communication.
   - Develop a management team that sets clear direction, monitors progress, and presents coordinated staff position.
   - Take responsibility and be accountable for all of the activities, processes, procedure, and products developed within the organization.
   - Provide a management culture that is consistent with personnel and financial best practices.

3. **Manage the staff and the budget of the organization.**
   - Oversee the Directors, Managers and staff. Establish, based on Regional Council direction, priorities within the Agency.
   - Take initiative to identify work-related issues and work with staff to resolve all issues.
   - Provide clear direction and guidance to Directors and Managers on all assignments and counsel them on accomplishing the same with their staff.
   - Provide timely feedback and, where necessary, constructive criticism to staff.
   - Require staff use of management information systems.
   - Ensure that all staff are maintaining and adhering to their work schedules and their calendars are accessible.
   - Carry out these responsibilities consistent with the equal opportunity goals of the organization.
   - Develop a staff that has high morale, is qualified and dedicated to carrying out the mission of the organization.
   - Focus staff activities on our major products and working with our members and Subregional organizations.

4. **Foster Teamwork and Customer Service.**
   - Maintain positive interpersonal relations with fellow employees and others with whom Employee comes into contact.
   - Require and facilitate organizational staff sharing information, except privileged, legal or personnel information.
   - Create a teamwork environment within the organization.
   - Maintain communication channel and information flows that reflect that Employee and direct staff are approachable, responsive, and flexible.
   - Continuously monitor and evaluate the efficiency and effectiveness of the various departments within the organization, including service delivery methods and procedures; identify opportunities for improvement and implement changes.

5. **Engage in Professional Continuous Improvement.**
    - Participate in professional, organizational, educational and governmental organizations to remain current in best practices.
    - Take an active leadership role in the government sector.
    - Write and speak on the policy issues that we are developing.

6. **Strengthen the membership base of the organization.**
    - Conduct briefing and education forums to inform our members and our policy officials of the activities of the organization and the region.
    - Develop our information flow so that our members are current with actions of the organization.
    - Involve our members in workings of the organization.
    - Undertake a leadership development program for policy members.

7. **Represent SCAG's policies with other governmental organizations at the Federal, State, and Regional levels.**

8. **Work with the private sector and community organizations to carry out the mission of the organization.**

9. **Carry out an outreach program involving the media and other communication approaches that will inform our constituencies of regional issues, challenges and activities of the organization.**

ATTACHMENT 2

Hasan Ikhrata FY 14/15 Work Plan

- Implement all state and federal requirements of a Metropolitan Planning Organization
- Oversee and direct all administrative functions of the agency
- Implement the approved SCAG Strategic Plan
- Work with stakeholders and increase public awareness of need to implement the approved 2012-2035 RTP/SCS
- Implement the SCAG Regional Council Priorities for 2014-2015
- Work with stakeholders to implement the SCAG approved state and federal legislative priorities for 2014
- Successfully adopt the FY 2015 Federal Transportation Improvement Program (FTIP)
- Continue Process for Developing the 2016 RTP/SCS
- Hold workshops and Summits as needed to implement the above approved Work Plan
- Effectively manage the affairs and staff of SCAG and address all unexpected issues that arise in the course of the fiscal year

ATTACHMENT 3

REPORT

DATE: February 5, 2015

TO: Regional Council (RC)

FROM: Hasan Ikhrata, Executive Director

SUBJECT: List of Accomplishments – Fiscal Year (FY) 2014-2015

EXECUTIVE DIRECTOR'S APPROVAL:

To assist with your evaluation of me this year, attached is a list of my accomplishments for FY 2014-2015. I have organized the accomplishments such that they correlate with the goals of my Work Plan for this year.

Overall, I believe that the Agency is doing very well. We continue to inform the many policies affecting the region, and SCAG's input on matters is being sought throughout the region, the State, the nation and internationally. We have initiated the process of developing the 2016 RTP/SCS and have made great progress with our stakeholders in implementing the approved 2012-2035 RTP/SCS. Our events are registering all-time highs in attendance and increased media exposure for the agency.

None of these accomplishments would have occurred without the leadership of the Executive and Administration Committee and the Regional Council as well as the hard work of SCAG's very capable staff. With respect to the staff, I want to reassure you that I spend much of my time reaching out to them. I think that the current staff morale is good and I will continue to make finding ways to support staff as one of my top priorities.

In conclusion, I want to thank you for your efforts in helping SCAG make a difference.

Hasan Ikhrata's List of Accomplishments
FY 2014/2015

Implement all state and federal requirements of a Metropolitan Planning Agency

- Completed four-year federal re-certification process with final approval by the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) in August 2014 with no corrective actions.
- Adopted 2015 Federal Transportation Improvement Program (FTIP) with approval and conformity determination issued by FTA and FHWA in December 2014.
- Adopted Amendment No. 2 to the 2012 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) with conformity determination issued by FHWA/FTA in December 2014.
- Completed 2014 Update of SCAG's Title VI Program with final approval issued by FTA in December 2014.
- Facilitated interagency consultation for regional and project-level conformity through monthly Transportation Conformity Working Group (TCWG) meetings and process PM hot spot analyses for numerous transportation projects.
- Completed and received approval for three Administrative Modifications of the 2013 FTIP and four amendments and three Administrative Modifications to the 2015 FTIP.
- Negotiated and executed updated Master Fund Transfer Agreement with State Department of Transportation (Caltrans) effective January 2015.
- Compiled, reviewed and submitted to Caltrans the FY 2013-2014 Annual SCAG CMAQ Report.
- Worked with air districts and Air Resources Board to develop new transportation conformity budgets included as part of 2013 Imperial PM2.5 SIP and the updates to 1997 8-hour ozone SIPs for Coachella and Western Mojave.
- Completed, and for the first time, programmed funds as part of the 2014 Southern California Regional Active Transportation Program approved by the California Transportation Commission in November 2014.
- Conducted Regional leadership Summit with state, federal, local officials regarding successful implementation of federal "Buy America" regulations and impacts to myriad of multibillion Southern California transportation projects already in procurement or construction.
- Conducted several Summit workshops with state officials regarding equitable methodology and data collection for determining "low income" communities potentially eligible for state Cap and Trade funds.

Oversee and direct all administrative functions of the agency

- SCAG awarded the Government Finance Officers Association's Certificate in Achievement for Excellence in Financial Reporting (CAFR) – 11^{h} consecutive year we have earned recognition.
- Received a clean audit from external Independent Auditors on the Comprehensive Annual Financial Report for FY 14/15.
- SCAG awarded a 2014 Risk Management Award: Best Overall Performance – Liability Program by the California Joint Powers Insurance Authority.
- Improved SCAG sustainability with successful rollout of mobile tablets, new web technologies, and enterprise print and copy management to reduce environmental impact, increase staff productivity and achieve cost savings for print/copy management.

Work with Stakeholders to implement the approved 2012-2035 RTP/SCS

- Work with state agencies and MPOs to secure regional fair share and appropriate funding levels through SB 535 – designation of Disadvantaged Communities and Cap & Trade AHSC funding guidelines.
- Continued funding and implementation of over 70 (total 73) Sustainability Program projects.
- Worked with the California Transportation Commission and County Transportation Commissions to develop draft guidelines to expedite delivery of state and federal Active Transportation Program funds.
- Established a CEO's Sustainability Working Group to coordinate implementation of sustainability measures, policies and programs.
- Utilized Civic Spark Fellows to assist with Green Region Initiative, and Randall Lewis Public Health Fellows provided by the Partners for Better Health to assist with Public Health and Active Transportation.
- Continued implementation of SCAG's Open Space work plan by convening a new Open Space Conservation Working group and by refining methodology for conserving regional open space resources.
- Established joint sustainability work programs with Metro, SANBAG, ICTC, RCTC, and OCTA to develop plans and policies related to first last miles, complete streets, safe routes to school, and active transportation funding.
- Awarded $2.3 million Active Transportation Program grant to conduct a Regional Active Transportation Safety & Encouragement Campaign in partnership with the six county health departments and county transportation commissions.
- Received one of four awards nationwide from FHWA to advance methods of analyzing greenhouse gas emissions generated from multimodal transit trips, including first-last mile access and egress from stations.
- Conducted a 2012-2035 RTP/SCS implementation survey from local jurisdictions on efforts related to general plan updates, specific plans, bike/pedestrian plans and climate action plans.
- Prepared Local Profile Report for each of the over 190 member jurisdictions to track the changing conditions.
- Released Chinese language edition of SCAG's full 2012-2035 RTP/SCS.
- Promoted global research and planning collaborations with various international research, planning, educational, and government organizations. SCAG signed Memoranda of Understanding (MOUs) with organizations from South Korea and China, including the Jiangsu Transportation Institute in China and Incheon National University in South Korea.
- Implemented SCAG's GIS Services Program, providing technical assistance to local jurisdictions for better enhancement of their GIS and data capabilities for land use and other planning required for implementation of RTP/SCS.
- Presented state-of-the-practice RTP/SCS planning results and techniques at various international academic and professional conferences, including the Transportation Research Board (TRB), the Annual Meeting of the American Public Health Association (APHA),the American Planning Association, and ESRI International User Conference.
- Increased media awareness through Op Ed pieces, press releases and media events on need to fund approved 2012 RTP/SCS and economic/environmental impacts to local jurisdictions if not funded.
- Continued work with the State on California's Road User Charge Pilot initiative with the passage of Senate Bill 1077.
- Held Road User Charge workshop with Caltrans and the Mileage Based User Fee Alliance.
- Continued to work with the County Transportation Commissions and other transportation stakeholders on the region's Value Pricing Pilot Program grant initiatives.

- Actively participated in and provide research support to the California Freight Advisory Committee and the National Freight Advisory Committee.

Implement the Regional Council Priorities for 2014-2015

- Held Executive/Administration Committee Retreat and Board Officer joint agency meetings to increase communication with Kern County, SANDAG and Santa Barbara.
- Held New Member Orientation with 17 newly elected Regional Council and Policy Committee members.
- SCAG's 50th Anniversary Regional Conference and General Assembly which is expected to surpass all fundraising and attendance records and developed new 50th Anniversary logo and targeted media plan to celebrate and commemorate SCAG's 50th Anniversary.
- Successfully implemented legislative program, with Governor signing 7 of 11 bills SCAG took a position on in addition to the Cap-and-Trade funding provisions that SCAG supported were wrapped into an omnibus budget trailer bill.
- Organized State and Federal Legislative Receptions to increase SCAG's effectiveness in Sacramento and Washington D.C.
- Developed recommendations to improve and expand SCAG Scholarship Program.
- Developed draft Public Health Work Program and Fiscal Year 2014-2015 Action Plan advancing recommendations of the Public Health Sub-Committee.
- Convened and completed policy review by the Regional Housing Needs Assessment and Housing Element Reform Subcommittee.

Continue Process for Developing the 2016 RTP/SCS

- Completed the development of demographic, scenario planning, transportation, and emission tools and models for use in the 2016 RTP/SCS plan development and analysis.
- Coordinated with other large MPOs to plan for the next Household Travel Survey.
- Provided technical assistance and modeling services to regional and sub-regional agencies in support of their modeling program and to promote model consistency.
- Working with panel of experts and other stakeholders to develop the updated regional/county growth forecasts for the 2016-2040 RTP/SCS.
- Completed the 2016-2040 RTP/SCS growth forecasting local jurisdictions/sub -regional review and input process.
- Published SCAG Data/Map Books for each jurisdiction detailing the various land use, socioeconomic and environmental datasets for use in the development of the 2016-2040 RTP/SCS.
- Met individually with 195 local jurisdictions to go over land use and growth forecasts for 2016-2040 RTP/SCS.
- Engaged stakeholders and consultant team to develop land use and transportation planning scenarios, including public health, conservation and active transportation participants.
- Kicked off and completed the SB 375 required regional workshops throughout the region.
- Enhanced key internal systems to support FTIP and RTP/SCS efforts, with leading edge modeling servers, databases, collaboration and storage solutions.

Hold Workshops and Summits as Needed to Implement the Above Approved Work Plan

- Held successful 5th Annual Southern California Economic Recovery and Job Creation Summit with increased media exposure and attendance.
- Held successful 50 Years into the War on Poverty Summit and developed recommendations to address issues raised in the Poverty Action Plan.
- Established working groups focused on Active Transportation and Public Health to facilitate regional collaboration on the development of the 2016 RTP/SCS as well as share best practices on an on-going basis.
- Facilitated Toolbox Tuesdays Training Series to build local capacity in innovative and integrated transportation and planning tools.
- Recognized 14 outstanding examples of integrated transportation and land use planning that are implementing the 2012 RTP/SCS at the local level through SCAG Sustainability Awards.
- Continued to build research collaborations with Southern California's universities, co-hosted the 26th Annual Demographic Workshop with USC and conducted joint seminars and research projects with Cal Poly Pomona and USC's Price Planning School to improve SCAG's planning capabilities.
- Provided over 30 GIS training sessions, modeling assistance, and completed over 200 data requests in support of local jurisdictions planning programs.
- Through the Modeling Task Force and other outreach activities, promoted interagency consultation and coordinated modeling activities with the County Transportation Commissions, Caltrans, ARB, air districts and State/Federal agencies.
- Actively participated in several regionally significant planning studies including: the SR-710 North EIR/EIS Study, Metrolink's Strategic Plan, the Coachella Valley Rail Feasibility Study, and a rail operational study for SANBAG.

Effectively manage the affairs and staff of SCAG and address all unexpected issues that arise in the course of the fiscal year.

- Despite significant federal funding cuts to SCAG operating budget, Board adopted balanced budget with a work plan implementing adopted FY 2014/15 agency wide goals.
- Engaged in and completed individual coaching and Executive Team coaching to improve management of the agency.
- Retained 190/191 city members and all six county members.
- Continued updating the website as a component of SCAG's ongoing efforts to provide valuable services to member jurisdictions and enhance communication with member agencies, partners, stakeholders and the general public.
- As part of on-going succession planning, filled three management positions. SCAG continues to provide management/leadership coaches dedicated to further cultivating management team leadership skills.

ATTACHMENT 4

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Executive Director -- Performance Evaluation (CONFIDENTIAL)

This evaluation is a measurement of the Executive Director's performance from July 1, 2014 to June 30, 2015.

SCAG RATING SCALE DEFINITIONS

E **Excels/Exceeds the standards expected of the position (worth 5 points)**
The Executive Director's performance has consistently exceeded his duties, obligations and other position-related requirements, providing tangible and exceptional value to SCAG.

A **Performs Above the standards expected of the position (worth 4 points)**
The Executive Director's performance frequently demonstrates more than is expected in meeting his goals, objectives and other position-related requirements, benefiting SCAG beyond that normally expected of the position.

M **Meets the standards expected of the position (worth 3 points)**
The Executive Director's performance meets his goals, objectives and other position-related requirements.

NI **Needs improvement to meet the standards expected of the position (worth 2 points)**
The Executive Director's performance needs specific improvement in an area/s critical to his goals, objectives and other position-related requirements, even while meeting some elements of his goals, objectives and other position-related requirements.

US **Unsatisfactory performance for the standards expected of the position (worth 1 point)**
The Executive Director's performance does not meet the majority or the element/s critical to his goals, objectives and other position-related expectations, requiring immediate, significant, and sustained improvement in their performance.

PART I: GENERAL DUTIES AND OBLIGATIONS

Please evaluate the performance of the Executive Director in fulfilling the general performance expectations set forth in Exhibit A of the Executive Director's Employment Contract.

1. Staff Support to Regional Council, General Assembly, and all other Policy Bodies formed by the Regional Council.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

2. Accountability and Responsibility.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

3. Manage the staff and the budget of the organization.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

4. Teamwork and Customer Service.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

5. Professional Continuous Improvement.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

6. Strengthen the membership base of the organization.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

7. Represent SCAG's policies with other governmental organizations at the Federal, State and Regional levels.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

8. Work with the private sector and community organizations to carry out the mission of the organization.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

9. Carry out an outreach program involving media and other communication approaches that will inform our constituencies of regional issues, challenges and the activities of the organization.

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

PART II: ANNUAL WORK PLAN

Please evaluate the performance of the Executive Director in fulfilling the objectives of the Annual Work Plan set forth in Exhibit B of the Executive Director's Employment Contract which support the Goals set forth in SCAG's Strategic Plan.

Strategic Plan Goal #1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plan and Policies

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

Strategic Plan Goal #2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

Strategic Plan Goal #3: Enhance the Agency's Long Term Financial Stability and Fiscal Management

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

Strategic Plan Goal #4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make Assessment

Strategic Plan Goal #5: Optimize Organizational Efficiency and Cultivate and Engaged Workforce

☐ Excels ☐ Above ☐ Meets ☐ Needs Improvement ☐ Unsatisfactory ☐ Unable to make assessment

PART III: OPTIONAL COMMENTS

Please provide comments, if desired.

PART IV: AREAS OF IMPROVMENT

Please provide comments, if desired on areas where the Executive Director may improve upon.

Rater Name _____ Rater Signature _____

Date _____

Click HERE to SUBMIT Form

This Page Intentionally Left Blank

REPORT

AGENDA ITEM NO. 8

DATE: February 5, 2015

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

FROM: Darin Chidsey; Director, Strategy, Policy & Public Affairs; (213) 236-1836; chidsey@scag.ca.gov

SUBJECT: SCAG Memberships & Sponsorship

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Approve.

EXECUTIVE SUMMARY:
The Legislative/Communications & Membership Committee (LCMC) met on November 8, 2014 and recommended approval of up to $45,000 in FY 14-15 memberships for the 1) METRANS Transportation Center Associates Program ($25,000), and 2) Southern California Leadership Council and the Center of Economic Development ($20,000). The LCMC met on January 20, 2015 and recommended approval of up to $10,000 in sponsorship for the 3) Shared-Use Mobility Center Mobility Summit.

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; and Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:

Memberships

1. **METRANS Transportation Center Associates Program ($25,000)**

   The METRANS Transportation Center is one of the key transportation research, education, and outreach centers in the United States. With its focus on solving transportation problems of large metropolitan areas, it has used Southern California as a laboratory and developed methods to increase the efficiency and sustainability of the region's transportation systems. As a partnership of two of the largest universities in the region—University of Southern California (USC) and California State University, Long Beach (CSULB)—the Center trains the region's transportation professionals in engineering, urban planning, logistics, economics and public policy. Through conferences, workshops, and comprehensive media programs, METRANS serves as the regional focus for research dissemination and policy outreach. METRANS is a United States Department of Transportation-designated University Transportation Center.

The METRANS Associates Program provides the core support for METRANS. It serves as a model of collaboration between the University community, corporations, and government agencies who come together to study emerging trends and forecasts in goods movement and international trade, discuss relevant and timely developments in transportation policy, and share best practices in the field. METRANS Associates enjoy unparalleled access to USC and CSULB faculty and other policy experts and leaders in transportation. Additionally, METRANS Associates receive access to exclusive educational opportunities and outreach programming that explore timely and relevant topics in transportation, and provide access to an elite network of professionals working in the field. METRANS Associates also have access to the intellectual capital provided by graduate students and faculty at USC and CSULB, who are available to assist with a variety of planning and analysis projects within transportation.

SCAG staff is recommending again a "Silver Partner" membership of $25,000 on the METRANS Associates Program, which includes:

- Membership on the METRANS Advisory Board;
- Invitation to the Annual Transportation Policy Retreat;
- Invitation to quarterly transportation policy Fireside Chats with USC and CSULB faculty and other leading transportation experts;
- Half page feature in METRANS quarterly newsletter, METRANS News;
- Free registration at all METRANS/CSULB Center for International Trade and Transportation (CITT) events, including the National Urban Freight Conference;
- Recognition as METRANS Associate Silver Partner and Sponsor at all METRANS/CITT events, including the National Urban Freight Conference, Town Hall meetings, and the annual Seminar Series;
- Invitation to all VIP receptions held in conjunction with METRANS/CITT events; and
- Recognition on METRANS website and other communication materials.

SCAG has supported METRANS over the past several years by being a sponsor of the National Urban Freight Conference. With this enhanced partnership with METRANS, SCAG would no longer need to sponsor that event as its benefits, as well as registration, are included with the overall membership of the METRANS program. SCAG has written many letters of support on their behalf, which have contributed to their success in competing for state and federal research grants. In addition, METRANS has supported SCAG activities in the past, and a number of former interns at SCAG were from the METRANS Transportation Center.

2. <u>Southern California Leadership Council and the Center of Economic Development ($20,000)</u>

Established in 2005, The Southern California Leadership Council is comprised of business and community leaders from throughout the 7 counties of Southern California, including four former California Governors. The Leadership Council funds, prioritizes, and approves the work of the Center of Economic Development (CED); which is a regional program of the Los Angeles County Economic Development Corporation (LAEDC). As a program of the LAEDC, the CED benefits from related work of the LAEDC's acclaimed business assistance, economic research and consulting programs. The Center's work is funded, prioritized and approved by the Leadership Council to shape and solve public policy issues such as business vitality, resources (energy, water and environment), and transportation (goods and people) that are critical to SCAG and the region's economic vitality and quality of life. SCAG Executive Director SCAG Executive Director, Hasan Ikhrata attends

Southern California Leadership Council meetings and regularly brings SCAG Board officers. The annual dues are $20,000.

Sponsorship

3. **Shared-Use Mobility Center Mobility Summit ($10,000)**

The Shared-Use Mobility Center will be holding their first-ever shared-use mobility conference in Southern California. The event, "Live • Ride • Share: SoCal's Emerging Mobility Marketplace," will be held February 23, 2015 at the Japanese American National Museum. Participants at prior events held in the Bay Area included mobility providers, policy-makers, governmental agencies, non-profits, technologists, academics, media, stakeholders, and affiliated industries on the current state of practice and opportunities and obstacles to market expansion of shared-use mobility services and systems.

Many of the agency's partners are sponsoring this important, including, but not limited to, the Urban Land Institute – Los Angeles, Fixing Angelenos Stuck in Traffic (FAST), Move LA, and the Natural Resources Defense Council. With the region seeing an increased focus on mobility, especially when considering the agency will soon be commencing development of the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), staff is recommending a "Gold" sponsorship in the amount of $10,000, which will include:

- Exposition space (outdoor);
- Featured in media materials, blog, and social media;
- Featured in program booklet;
- Logo on website;
- Recognition from the podium,
- Advertising on an 8' x 10' wall screen;
- Recognition as a coffee or meal sponsor; and
- Ten (10) complimentary event tickets.

FISCAL IMPACT:
$55,000 for memberships and sponsorships is included in the approved FY 14-15 General Fund budget.

ATTACHMENT:
None

This Page Intentionally Left Blank

REPORT

AGENDA ITEM NO. 9

DATE: February 5, 2015

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

FROM: Basil Panas, Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: Contract Amendment $75,000 or Greater: Contract No. 13-008-C2, SCAG Region Value Pricing Project

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Approve amendment to Contract No. 13-008-C2 with Parsons Brinckerhoff, in an amount not-to-exceed $198,500, for the SCAG region value pricing project.

EXECUTIVE SUMMARY:
The purpose of the amendment is to conduct a more detailed analysis within Los Angeles County resulting in an "ExpressLanes Strategic Plan" consistent with Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors' motion (Item 59) approved November 13, 2014 (Agenda Item 59). The ExpressLanes Strategic Plan shall identify and recommend potential corridors that can benefit from ExpressLanes conversion, including the development of a 10-year and 30-year resource plan for existing and future ExpressLanes corridors. This amendment exceeds $75,000; therefore, in accordance with the SCAG Procurement Manual (dated 02/14/13) Section 8.3, it requires Regional Council's approval.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities, Objective a: Identify new infrastructure funding opportunities with state, federal and private partners.

BACKGROUND:
Staff recommends executing the following contract amendment $75,000 or greater:

Consultant/Contract #	Contract Purpose	Contract Amount
Parsons Brinckerhoff (13-008-C2)	The consultant shall provide regional express lane network pre-implementation assistance for the SCAG region value pricing project.	$198,500

FISCAL IMPACT:
Funding of $198,500 will be provided by Metro.

ATTACHMENT:
Consultant Contract No. 13-008-C2

CONSULTANT CONTRACT 13-008-C2 AMENDMENT 4

Recommended Consultant: Parson Brinckerhoff, Inc.

Background & Scope of Work: On April 1, 2013, SCAG awarded Contract No. 13-008-C2 to Parsons Brinckerhoff to develop a blueprint for a Regional Express Lane Network that integrates express lane facilities into a regional system with consistent or compatible operating, design, and policy rules.

The purpose of this amendment is to enable Parsons Brinckerhoff to conduct a more detailed analysis within Los Angeles County resulting in an "ExpressLanes Strategic Plan" consistent with Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors motion approved November 13, 2014. The ExpressLanes Strategic Plan shall identify and recommend potential corridors that can benefit from ExpressLanes conversion, including the development of a 10-year and 30-year resource plan for existing and future ExpressLanes corridors.

Project's Benefits & Key Deliverables: This project is expected to provide a valuable addition to the national dialogue on congestion management strategies. The project's key deliverables include, but are not limited to:

- Building on previous corridor planning efforts to define a regional network;
- Evaluating the performance of regional network alternatives;
- Defining consistent technology and policy requirements across express lane corridors (taking into account different vehicle occupancy and pricing considerations);
- Developing a regional investment/financial plan as may be appropriate; assessing institutional and governance arrangements for administering pricing (including toll collection, enforcement, debt issuance, and operational issues) across multiple agencies;
- Conducting stakeholder outreach and market research for a regional network; and
- Developing a concept of operations (CONOPS) for a regional network

Strategic Plan: This item supports SCAG's Strategic Plan Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities, Objective a: Identify new infrastructure funding opportunities with state, federal and private partners.

Amendment Amount:

Amendment 4	$198,500
Amendment 3 (administrative - no change to contract's value)	$0
Amendment 2 (administrative - no change to contract's value)	$0
Amendment 1 (administrative - no change to contract's value)	$0
Original contract value	$1,859,803
Total contract value is not-to-exceed	**$2,058,303**

This amendment exceeds $75,000. Therefore, in accordance with the SCAG Procurement Manual (dated 02/14/13) Section 8.3, it requires the Regional Council's approval.

Contract Period: April 1, 2013 through June 30, 2016

Project Number: 265.SCG02125 $2,058,303
Funding sources: Value Pricing Pilot Program Fiscal Year 2010 Grant Award – FHWA, TDA, and Local

Basis for the Amendment: Parsons Brinckerhoff is currently conducting the development of a blueprint for a Regional Express Lane Network that integrates express lane facilities into a regional system with consistent or compatible operating, design, and policy rules based on a Value Pricing Pilot Program Fiscal Year 2010 Grant Award to support the pre-implementation of value pricing alternatives in the SCAG region.

SCAG is conducting Contract No. 13-008-C2 in conjunction with Metro, our regional partner. Metro requested a more detailed analysis of the ExpressLanes Strategic Plan to identify and recommend potential corridors that could benefit from ExpressLanes conversion, including the development of a 10-year and 30-year resource plan for existing and future ExpressLanes corridors. This additional analysis will provide a more robust report.

This Page Intentionally Left Blank

AGENDA ITEM NO. 10

REPORT

DATE: February 5, 2015

TO: Regional Council (RC)

FROM: Hasan Ikhrata, Executive Director, (213) 236-1944, ikhrata@scag.ca.gov

SUBJECT: Cap-and-Trade Greenhouse Gas Reduction Fund: Affordable Housing and Sustainable Communities Program Update – Final Guidelines

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
For Information Only – No Action Required

EXECUTIVE SUMMARY:
On January 20, 2015, the Strategic Growth Council (SGC) adopted the final Guidelines for the 2014-15 Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC program is funded by the Cap-and-Trade Greenhouse Gas Reduction Fund. With SGC approval of the AHSC Program Guidelines on January 20, 2015, SGC staff may now proceed with solicitation of projects eligible under the guidelines through a competitive process, awarding approximately $120 million in Fiscal Year (FY) 2014-15 grants. The AHSC Program Guidelines include a role for Metropolitan Planning Organizations (MPO)s in the grant application process. This report summarizes the changes made and reflected in the final AHSC Guidelines approved by the SGC and SCAG's role and process for supporting grant applicants.

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, consistent with the implementing legislation, described below. Two (2) categories under the Cap-and-Trade program will receive multi-year funding allocations: 1) Transit, Housing, and Sustainable Communities (35%); and 2) High-Speed Rail (25%). The remaining 40% of Cap-and-Trade funds will be subject to the annual budget process for other program areas.

The Budget Act of 2014 (Senate Bill 852) appropriates $130 million from the GGRF for FY 2014-15 to the SGC to develop and administer the AHSC Program, and is expected to award $120 million grant to eligible projects. Accompanying legislation, Senate Bill (SB) 862 (Budget Trailer Bill), apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16. The AHSC Program is intended to further the regulatory purposes of Assembly Bill (AB) 32 and Senate Bill (SB) 375 by investing in projects that reduce greenhouse gas emissions (GHGs) by creating more compact, infill development patterns; integrating affordable housing; encouraging active transportation and mass transit usage; and protecting agricultural land from sprawl development.

SCAG staff has been monitoring and regularly providing reports to the Regional Council on the programs supported by the auction proceeds derived from the state Air Resources Board's AB 32 Cap-and-Trade Program. Supporting allocation of an equitable share of these funds to transportation and sustainable communities' implementation was a top priority for the Regional Council and this was reflected in the FY 2014-15 appropriation to the GGRF. These critical funding programs are expected to help local jurisdictions and SCAG's partners implement the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (2012 RTP/SCS).

On November 6, 2014, SCAG staff organized a Workshop for the RC and the Policy Committees on the various opportunities for funding from the GGRF. At that time, State representatives provided an overview of the preliminary Guidelines for the AHSC program component of the GGRF.

The AHSC program will provide grants and loans for affordable housing, infill and compact transit-oriented development, and infrastructure connecting these projects to transit. Projects funded by the AHSC program will support reduction of GHG emissions through reduced VMT and increased accessibility of affordable housing, employment centers, and key destinations through fewer or short vehicular trips or mode shift to other transportation options such as transit, bicycling or walking.

The SGC released preliminary draft Guidelines for the AHSC Program on September 23, 2014, a memorandum summarizing preliminary proposed revisions on December 19, 2014, and the Final Draft Guidelines on January 9, 2015. The SGC took action on January 20, 2015 to adopt the Final Draft Guidelines. The adopted Guidelines provide some measure of simplification, streamlining, and easing of some requirements in response to public comment, but are substantively similar to the draft versions. Summaries of the final AHSC Program and key changes between the draft and final Guidelines are included as Attachments 1 and 2 to this staff report, respectively. Two (2) important items to note in the final Guidelines are a revision to the eligible applicants and details of the role of MPOs, as described below.

Eligible Entities

The final Guidelines eliminated the requirement included in the draft Guidelines that a Public Agency must be an applicant or co-applicant on all applications. The final Guidelines require a Public Agency to be an applicant or co-applicant only when it has a financial or real property interest in the proposed project.

The final Guidelines include the following as eligible applicants:

> A Locality [*city, county, or unincorporated area within an county*], public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency (RTPA), local Transportation Commissions, Congestion Management Agencies, Joint Powers Authority (JPA), school district, facilities district, University or Community College District.

It is noted that SCAG is an RTPA and JPA, but does not have implementing authority for capital projects.

MPOs Role

SB 862 provides that the SGC "shall coordinate with the metropolitan planning organizations and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the goals and objectives of this division." The final AHSC Program Guidelines include the following in regard to the role of MPOs for the 2014-15 AHSC program.

- Concept applications for the respective region will be provided to each MPO
- MPO may review concept applications and inform the SGC of their view of the project's support of the implementation of the applicable SCS
- Upon receipt of full applications, each MPO will be provided copies of applications for their respective region for review
- If they choose, MPOs may provide project recommendations for SGC consideration for their respective region
- All MPO recommendations are advisory only

To meet the requirements of SB 862, SCAG staff will review concept applications and inform the SGC whether the projects support implementation of the 2012-2035 RTP/SCS, and will review and evaluate full applications to inform the SGC on the projects' relation to the regional priorities in the adopted 2012-2035 RTP/SCS.

SCAG staff will also provide comprehensive assistance to project applicants upon request. In addition to the assistance offered by HCD and ARB (see below), SCAG staff will help formulate competitive applications and comprehensively document project's GHG and co-benefits.

SCAG looks forward to further facilitating regional/local competitiveness for future rounds of funding from the AHSC program as we develop the 2016-2040 RTP/SCS with our partners and stakeholders. SCAG will also continue to work with the SGC on updating the AHSC Program and Guidelines for future rounds of funding.

<u>AHSC Guidelines Scoring Criteria</u>
Scoring criteria and values in Final Guidelines emphasize the primary objective of GHG emissions reduction, and reflect other priorities related to project readiness and other policy considerations that are not factored into the GHG emissions calculations, as shown in the following table.

AHSC Scoring Elements and Criteria

*Refer to Figure 10 for applicable criteria within each scoring element based on the proposed **Project***

GHG Reduction - 55% of total score

- Estimated GHG emissions reductions per GGRF dollar. GHG emissions reductions must be estimated using the GHG Quantification Methodology in Appendix D *(55 points)*

Feasibility and Readiness - 15% of total score

- **Captial Project** Past Performance *(2 points)*
- **Capital Project** Readiness & Program Readiness, Capacity, Need and Leverage *(8 points)*
- **Capital Project** Funds Leveraged *(4 points)*
- Implementation of Planning Efforts *(1 point)*

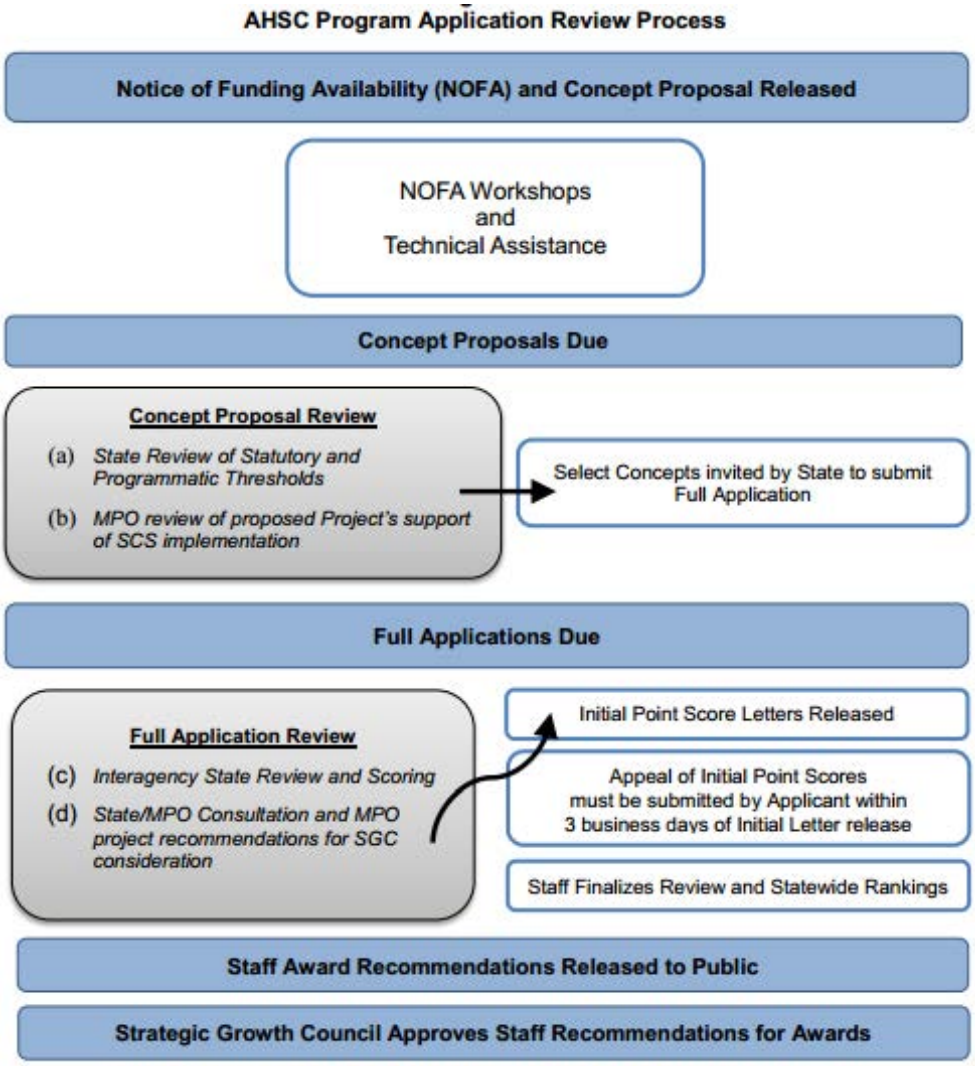
Policy Objectives - 30% of total score

- Accessibility to Qualified Employment Areas *(5.5 points)*
- Extent to which the **Project Area** Incorporates Walkable Corridors *(5.5 points)*
- Extent to which the **Project Area** Incorporates Features which Encourage Bicycling *(3 points)*
- Extent to which the Housing Development Serves Lower- and Moderate-Income Households *(6.5 points)*
- Extent to which the **Project** Addresses Co-Benefits *(6.5 points)*
- Anti-Displacement Strategies *(1 point)*
- Community Engagement *(2 points)*

Application Process

The 2014-15 AHSC Program NOFA, released by HCD staff, includes the Concept Proposal application and specific information on application requirements. All applicants must submit a required concept proposal. "The intent of the concept proposal process is 1) focus expenditures of local resources on the most competitive applications given limited AHSC Program funding, 2) provide targeted technical assistance to potential applicants, with a priority to Disadvantaged Community applicants, and 3) coordinate with Metropolitan Planning Organizations on supporting Sustainable Communities Strategies implementation." (Guidelines Section 105 (c) (1)).

Concepts will be reviewed and ranked by SGC based on ability to meet statutory thresholds and show development readiness based on leveraged funds for the proposed project. Applicants will be notified whether or not they are invited to submit a full application based on ranking of concept proposals. Information provided in the full application will be evaluated by HCD for compliance with the threshold requirements listed in Guidelines Section 106, and score eligible applications based on the scoring criteria listed in Section 107.


AHSC Program Application Review Process
Notice of Funding Availability (NOFA) and Concept Proposal Released
NOFA Workshops
and
Technical Assistance
Concept Proposals Due
Concept Proposal Review
(a) State Review of Statutory and Programmatic Thresholds
(b) MPO review of proposed Project's support of SCS implementation
Select Concepts invited by State to submit Full Application
Full Applications Due
Full Application Review
(c) Interagency State Review and Scoring
(d) State/MPO Consultation and MPO project recommendations for SGC consideration
Initial Point Score Letters Released
Appeal of Initial Point Scores must be submitted by Applicant within 3 business days of Initial Letter release
Staff Finalizes Review and Statewide Rankings
Staff Award Recommendations Released to Public
Strategic Growth Council Approves Staff Recommendations for Awards

HCD and ARB Technical Assistance for Prospective Applicants

HCD and SGC staff will hold a series of NOFA workshops and technical assistance workshops to assist applicants. ARB staff will be available to answer applicant questions and provide technical assistance in using the quantification methodology for AHSC applications during the application period. This assistance includes ARB participation in NOFA workshops, and may include other efforts including development of a frequently-asked-questions document as part of this applicant support. SGC has also recognized the need to develop local capacity to plan and implement competitive projects which may not be ready to apply for AHSC funding in fiscal year 2014-15. Developing technical assistance programs ranging from grant writing to facilitation of public, private, and nonprofit partnerships, particularly in disadvantaged communities and areas with limited investment, have been identified by SGC as priorities.

Local workshops will be held in San Bernardino and Los Angeles. For more information and to register, please see: http://sgc.ca.gov/docs/AHSC_February_Technical_Assistance_Workshop_Notice.pdf

2014-2015 AHSC Program Schedule

Concept and NOFA Requirements Released	January 30, 2015
Concept and Technical Assistance Workshops	February 4-11, 2015
Concepts Due	February 19, 2015
Approved Concepts Invited for Full Application	March 11, 2015
Full Application Due	April 15, 2015
Awards Recommended	Late June 2015

FISCAL IMPACT:
Work associated with this item is included in the current FY2014/15 Overall Work Program (15-20.SCG00161.04: Regulatory Compliance

ATTACHMENTS:
1. AHSC Program Summary
2. Summary of Major Changes between Draft and Final Guidelines
3. AHSC Final Guidelines

Figure 1 AHSC Program Summary		
Project Area Types	Transit Oriented Development (TOD) Project Area	Integrated Connectivity Project (ICP) Project Area
Transit Requirements (All Project Areas) §102	▪ 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**).	
Project Area Specific Transit Requirements §102	▪ MUST be served by **Qualifying High Quality Transit** ▪ Headway frequency of 15 minutes or less during **Peak Hours** ▪ Requires dedicated right-of-way or multiple Bus Rapid Transit (BRT) features	▪ CANNOT be served by **Qualifying High Quality Transit**
Required Components §102	**Project Area** MUST include an **Affordable Housing Development** (funded either through **AHSC Program** funds or other sources). **AHSC Program** funds MUST be used for **Projects** which include an **Affordable Housing Development** OR **Housing-Related Infrastructure Capital Use** AND a **Transportation-Related Infrastructure Capital Project**	**AHSC Program** funds must be used for **Projects** which MUST include at least one (1) **Capital Project** combined with at least one (1) additional **Capital Project**, **Planning or Program Cost**
Eligible Uses §103	**Capital Projects**: ▪ **Affordable Housing Developments** ▪ **Housing-Related Infrastructure** ▪ **Transportation-Related Infrastructure** (includes Active Transportation and Transit-Related Infrastructure) **Planning and Program Costs**: ▪ Pre-Development Costs Related to Project Implementation ▪ Active Transportation Programs ▪ Transit Ridership Programs ▪ **Criteria Air Pollutant** Reduction Programs	
Affordable Housing Development Requirements §103	Affordable Housing Developments may be: ▪ 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	No less than 40 percent of available funds will be allocated to **TOD Project Areas**	No less than 30 percent of available funds will be allocated to **ICP Project Areas**
Project Awards §104	Minimum: $1 Million Maximum: $15 Million	Minimum: $500,000 Maximum: $8 Million
Statutory Funding Set-asides §106	▪ 50 percent of the annual proceeds for the **AHSC Program** 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) *Note: A single project can address both set-asides above, and are not mutually exclusive.*	

ATTACHMENT 2
SGC Affordable Housing and Sustainable Communities Program
Summary of Major Changes between Draft and Final Guidelines

<table>
<tr><th>Draft Guidelines</th><th>Final Guidelines</th></tr>
<tr><td colspan="2">Eligible Projects (Section 102)</td></tr>
<tr><td>Project Area for TOD projects must include a Major Transit Stop within a ½ mile catchment area</td><td>Defines Project Area with fixed transit routes as not exceeding a one (1) mile radius from the identified Transit Station/Stop</td></tr>
<tr><td colspan="2">Eligible Costs (Section 103)</td></tr>
<tr><td>A Housing Development must consist of new construction, Substantial Rehabilitation of residential dwelling units, the conversion of one or more nonresidential structures to residential dwelling units, or preservation of at-risk affordable housing with a total of not less than 100 such units in a Metropolitan Area, or 50 such units in a Non-Metropolitan Area.</td><td>Minimum project size requirement eliminated, but reflected in GHG calculation/score</td></tr>
<tr><td>A Housing Development must: (iv) have a minimum Net Density, upon completion of the Housing Development, not less than:
<table>
<tr><th>Location</th><th>Density</th><th>Floor Area Ratio</th></tr>
<tr><td>Large City Downtown</td><td>60 u/a</td><td>>3.0</td></tr>
<tr><td>Urban Center</td><td>40 u/a</td><td>>2.0</td></tr>
<tr><td>All other Areas</td><td>20 u/a</td><td>>1.0</td></tr>
</table></td><td>Minimum density requirement reduced to reflect State default density standards:
<table>
<tr><th>Location</th><th>Density</th><th>Floor Area Ratio</th></tr>
<tr><td>Large City Downtown</td><td>30 u/a</td><td>>2.0</td></tr>
<tr><td>Urban Center</td><td>20 u/a</td><td>>1.5</td></tr>
<tr><td>All other Areas</td><td>15 u/a</td><td>>1.0</td></tr>
</table></td></tr>
<tr><td>On-going program operational costs ineligible</td><td>Allows operational costs for the term of the grant (3 years)</td></tr>
<tr><td colspan="2">Assistance Terms and Limits (Section 104)</td></tr>
<tr><td>Total transportation or transit related and/or green infrastructure grant could not exceed 50% of the total Capital Use project budget</td><td>Transportation-related infrastructure grant limit removed</td></tr>
</table>

Draft Guidelines	*Final Guidelines*
Eligible Applicants (Section 105)	
A Public Agency that has jurisdiction over the Project Area is a required applicant, either by itself or jointly with other applicable entities A Public Agency that has jurisdiction over the Project Area is a required applicant, either by itself or jointly with any of the following entities as coapplicant(s): joint powers authority, where the authority encompasses the activities necessary to comply with the requirements of the Program, public housing authority, transit agency and/or operator, school district, facilities district, or any other special district or political subdivision of the State of California, corporation, limited liability company, limited partnership, general partnership, business trust, or joint venture.	Elimination of Public Agency requirement of all applications, except where a Public Agency has an interest or stake in the proposed project. A Locality [city, county, unincorporated area within an county], public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency, local Transportation Commissions, Congestion Management Agencies, Joint Powers Authority, school district, facilities district, University or Community College District
Application Threshold Requirements (Section 106)	
No requirement for climate adaptation measures	Adds requirements that the project demonstrate that climate adaptation measures and are integrated into the project, and if applicable, that impacts of sea level rise are identified
No requirement regarding loss of agricultural land	Must demonstrate that costs for any Project or component thereof will not result in loss or conversion of agricultural or other working lands, or natural resource lands for other uses
Anti-Displacement point scoring: applied only to projects located within or benefitting a Disadvantaged Community	Anti-Displacement point scoring: applies to all project applications, where applicable
Application Selection Criteria (Section 107)	
Feasibility and Readiness = 35 - 45% of total score Connectivity and Improved Access = 40 - 45% of total score Community Orientation = 15 – 20% of total score	GHG Emissions Reduction = 55 % of total score Project Readiness and Feasibility = 15 % of total score Policy Considerations = 30 % of total score
Definitions	
"Public Agency" means a California city, county, city and county, council of governments, transit agency, redevelopment successor agencies, or a joint powers authority comprised of any of the preceding	"Public Agency" means a Locality, transit agency, public housing authority or redevelopment successor agency. Councils of governments were erroneously included in the definition of "Public Agency" as it pertains to eligible applicants to the AHSC Program. Councils of government are not eligible applicants for the AHSC Program.

This Page Intentionally Left Blank

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

PROGRAM GUIDELINES

FUNDED BY

GREENHOUSE GAS REDUCTION FUND

STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

ADOPTED
January 20, 2015

TABLE OF CONTENTS

			PAGE
ARTICLE I. General			
Section	100	Purpose and Scope	4
	101	ASHC Program Overview	5
ARTICLE II. AHSC Program Requirements			
Section	102	Eligible Projects	7
	103	Eligible Costs	11
	104	Assistance Terms and Limits	16
ARTICLE III. Application Procedures			
Section	105	Eligible Applicants and Application Process	19
	106	Application Threshold Requirements	24
	107	Application Selection Criteria	28
	108	Criteria Applicability Based on Application	43
ARTICLE IV. AHSC Program Operations			
Section	109	Legal Documents	44
	110	Reporting Requirements	49
	111	Performance Requirements	50
	112	Default and Cancellations	51
	113	Prevailing Wages	52
Figures			
Figure	1	AHSC Program Summary	6
Figure	2	TOD Project Area Categories	9
Figure	3	Eligible Capital Projects, Planning, and Program Costs	11
Figure	4	Minimum Net Density Requirements	12
Figure	5	AHSC Concept Proposal Required Contents	20
Figure	6	AHSC Program Funding Set Asides	22
Figure	7	AHSC Program Application Review Process	23
Figure	8	Disadvantaged Community Threshold Requirements	27
Figure	9	AHSC Scoring Elements and Criteria	29
Figure	10	AHSC Criteria Applicability Based on Project	43
Figure	11	AHSC Program Performance Milestones	50

APPENDICES

APPENDIX	**A**	**Definitions**	54
APPENDIX	**B**	**Examples of Eligible Costs**	
FIGURE	B-1	Examples of Eligible Costs	65
APPENDIX	**C**	**Project Location Designations**	
FIGURE	C-1	Project Location Designation Definitions	67
APPENDIX	**D**	**Greenhouse Gas Quantification Methodology for the Strategic Growth Council's Affordable Housing and Sustainable Communities Program for Fiscal Year 2014-15**	
FIGURE	D-1	Examples of CalEEMod VMT Reduction Measures and Data Inputs	70
FIGURE	D-2	Examples of CMAQ VMT Reduction Measures and Data Inputs	71
APPENDIX	**E**	**Co-Benefits**	
FIGURE	E-1	Illustrative Examples of Common Needs of Disadvantaged Communities	71
FIGURE	E-2	Healthy Communities Framework	76
APPENDIX	**F**	**Climate Resiliency**	80
APPENDIX	**G**	**GGRF Programs**	
FIGURE	G-1	GGRF Programs	82

Defined terms are bolded throughout the document.
Refer to Appendix A for complete definitions of bolded terms.

Affordable Housing and Sustainable Communities Program Guidelines

Article I. General

Section 100. Purpose and Scope

(a) The purpose of these Program Guidelines is to implement Division 44, Part 1 of the Public Resources Code (PRC) (commencing with Section 75200), which establishes the Affordable Housing and Sustainable Communities (AHSC) Program, hereinafter referred to as the **AHSC Program**.

(b) The purpose of the **AHSC Program** is to reduce greenhouse gas (GHG) emissions through projects that implement land-use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinated public policy objectives, including the following:

(1) reducing air pollution;

(2) improving conditions in disadvantaged communities;

(3) supporting or improving public health and other co-benefits as defined in Section 39712 of the Health and Safety Code;

(4) improving connectivity and accessibility to jobs, housing, and services;

(5) increasing options for mobility, including the implementation of the Active Transportation Program established pursuant to Section 2380 of the Streets and Highway Code;

(6) increasing transit ridership;

(7) preserving and developing affordable housing for lower income households, as defined in Section 50079.5 of the Health and Safety Code; and

(8) protecting agricultural lands to support infill development.

Section 101. AHSC Program Overview

The **AHSC Program** furthers the purposes of AB 32 (Chapter 488, Statues 2006) and SB 375 (Chapter 728, Statutes, 2008) by investing in projects that reduce GHG emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development. Funding for the **AHSC Program** is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds. The Cap-and-Trade Program, a key strategy for achieving the GHG emission reduction goals of AB 32, issues a limited number of GHG emissions permits (called allowances) each year. A portion of these allowances can be purchased from the State at quarterly auctions, thereby generating auction proceeds. These State auction proceeds are then deposited in the GGRF, where they become available for appropriation by the Legislature to further the purposes of AB 32.

The **AHSC Program** is administered by the **Strategic Growth Council (Council)**. The **Department of Housing and Community Development (Department)** will implement the transportation, housing and infrastructure component of the **AHSC Program**. The **Council** staff will coordinate efforts with **Department** staff, working with the **California Air Resources Board (ARB)** and the **Council** to administer the broader **AHSC Program**, including developing program guidelines, evaluating applications, preparing agreements, monitoring agreement implementation, reporting and amendments.

The **Council** will coordinate with **ARB** to develop and incorporate consistent guidance in the following areas, which will apply to all GGRF programs:

- Expenditure records to ensure investments further the goals of AB 32.
- SB 535 (Chapter 830, Statutes 2012) requirements to maximize benefits to **Disadvantaged Communities** and determining whether an investment provides a "benefit to" or "is located within" a **Disadvantaged Community**.
- Consistent methodologies for quantifying GHG reductions and other economic, environmental and public health co-benefits.
- Project tracking and reporting.

The **AHSC Program** will provide grants and/or loans to projects that will achieve GHG reductions and benefit **Disadvantaged Communities** through increasing accessibility of affordable housing, employment centers and **Key Destinations** via low-carbon transportation resulting in fewer vehicle miles traveled (VMT) through shortened or reduced vehicle trip length or mode shift to transit, bicycling or walking. Two project prototypes have been identified to implement this strategy:

- Transit Oriented Development (TOD) Project Areas, or
- Integrated Connectivity Project (ICP) Project Areas.

Funds will be allocated through a competitive process, based on the merits of applications submitted and the proposed use of funds within the identified **Project Area**. The threshold requirements and application selection criteria focus on the extent to which developments realize the **AHSC Program's** objectives of reducing GHG emissions, benefiting **Disadvantaged Communities**, providing affordable housing, demonstrating project readiness, and meeting other policy considerations, as reflected in Section 107 of these guidelines.

Figure 1 **AHSC Program Summary**		
Project Area Types	Transit Oriented Development (TOD) Project Area	Integrated Connectivity Project (ICP) Project Area
Transit Requirements (All Project Areas) §102	▪ 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**).	
Project Area Specific Transit Requirements §102	▪ MUST be served by **Qualifying High Quality Transit** ▪ Headway frequency of 15 minutes or less during **Peak Hours** ▪ Requires dedicated right-of-way or multiple Bus Rapid Transit (BRT) features	▪ CANNOT be served by **Qualifying High Quality Transit**
Required Components §102	**Project Area** MUST include an **Affordable Housing Development** (funded either through **AHSC Program** funds or other sources). **AHSC Program** funds MUST be used for **Projects** which include an **Affordable Housing Development** OR **Housing-Related Infrastructure Capital Use** AND a **Transportation-Related Infrastructure Capital Project**	**AHSC Program** funds must be used for **Projects** which MUST include at least one (1) **Capital Project** combined with at least one (1) additional **Capital Project**, **Planning or Program Cost**
Eligible Uses §103	**Capital Projects**: ▪ **Affordable Housing Developments** ▪ **Housing-Related Infrastructure** ▪ **Transportation-Related Infrastructure** (includes Active Transportation and Transit-Related Infrastructure) **Planning and Program Costs**: ▪ Pre-Development Costs Related to Project Implementation ▪ Active Transportation Programs ▪ Transit Ridership Programs ▪ **Criteria Air Pollutant** Reduction Programs	
Affordable Housing Development Requirements §103	Affordable Housing Developments may be: ▪ 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	No less than 40 percent of available funds will be allocated to **TOD Project Areas**	No less than 30 percent of available funds will be allocated to **ICP Project Areas**
Project Awards §104	Minimum: $1 Million Maximum: $15 Million	Minimum: $500,000 Maximum: $8 Million
Statutory Funding Set-asides §106	▪ 50 percent of the annual proceeds for the **AHSC Program** 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) *Note: A single project can address both set-asides above, and are not mutually exclusive.*	

Article II. Program Requirements

Section 102. Eligible Projects

The **AHSC Program** is designed to implement GHG emissions reductions through fewer or shorter vehicle trips. The **AHSC Program** will fund integrated land use and transportation projects supporting low-carbon transportation options. Promoting mode shift to low-carbon transportation will require strategies that link residential areas, major employment centers and other **Key Destinations** to accessible, reliable, affordable, safe and comfortable transit and active transportation options.

(a) All applicants will be required to define a **Project Area**. The **Project Area** is the area which encompasses transit, housing and **Key Destinations** and is the area in which **AHSC Program** funds will be invested.

Each **Project Area** must:

(1) be a contiguous area included within a distinct planning area in a local or regional planning document(s) or transit service area;

(2) include at least one **Transit Station/Stop** consistent with the requirements set forth in (c) or (d) below; and

(3) be of a defined size consistent with the following:

(A) For **Project Areas** with fixed transit routes, the defined **Project Area** may not exceed a one (1) mile radius from the identified **Transit Station/Stop**; or

(B) For Project Areas with **Flexible Transit Service** routes, the defined **Project Area** must be defined based on the identified service area of the transit line or route.

(C) For Project Areas which include a **Transit Corridor** or bicycle network or both, the defined **Project Area** must be identified in a plan, i.e. general plan, bicycle master plan or transit corridor implementation plan.

(b) The **AHSC Program** includes two eligible **Project Area** types as defined below:

(1) Transit Oriented Development (TOD) **Project Areas**, and
(2) Integrated Connectivity Project (ICP) **Project Areas**.

A **Transit Oriented Development (TOD) Project Area** must demonstrate VMT reduction through fewer or shorter vehicle trips or mode shift to transit use, bicycling or walking by integrating **Qualifying High Quality Transit** systems and **Key Destinations** including residential/mixed-uses, with an emphasis on affordable housing development and **Disadvantaged Community** benefits within a neighborhood, district or corridor. Examples of TOD typologies are described in Figure 2 below.

An **Integrated Connectivity Project (ICP) Project Area** must demonstrate VMT reduction through fewer or shorter vehicle trips or mode shift to transit use, bicycling or walking within areas lacking **Qualifying High Quality Transit**, with an emphasis on providing **Disadvantaged Community** benefits. Project Areas that include **Qualifying High Quality Transit** are ineligible to apply as an **ICP Project Area.**

Note: Refer to Figure 1 (page 6) for a summary of transit requirements applicable to all Project Areas and TOD or ICP Project Area specific requirements.

TOD and ICP Project Areas must meet the requirements below:

(c) **TOD Project Areas** must demonstrate all of the following:

(1) include at least one (1) **Transit Station/Stop** served by **Qualifying High Quality Transit**;

(2) include an **Affordable Housing Development** located no further than one-half (½) mile from a **Transit Station/Stop** served by **Qualifying High Quality Transit**. While the TOD Project Area must include an **Affordable Housing Development,** it may be funded from sources other than the AHSC Program but must meet the requirements of Section 103 (a)(1)(A) through (C); and

(3) include two (2) **Capital Projects,** combined as one of the following:

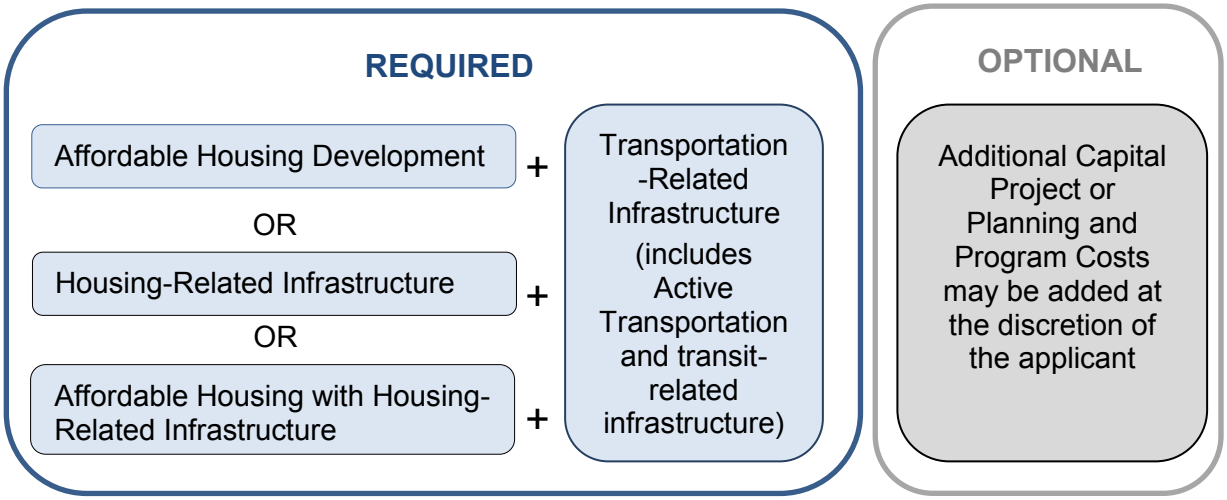
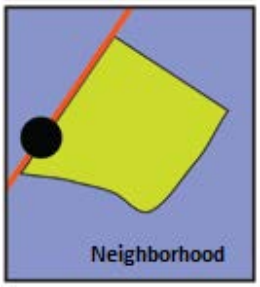
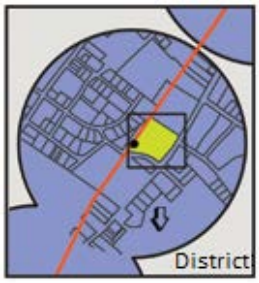
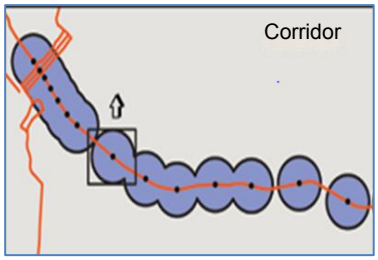


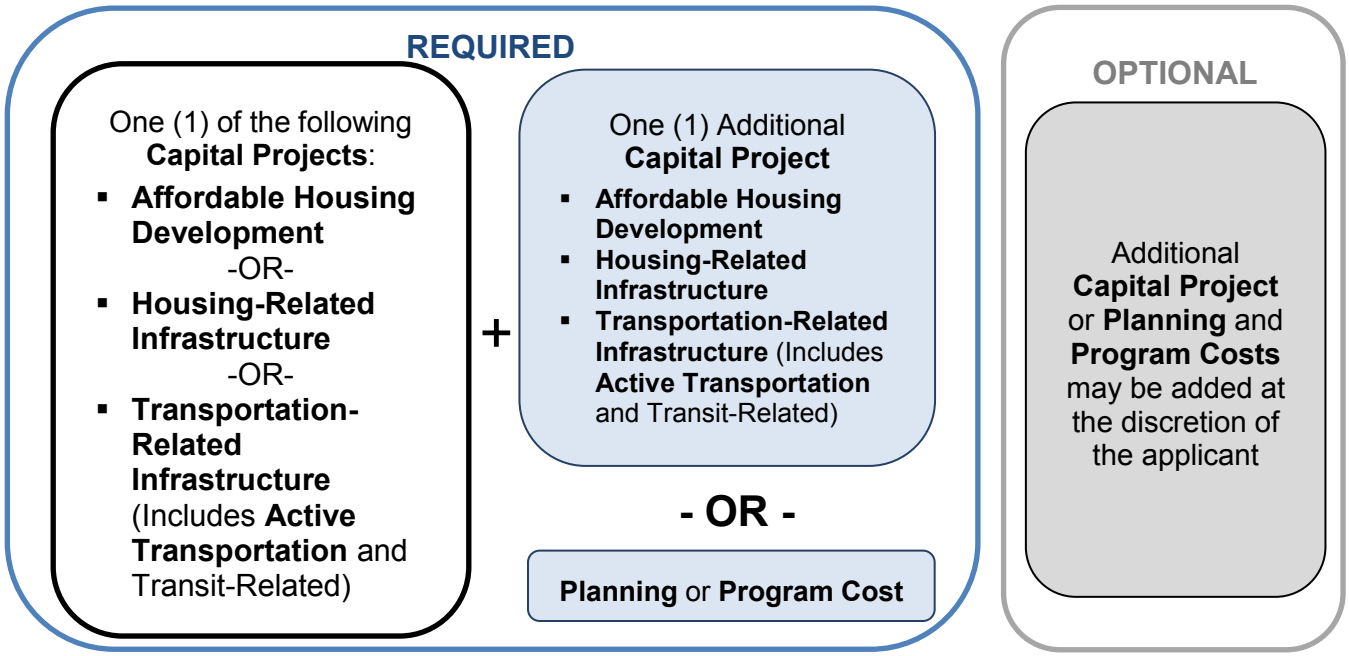
Figure 2 Examples of TODs		
TOD Neighborhood	**TOD District**	**Transit Corridor**
Focus on projects improving connectivity and accessibility of public transit, active transportation infrastructure and affordable housing and/or mixed-use areas. • Most likely to be located within a predominantly multifamily or moderate-to-high density residential or residential mixed-use neighborhood • Projects to improve and promote transit accessibility with improvements to a neighborhood with a variety of supportive infrastructure improvements focused on connecting residents and **Key Destinations**, including neighborhood schools and neighborhood-scale retail, for example: ✓ Active transportation improvements to incentivize walking and biking; ✓ Safe and accessible street improvements, improving visibility of neighborhood pathways, improvements to transit stations and express bus stops, neighborhood schools and parks, and to transit. 	Could consist of similar types of improvements in a TOD Neighborhood of a metropolitan area, but impacting a larger geographic area. • An area with high employment intensity, mixed uses, and either including, or providing accessibility to, areas of high residential density. • Improvements supporting a major transit hub area. • Would typically include central business districts (CBDs) served by a multi-modal or inter-modal regional transit or mobility hub(s). • Improvements support significant activity nodes within a sub-region or region. • Includes “first mile–last mile” improvements to leverage transit access. 	Projects focused on improving operation of a transit system relative to activity nodes, improving the capacity to attract and maintain ridership sufficient to achieve and sustain a competitive level of service along a Transit Corridor(s). • Projects may include similar types of improvements as in TOD Neighborhood Area or District, but focused on the **Transit Corridor**, including operation of transit service • Activity nodes should include high employment intensity, mixed uses, providing accessibility to, areas of high residential density. 

(d) **ICP Project Areas** must meet all of the following:

(1) include at least one (1) **Transit Station/Stop**;

(2) be served by at least one (1) mode of **Qualifying Transit** that does not meet the requirements of **Qualifying High Quality Transit**; and

(3) Include **Capital Projects** or **Planning or Program Costs** as follows:



If the **ICP Project Area** application proposes to fund an **Affordable Housing Development** with AHSC Program funds, that housing must be located within a ½ mile of a **Transit Station/Stop.**

Section 103. Eligible Costs

The **AHSC Program** funds **Capital Projects** or eligible **Planning and Program Costs** within TOD or ICP **Project Areas** consistent with the requirements of Section 102(c) and (d) as follows:

Figure 3 **Eligible Capital Projects, Planning and Program Costs**
Eligible **Capital Projects**
▪ **Affordable Housing Development** ▪ **Housing-Related Infrastructure** ▪ **Transportation-Related Infrastructure** (including active transportation and transit-related)
Eligible **Planning and Program Costs***
▪ Pre-Development Costs Related to Project Implementation ▪ Active Transportation Programs ▪ Transit Ridership Programs ▪ **Criteria Air Pollutant** Reduction Programs

** Eligible planning and program costs must be combined with at least one identified Capital Project*

Examples of eligible costs within each category of eligible **Capital Projects** and **Planning and Program Costs** are identified in Appendix B.

(a) Capital Projects

(1) **Affordable Housing Development Capital Projects**

(A) **Affordable Housing Development Capital Projects** must:

(i) consist of one of more of the following:
- New construction
- Acquisition and **Substantial Rehabilitation** (including preservation of housing affordability at-risk of conversion to market rate)
- Conversion of one or more nonresidential structures to residential dwelling units;

(ii) be located within one-half (½) mile from a **Transit Station/Stop** that meets the **Project Area** transit requirements as defined in Section 102(c) or (d). The one-half (½) mile is to be measured from the nearest boarding point of the **Transit Station/Stop** to the entrance of the residential structure in the **Affordable Housing Development** furthest from the **Transit Station/Stop** along a walkable route. The walkable route, after completion of the proposed **Project**, shall be free of negative environmental conditions that deter pedestrian circulation, such as barriers; stretches without sidewalks or walking paths; noisy vehicular tunnels; streets, arterials or highways without regulated crossings that facilitate pedestrian movement; or stretches without lighted streets;

(iii) include at least 20 percent of the total residential units as **Affordable Units**; and

(iv) have a minimum **Net Density**, upon completion of the **Affordable Housing Development**, not less than that shown on the following table:

Figure 4		
Project Location*	MINIMUM **NET DENSITY** REQUIREMENTS	
	Residential only Projects	Mixed-Use Projects (**Floor Area Ratio**)
Urban	30 units per acre	>2.0
Suburban	20 units per acre	>1.5
Rural	15 units per acre	>1.0

Refer to Appendix C for definitions of Project Location designations and applicable **Net Density requirements*

(B) **Affordable Housing Development Capital Projects** may:

(i) include residential units that are rental or owner-occupied, or a combination of both;

(ii) consist of scattered sites with different ownership entities, within the boundaries of a discrete **Project Area**, as long as the sites are developed together as part of a common development scheme adopted, approved or required by a **Public Agency**; or

(iii) include nonresidential uses that are compatible under local zoning.

(C) Eligible costs for **Affordable Housing Development Capital Projects** are limited to:[1]

(i) Costs for a housing development, as specified in 25 CCR Section 7304 (a) and (b).

(ii) **Energy Efficiency**, **Low Impact Design** or **Urban Greening** improvements.

(iii) Soft costs such as those incidentally but directly related to construction or acquisition, including, but not limited to, planning, engineering, construction management, architectural, and other design work, required mitigation expenses, appraisals, legal expenses, site acquisitions, and

[1] *All eligible costs must be reasonable compared to similar capital activities of modest and necessary design.*

necessary easements. Soft costs shall not exceed 10 percent of total **AHSC Program** award.

(2) Housing-Related Infrastructure Capital Projects

(A) Eligible costs for **Housing-Related Infrastructure Capital Projects** are limited to: [2]

(i) Capital improvements required by a **Locality**, transit agency, or special district as a condition to the approval of the **Affordable Housing Development.**

(ii) **Energy Efficiency**, **Low Impact Design** or **Urban Greening** improvements.

(iii) Soft costs such as those incidentally but directly related to construction or acquisition, including, but not limited to, planning, engineering, construction management, architectural, and other design work, required mitigation expenses, appraisals, legal expenses, site acquisitions, and necessary easements. Soft costs shall not exceed 10 percent of total **AHSC Program** award.

(iv) The minimum residential per unit parking spaces in parking structures as required by a local government entity, not to exceed one parking space per residential unit and not to exceed $40,000 per permitted space.

(v) Required environmental remediation necessary for the capital project where the cost of the remediation does not exceed 50 percent of **AHSC Program** grant funds.

(vi) Real property acquisition of the **Housing-Related Infrastructure** project site and associated fees and costs, not including real estate commissions for purchase or acquisition.

(vii) Impact fees required by local ordinance are eligible for funding only if used for the identified eligible **Capital Project** not to exceed 15 percent of the **AHSC Program** award up to $300,000.

(3) **Transportation-Related Infrastructure Capital Projects** (including Active Transportation and Transit-Related)

(A) Eligible costs for **Transportation-Related Infrastructure Capital Projects** are limited to: [3]

---

[2] *All eligible costs must be reasonable compared to similar capital activities of modest and necessary design.*

[3] *All eligible costs must be reasonable compared to similar capital activities of modest and necessary design.*

(i) Capital improvements that result in the enhancement of any of the following: 1) public transit access, 2) pedestrian network, or 3) bicycle network within the defined **Project Area** meeting the transit requirements detailed in Section 102 (c) or (d).

(ii) **Energy Efficiency**, **Low Impact Design** or **Urban Greening** improvements.

(iii) Impact fees required by local ordinance are eligible for funding only if used for the identified eligible **Capital Project** and do not exceed 15 percent of the AHSC Program award up to $300,000.

(iv) Soft costs such as those incidentally but directly related to construction or acquisition, including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, appraisals, legal expenses, site acquisitions, and necessary easements. Soft costs shall not exceed 10 percent of total **AHSC Program** award.

(v) **Activity Delivery Costs** that are associated with the implementation of the **Capital Project** not to exceed 10 percent of the costs associated with the **Capital Project**.

(vi) Other **Capital Project** costs required as a condition of local approval for the **Capital Project**, as approved by the **Department**.

(b) Planning Costs and Program Costs

(1) **Planning Costs** include those costs typically considered pre-development costs associated with the **Capital Project.**

(2) **Program Costs** include those costs typically associated with 1) program creation, or 2) expansion of existing programs to serve new populations or offer new program service and implementation. Eligible costs may include operational costs for programs for the term of the grant (3 years). Programs include education, outreach and training programs in the following three categories:

(A) Active Transportation Programs;

(B) Transit Ridership Programs; or

(C) **Criteria Air Pollutant** Reduction Programs.

(c) Ineligible costs include all of the following:

(1) Costs are not eligible for funding if there is another feasible, available source of committed funding for the **Capital Project** or portion thereof to be funded by the **AHSC Program** or if the cost is incurred prior to **AHSC Program** award.

(2) Routine maintenance of transportation infrastructure (including transit fleet).

(3) In lieu fees for local inclusionary housing programs.

(4) Ongoing operational costs beyond the term of the grant (3 years) for **Program Costs**.

Section 104. Assistance Terms and Limits

(a) The maximum **AHSC Program** loan or grant award, or combination thereof, for a **TOD Project Area** is $15 million with a minimum award of at least $1 million.

(b) The maximum **AHSC Program** award for an **ICP Project Area** is $8 million with a minimum award of at least $500,000.

(c) The maximum **AHSC Program** award(s) within the geographic boundary of a **Locality** is limited to $15 million per **NOFA** funding cycle.

(d) A single **Developer** may receive no more than $15 million per **NOFA** funding cycle.

(e) The limitations set forth in (c) and (d) above may be waived by the **Department** if necessary to meet statutorily required Affordable Housing and **Disadvantaged Community** set-asides as detailed in Section 105(d)(3)(A) and (B).

(f) For multi-phased developments, the amount of GHG reduction will be measured for the phase funded through the application for the specific **NOFA** funding cycle.

(g) Loans for rental **Affordable Housing Developments**, or the rental portions of a **Affordable Housing Development**, are subject to the following terms:

(1) **AHSC Program** funds will be provided as a loan for permanent financing by the **Department** to the owner of the **Affordable Housing Development**, with the same terms as the **Department's** Multifamily Housing (MHP) Program financing as set forth in 25 CCR 7308.

(2) The maximum loan amount shall be calculated pursuant to 25 CCR 7307 based on the number of **Restricted Units** in the **Affordable Housing Development**, affordability, unit sizes, location, and on the base amount for loan calculation as specified in the **AHSC Program NOFA**. For **Affordable Housing Developments** receiving 4% low-income housing tax credits, $30,000 per **Restricted Unit** may be added to the base amount for loan limit calculation purposes.

(3) Where the **Affordable Housing Development** is receiving low-income housing tax credits, the **Public Agency** may provide **AHSC Program** grant funds to the **Developer** of the **Affordable Housing Development** in the form of a zero (0) percent, deferred payment loan, with a term of at least 55 years. The loan may be secured by a deed of trust which may be recorded with the local county recorder's office. Provided, however, the beneficiary of the loan shall not under any circumstances exercise any remedy, including, without limitation, foreclosure, under the deed of trust without the prior written consent of the **Department**, in its sole and absolute discretion. The loan may not be sold, assigned, assumed, conveyed or transferred to any third party without prior written **Department** approval in its sole and absolute discretion.

(4) For **Affordable Housing Developments** assisted by other **Department** funding programs, repayment of the loan between the **Public Agency** and the developer shall be limited to (1) no repayments to the **Public Agency** until the maturity date or (2) repayment only from "distributions" from the **Affordable Housing Development** within the meaning 25 CCR 8301(h). The **Public Agency** shall be responsible for all aspects of establishing and servicing the loan. The provisions governing the loan shall be entirely consistent with these Guidelines and all documents required by the **Department** with respect to the use and disbursement of **AHSC Program** funds. All documents governing the loan between the **Public Agency** and the **Developer** borrower shall contain all the terms and conditions set forth in this subdivision and shall be subject to the review and approval of the **Department** prior to making the loan.

(h) Grants shall be subject to the following terms:

(1) The applicant must demonstrate that the grant does not result in a profit that exceeds the commercially reasonable range for other developments of similar size and level of risk.

(2) If the **Capital Project** grant includes multiple phases or developments, all entitlements and construction funding commitments for the first phase must be received prior to disbursement.

(3) **AHSC Program** grant funds will be disbursed as progress payments for eligible costs incurred after the **AHSC Program** award of funds.

(4) For homeownership **Affordable Housing Developments**, **AHSC Program** assistance will be provided in the form of a grant from the **Department** to a **Locality**, to be used to provide a loan from the **Locality** to a qualified first-time homebuyer in an identified homeownership **Affordable Housing Development**, in accordance with the provisions of the BEGIN Program as set forth in the BEGIN Guidelines issued by the **Department**, as amended April 21, 2009, except for the requirements for regulatory relief, set forth in Section 106 of those guidelines, and the application selection criteria set forth in Section 119.

(5) For **Housing-Related Infrastructure Capital Project** grants:

(A) The total **Housing-Related Infrastructure Capital Project** grant amount is $35,000 per residential unit in the proposed **Affordable Housing Development**, and $50,000 per **Restricted Unit**.

(B) Conditions precedent to the first disbursement of **AHSC Program** funds shall include receipt of all required public agency entitlements and all construction funding commitments for the **Affordable Housing Development** supported by the **Housing-Related Infrastructure Capital Project**.

(C) Rental **Affordable Housing Developments** supported by the **Housing-Related Infrastructure Capital Project** shall be subject to a recorded covenant ensuring affordability for duration of at least 55 years. Homeownership **Affordable Housing Developments** supported by the **Housing-Related Infrastructure Capital Project** shall be subject to a recorded covenant with a duration of at least 30 years that includes either a resale restriction or equity sharing upon resale.

(6) For **Planning Cost** grants, the total grant amount for **Planning Costs** within a **Project Area** shall not exceed 15 percent of the funding request for the for the overall **Project** up to $250,000.

(7) For **Program Cost** grants, the total grant amount for **Program Costs** within a **Project Area** shall not exceed 30 percent of the funding request for the overall **Project** up to $500,000.

Article III. Application Procedures

Section 105. Eligible Applicants and Application Process

(a) Eligible Applicants

(1) Eligible applicant entities shall include any of the following:

(A) A **Locality**, public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency (RTPA), local Transportation Commissions, Congestion Management Agencies, Joint Powers Authority (JPA), school district, facilities district, University or Community College District.

(B) A **Developer** or **Program Operator**.

(2) Where a **Public Agency** has a financial or real property interest in the proposed **Project**, the application will be required to either include the Public Agency as a co-applicant or otherwise include a commitment to enter into a contractual agreement to develop the **Project**, if it is awarded.

(3) Joint applicants for the **Project** will be held jointly and severally liable for the completion of the **Project**.

(b) **NOFA** Process

(1) Pursuant to direction of the **Council**, the **Department** shall offer funds through a **NOFA** in accordance with the procedures for the **Department's** MHP Program set forth in 25 CCR 7317 and applications will be reviewed based on the steps detailed below and illustrated in Figure 7.

(2) Applications shall be made on forms made available by the **Department**.

(c) Concept Proposal Process

(1) All applicants must submit a <u>required</u> concept proposal. The intent of the concept proposal process is 1) focus expenditures of local resources on the most competitive applications given limited **AHSC Program** funding, 2) provide targeted technical assistance to potential applicants, with a priority to **Disadvantaged Community** applicants, and 3) coordinate with Metropolitan Planning Organizations on supporting Sustainable Communities Strategies implementation.

(2) Concept proposals will be reviewed based on the information detailed in Figure 5 below.

Figure 5 AHSC Concept Proposals Required Contents	
Project Overview	
1	Project Description defining each of the following: ▪ **Project Area** Type (TOD or ICP) ▪ Proposed Project Description ▪ Project Area (defined by vicinity map, service area, etc.) ▪ Eligibility for Statutory Set-Asides, if applicable ✓ Affordable Housing ✓ **Disadvantaged Community** Benefits (illustrate **Disadvantaged Community** census tract(s) within the **Project Area** map) ▪ Identification of **Project** Co-Benefits
2	**AHSC Program** funding amounts requested for: ▪ Grant funds ▪ Loan funds
3	Applicant Information: ▪ Identification of co-applicants ▪ Identification of participating entities
Threshold Requirements	
4	Description of GHG emission reduction strategies attributable to the **Project**
5	Demonstration of how the **Project** supports the implementation of the applicable SCS or other qualifying regional plan
6	Consistency with State Planning Priorities (Self-Certification form)
Project Readiness	
7	Evidence of **Enforceable Funding Commitments** for construction period financing based on criteria as outlined in Section 107(c).
8	Sources and Uses of **Project** funds including identification of **Project** funding leveraged based on criteria outlined in Section 107(d)
9	Demonstration of **Project** readiness as appropriate: • **Site Control** (per Section 106(a)(7)) • All necessary NEPA and CEQA clearances demonstrated by any of the following (per Section 106(a)((4): NEPA: Authority to Use Grant Funds form CEQA: Notice of Exemption; Notice of Determination • All necessary discretionary land use approvals, excluding design review (per Section 106(a)(5) • Consistency with local public works department, or other responsible local agency requirements (for **Housing-Related and Transportation-Related Infrastructure Capital Projects** only) (per Section 106(a)(14)(D) or (15)(A)) • Estimated **Project** milestone schedule • Demonstration (self-certification) that **Project** construction has not yet commenced (per Section 106(a)(10))

(3) Concept proposals will be reviewed based on select **AHSC Program** elements as detailed in Figure 5 above and evaluated as follows:

(A) Satisfaction of threshold requirements; and

(B) Demonstration of the level of enforceable, committed financial leverage of project costs.

(4) Applicants will be notified whether or not they are invited to submit a full application based on ranking of concept proposals. In inviting full applications, consideration will be given to statutorily required Affordable Housing and **Disadvantaged Community** set-asides and TOD/ICP set-asides as stated in Section 105(d)(3)(A) through (D).

(A) To the extent cumulative funds requested of all concept proposals received exceed 200 percent of available funds for the applicable **NOFA**, the **Council** may limit invitations to submit full applications.

(B) An invitation to submit a full application does not guarantee project will compete successfully for funding.

(d) Full Application Process

(1) For those applicants which have been invited to submit a full application package, a complete application must be submitted to the **Department** by the deadline detailed in the **NOFA**.

(2) The **Department** shall evaluate applications for compliance with the threshold requirements listed in Section 106, and score eligible applications based on the scoring criteria listed in Section 107.

(3) The highest scoring applications that meet all threshold requirements shall be recommended to the **Council** for funding as specified in the **NOFA**, except that the **Council** may make adjustments in this procedure to meet the following distribution objectives of each **NOFA** release:

(A) At least fifty (50) percent of **AHSC Program** expenditure for **Projects** benefitting **Disadvantaged Communities** (Refer to Appendix E for additional information).

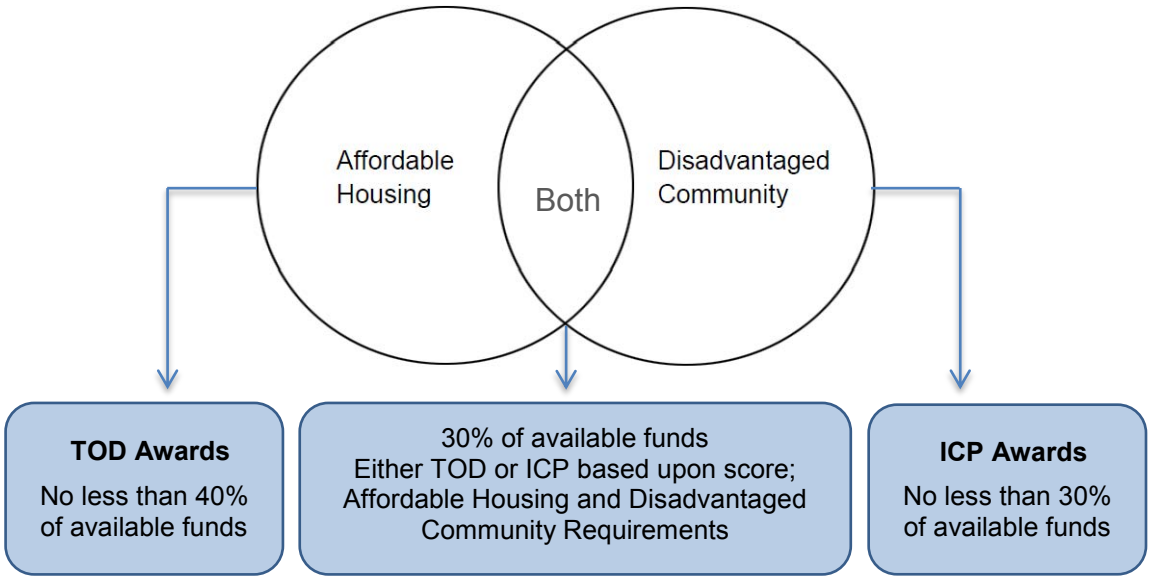
(B) At least fifty (50) percent of the annual proceeds appropriated for the **AHSC Program** shall be expended for affordable housing.[4] For the purposes of this set-aside, expenditures related to **Affordable Housing Development** and **Housing-Related Infrastructure Capital Projects** shall count toward this requirement.

[4] *The requirements detailed in Section 105(c)(3) subsections (A) and (B) are not mutually exclusive.*

(C) No less than forty (40) percent of funds available as designated in the **NOFA** will be allocated to **TOD Project Area** applications.

(D) No less than thirty (30) percent of funds available as designated in the **NOFA** will be allocated to **ICP Project Area** applications.

Figure 6: AHSC Funding Set Asides



(E) To the extent applications received are not sufficient to meet **TOD Project Area** or **ICP Project Area** set-aside detailed in (C) and (D) above, the **Council** reserves the right to waive these requirements and recommend funding a greater percentage of applications in either of the two identified **Project Area** types.

(4) Since it is in the interest of State to fund a variety of project types and scales in a variety of locations to demonstrate the many ways GHG may be reduced, adjustments may be made in the recommendation and award of funds.

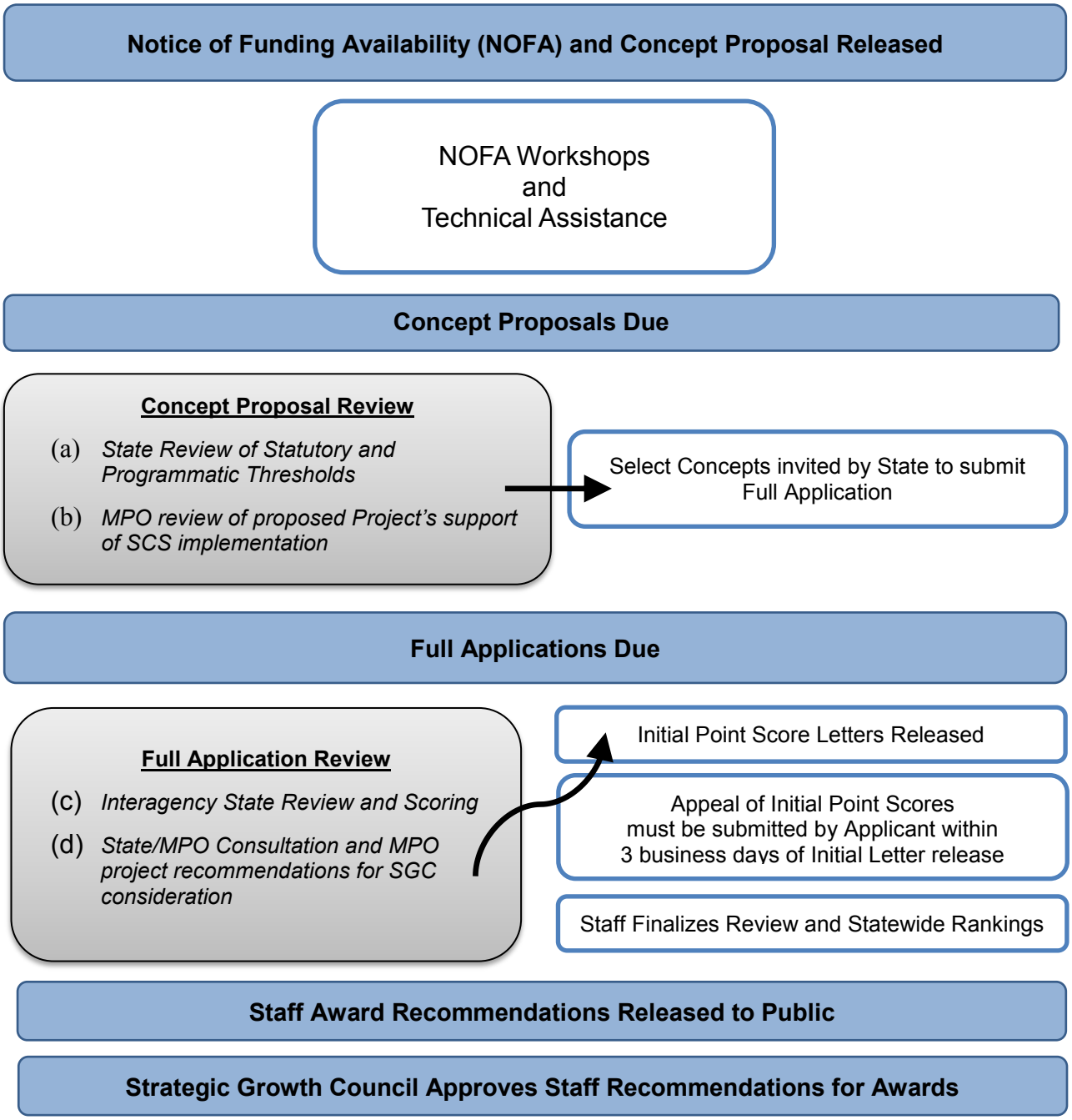
(5) As station area plans for High Speed Rail are implemented, the **Council** will consider prioritization of investments in these areas in future updates of the **AHSC Program** Guidelines.

(6) The **Department** may elect to not evaluate compliance with some or all threshold requirements for applications that are not within a fundable range, as indicated by a preliminary point score of the full application.

(7) In the event of two or more applications having the same rating and ranking scores, the **Department** may apply a tie breaking criteria as outlined in the **NOFA**.

(8) Applications recommended for funding and approved by the **Council** are subject to conditions specified by the **Department**.

Figure 7
AHSC Program Application Review Process



Section 106. Application Threshold Requirements

(a) Application Threshold Requirements

In addition to requirements detailed in Sections 102 through 105, to be eligible for **AHSC Program** funding, an application shall demonstrate to the **Department** all of the following:

(1) It will achieve a reduction in GHG emissions through fewer vehicle miles travelled, pursuant to the **AHSC Program** Quantification Methodology in Appendix D.

(2) The proposed **Project** supports implementation of the applicable SCS, as confirmed by the MPO, or similar sustainable planning document in non-MPO regions, as allowed by SB 862 (Chapter 36, Statutes of 2014). The application must be consistent with activities or strategies identified in the regional SCS, or similar planning document that demonstrate a per capita reduction in VMT and GHG.

(3) The proposed **Project** must be consistent with the State planning priorities established pursuant to Section 65041.1 of the Government Code.

(4) Completion of all necessary environmental clearances including those required under the California Environmental Quality Act and if applicable, the National Environmental Policy Act, and all applicable time periods for filing appeals or lawsuits have lapsed.

(5) Applications must demonstrate that all necessary discretionary local land use approvals, excluding design review, have been granted.

(6) The application must be sufficiently complete to assess the feasibility of the proposed project and its compliance with **AHSC Program** and application requirements. For example, the applicant must demonstrate that the **Project** is financially feasible as evidenced by documentation such as, but not limited to, a market study, project pro-forma, sources and uses statement, or other feasibility documentation that is standard industry practice for the type of proposed **Affordable Housing Development**. A market study that meets the requirements specified in TCAC Regulations Section 10322(h)(10) will be accepted by the **Department**.

(7) The applicant or **Developer** of the **Project** must have **Site Control** sufficient to ensure the timely commencement of the Project as determined by the **Department**.

(8) As of the date of application, the applicant(s), the **Project**, or the real property on which the **Project** is proposed (Property) may not be party to or the subject of any claim or action at the State or Federal appellate level. Further, the applicant(s) shall disclose and describe any claim or action undertaken by or against the applicant(s), the **Project** or the Property which affects or potentially affects the

feasibility of the **Project**. This information will be used to determine feasibility of the **Project** as accessed in the Feasibility and Readiness Criteria (Section 107(c) and (d)) herein.

(9) The **Capital Project** or **Planning and Program Costs** are infeasible without **AHSC Program** funds, and other committed funds are not being supplanted by **AHSC Program** funds.

(10) Construction of the **Project** has not commenced as of the application deadline set forth in the **NOFA**.

(11) **Qualifying Transit** must be completed and offering service to the **Transit Station/Stop** of the **Project Area** by the time set forth in the Standard Agreement.

(12) The applicant must demonstrate that where applicable, climate adaptation measures are integrated into their **Project**. If the **Project** is located in a coastal zone, it should include information about the potential impacts of sea level rise (SLR) and the adaptation measures it will implement to address related impacts (See Appendix F for further guidance).

(13) The applicant must demonstrate that costs for any **Project** or component thereof will not result in loss or conversion of agricultural or other working lands, or natural resource lands for other uses.

(14) Applications requesting **AHSC Program** funding for **Affordable Housing Developments** and **Housing-Related Infrastructure Capital Projects** must also demonstrate to the satisfaction of the **Department** all of the following:

(A) Rental **Affordable Housing Developments** must meet the underwriting standards in the Uniform Multifamily Regulations, 25 CCR 8308 through 8312. However, the **Department** may use alternative underwriting standards to ensure financial feasibility.

(B) Owner-occupied **Affordable Housing Developments** must meet the requirements of the BEGIN Program, except for the following:

(i) The requirements for regulatory relief specified in the BEGIN Program Guidelines, including those in Section 106 of these guidelines.

(ii) The requirements of Section 119 of the BEGIN Program Guidelines, on application selection criteria.

(C) If the application involves demolition or rehabilitation of existing units affordable to lower income households, the replacement **Affordable Housing Development** must include units, with equal or greater affordability, equal to or greater than the number of existing affordable units, except in cases where rehabilitated units provide amenities such as bathrooms and kitchens not present in existing units in which case, the

reduction may not result in more than 25 percent fewer units upon project completion.

(D) Where approval by a local public works department, or other responsible local agency, is required for the **Housing-Related Infrastructure Capital Project**, the application must include a statement from that department indicating that the **Housing-Related Infrastructure Capital Project** is consistent with all applicable local rules, regulations, codes, policies and plans enforced or implemented by that **Department**.

(15) Applications requesting AHSC Program funding for **Transportation-Related Infrastructure Capital Projects** must satisfy all of the following:

(A) Where approval by a local public works department, or other responsible local agency, is required for the **Project**, the application must include a statement from that entity indicating that the **Transportation-Related Infrastructure Capital Project** is consistent with all applicable local rules, regulations, codes, policies and plans enforced or implemented by that entity.

(B) If the **Transportation-Related Infrastructure Capital Project** involves the demolition existing units affordable to lower-income households, the application must demonstrate the replacement of demolished units of equal or greater affordability and equal to or greater than the number of the demolished affordable units.

(b) **Disadvantaged Community** Benefits

The California Environment Protection Agency (CalEPA) has identified the census tracts in California with the top 25 percent of CalEnviroscreen 2.0 scores as Disadvantaged Communities. In November 2014, ARB released interim Guidance that provides criteria to evaluate whether or not a **Project** provides benefit to a **Disadvantaged Community**. These criteria are detailed in Figure 8 below.

A **Project** that provides **Disadvantaged Community** benefits may receive additional consideration for funding in order to meet the **AHSC Program Disadvantaged Community** funding targets. All applicants must evaluate the criteria in Figure 8 below and, if applicable, demonstrate in the application how the **Project** meets one of the below criteria.

If the eligible **Capital Project**, **Planning or Program Costs** are determined to provide benefit to a **Disadvantaged Community** pursuant to the criteria, the application must demonstrate, based on ARB's Guidance, how the **AHSC Program** funds will provide benefit to a **Disadvantaged Community**.

Figure 8 **AHSC Program Disadvantaged Community Criteria**
Located Within: Evaluate the **Project** to see if it meets at least one of the following criteria for being located in a **Disadvantaged Community** census tract and provides direct, meaningful and assured benefit(s) to a **Disadvantaged Community**.
Project must meet the following criteria focused on reducing passenger VMT by **Disadvantaged Community** residents or in a **Disadvantaged Community**: ▪ A majority (50%+) of the **Project** is within one or more **Disadvantaged Communities** and reduces VMT, and the **Project** is designed to avoid displacement of **Disadvantaged Community** residents and businesses.
Provides Benefits 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 for providing direct, meaningful and assured benefit(s) to a **Disadvantaged Community**.
Project must meet at least one of the following criteria focused on reducing passenger vehicle miles travelled by **Disadvantaged Community** residents or in a **Disadvantaged Community**: ▪ **Project** is accessible by walking within ½ mile of a **Disadvantaged Community** and VMT, and is designed to avoid displacement of **Disadvantaged Community** residents and businesses; or ▪ **Project** includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25 percent of project work hours performed by residents of a **Disadvantaged Community**; or ▪ **Project** includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10 percent of project work hours performed by residents of a **Disadvantaged Community** participating in job training programs which lead to industry-recognized credentials or certifications.

Section 107. Application Selection Criteria

Scoring Philosophy and Process

AHSC Program funds will be allocated through a competitive process, based on the merits of the proposal to support sustainable development that expands and improves transit, walking and bicycling infrastructure and provides opportunities to reduce VMT by supporting connectivity between housing and Key Destinations to bring about reduction of GHG emissions.

The scoring criteria will apply to each application based upon the following three elements, each with specific criteria relative to the proposed eligible use of funds:

1. GHG Reduction
2. Feasibility and Readiness
3. Policy Objectives

Figure 9 below outlines the application review and scoring process showing the approximate weight of three scoring elements and the criteria to be evaluated, as applicable, within each of the elements.

Applications meeting all threshold requirements as detailed in Section 106 will be reviewed and scored based upon the criteria detailed below. A total of 12 scoring criteria have been identified, however, not all criteria will apply to each application. Only those criteria which are applicable to the application based use(s) of funds (i.e. **Capital Projects** and **Planning and Program Costs** consistent with the requirements of Section 102(c) and (d)) and outlined in Figure 10 (page 43) will be scored. For example, a **TOD Project Area** application requesting funds for an **Affordable Housing Development** and **Transportation-Related Infrastructure Capital Projects** (i.e. new sidewalks and street furniture) would be scored on the applicable criteria identified in the appropriate columns in Figure 10. Applications will be scored on the applicable criteria based upon the strength of the entire proposal for the **Project Area**, including those elements funded by other sources.

TOD and **ICP Project Area** applications will compete separately. Therefore, **TOD Project Area** applications will compete only against other **TOD Project Area** applications and **ICP Project Area** applications will compete only against other **ICP Project Area** applications. The maximum number of points will vary based upon the application submitted. As a result, scoring will be calculated based upon the percentage of maximum eligible points an application received, i.e. if 87 points are possible and an application receives 83 points, that application's final score would be 95.4 percent.

Figure 9
AHSC Scoring Elements and Criteria

*Refer to Figure 10 for applicable criteria within each scoring element based on the proposed **Project***

GHG Reduction - 55% of total score

- Estimated GHG emissions reductions per GGRF dollar. GHG emissions reductions must be estimated using the GHG Quantification Methodology in Appendix D *(55 points)*

Feasibility and Readiness - 15% of total score

- **Captial Project** Past Performance *(2 points)*
- **Capital Project** Readiness & Program Readiness, Capacity, Need and Leverage *(8 points)*
- **Capital Project** Funds Leveraged *(4 points)*
- Implementation of Planning Efforts *(1 point)*

Policy Objectives - 30% of total score

- Accessibility to Qualified Employment Areas *(5.5 points)*
- Extent to which the **Project Area** Incorporates Walkable Corridors *(5.5 points)*
- Extent to which the **Project Area** Incorporates Features which Encourage Bicycling *(3 points)*
- Extent to which the Housing Development Serves Lower- and Moderate-Income Households *(6.5 points)*
- Extent to which the **Project** Addresses Co-Benefits *(6.5 points)*
- Anti-Displacement Strategies *(1 point)*
- Community Engagement *(2 points)*

Applicable scoring criteria for each application will be determined based on the proposed **Project.** The chart at the beginning of each section (see example below) indicates the applicable eligible use of **AHSC Program** funds which will be subject to scoring for each criterion (see Figure 10 for a complete listing).

Affordable Housing Development	Housing - Related Infrastructure	Transportation/ Transit Related Infrastructure	Planning Implementation	Programs

Points within each applicable criteria will be assigned based on the following:

GHG Reduction – 55% of total score

(a) Estimated GHG Emissions Reductions per GGRF Dollar – 55 Points Maximum

Affordable Housing Development	Housing- Related Infrastructure	Transportation- Related Infrastructure	Planning Implementation	Programs
X	X	X	X	X

For this section, applications will be scored based on the quantified GHG emission reductions of the project per GGRF dollar. GHG emission reductions must be quantified using the GHG Quantification Methodology in Appendix D.

Applications will be awarded points for project GHG reductions according to the following project ranking process:

(1) For each project, applicants calculate the following metric using the GHG Quantification Methodology in Appendix D:

$$\frac{\text{Metric tons of } CO_2\text{e emissions reduced over the project life}}{\text{Amount of GGRF dollars requested for the project}}$$

Note: For the purposes of GHG quantification, the project life will vary based on the project type, as specified in Attachment 2 of the GHG Quantification Methodology.

(2) All applications are ranked by the **Council** staff from highest to lowest, according to the ton per GGRF dollar metric.

(3) Once the applications are in rank order, the **Council** staff will divide the application list into six (6) bins, each containing 1/6th of the total number of ranked applications.

(4) Applications within each bin are then assigned a score for the GHG Reduction component of the total application score as follows:

- All applications in Bin 1 receive 55 points
- All applications in Bin 2 receive 44 points
- All applications in Bin 3 receive 33 points
- All applications in Bin 4 receive 22 points
- All applications in Bin 5 receive 11 points
- All applications in Bin 6 receive 0 points

Feasibility and Readiness – 15% of total score

(b) Capital Project Past Performance - 2 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

Applications will be scored based on past performance for construction of previously completed affordable housing and related infrastructure and transportation-related infrastructure capital projects that are similar in size and scope to the eligible **Capital Project(s)** proposed.

(1) 0.50 points will be awarded for each previously completed project similar in size and scope to the proposed **Capital Project** (up to a maximum of 2 points) as described above completed by the applicant during the five years preceding the application due date.

To receive points, **Affordable Housing Development Capital Projects** require experience of at least one applicant in developing housing of similar type and scale.

For **TOD Project Areas** or **ICP Project Areas** with more than one **Capital Project** (i.e. Affordable Housing and Transportation-Related Capital Projects) no more than

50 percent of total points obtained through this criterion may be from experience in the development of any one category of a **Capital Project**.

In the case of a **Capital Project** developed by multiple **Developers**, the score will be based on the most experienced **Developer**.

(c) Project and Program Readiness - 8 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		X

Points will be awarded for each AHSC funded **Capital Projects** and **Program Costs** proposed within the **Project Area** as follows:

(1) Affordable Housing Development and **Housing-Related Infrastructure Capital Projects**

A maximum of 3 points will be awarded for obtaining **Enforceable Funding Commitments** (public and private), less deferred costs, for construction period funding for the **Affordable Housing Development.**

Points will be allocated based on the percentage of **Enforceable Funding Commitments** obtained as follows:

1 point: 70 to 79 percent
2 points: 80 to 89 percent
3 points: ≥ 90 percent

(2) Transportation-Related Infrastructure Capital Projects

A maximum of 3 points will be awarded for **Transportation-Related Infrastructure Capital Projects** obtaining **Enforceable Funding Commitments**, less deferred costs, for construction period funding.

Points will be allocated based on the percentage of **Enforceable Funding Commitments** obtained as follows:

1 point: 70 to 79 percent
2 points: 80 to 89 percent
3 points: ≥ 90 percent

(3) Program readiness, capacity, need and leverage

(A) Program Readiness and Capacity

(i) 0.50 points will be awarded for a program description and structure for implementation (i.e. staffing needs, administrative structure, program objective(s) and deliverables/outcomes).

(ii) 0.25 points will be awarded for demonstration of commitments from key parties necessary to achieve program outcomes (e.g. letter of intent, memorandum of understanding)

(iii) 0.25 points will be awarded for **Program Operator** qualifications demonstrating three or more years of experience operating a similar type of program.

(B) Need and Benefit of Program Activities

0.50 points will be awarded for programs demonstrating the extent to which services are addressing the needs and providing benefits of those to be served by the program activity.

(C) Leveraging for Program Activities

Applications will receive points based on demonstration of the extent to which other funds are leveraged for the proposed **Program Costs**.

0.15 points: 10% to 30%
0.25 points: 31% to 50%
0.50 points: > 50%

(d) **Capital Project** Funds Leveraged – 4 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

A maximum of 4.0 points will be awarded for applications demonstrating enforceable permanent development funding. Applications will be scored based on the amount of enforceable permanent development funding commitments from sources other than the **AHSC Program**, as a percentage of the requested amount of **AHSC Program** funds. For each full 25 percent increment of the amount requested, 1.0 point will be awarded.

1.0 point: 25 to 49.9%
2.0 points: 50% to 74.9%
3.0 points: 75% to 100%
4.0 points: > 100%

In calculating the amount of other funds:

- Funds used for the **Project** will be counted;
- Deferred developer fees will not be counted as a source;
- Land donations will be counted and the value of the land;
- Donation will be the greater of either the original purchase price or the current appraised value supported by an independent third party appraisal prepared by an MAI-qualified appraiser within one year of the application deadline; and
- Local fee waivers will be counted so long as it is supported by written documentation from the local public agency.

(e) Implementation of Planning Efforts – 1 Point Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		X

A maximum of 1.0 point will be awarded to **Projects** which implement a policy or program of any the following applicable adopted plans in addition to the SCS/RTP and support the objectives of the **AHSC Program**:

(1) 0.50 points for any one (1) of the following long range plans

- General Plan (e.g. program or policy of the circulation element or site identified in the site inventory of an adopted housing element)
- Specific Plan
- Community Plan
- Redevelopment Plan
- Bicycle Master Plan
- Disadvantaged Community Assessment (Government Code Section 65302)
- Pedestrian Master Plan
- Climate Action Plan
- Local Coastal Plan
- Transit Plan

(2) 0.50 points for any one (1) of the following **Project**-specific plans

- Transit Corridor Plan
- Station Area Plan
- Corridor System Management Plan
- Transit Village Plan
- Transportation Demand Management (TDM) Strategy or Plan
- Other Related Plans (specify)

Evidence of implementation of the above plans must be demonstrated by providing relevant sections of the applicable plan or a letter or resolution executed by an officer or an equivalent representative, from the appropriate governing body. Examples of implementation may include an applicable zoning ordinance, development regulations or program.

Policy Objectives – 30 % of total score

(f) Accessibility to Qualified Employment Areas – 5.5 Points Maximum

*Note: **Projects Areas** with **Flexible Transit Service** are exempt from this criterion*

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

A maximum of 5.5 points will be awarded based on the number of employees determined to be in a qualified employment area* defined for (1) and (2) below as follows:

(1) Within a half-mile (1/2 mile) radius from the identified **Transit Station/Stop**

Employment Density Within ½ mile of Transit Station/Stop		
NUMBER OF EMPLOYEES	TOD	ICP
>25,000	3.0	3.0
10,000-24,999	2.5	2.5
2,500-9,999	2.0	2.0
1,500-2,499		1.5
750-1,499		1.0

(2) Within a half-mile (1/2 mile) radius of a **Destination Transit Station/Stop** which is located no more than 30 minutes** from the **Transit Station/Stop** that serves the **Affordable Housing Development**, or from another transit station or stop not necessarily serving a specific **Affordable Housing Development**, via public transit and involves no more than one transfer point

Employment Density at Destination Transit Station/Stop		
NUMBER OF EMPLOYEES	TOD	ICP
>25,000	2.5	2.5
10,000-24,999	2.0	2.0
2,500-9,999	1.5	1.5
1,500-2,499		1.0
750-1,499		0.5

**A qualified employment area will be determined by utilizing the instructions provided in the application accessible through the following link: http://onthemap.ces.census.gov/*

***The transit time for accessibility to the qualified employment area from the **Transit Station/Stop** or from another transit station not serving a specific **Affordable Housing Development** to the **Destination Transit Station/Stop** must be demonstrated with the transit agency's schedule of regular service.*

(g) Extent to which the Project Area Incorporates Walkable Corridors – 5.5 Points Maximum

*Note: **ICP Project Areas** without a land use component or a physical site are exempt from this criteria*

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

Points will be awarded based on the extent to which the application demonstrates walkable corridors exist or will exist upon completion of the **Project**.

A maximum of 5.5 points will be awarded to **Project Areas** that provide a network of safe, accessible, and walkable corridors connecting the **Transit Station/Stop**, residential uses and **Key Destinations** to each other as follows:

5.5 points will be awarded to **Project Areas** that provide a safe, accessible walkable corridor between **Transit Station/Stop**, residential uses and at least two (2) **Key Destinations**

3.5 points will be awarded to **Project Areas** that provide a safe, accessible walkable corridor between **Transit Station/Stop** and residential uses

1.5 points will be awarded to **Project Areas** that provide a safe, accessible walkable corridor between **Transit Station/Stop** and at least one (1) **Key Destination**

A safe, accessible and walkable corridor is defined as a route that has:

- At least 75 percent of the street blocks are no more than 500 feet in length;
- Continuously-paved, ADA-compliant sidewalks with a minimum width of four feet;
- Marked pedestrian crossing of all arterials; and
- Attributes which contribute to comfort and safety including, but not limited to, adequate lighting or shade canopy.

(h) Extent to which the Project Area Incorporates Features which Encourage Bicycling – 3 Points Maximum

*Note: **ICP Project Areas** without a land use component or a physical site are exempt from this criteria.*

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

(1) 1.75 points will be given for the installation of new or expanded bikeways within the **Project Area** that provide separated right-of-way for cyclists through on-street striping (bike lanes), the creation of separated off-street paths (bike paths), or the creation of separated on-street paths (cycle tracks).

The applicant must include documentation of at least one safety or access issue currently on the route (e.g. high number of crashes involving auto/bike interactions on the route, high traffic speeds, high volume of vehicles, non-compliance with local traffic laws, inadequate traffic control devices for safe cycling, or a lack of low-stress bicycle facility present) and describe how the proposed infrastructure improvements will close bicycle network gaps and provide a safer and more comfortable bikeway than what previously existed.

(2) A maximum of 1.25 points will be awarded based on the extent to which the application demonstrates the following bicycle features exist, or will exist upon completion of the **Project**, within the **Project Area,** based on the following:

(A) 0.75 points for bicycle storage or parking

(i) 0.25 points where the **Affordable Housing Development** (**Projects** without housing are exempt) has bicycle access and provides secure overnight bicycle storage facilities that include protective coverings or shelters. The **Affordable Housing Development** must supply at least one spot for every two units to qualify for these points.

(ii) 0.50 points where the **Transit Station/Stop** has bicycle access and provides secure bicycle parking that include protective coverings or shelters.

(B) 0.25 points for bike sharing program available that serves at least half of the Project Area, including the **Transit Station/Stop** and the **Affordable Housing Development** (if applicable).

(C) 0.25 points for bike repair facilities or kiosks are available along the bicycle network.

(i) Extent to which the Affordable Housing Development Serves Lower- and Moderate-Income Households – 6.5 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X			

Note: This criterion will apply to all ***TOD Project Area*** *applications and* ***ICP Project Areas*** *applications with an* ***Affordable Housing Development*** *that is a* ***Capital Project****.*

Applications will be scored based on the percentage of units in the **Affordable Housing Development** limited to various income levels, in accordance with the following schedule. Applicants may elect to exclude from the calculation of “total units” units which are not utilized in the calculation of leverage points pursuant to subdivision (d) of this Section and which are not utilized in the calculation of the loan amount pursuant to Section 104.

Applicants should calculate applicable points based on the scale provided below for owner-occupied and rental units by level of affordability. Applicable points should be multiplied by 0.216 to determine the final point score for this criterion not to exceed a maximum of 6.5 points.

For owner-occupied units:

(1) 0.13 points will be awarded for each percent of total units that are owner-occupied and restricted to initial occupancy by households with incomes not exceeding the moderate income limit.

(2) 0.25 points will be awarded for each percent of total units that are owner-occupied and restricted to occupancy by households with incomes not exceeding the moderate income limit at affordable housing costs for not less than 55 years.

(3) 0.30 points will be awarded for each percent of total units that are owner-occupied and restricted to occupancy by households with incomes not exceeding the lower income limit at affordable housing costs for not less than 55 years.

For rental units:

(4) 0.13 points will be awarded for each percent of total units that are rental **Restricted Units** for households with incomes less than or equal to 50 percent of Area Median Income.

(5) 0.7 points will be awarded for each percent of total units that are rental **Restricted Units** for households with incomes less than or equal to 40 percent of State Median Income, expressed as a percentage of Area Median Income.

(6) 0.9 points will be awarded for each percent of total units that are rental **Restricted Units** for households with incomes less than or equal to 35 percent of State Median Income, expressed as a percentage of Area Median Income.

(7) 1.3 points will be awarded for each percent of total units that are rental **Restricted Units** for households with incomes not exceeding 20 percent of State Median Income (adjusted by the **Department** to avoid exclusion of working CalWORKs recipients and individuals receiving SSI and expressed as a percentage of Area Median Income) for the first 10 percent of total **Restricted Units**; then 1 point for each subsequent percent of total **Restricted Units**.

(8) For rental **Affordable Housing Developments** utilizing 9% low income housing tax credits, applicants may elect to have their rental units scored in accordance with the scoring system used for this purpose by TCAC, under the Lowest Income point category. Applicants making this election shall be awarded 0.577 points for every 1 point they would be eligible to receive using TCAC's system (so that applications eligible for the maximum possible 52 points using the 9% scale receive 30 points in this category for the Program).

(j) Extent to Which the Project Addresses Co-Benefits – 6.5 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X	X	X

In order to maximize co-benefits to all communities served by the **AHSC Program**, all applicants are required to describe and quantify the co-benefits of the **Project**. Co-benefits should be considered both broadly for the entire community and for specific populations within the community such as residents within a **Disadvantaged Community** (if applying for **Disadvantaged Community** set-aside), lower-income households or a **Vulnerable Community**. Co-benefits must fit in one of three categories: public health and safety, economic, and environmental.

Applicants should identify the three (3) most impactful co-benefits from the **Project**. See Appendix E for co-benefits examples.

A maximum of 6.5 points will be awarded (2.16 points for each co-benefit up to a maximum of 3 co-benefits) that addresses all of the following:

(1) Identification of the co-benefit;
(2) Description of who will benefit;
(3) Description of how the co-benefit addresses an identified need of the populations served by the **Project**;
(4) Data that describes the baseline conditions on the co-benefit (i.e. to confirm that there is a need to be addressed);
(5) Citation and summary of the findings of the peer reviewed or government research (including date of publication) that demonstrates the strategy used will support the achievement of the co-benefit

(k) Anti-Displacement Strategies – 1 Point Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

A maximum of 1 point will be provided for demonstration of policies, strategies or programs designed to avoid the displacement of low-income residents and businesses of the **Project Area** and community.

*Note: The **Department** recognizes not all **Projects** may have a need to evaluate displacement risk and/or include anti-displacement strategies. Applicants shall provide evidence for **Department** review demonstrating no displacement risk. Those applications will not be evaluated on the criterion and the points will not be factored into the overall score.*

Applicants will receive points as follows:

0.25 points for identification and implementation of at least one (1) strategy
0.5 points for identification and implementation of 2 to 3 strategies
1.0 point for identification and implementation of more than three (3) strategies

Examples of strategies include, but are not limited to:

(1) Implementation of Residential Anti-Displacement Strategies
- Phased construction or rehabilitation, minimizing disruptions for tenants.
- Provision of Housing Choice Voucher (HCV) or other mechanism for affordability, including temporary relocation.
- Assignment of a relocation specialist to develop and implement a relocation plan and work closely with any tenants that temporarily relocate off-site to provide relocation planning, mobility counseling, and assistance (for example, reviews of school options, benefits, re-occupancy plans, and services access).
- Case management support to residents and relocation technical assistance to the local housing authority/department to ensure that all residents are informed about maintenance of lease compliance requirements.

(2) Implementation of Business Anti-Displacement Strategies:
- Implementation of an overlay zone designed to protect and assist small businesses.
- Establishment of a small business advocate office and designate a single point of contact for every small businesses.
- Creation and maintenance of a small business alliance.
- Increased visibility of the jurisdiction's small business assistance programs.
- Formal program to ensure that some fraction of a jurisdiction's purchases of goods and services come from local businesses.

(l) Community Engagement – 2 Points Maximum

Affordable Housing Development	Housing - Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X	X	X

(1) A maximum of 2.0 points for applications which describe community outreach on proposed project, in addition to that required by the local government or other government body. The application must demonstrate how the outreach was designed to remove barriers to community participation and provided opportunities for engagement for community members, in particular lower-income households and **Disadvantaged Community** residents, which the project is proposed to benefit. The application should provide:

- Identification of key stakeholders and/or community organizations which have been engaged in community outreach or in supporting the project;
- Identification of dates, times and location of meetings scheduled to accommodate accessibility for households/community members lacking transportation (i.e. meeting sites accessible to transit or at a convenient location such as a school in or near **Project Area**) and with varying family and employment schedules (i.e. evening meetings, child care); and
- Description of how feedback received during the process was considered or addressed.

Section 108. Criteria Applicability

Based on the application's proposed **Project** comprised of **Capital Projects**, **Planning and Program Cost**s as defined in Sections 102 and 103, Figure 10 below indicates the criteria which will be applied and the scored to determine an applicant's final score.

Applications will be scored based upon the strength of the entire proposal for the **Project Area**, including those elements funded by other sources but which are applicable to connectivity between transit, housing and **Key Destinations** with particular emphasis on improving access to affordable housing opportunities.

Figure 10
Criteria Applicability Based on Proposed Project

Guideline Reference	* Both **TOD** and **ICP Project Areas** must include at least one **Capital Project** (Refer to Section 102 for further information on **TOD** and **ICP Project Area** requirements) **Planning and Program Costs** may be combined with any eligible **Capital Project**	Housing Development	Housing-Related Infrastructure	Transportation Related Infrastructure	Planning Implementation	Programs – Active Transportation	Programs – Transit Ridership	Programs – **Criteria Air Pollutant**
		Capital Projects*			Planning and Program Costs**			
GHG Reduction – 55%								
a	Estimated GHG Reductions based on GHG Quantification Methodology	X	X	X		X	X	X
Readiness and Feasibility – 15%								
b	Capital Project Past Performance	X	X	X				
c	Capital Project Readiness & Program Readiness, Capacity, Need and Leverage	X	X	X		X	X	X
d	Capital Project Funds Leveraged	X	X	X				
e	Implementation of Planning Efforts	X	X	X		X	X	X
Policy Objectives – 30%								
f	Accessibility to Qualified Employment Areas	X	X	X				
g	Extent to which the Project Area incorporates Walkable Corridors	X	X	X				
h	Extent to which the Project Area incorporates features which Encourage Bicycling	X	X	X				
i	The Extent to which the Affordable Housing Development Serves Households at Lower- and Moderate-Income Levels	X	X					
j	Extent to which the Project addresses Co-Benefits	X	X	X	X	X	X	X
k	Anti-Displacement Strategies	X	X	X				
l	Community Engagement	X	X	X	X	X	X	X

Article IV. Program Operations

Section 109. Legal Documents

(a) Rental **Affordable Housing Developments**: Upon the award of **AHSC Program** funds to assist a rental **Affordable Housing Development**, the **Department** shall enter into one or more agreements with the applicant, which may be in the form of a conditional commitment letter issued by the **Department** and accepted by the applicant and a State of California Standard Agreement (Standard Agreement), which shall commit funds from the **AHSC Program** in an amount sufficient to fund the approved **AHSC Program** loan amount. The agreement or agreements shall contain the following:

(1) a description of the approved **Affordable Housing Development** and the permitted uses of **AHSC Program** funds;
(2) the amount and terms of the **AHSC Program** loan;
(3) the regulatory restrictions to be applied to the **Affordable Housing Development** through the Regulatory Agreement;
(4) special conditions imposed as part of the **Department's** approval of the **Affordable Housing Development**;
(5) requirements for the execution and the recordation of the agreements and documents required under the **AHSC Program**;
(6) terms and conditions required by federal or state law;
(7) requirements regarding the establishment of escrow accounts for the deposit of documents and the deposit and disbursement of **AHSC Program** loan proceeds;
(8) the approved schedule of the **Affordable Housing Development**, including land acquisition if any, commencement and completion of construction or rehabilitation work, and occupancy by eligible households;
(9) terms and conditions for the inspection and monitoring of the **Project** in order to verify compliance with the requirements of the **AHSC Program**;
(10) provisions regarding tenant relocation in accordance with State law;
(11) provisions relating to the placement on or in the vicinity of, the **Affordable Housing Development** site a sign indicating that the **Council** has provided financing for the **Affordable Housing Development**. The **Council** may also arrange for publicity of the **AHSC Program** loan in its sole discretion; and
(12) provisions to ensure that the eligible costs and use of **AHSC Program** funds maintain the required GHG Reduction represented in the application.
(13) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.

(b) For rental **Affordable Housing Developments** the **Department** shall enter into a Regulatory Agreement with the applicant for not less than the original term of the loan that shall be recorded against the property of the **Affordable Housing Development** prior to the disbursement of funds. The Regulatory Agreement shall include, but not be limited to, the following:

(1) the number, type and income level of **Restricted Units**;
(2) standards for tenant selection pursuant to 25 CCR 8305;
(3) provisions regulating the terms of the rental agreement pursuant to 25 CCR 8307;
(4) provisions related to a Rent Schedule, including initial rent levels for **Restricted**

Units and non-Restricted Units pursuant to subsections (a) and (b) of 25 CCR 7312;

(5) conditions and procedures for permitting rent increases pursuant to 25 CCR 7312;

(6) provisions for limitations on Distributions pursuant to 25 CCR 8314 and on developer fees pursuant to 25 CCR 8312;

(7) provisions regarding the deposit and withdrawal of funds to and from reserve accounts in accordance with 25 CCR 8308 and 8309;

(8) assurances that the **Affordable Housing Development** will be maintained in a safe and sanitary condition in compliance with state and local housing codes and the management plan, pursuant to 25 CCR 7324;

(9) description of the conditions constituting breach of the Regulatory Agreement and remedies available to the parties thereto;

(10) provisions governing use and operation of non-Restricted Units and common areas to the extent necessary to ensure compliance with AHSC Program requirements;

(11) special conditions of loan approval imposed by the **Department**;

(12) Article 4, Subchapter 4, Chapter 7, Division 1 of Title 25, "Program Operations," Sections 25 CCR 7321 through 7326, shall apply to rental **Affordable Housing Developments** assisted by the **AHSC Program**; and

(13) other provisions necessary to assure compliance with the requirements of the **AHSC Program**.

(c) All **AHSC Program** loans for assistance to rental **Affordable Housing Development**s shall be evidenced by a promissory note payable to the **Department** in the principal amount of the loan and stating the terms of the loan consistent with the requirements of the **AHSC Program**. The note shall be secured by a deed of trust on the **Affordable Housing Development** property naming the **Department** as beneficiary or by other security acceptable to the **Department**; this deed of trust or other security shall be recorded junior only to such liens, encumbrances and other matters of record approved by the Department and shall secure the **Department's** financial interest in the **Affordable Housing Development** and the performance of applicant's **AHSC Program** obligations.

(d) Upon the award of **AHSC Program** funds to a **Locality** for assistance to a homeowner **Affordable Housing Development**, the **Department** shall enter into a Standard Agreement with the Recipient constituting a conditional commitment of funds. This agreement shall require the **Recipient** to comply with the requirements and provisions of these Guidelines. The Standard Agreement shall encumber **AHSC Program** funds in an amount sufficient to fund the approved **Project**, subject to limits established in the **NOFA** and consistent with the application. The Standard Agreement shall contain, but not be limited to, the following:

(1) a description of the approved local **Project** and the permitted uses of **AHSC Program** funds;

(2) requirements for the execution and, where appropriate, the recordation of the agreements and documents required under the **AHSC Program**;

(3) the **Recipient's** responsibilities for completion of the **Project**, including, but not limited to, number of units to be assisted, marketing, **AHSC Program** loan processing and funding, construction monitoring and disbursement, report

submissions, and file documentation;

(4) manner, timing and conditions for disbursement of **AHSC Program** funds to **Recipients**;

(5) provisions relating to the placement on or in the vicinity of the homeownership **Affordable Housing Development** project site, a sign indicating that the **Council** has provided financing for the **Project.** The **Council** may also arrange for publicity of the **Project** in its sole discretion;

(6) remedies available to the **Department** in the event of a violation, breach or default of the Standard Agreement;

(7) requirements that the **Recipient** permit the **Department** or its designated agents and employees the right to inspect the project or local program and all books, records and documents maintained by the **Recipient** in connection with the local program and the local program individual Program loans;

(8) special conditions imposed on a case-by-case basis as part of **Department's** approval of the **Project**;

(9) terms and conditions required by federal or state law; and

(10) provisions to ensure that the eligible Capital Use and Program Use of funds maintains the required GHG Reduction as represented in the application.

(11) other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.

(e) Prior to the disbursement of **AHSC Program** funds for a homeownership **Affordable Housing Development**, the **Department** shall enter into a monitoring agreement with the **Recipient** requiring the **Recipient** to comply with **AHSC Program** requirements. The monitoring agreement shall contain, but not be limited to, the following:

(1) requirements regarding the establishment of a reuse account for the deposit of loan repayments, including interest and principal, and the requirements for disbursement of funds from the reuse account;

(2) the plan for servicing of the **AHSC Program** loans as prepared by the **Recipient** to be reviewed for approval by the **Department**

(3) the plan for the reuse of **AHSC Program** funds as prepared by the **Recipient** to be reviewed for approval by the **Department**;

(4) requirements for submittal of an annual report on a form provided by the **Department**;

(5) remedies available to the **Department** in the event of a violation, breach or default of the monitoring agreement;

(6) requirements that the **Recipient** permit the **Department** or its designated agents and employees the right to inspect the **AHSC Program** and **Project** books, and all records and documents maintained by the Recipient in connection with the reuse account and long term loan servicing; and

(7) other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.

(f) All homebuyer program loans originated by a **Recipient** for a homeowner **Affordable Housing Development** shall be evidenced by the following documents and provisions, models of which may be provided by the **Department**:

(1) A promissory note evidencing the program loan, payable by the homebuyer to the **Recipient** in the principal amount of the program loan and stating the terms and rate of interest of the program loan consistent with the requirements of the **AHSC**

Program. The **Recipient** is and shall be prohibited from assigning their beneficial interest under the note.

(2) The note shall be secured by a deed of trust, or other appropriate security instrument acceptable to the **Department**, on the homebuyer property naming the **Recipient** as beneficiary. This deed of trust or other appropriate security instrument shall be recorded in the official records of the county in which the unit is located and shall secure the **Recipient's** financial interest in the **Project**.

(g) Grants shall be governed by a Standard Agreement or other agreement with the **Recipient** in a form prescribed by the **Department**. The agreement shall ensure that the provisions of Section 105 of these Guidelines are applicable to the **Project** covered by the agreement and enforceable by the **Department**. The agreement will contain such other provisions as the **Department** determines are necessary to meet the requirements and goals of the **AHSC Program**, including but not limited to the following:

(1) a description and sources and uses of the approved **Project** and the permitted uses of **AHSC Program** funds;

(2) provisions governing the amount, terms and conditions of the **AHSC Program** grant;

(3) provisions governing the construction work and, as applicable, the acquisition and preparation of the site of the **Capital Project**, and the manner, timing and conditions of the disbursement of grant funds;

(4) a schedule for completion of the **Project** and a series of milestones for progress toward **Project** completion together with the remedies available to the **Department** in the event of the failure to meet such milestones;

(5) provisions for the payment of prevailing wages if and as required by state or federal law;

(6) requirements for periodic reports from the **Recipient** on the construction and use of the **Project** and provisions for monitoring of the **Project** by the **Department**;

(7) the **Recipient's** responsibilities for the development of the approved **Project**, including, but not limited to, construction management, maintaining of files, accounts and other records, and report requirements;

(8) provisions relating to the development, construction, affordability and occupancy of the **Affordable Housing Development** supported by the **Housing-Related Infrastructure Capital Project**, if applicable;

(9) Provisions relating to the placement on, or in the vicinity of, the **Project** site, a sign indicating that the **Council** has provided financing for the **Project**. The **Council** may also arrange for publicity of the grant in its sole discretion;

(10) remedies available to the **Department** in the event of a violation, breach or default of the Standard Agreement;

(11) requirements that the **Recipient** permit the **Department** or its designated agents and employees the right to inspect the **Project** and all books, records and documents maintained by the **Recipient** in connection with the **AHSC Program** grant or loan or both;

(12) special conditions imposed as part of **Department** approval of the project;

(13) terms and conditions required by federal or state law;

(14) provisions to ensure that the **Project** maintains the required GHG Reduction as represented in the application; and
(15) other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.

Section 110. Reporting Requirements

(a) During the term of the Standard Agreement and according to the annual deadline identified in the Standard Agreement, the **Recipient** shall submit, upon request of the **Department** and the **Council**, an annual performance report that demonstrates satisfaction of all reporting requirements pursuant to the **AHSC Program** reporting requirements identified in the Standard Agreement and any additional reporting requirements developed by the **Department**, the **Council** or **ARB**. The reports will be filed on forms provided by the **Department**.

(b) At any time during the term of the Standard Agreement, the **Department** may perform or cause to be performed a financial audit of any and all phases of the **Recipient's Project**. At the **Department's** request, the **Recipient** shall provide, at its own expense, a financial audit prepared by a certified public accountant.

Section 111. Performance Requirements

(a) **Recipients** shall begin construction of the housing units to be developed in the **Affordable Housing Development** that is a **Capital Project** and the housing designated in the application within the time set forth in the Standard Agreement but not more than two (2) years from the date of the **AHSC Program** award.

(b) The housing units to be developed in the **Affordable Housing Development** that is a **Capital Project** and the housing designated in the application must be completed, as evidenced by receipt of a certificate of occupancy, within the period of time set forth in the Standard Agreement, but not more than five (5) years from the date of the **AHSC Program** award.

(c) **AHSC Program** funds must be disbursed in accordance with deadlines specified in the Standard Agreement, and in no event later than the following disbursement deadlines:

Figure 11
Performance Milestone Dates

NOFA Date	Disbursement Deadline	Standard Agreement Executed	Disbursement Agreement Executed
January 2015	February 1, 2019	June 2016	June 2016

(d) **Recipients** may only reapply for **AHSC Program** funds in a subsequent **NOFA** for the same **Project** (i.e. multi-phased projects) if the Recipient has disbursed at least fifty (50) percent of the funds allocated from prior awards.

Section 112. Defaults and Cancellations

(a) In the event of a breach or violation by the **Recipient** of any of the provisions of the Standard Agreement, the **Department** may give written notice to the **Recipient** to cure the breach or violation within a period of not less than 15 days. If the breach or violation is not cured to the satisfaction of the **Department** within the specified time period, the **Department**, at its option, may declare a default under the Standard Agreement and may seek legal remedies for the default including the following:

(1) The **Department** may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the **Project** in accordance with **AHSC Program** requirements.

(2) The **Department** may seek such other remedies as may be available under the relevant agreement or any law.

(b) Funding commitments and Standard Agreements may be canceled by the **Department** under any of the following conditions:

(1) The objectives and requirements of the **AHSC Program** cannot be met by continuing the commitment or Standard Agreement;

(2) Construction of the **Capital Project** or implementation of **Planning and Program Costs** cannot proceed in a timely fashion in accordance with the timeframes established in the Standard Agreement; or

(3) Funding conditions have not been or cannot be fulfilled within required time periods.

(c) Upon receipt of a notice of intent to cancel the grant from the **Department**, the **Recipient** shall have the right to appeal to the Director of the **Department**.

Section 113. Prevailing Wages

For the purposes of the State Prevailing Wage Law (Labor Code Sections 1720 – 1781), a grant under the **AHSC Program** shall be considered public funding for the construction, rehabilitation, demolition, relocation, preservation, or other physical improvement of the **Capital Project** subject to the provisions of the State Prevailing Wage Law. AHSC Program funding of the **Project** shall not necessarily, in and of itself, be considered public funding of a **Project** unless such funding is considered public funding under the State Prevailing Wage Law. It is not the intent of the **Department** in these regulations to subject **Projects** to the State Prevailing Wage Law by reason of **AHSC Program** funding of the **Project** in those circumstances where such public funding would not otherwise make the **Project** subject to the State Prevailing Wage Law. Although the use of **AHSC Program** funds does not require compliance with federal Davis Bacon wages, other funding sources may require compliance with federal Davis Bacon wages.

APPENDICES

Appendix A	Definitions
Appendix B	Examples of Eligible Costs
Appendix C	Project Location Designations
Appendix D	Greenhouse Gas Quantification Methodology for the Strategic Growth Council's Affordable Housing and Sustainable Communities Program for Fiscal Year 2014-15
Appendix E	Co-Benefits
Appendix F	Climate Resiliency
Appendix G	GGRF Programs

Appendix A. Definitions

(a) "Active Transportation" means infrastructure and non-infrastructure projects that encourage increased use of active modes of transportation, but does not include funding program operations. The project types include but are not limited to:

(1) Infrastructure Projects: capital improvements (construction) that will encourage increased use of active modes of transportation, such as biking and walking

(2) Non-infrastructure Projects: education, encouragement and planning activities must encourage increased use of active modes of transportation, such as biking and walking.

(b) "Active Transportation Program" means non-infrastructure related programs which instill safe pedestrian, bicyclist and motorist behaviors to make safe active transportation possible. Non-infrastructure activities can stand-alone or be conducted with infrastructure projects (fixed facilities or permanent structural changes) to increase effectiveness.

(c) "Activity Delivery Costs" means staff costs incurred by the Public Agency that are directly related to implementing specific Capital Project, Planning and Program Costs. They may include costs such as project document preparation, project underwriting, construction management, inspections, or reporting to the Department.

(d) "Affordable Housing Development" means a Capital Project that is a Housing Development in which at least 20 percent of the total units are Affordable Units.

(e) "Affordable Unit" means a housing unit that satisfies all the following criteria:

(1) The unit must satisfy one of the following affordability criteria:

(A) It is available at an "affordable rent" as that terms is used and defined in Section 50053 of the Health & Safety Code;

(B) It is offered at an "affordable housing cost", as that terms is used and defined in Section 50052.5 of the Health & Safety Code; or

(C) It is available at an "affordable rent" or an "affordable housing cost" according to the alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to Department regulations adopted under Health and Safety Code section 50462(f).

(2) For "Affordable Units" that are rental units, they must be subject to a recorded Program covenant ensuring affordability for a duration of at least 55 years.

(3) For "Affordable Units" that are ownership units, they must be sold to and occupied by an income-qualified household, and subject to a recorded covenant with a duration of at least 30 years that includes either a resale restriction or equity sharing upon resale.

(4) For the purposes of this definition, the terms "persons and families of low income" and "area median income" shall have the same meanings as set forth in Health and Safety Code section 50093 and 50093(c).

(5) The unit must be occupied by a “lower income household” as defined by Health and Safety Code section 50079.5, which includes “very low income households” as defined by Health and Safety Code section 50105 and also includes “extremely low income households” as defined by Health and Safety Code section 50106.

(e) “Agency” means California Natural Resources Agency.

(f) “AHSC Program” means the program as implemented by these Program Guidelines.

(b) “ARB” means the California Air Resources Board.

(c) “Area Median Income” means the most recent applicable county median family income published by the California Tax Credit Allocation Committee.

(d) “Bus Rapid Transit” (BRT) means a rubber-tired form of rapid transit in an integrated system of facilities, equipment, services, and amenities that exceed the speed and reliability of regular bus service. Major components may include the following: (1) use of exclusive right-of way, including busways, exclusive lanes, and bypass/queue jumping lanes for buses at congested intersections to reduce vehicle running time; (2) center of road alignment, mixed-traffic prohibitive intersection treatments; (3) use of more limited-stop service including express service and skip-stopping; (4) application of **Intelligent Transportation Systems** (ITS) technology such as signal priority, automatic vehicle location systems, system security, and customer information; (5) platform level boarding and off-board fare collection.

(e) “Bus Service” means regularly scheduled public transit service operating with limited stops using a fixed route.

(f) "Capital Project" means a project consisting of the construction, rehabilitation, demolition, relocation, preservation, acquisition, or other physical improvement that is an integral part of, or is necessary for completion of a Project.

(g) “CCR” means the California Code of Regulations.

(h) “Complete Streets” means context sensitive streets designed and operated to ensure safe access by all users, including pedestrians, bicyclists, motorists, and transit riders of all ages and abilities. Complete streets projects include, but are not limited to:

(1) Development of new bikeways and walkways that improve safe and comfortable access of pedestrians and cyclists to local amenities.
(2) Development of special bus lanes and dedicated bus lanes.
(3) Development of comfortable and accessible public transportation stops and amenities.
(4) Development or improvement of frequent and safe crossing opportunities.
(5) Installation of accessible pedestrian signals.
(6) Development of curb extensions, roundabouts, median islands, “road diets”, lane narrowing projects, or other traffic calming mechanisms with the intent of improving safety and accessibility for non-motorized users.

(i) "Consolidated Transportation Service Agency (CSTA)" means an agency designate by the Regional Transportation Planning Agency (RTPA) to consolidate and/or coordinate social transportation services. A CTSA may be a public agency (city, county or operator), a private entity operating under a license, a non-profit organization, a public corporation, a public district or joint powers entity, or a State department or agency. An RTPA may not be a CTSA.

(j) "Criteria Air Pollutants" means an air pollutant for which acceptable levels of exposure can be determined and for which an ambient air quality standard has been set. Examples include: ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, and PM10 and PM2.5. The U.S. EPA and CARB periodically review new scientific data and may propose revisions to the standards as a result.

(k) "Council" means the California Strategic Growth Council, established pursuant to Public Resources Code Section 75121.

(l) "Department" means the Department of Housing and Community Development of the State of California.

(m) "Destination Transit Station/Stop" means a Transit Station located not more than thirty (30) minutes from the Transit Station/Stop that serves the Affordable Housing Development or Key Destination via public transit and involves no more than one transfer point.

(n) "Developer" means the entity responsible for the construction of an Affordable Housing Development, housing-related infrastructure or transportation-related infrastructure Capital Project.

(o) "Disadvantaged Community" means a census tract with a score in the top 25% in California Environmental Protection Agency's CalEnviroScreen tool, or provides a benefit to such areas per the California Air Resources Board's Interim Guidance on Investments to Benefit Disadvantaged Communities.

(p) Enforceable Funding Commitment" means commitments, including but not limited to the following:

(1) Low-income housing tax credit equity contributions (without the necessity of a tax credit reservation letter), tax-exempt bonds, AHSC Program funds, construction funding issued by the Department simultaneously with the commitment of AHSC Program funds will be considered committed in this calculation.

(2) Funds conditionally reserved under the following programs shall be accepted as funding commitments: the Department of Housing and Urban Development's (HUD) Supportive Housing Program (SHP), HOME Investment Partnerships Program (HOME), Community Development Block Grant Program (CDBG), and the California Department of Mental Health's Mental Health Services Act (MHSA) Program.

(3) A land donation in fee for no other consideration that is supported by an appraisal or purchase/sale agreement ("Land Donation") or a local fee waiver resulting in quantifiable cost savings for the Project where those fees are not otherwise required by federal or state law ("Local Fee Waiver") may be considered a funding commitment. The value of the Land Donation will be the greater of either the original purchase price or the current appraised value as supported by an independent third party appraisal prepared by a MAI-qualified appraiser within one year of the application deadline. A funding commitment in the form of a Local Fee Waiver must be supported by written documentation from the local Public Agency.

(4) Owner equity contributions or developer funds. Such contributions or funds shall not be subsequently substituted with a different funding source or forgone if committed in the application, except that a substitution may be made for up to 50% of deferred developer fee. The Department may require the applicant to evidence the availability of the proposed amount of owner equity or developer funds.

(5) Transportation projects which are programmed for allocation and expenditure in the applicable capital improvement plan consistent with the terms and timeframes of the Standard Agreement.

(q) "Energy Efficiency" means a way of managing and restraining the growth in energy consumption.

(r) "Flexible Transit Service" means a form of transit for the public characterized by flexible routing and scheduling of small/medium vehicles operating in shared-ride mode between pick-up and drop-off locations according to passenger needs. Flexible Transit Service includes vanpool, shuttle and feeder bus systems.

(s) "Floor Area Ratio" (FAR) means the square footage of the floor area of a building divided by the site square footage, excluding therefrom dedicated streets, sidewalks, parks and open space. The floor area of a building is the sum of the gross area of each floor of the building, excluding mechanical space, cellar space, floor space in open balconies, enclosed parking and elevators or stair bulkheads. Multiplying the FAR by the area of the site produces the minimum amount of floor area required in a building on the lot. For example, on a 10,000 square-foot site in a district with a minimum FAR of 1.5, the floor area of a building must be at least 15,000 square feet.

(t) "GHG Reduction" means Greenhouse Gas Reduction.

(u) "Green infrastructure" means using vegetation, soils, and natural processes (through evaporation, filtration, sequestration, reuse, runoff) to help create healthier urban environments through land and water management. At the scale of a city or county, green infrastructure refers to the patchwork of natural areas that provides habitat, flood protection, cleaner air, and cleaner water. At the scale of a neighborhood or site, green infrastructure refers to Low Impact Design and stormwater management

systems that mimic nature by soaking up and storing water, including Green Streets. Green infrastructure should be managed to maintain long-lasting benefits, which further the project's ability to safeguard against climate change.

(v) Green Streets" means a sustainable stormwater strategy that meets regulatory compliance and resource protection goals by using a natural systems approach to manage stormwater, reduce flows, improve water quality and enhance watershed health.

(w) "Housing Choice Voucher" means the federal government's program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

(x) "Housing Development" means a residential development or the residential portion of a mixed-use development.

(y) "Housing-Related Infrastructure" means an infrastructure improvement required as a condition of approval of an affordable housing development by a Locality, transit agency or special district such as sewer, water or utility system upgrades, streets, drainage basins, etc.

(z) "Integrated Connectivity Project (ICP) Project Area" means a Project Area which includes at least one (1) Transit Station/Stop with a combination of two or more eligible costs as defined in Section 103.

(aa) "Intelligent Transportation Systems" means electronics, communications, or information technology, used singly or in combination, to improve the efficiency, accessibility or safety of the surface transportation system.

(bb) "Key Destination" means one or more community amenities such as schools, community centers, employment centers, retail, services, parks and other destinations.

(cc) "Locality" means a California city, unincorporated area within a county or a city and county.

(dd) "Low Impact Design (LID)" means design which controls water at the source—both rainfall and storm water runoff through a decentralized system that distributes storm water across a project site in order to replenish groundwater supplies.

(ee) "Lower Income" has the meaning set forth in Health and Safety Code Section 50079.5.

(ff) "Mixed Use Development" means a building, combination of buildings, or building complex, designed to functionally and physically integrate non-residential uses such as retail, commercial, institutional, recreational, or community uses with residential uses, in a complementary manner.

(gg) "Moderate Income" has the meaning set forth in Health and Safety Code Section 50093.

(hh) "MHP" shall mean the Multifamily Housing Program authorized and governed by Sections 50675 through 50675.14 of the Health and Safety Code and the regulations promulgated there under in 25 CCR 7300, *et seq*.

(ii) "Net Density" means the total number of dwelling units per acre of land to be developed for residential or mixed use, excluding allowed deductible areas. Allowed deductible areas are public dedications of land which are for public streets, public sidewalks, public open space, and public drainage facilities. Non-allowed deductible areas include utility easements, setbacks, private drives and walkways, landscaping, common areas and facilities, off street parking, and drainage facilities exclusive to a development project. Mitigations required for development will not be included in the allowed deductible areas.

(jj) "NOFA" means a Notice of Funding Availability issued by the Department.

(kk) "Peak Hours" or "Peak Period" means the period with the highest ridership during the entire transit service day as determined by the transit operator. Must include at least one hour during the morning commute hours and one during evening commute hours, Monday through Friday. Each Peak Period cannot be longer than three hours.

(ll) "Performance measures" means indicators of transit regarding data indicators such as accessibility, mobility choices and ridership.

(mm) "Planning Cost" means planning-related typically considered pre-development costs associated with the Capital Project.

(nn) "Program Cost" means the cost(s) associated with 1) program creation, or 2) expansion of existing programs to serve new populations or offer new program service and implementation.

(oo) "Program Operator" means the entity that administers the day-to-day operational responsibilities for the program for which the AHSC Program funding is sought.

(pp) "Project" means the proposed use of funds representing a combination of Capital Projects, Planning or Programs Costs which are proposed by the applicant to be funded the AHSC Program.

(qq) "Project Area" means the area encompassing the Transit Station/Stop, housing and Key Destinations.

(rr) "Public Agency" means a Locality, transit agency, public housing authority or redevelopment successor agency.

(ss) "Qualifying High Quality Transit" means a Qualifying Transit line with Peak Period headway frequency of 15 minutes or less and service seven days a week. Additionally, it must operate on a railway, dedicated right-of-way, a partially dedicated right-of-way, or use High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lanes. Qualifying Transit shall qualify if at least two of the following characteristics are met:

(1) middle-of-road alignment bus only lanes;
(2) off-board fare collection;
(3) intersection treatments that prohibit mixed-traffic from making turns across dedicated right-of-way;
(4) use of more limited-stop service including express service and skip-stopping;
(5) application of **Intelligent Transportation Systems** (ITS) technology such as signal priority, automatic vehicle location systems, system security, and customer information; or
(6) platform level boarding. Qualifying High Quality Transit systems may include various types of bus service, rail service, and Bus Rapid Transit (BRT) that meet these minimum requirements.

(tt) "Qualifying Transit" means a transit line serving the public that is operated by the following: (1) Directly operated by a public entity; (2) Operated by a public entity via a contract for purchased transportation service with a private or non-profit provider; or (3) Operated by a private or non-profit entity as a grant Recipient or sub-recipient from a public entity. Qualifying Transit for the purpose of the Program includes various forms of fixed transit service (Rail Service and Bus Service) and Flexible Transit Service.

(uu) "Rail Service" means regularly scheduled public transit service running on rails or railways.

(vv) "Recipient" means the eligible applicant receiving a commitment of Program funds.

(ww) "Restricted Units" mean residential units restricted by an enforceable covenant or agreement with the Department or other public agency to occupancy by low- or very low-income households, with affordable rents pursuant to 25 CCR 7312 of the MHP regulations or affordable housing costs pursuant to the BEGIN Program for at least 55 years. Restricted Units must be substantially equivalent in size and number of bedrooms to the balance of units in the Housing Development. Restricted Units may consist of units designated for any housing tenure, rental or owner-occupied, within the Housing Development.

(xx) "Site Control" means the applicant or developer has control of property through one or more of the following:

(1) fee title;
(2) a leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit, prior to grant funding, compliance with all program requirements;

(3) an enforceable option to purchase or lease which shall extend through the anticipated date of the Program award as specified in the NOFA;
(4) an executed disposition and development agreement, right of way, or irrevocable offer of dedication to a Public Agency;
(5) an executed encroachment permit for construction of improvements or facilities within the public right of way or on public land;
(6) an executed agreement with a public agency that gives the applicant exclusive rights to negotiate with the agency for the acquisition of the site; provided that the major terms of the acquisition have been agreed to by all parties;
(7) a land sales contract or enforceable agreement for acquisition of the property; or
(8) other forms of site control that give the Department equivalent assurance that the applicant or developer will be able to complete the Project and all housing designated in the application in a timely manner and in accordance with all the requirements of the Program.

(yy) "Substantial Rehabilitation" means a Housing Development with reasonable rehabilitation construction contract costs of at least $35,000 per residential unit. Rehabilitation projects must fully and efficiently address all of the physical needs of the Project for the term of the project loan and therefore merely meeting the minimum threshold cost amount of $35,000 per residential unit may not, in and of itself, be sufficient to be considered Substantial Rehabilitation for purposes of the project loan.

(zz) "TCAC" means the California Tax Credit Allocation Committee.

(aaa) "Transit Corridor" means a transportation corridor which meets one of the following criteria:

(1) A corridor served by Qualifying Transit; or
(2) A corridor served by Qualifying High Quality Transit that has been the subject of analysis, planning and environmental mitigation, and has been designated for investment within the regional transportation plan of a MPO, RTPA, or within a long range transportation plan of a transit agency.

(bbb) "Transit Signal Priority (TSP)" means an operational strategy that facilitates the movement of transit vehicles through traffic-signal controlled intersections. Objectives of TSP include meeting on time schedule performance and improved transit travel time efficiency while minimizing impacts to normal traffic operations. TSP is made up of four components: (1) a detection system that lets the TSP system where the vehicle requesting signal priority is located. The detection system communicates with a (2) priority request generator that alerts the traffic control system that the vehicle would like to receive priority. (3) Priority control strategies; and 4) System management software collecting data and generating reports.

(ccc) Transit Station/Stop" means a designated location at which the various Qualifying Transit service(s) drop-off and pick-up riders. Qualifying Transit requires a Transit Station/Stop served by at least one (1) route departing two (2) or more times during Peak Hours. Flexible Transit Service providers are exempt from these frequency requirements.

(ddd) “Transportation Demand Management” (TDM) means strategies that increase transportation system efficiency by encouraging shifting from single-occupant vehicle (SOV) trips to non-SOV transportation modes, or shifting SOV trips off peak travel periods. Effective TDM strategies result in reduction of vehicle miles traveled (VMT) by increasing travel options, providing incentives and information to incentivize individuals and employers to modify their travel behavior to support these objectives, and/or by reducing the need to travel or reducing travel distance via location efficient development patterns. TDM strategies encourage travel by transit, bike, walking or in shared vehicles.

(eee) “Transportation-Related Infrastructure” means a Capital Project that results in the enhancement of any of the following: 1) public transit access, 2) pedestrian network, 3) bicycle network meeting specified AHSC Program transit requirements.

(fff) "Urban Forestry" means the cultivation and management of native or introduced trees and related vegetation in urban areas for their present and potential contribution to the economic, physiological, sociological, and ecological well-being of urban society. "Urban forest" means those native or introduced trees and related vegetation in the urban and near-urban areas, including, but not limited to urban watersheds, soils and related habitats, street trees, park trees, residential trees, natural riparian habitats, and trees on other private and public properties.

(ggg) “Urban Greening” means the incorporation of pedestrian and bicycle trail systems, urban street canopy, drought tolerant and native species landscaping and landscape restoration, green and cool roofing, community gardens and stormwater features into public open spaces

(hhh) “Very-Low Income” has the meaning set forth in Health and Safety Code Section 50105.

(iii) “Vulnerable Communities” means communities which include, but are not limited to, women, racial or ethnic groups, low-income individuals and families, individuals who are incarcerated and those who have been incarcerated, individuals with disabilities, individuals with mental health conditions, children, youth and young adults, seniors, immigrants and refugees, individuals who are Limited English Proficient (LEP), and lesbian, gay, bisexual, transgender, queer and questioning (LGBTQQ) communities, or combinations of these populations.

(jjj) “Walkable Corridor” means the primary walkable route most likely to be taken by pedestrians travelling between two Key Destinations.

Appendix B. Examples of Eligible Costs

Figure B-1
Examples of Eligible Costs

Note: This list is not exhaustive and provides only examples of eligible costs. Please verify eligibility of proposed uses with Program Staff.	Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:	Capital Projects		Planning and Programs Costs			
Housing Construction						
Construction, rehabilitation, demolition, relocation, preservation. acquisition or other physical improvement of affordable housing	X					
Site Acquisition or preparation costs related to a an Affordable Housing Development, including easements and rights of way	X					
Complete Streets and Non-Motorized Transportation						
Development and/or improvement of walkways or bikeways that improve mobility, access, comfort and safety		X				
Development or improvement of frequent and safe crossing opportunities		X				
Sidewalk or non-capacity increasing streetscape improvements, including, but not limited to, the reconstruction or resurfacing of sidewalks and streets or the installation of lighting, signage, or other related amenities		X				
Street crossing enhancements including installation of accessible pedestrian signals		X				
Traffic calming projects including development of curb extensions, roundabouts, median islands, "road diets," lane narrowing projects		X				
Signage and way-finding markers		X				
Installation of traffic control devices to improve safety of pedestrians and bicyclists		X				
Street furniture (e.g.enches, shade structures, etc.		X				
Bicycle repair kiosks		X				
Bicycle routes, lanes and paths; cycle tracks and multi-use paths		X				
Secure bicycle storage or parking		X				

		Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:		Capital Projects		Planning and Programs Costs			
	Bike Sharing infrastructure	X	X				
	Bicycle carrying structures on public transit		X				
Transit and Station Areas							
	Development of special or dedicated bus lanes		X				
	Development and/or improvement of transit facilities or stations		X				
	Necessary relocation of transportation related infrastructure or utilities		X				
	Capital purchases of transit related equipment which will increase transit service and/or reliability		X				
	Transit Signal Priority technology systems		X				
	Real-time arrival/departure information systems		X				
	Installation of at-grade boarding infrastructure		X				
	Development or improvement of bus and transit shelters or waiting areas		X				
	Improvement or addition of lighting to a station area or pedestrian walkways		X				
	Transit ticket machine purchase or improvements		X				
	Transit passenger amenities - e.g. WiFi access		X				
	Transit Vehicle Procurement for service expansion		X				
	Station area signage		X				
	Removal of access barriers to transit stations		X				
	Safety related intersection improvements		X				
	Facilities that support pedestrian and bicycle transit		X				
Energy Efficiency, Green Building, Low Impact Design, and Urban Greening							
	Energy efficiency measures that meet or exceed Title 24 Part 6 Efficiency Standards	X	X				
	Green Building measures that meet or exceed Title 24 Part 11 Green Building Standards	X	X				

	Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:	Capital Projects		Planning and Programs Costs			
Low Impact Design measures including soil restoration and permeable surfaces, heat island mitigation (e.g. reflective and vegetated surfaces, shade canopy), rainwater recycling, flow and filtration systems including rain gardens, stormwater planters and filters, vegetated swales, bioretention basins, infiltration trenches and integration with riparian buffers						
Tree Canopy and Shade trees along walkable and bikeable corridors						
Community demonstration or outdoor education gardens or orchards	X	X				
Creation, development or rehabilitation of parks and open space	X	X				
Pre-Development Costs Related to Project Implementation						
Analysis to update adopted General or Specific/Area Plan, zoning ordinances, etc. which are required to implement a capital project			X			
Implementation of anti-displacement strategies			X			
Programs						
Pedestrian and bicycle safety education programs				X		
Development and publishing of community walking and biking maps, include school route/travel plans				X		
Development & implementation of "walking School Bus" or "bike train" programs				X		
School crossing guard training programs				X		
Bicycle clinics				X		
Public outreach efforts to increase awareness and understand the needs of active transportation users				X		
Bike sharing programs				X		
Ride and/or car share programs						
Transit subsidy programs					X	

		Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:		Capital Projects		Planning and Programs Costs			
	Education and marketing of transit subsidy programs					X	
	Transportation Demand Management (TDM) programs					X	
	Outreach and marketing of Consolidated Transportation Service Agency (CTSA) programs					X	
	E-Mobility programs which include the expansion or development of internet based applications that allow customers, clients and/or the public to conduct transactions online, circumventing vehicle travel						X

Appendix C. Project Location Designations

Note: Information below is to be used exclusively for determining minimum net density requirements for Affordable Housing Development to be consistent with the requirements of Section 103(a)(1)(A)(iv)

Figure C-1
Project Location Designation Definitions

Rural	Suburban	Urban
Jurisdictions (cities/counties) located within Non-Metropolitan Counties	Jurisdictions (cities/counties) located within a Metropolitan Statistical Area (MSA) with a population of less than 2 million ***unless*** a **city** has a population of greater than 100,000 in which case it would be considered Urban	Jurisdictions (cities/counties) located within a Metropolitan Statistical Area (MSA) with a population of more than 2 million ***unless*** a **city** has a population of less than 25,000 in which case it would be considered suburban

For the purposes of determining **AHSC Program**-required **Affordable Housing Development** densities, **Localities** identified as "at least 10 units per acre" in the document above are required to have densities equal to or greater than 15 units per acre as detailed in Section 103(a)(1)(A)(iv). Detailed information on required densities by Locality is available on the Department's website (http://www.hcd.ca.gov/hpd/Default_2010census_update.pdf).

January 20, 2015

Affordable Housing and Sustainable Communities Program

This Update replaces Appendix D of the proposed final guidelines document for the Affordable Housing and Sustainable Community Program

California Air Resources Board

Greenhouse Gas Quantification Methodology for the Strategic Growth Council Affordable Housing and Sustainable Communities Program

Fiscal Year 2014-15

January 20, 2015

A. Introduction

The California Air Resources Board (ARB) is responsible for providing the quantification methodology to estimate greenhouse gas (GHG) emission reductions from projects receiving monies from the Greenhouse Gas Reduction Fund (GGRF). For the Strategic Growth Council's (SGC) Affordable Housing and Sustainable Communities Program (AHSC), ARB staff developed this GHG emission reduction quantification methodology to be used by grant applicants to estimate proposed project GHG emission reductions for Fiscal Year (FY) 2014-15 funds.

This methodology uses currently available tools to estimate the changes in vehicle miles traveled (VMT) and GHG emission reductions based on specific land use and transportation characteristics of the proposed project. These tools include specific components of the "California Emissions Estimator Model" (CalEEMod) and calculation methodologies based on the "Methods to Find the Cost-Effectiveness of Funding Air Quality Projects for Evaluating Motor Vehicle Registration Fee Projects and Congestion Mitigation and Air Quality Improvement Projects" (CMAQ Methods).

Methodology Development

For the first year (FY 2014-15) of the AHSC Program, ARB and SGC staff followed a set of principles to guide the development of the quantification methodology.

These principles ensure that the methodology for AHSC projects would:

- Apply at the project-level.
- Align with the project types proposed for funding with the AHSC program.
- Provide uniform methods to be applied statewide, and be accessible by all applicants.
- Estimate GHG emission reductions from a discrete list of VMT reduction measures.
- Use existing and proven tools or methodologies where available.
- Reflect relationships between VMT and GHG reduction that are supported by empirical literature.

Both tools fit these objectives, and provide a uniform methodology to quantify VMT and GHG emission reductions from individual project proposals based on established modeling techniques.

Tools

Both CalEEMod and the CMAQ Methods are used statewide, publicly available, and are subject to regular updates to incorporate new information. The tools and documentation are free of charge and available to anyone with internet access. Both tools use on-road vehicle GHG emission factors from the ARB Mobile-Source Emission Factor model (EMFAC 2011), and provide an accurate method for quantifying air quality impacts from land use and transportation projects throughout California.

CalEEMod is a "state-of-the-practice" land use emissions calculator tool designed to quantify GHG emissions and criteria air pollutants associated with land use development projects, including transit-oriented developments and mixed-used developments. It is used by municipal lead agencies to evaluate the GHG emissions and criteria air pollutants of land use development projects pursuant to California Environmental Quality Act (CEQA), National Environmental Protection Act (NEPA), and for compliance with local air quality rules and regulations. CalEEMod includes a suite of twenty-five VMT reduction measures. The emission reduction impacts of the measures were developed by and are detailed in a study titled "Quantifying Greenhouse Gas Mitigation Measures" (CAPCOA GHG Quantification Report) by the California Air Pollution Control Officers Association[1]. The CAPCOA GHG Quantification Report includes detailed fact sheets that describe the underlying research and the data used to develop the reduction impacts (also called effects or elasticities) and provide project level examples for each measure.

The CMAQ Methods were developed by ARB and the California Department of Transportation to evaluate the cost-effectiveness of certain types of transportation projects, including bicycle paths, vanpools, and new bus service, among others. They are used statewide by transportation agencies to evaluate criteria pollutant emission reductions from transportation projects competing for State motor vehicle fee and federal CMAQ funding.

AHSC Project Types and Quantification Tools

The AHSC Program will reduce GHG emissions through projects that implement land use, housing, and transportation strategies to support infill, compact, and affordable housing development. The AHSC Program identifies two project types: Transit Oriented Development (TOD) and Integrated Connectivity Projects (ICP). For GHG quantification purposes, the TOD projects and ICP projects that include affordable housing or housing related infrastructure will primarily use CalEEMod. The remaining ICP projects will use the methodologies from the CMAQ Methods. For this document, these are referred to as "Transit and Connectivity (TAC) Methods."

Table 1 lists the most common project types SGC expects to receive in the AHSC Program, and identifies which quantification method would likely be used. For some projects, it may be appropriate to use both.

[1] http://www.capcoa.org/wp-content/uploads/2010/11/CAPCOA-Quantification-Report-9-14-Final.pdf

Table 1: Example Project Types and Quantification Method

AHSC Project Type	CalEEMod	TAC Methods
Transit-oriented development	X	
Mixed use development	X	
Transit and commute improvements (e.g., transit subsidy) associated with housing or other land use development	X	
Regional transit projects (e.g., new bus service, vanpools) not associated with housing or other land use development		X
Bicycle paths or lanes		X
Pedestrian facilities		X

These methods require land use characteristics and VMT reduction strategies from the proposed project, which should be readily available in the project application.

GHG Emission Reductions

This methodology estimates the GHG emission reductions of a proposed AHSC project that are based on the reduction in VMT due to specific project characteristics (e.g. density) and project measures (e.g. new bus service). Both CalEEMod and the TAC Methods combine project specific data with default data to establish an initial case and a project case. The difference between the initial case and project case is the quantified GHG emission reductions from the VMT reduction measures identified in the proposed project.

Applicants will estimate the total GHG emission[2] reductions from the proposed project over the project life, as defined in the methodology.

For AHSC Program application scoring purposes, the applicant will report results as:

$$\frac{\textit{Metric tons (MT) of CO2 over the project life}}{\textit{GGRF Funds Requested } (\$)}$$

The following sections describe the calculations needed to estimate the GHG emission reductions for proposed projects under the FY 2014-15 AHSC Program.

Technical Assistance

ARB staff will be available to provide technical assistance in using this quantification methodology for AHSC applications. ARB staff will also review the quantification portions of the project applications to ensure that the methods outlined in this document were properly applied to estimate the GHG emission reductions for the proposed project. For more information on ARB's efforts to support implementation of GGRF investments, see: www.arb.ca.gov/auctionproceeds. Questions on this document should be forwarded to GGRFProgram@arb.ca.gov.

[2] This methodology results in estimated CO2 reductions only. For the purposes of this quantification methodology and the AHSC application, the applicant will report CO2 reductions as GHG reductions.

B. Using CalEEMod

The CalEEMod model, User's Guide, and other supporting documents can be downloaded, without charge, from www.caleemod.com.

Please Note: This FY 2014-15 quantification methodology for the AHSC Program focuses on the suite of twenty-five VMT reduction measures and project characteristics that are included within CalEEMod. This methodology **does not** use the CalEEMod input or output screens for calculating construction, energy, and water-related emissions.

AHSC Program applicants will follow these steps to estimate the GHG emission reductions for a proposed project using CalEEMod.

1. **Define the proposed project**: The applicant will use CalEEMod's "Project Characteristics" and "Land Use" screens to define the proposed project setting and land use characteristics.

2. **Identify and enter VMT reduction measures**: The applicant will identify the VMT reduction measures associated with the proposed project, and enter the applicable values using CalEEMod's "Mitigation-Traffic Mitigation-Land Use & Site Enhancement" and "Mitigation-Traffic Mitigation-Commute" screens.

3. **Generate a CalEEMod Report**: The applicant will use CalEEMod's "Reporting" screen to generate an output file that will automatically calculate the initial case and project case GHG emissions.

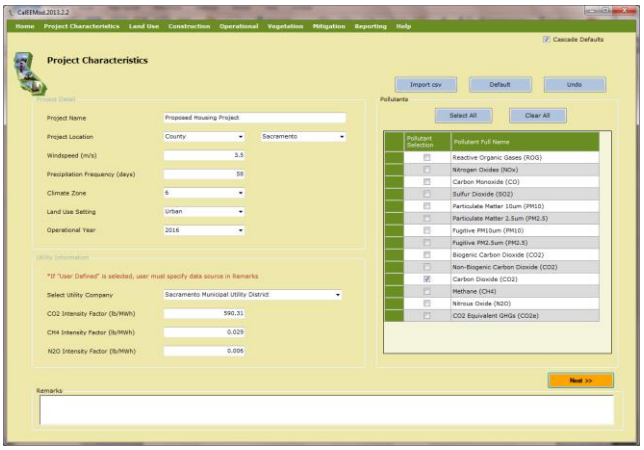
   The applicant will complete Steps 1-3 two times. First, applicants will use the first operational year of the project (e.g., 2017). Second, applicants will add 30 years (e.g., 2047). All CalEEMod projects must use a 30 year project life to complete this methodology.

4. **Calculate additional benefits**: The applicant will calculate additional GHG benefits to correct for a known underestimation in CalEEMod of the GHG benefits for projects with densities over 7.6 dwelling units/acre, and for projects that are closer than 12 miles to a central business district or job center.

5. **ICP adjustment, if applicable**: This step applies only to ICP projects using CalEEMod and taking credit for increased transit accessibility (LUT-5).

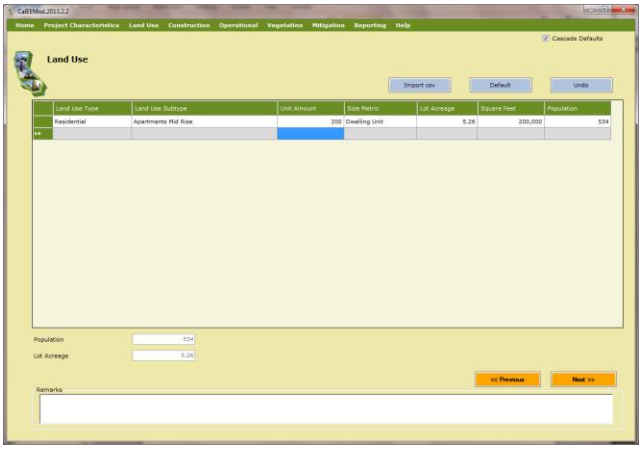
6. **Calculate the GHG reductions over the project life**: The applicant will calculate the GHG reductions over the project life using results from Steps 1-5.

Step 1: Define the Proposed Project



Project Characteristics Screen

Cascade Defaults: Leave this box checked
Project Name: Enter project name
Project Location: Select the county
Climate Zone: Enter Climate Zone[3]
(Windspeed and Precipitation will "autofill")
Land Use Setting: Select "Urban" unless project is in a defined "Rural" Census Tract
Operational Year: First run, enter the first operational year of the project.
Second run, add 30 years to the first operational year of the project. 30 years is the required project life for AHSC CalEEMod runs.
Select Utility Co.: Select the utility company serving the proposed project.
(CO2, CH4, and N2O Intensity Factors will "autofill")
Pollutants: Leave only the box for "Carbon Dioxide (CO2)" checked



Land Use Screen

Cascade Defaults: Leave this box checked
Land Use Type: Select land use type
Land Use Subtype: Select land use subtype
(multiple rows may be used to characterize the proposed project)
Unit Amount: Enter number of units
Size Metric: Select the size metric
Lot Acreage: *
Square Feet: *
Population: *

*Enter values if available in proposed project information. CalEEMod will use defaults if left blank.

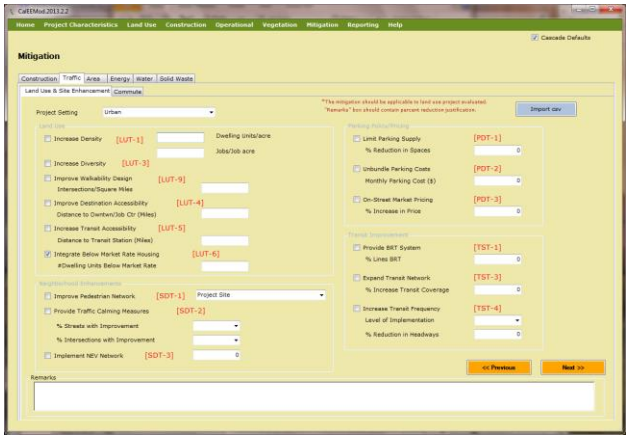
Navigation Note - After entering project information on the "Land Use Screen," navigate to the "Mitigation" area of CalEEMod. The "Construction," "Operational," and "Vegetation" areas of CalEEMod should not be used for AHSC project quantification.

[3] The Climate Zone is identified by zip code in the lookup table found here: http://www.aqmd.gov/docs/default-source/caleemod/caleemod-appendixf.pdf

Step 2: Identify and Enter VMT Reduction Measures

Applicants identify which of the following VMT reduction measures and project characteristics apply to the proposed AHSC project, and enter the applicable project data into the "Land Use & Site Enhancement" or "Commute" screens.

Mitigation-Traffic, Land Use & Site Enhancement Screen



Project Setting: Select the one that best characterizes the existing surrounding land use pattern. See Table 2 below.

Select the VMT reduction measures: included in the proposed project and enter the required project specific data as identified in Table 3 below. *Do not select LUT-1 or LUT-4; instead, see Step 4.*

Table 2. Project Settings in the "Land Use & Site Enhancement" Screen

CalEEMod Project Setting Types[4]	Location Setting Description
Low Density Suburban	An area characterized by dispersed, low-density, single-use, automobile dependent land use patterns, usually outside of the central city (a suburb).
Suburban Center	An area that serves the population of the suburb with office, retail, and housing which is denser than the surrounding suburb.
Urban	An area which is located within the central city with higher density of land uses than would be found in the suburbs. It may be characterized by multi-family housing and located near office and retail.
Urban Center	An area within or contiguous with the central city. Examples may include redevelopment areas, abandoned sites, or underutilized older buildings/sites.

For "Rural" Projects: CalEEMod does not include a rural project setting due to the limited empirical studies regarding the relationship between VMT and GHG emission reductions in rural areas. For proposed AHSC projects that are in census tracts designated as "Rural", the "Low Density Suburban" land use setting can be used <u>if</u> the project meets the following requirements:

1. Project site is designated for development in an adopted general plan or zoning ordinance, <u>or</u>
2. Project site is within an existing urban services boundary or sphere of influence, <u>and</u>
3. Rural census track in which project site is located is adjacent to a census track with contiguous development on at least one side.

[4] CalEEMod project setting labels differ slightly than those listed in the CAPCOA GHG Quantification Report (CAPCOA 2010). Applicants should apply the definitions provided in these instructions.

Table 3. "Land Use & Site Enhancement" VMT Reduction Measures

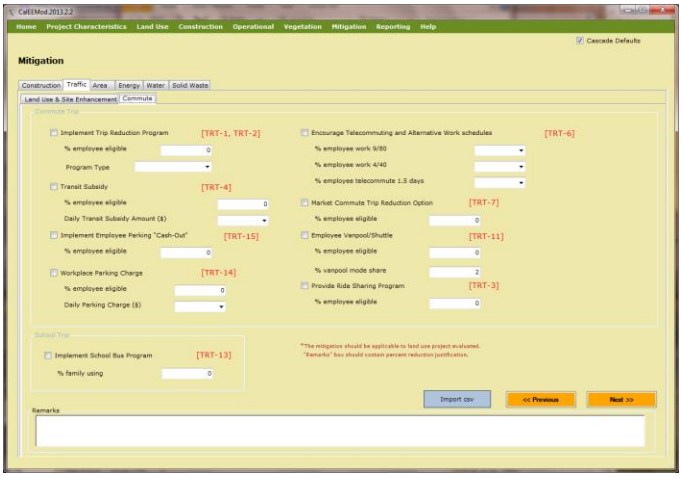
ID[5]	VMT Reduction Measure	Description	Project Specific Data Inputs Required by CalEEMod
Land Use & Site Enhancement Measures			
LUT-1	Increase Density	Project more dense (housing or jobs) than typical developments	**Do not check LUT-1 box in CalEEMod, and See Step 4**
LUT-3	Increase Diversity	Different types of land uses are near each other	Project land use types
LUT-9	Improve Walkability Design	Walkable street network	Intersections per square mile
LUT-4	Improve Destination Accessibility	Project close to regional employment or destination center	**Do not check LUT-4 box in CalEEMod, and See Step 4**
LUT-5	Increase Transit Accessibility	Project near high-quality transit	Distance to transit station (miles). **If ICP, See Step 5**
LUT-6	Integrate Below Market Rate Housing	Incorporates affordable housing	**CalEEMod: enter Percentage of units (not # of Units)** that are affordable as defined by AHSC Guidelines.
Neighborhood Enhancement Measures			
SDT-1	Improve Pedestrian Network	On-site pedestrian access network links project internally and externally	Designate if improvements are "Project Site" only or "Project Site and Connecting Off-Site"
SDT-2	Provide Traffic Calming Measures	Project's streets and intersections feature traffic calming features	% Streets with improvements and % intersections with improvements
SDT-3	Implement NEV Network	Project provides viable neighborhood electric vehicle (NEV) network	Number of NEVs per household
Parking Policy/Pricing Measures			
PDT-1	Limit Parking Supply	Parking supply below Institute of Traffic Engineer (ITE) rates	% reduction in spaces
PDT-2	Unbundle Parking Costs	Parking and property costs separate	Monthly parking cost ($)
PDT-3	On-Street Market Pricing	On-street parking utilizes market-rate pricing (such as meters)	% increase in price
Transit Improvement Measures			
TST-1	Provide BRT System	Establish a Bus Rapid Transit line with operational funding stream	% of lines serving project converting to BRT
TST-3	Expand Transit Network	Establishes or enhances bus line with operational funding stream	% increase transit coverage
TST-4	Increase Transit Frequency	Reduces headways of existing transit	Level of implementation % reduction in headway

[5] Measures listed in the order shown on the CalEEMod screens. IDs reference to the CAPCOA GHG Quantification Report.

Mitigation-Traffic, Commute Screen

Select the VMT reduction measures: included in the proposed project and enter the required project specific data as identified in Table 4 below.

These VMT reduction measures only apply to non-residential land use types.



.

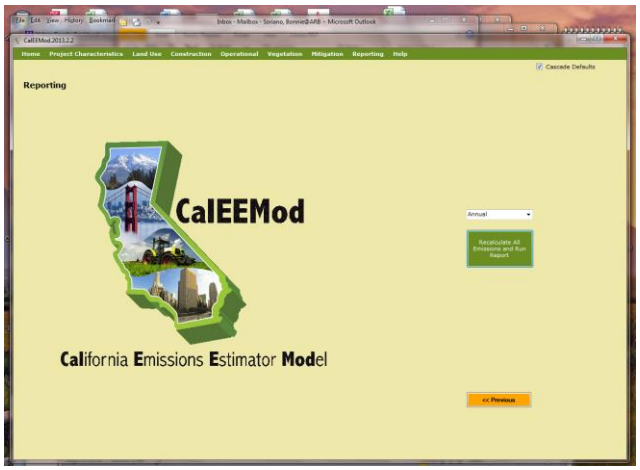
Table 4. "Commute" VMT Reduction Measures

ID[6]	VMT Reduction Measure	Description	Project Specific Data Inputs Required by CalEEMod
Commute Trip Measures			
TRT-1&2	Implement Trip Reduction Program	TMA membership or other comprehensive services	% employee eligible and program type
TRT-4	Transit Subsidy	Proponent subsidizes sustainable modes of transportation	% employee eligible and daily transit subsidy amount ($)
TRT-15	Implement Employee Parking "Cash-Out"	Employer provides cash-value of a parking space to employees who do not use one	% employee eligible
TRT-14	Workplace Parking Charge	Charge employees for their parking	% employee eligible and daily parking charge ($)
TRT-6	Encourage Telecommuting and Alternative Work Schedules	Allow/require 9/80s, 4/10, and telecommuting	% employee work 9/80, % employee work 4/40, and % employee telecommute 1.5 days
TRT-7	Market Commute Trip Reduction Option	Market sustainable travel options	% employee eligible
TRT-11	Employee Vanpool/Shuttle	Provide employer-sponsored vanpool or shuttle program	% employee eligible and % vanpool mode share
TRT-3	Provide Ride Sharing Program	Establish a carpooling program with associated infrastructure	% employee eligible
School Trip Measures			
TRT-13	School Bus Program	Restore or expand school bus service	% families using

[6] Measures listed in the order shown on the CalEEMod screens. IDs reference to the CAPCOA GHG Quantification Report.

Step 3: Generate a CalEEMod Report

Reporting Screen



Select "Annual" emissions

Click "Recalculate Emissions and Run Report"

CalEEMod will generate a report that includes both the initial case, which is identified as "unmitigated" in the CalEEMod report, and the project case, identified as "mitigated".

The GHG emissions value for AHSC projects are found in the Total CO2 column in the "Mobile" Category of the "Overall Operational" results table. Figure 1 below provides an example of an unmitigated, initial case results table.

Figure 1. CalEEMod Report Section 2.2 Listing Overall Operational Mobile Unmitigated (i.e., Initial Case) GHG Emissions in MT/yr.

2.2 Overall Operational

Unmitigated Operational

Initial Case GHG Emissions

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area													24.6121			
Energy													682.8471			
Mobile													3,104.5474			
Waste													41.8324			
Water													73.9439			
Total													3,927.7828			

Complete Steps 1-3 two times. First, use the first operational year of the project (YR1). Second, add 30 years (Yr1 + 30) for the final project year used for quantification purposes (YrF).

Use the following Total CO2 emissions results in Steps 4-6 below:

- Yr1 Initial Case GHG Emissions
- Yr1 Project Case GHG Emissions
- YrF Initial Case GHG Emissions
- YrF Project Case GHG Emissions

Step 4: Calculate Additional Benefits

CalEEMod underestimates the GHG benefits for projects with densities over 7.6 dwelling units/acre (LUT-1: Increase Density), and for projects that are closer than 12 miles to a central business district or job center (LUT-4: Increase Destination Accessibility).

To complete this step, **identify** the following project specific data:

- LUT-1: Project Dwelling Units per acre (**Project DU/acre**)
- LUT-4: Distance in miles to a central business district or job center (**Project Distance**)

Calculate the additional GHG reduction for each measure using the formulas below:

Increase Density (LUT-1)[7]

$$\%\ Density\ Increase = 100 * \frac{\boldsymbol{Project\ DU/acre} - 7.6}{7.6}$$

$$\%\ VMT\ Reduction = 0.07 * \%\ Density\ Increase$$

$$\%\ GHG\ Reduction = \%\ VMT\ Reduction$$

Increase Destination Accessibility (LUT-4)[8]

$$\%\ Distance\ Decrease = 100 * \frac{\boldsymbol{Project\ Distance} - 12}{12}$$

$$\%\ VMT\ Reduction = 0.20 * \%\ Distance\ Decrease$$

$$\%\ GHG\ Reduction = \%\ VMT\ Reduction$$

LUT-1 & LUT-4

$$Yr1\ GHG\ Reduction\ = \%\ GHG\ Reduction * Yr1\ Initial\ Case\ GHG\ Emissions$$
$$YrF\ GHG\ Reduction = \%\ GHG\ Reduction * YrF\ Initial\ Case\ GHG\ Emissions$$

Use the following GHG reduction results from LUT-1 and LUT-4 in Step 6 below:

- Yr1 LUT1 GHG Reduction
- YrF LUT1 GHG Reduction
- Yr1 LUT4 GHG Reduction
- YrF LUT4 GHG Reduction

[7] The maximum % GHG Reduction an applicant can take credit for with this measure is 30%.
[8] The elasticity factor is the same for the distance to a job center or a central business district.

Step 5: ICP Adjustment, If Applicable

The data supporting transit accessibility (LUT-5) in CalEEMod are based on high-quality transit service. Since ICP projects do not qualify for high-quality transit, an adjustment is needed for these projects. As such, this step only applies to ICP projects that are taking credit for LUT-5 in CalEEMod and have transit peak headways with frequencies less than 75 minutes.

For applicable ICP projects:

Complete Step 2 (run CalEEMod) with the transit accessibility (LUT-5) option filled in.

Calculate the ICP GHG Adjustment[9] as follows:

$$Yr1\ ICP\ GHG\ Adjustment = 0.025 * Yr1\ Initial\ Case\ GHG\ Emissions$$

$$YrF\ ICP\ GHG\ Adjustment = 0.025 * YrF\ Initial\ Case\ GHG\ Emissions$$

Use the following ICP GHG adjustments in Step 6 below:

- Yr1 ICP GHG Adjustment
- YrF ICP GHG Adjustment

Step 6: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the results from Steps 1-5 and the following equations. Use the first two equations two times. First for Yr1, then for YrF.

$$\begin{aligned}\boldsymbol{Adj\ Project\ Case\ GHG\ Emissions} \\ &= Project\ Case\ GHG\ Emissions\ (Step\ 3) \\ &- LUT1\ GHG\ Reductions\ (Step\ 4) \\ &- LUT4\ GHG\ Reductions\ (Step\ 4) \qquad + ICP\ GHG\ Adustment\ (Step\ 5)\end{aligned}$$

$$\begin{aligned}\boldsymbol{Total\ GHG\ Reductions} \\ &= Initial\ Case\ GHG\ Emissions - \boldsymbol{Adj\ Project\ Case\ GHG\ Emissions}\end{aligned}$$

$$\begin{aligned}Project\ Life\ GHG\ Reductions \\ &= \left(\frac{\boldsymbol{Yr1\ Total\ GHG\ Reductions} + \boldsymbol{YrF\ Total\ GHG\ Reductions}}{2}\right) * 30\end{aligned}$$

The Project Life GHG Reductions will be used in Section D. Reporting.

[9] Based on documentation in the CAPCOA GHG Quantification Report for TST-4: Increase Transit Frequency/Speed

C. Transit and Connectivity Methods

AHSC Integrated Connectivity Project applicants will identify the applicable Transit and Connectivity (TAC) method based on the proposed project. These methods apply only to ICP projects that do not include mixed-used development, affordable housing, or housing-related infrastructure.

In consultation with SGC, quantification methods are provided for four project types not covered in CalEEMod. Table 5 describes these project types and defines the project life that will be used for quantification purposes.

Table 5. TAC Methods - For AHSC Projects

TAC Methods	Description	Project Life
Operation of New Bus Service	Extended and increased frequency routes with cleaner vehicles, new hours of service, and serve additional riders.	Number of years the new bus service is funded under the proposed project.
Vanpools and Shuttles	Commuter vanpools, shuttles, or rail feeder shuttles to work sites, homes, or schools. Emissions are reduced by replacing auto trips with higher occupancy vanpools or shuttles.	Number of years the vanpool or shuttle service is funded under the proposed project.
Bicycle Paths or Lanes	Bicycle paths (Class 1) or bicycle lanes (Class 2) that are targeted to reduce commute and other non-recreational auto travel. Emissions are reduced by replacing auto trips with bicycle trips.	Class 1 bicycle paths-20 yrs Class 2 bicycle lanes-15 yrs
Pedestrian Facilities	Pedestrian facilities reduce VMT by providing pedestrian access and replacing auto trips with walking trips.	Pedestrian Facilities-20 yrs

The following is a summary of the three steps AHSC Program applicants will follow to estimate the GHG emission reductions for a proposed project using the TAC methods; detailed instructions for each method are provided in the individual project instructions.

1. **Calculate VMT and trip reductions**: The applicant will calculate the VMT and trip reductions based on project specific data and calculation defaults.

2. **Calculate annual GHG emission reductions**: The applicant will use the VMT and trip data determined in Step 1, in conjunction with CO2 emission factors from EMFAC 2011, to calculate the initial year and final year GHG emission reductions. Detailed instructions for obtaining the EMFAC 2011 emission factors needed to estimate the GHG emissions are included on page 20.

3. **Calculate the GHG reductions over the project life**: The applicant will calculate the GHG reductions over the project life using results from Steps 1 and 2, and the project life definitions in Table 5.

Operation of New Bus Service

Project Description: New, extended, and increased-frequency routes with cleaner vehicles provide new hours of bus service per year and serve additional people. These are fixed-route services implemented by transit agencies or school districts. Cleaner buses could be used in bus service expansions in order to achieve additional emission reductions from the project.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year\ = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [1 - (\boldsymbol{AA})]$$

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year\ = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [(\boldsymbol{L}) - (\boldsymbol{AA}) * (\boldsymbol{LL})]$$

Where:

D = Days of operation per year
Use:
260 days for weekday service
365 days for daily service
180 to 200 days for school bus services

R = Ridership in total bus trips per day
Use: expected ridership based on project data

A = Adjustment factor to account for transit dependency
Use: 0.5 for local bus service; 0.83 for long distance commuter service

L = Length of average auto trip reduced
Use: 10.8 miles

AA = Adjustment factor to account for auto trips used to access transit service
Use: 0.1 for local bus service; 0.8 for long distance commuter service

LL = Length of average trip for auto access to transit
Use: 2 miles for local bus service; 5 miles for long distance commuter service

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year = \frac{[(\boldsymbol{AutoTrips}) * (\boldsymbol{ATSEF}) + (\boldsymbol{AutoVMT}) * (\boldsymbol{AREF}) - (\boldsymbol{BusVMT}) * (\boldsymbol{BREF})]}{1{,}000{,}000}$$

Where:

AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
BusVMT = Annual Bus VMT based on project data
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011
BREF = Bus Running Emission Factor in grams/mile from EMFAC2011

Reminder: this formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values from EMFAC2011. Instructions for obtaining the ATSEF, AREF, and BREF values from EMFAC2011 are included on page 20.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions} + \boldsymbol{YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life}$$

Where:
Project life = Number of years the new bus service is funded under the proposed project.

The Project Life GHG Reductions will be used in Section D. Reporting.

Vanpools and Shuttles

Project Description: Projects are commuter vanpools; tourist or shopping shuttles; or rail feeders to work sites, homes, or schools. Services are operated by transit agencies, local governments, transportation management associations (TMAs), private businesses, etc.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year\ = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [1 - (\boldsymbol{AA})]$$

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year\ = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [(\boldsymbol{L}) - (\boldsymbol{AA}) * (\boldsymbol{LL})]$$

Where:

D = Days of operation per year
Use:
250 days for weekday vanpools
260 days for weekday shuttles
365 days for daily service
180 to 200 days for school services

R = Ridership in total trips (one-way trips by riders or number of boardings) per day
Use: expected ridership based on project data

A = Adjustment factor to account for transit dependency
Use: 0.83 for long distance commuter service

L = Length of average auto trip reduced
Use: 35 miles for vanpools; 16 miles for shuttles; or documented value based on project data.

AA = Adjustment factor to account for auto trips used to access vanpool/shuttle
Use: 0.75

LL = Length of average trip for auto access to vanpool/shuttle
Use: 5 miles

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year = \frac{[(\boldsymbol{AutoTrips}) * (\boldsymbol{ATSEF}) + (\boldsymbol{AutoVMT}) * (\boldsymbol{AREF}) - (\boldsymbol{VanVMT}) * (\boldsymbol{VREF})]}{1{,}000{,}000}$$

Where:

AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
VanVMT = Annual Van VMT based on project data
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011
VREF = Van Running Emission Factor in grams/mile from EMFAC2011

Reminder: this formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values

from EMFAC2011. Instructions for obtaining the ATSEF, AREF, and VREF values from EMFAC2011 are included on page 20.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions} + \boldsymbol{YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life}$$

Where:

Project life = Number of years the vanpool or shuttle service is funded under the proposed project.

The Project Life GHG Reductions will be used in Section D. Reporting.

Bicycle Paths or Lanes

Project Description: Bicycle paths (Class 1) or bicycle lanes (Class 2) that are targeted to reduce commute and other non-recreational auto travel. Class 1 facilities are paths that are physically separated from motor vehicle traffic. Class 2 facilities are striped bicycle lanes giving preferential or exclusive use to bicycles. Bike lanes should meet Caltrans' full-width standard depending on street facility type.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year\ =\ (\boldsymbol{D}) * (\boldsymbol{ADT}) * (\boldsymbol{A} + \boldsymbol{C})$$

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year\ =\ (\boldsymbol{Annual\ Auto\ Trips\ Reduced}) * (\boldsymbol{L})$$

Where:

D = Days of use per year
Use: 200

ADT = Annual Average Daily Traffic (two-way traffic volume in trips/day on parallel road
Use applicable value from project data (MAXIMUM = 30,000)

A = Adjustment factor to account for bike use
Use applicable value from Table 6

C = Activity Center Credit near project
Use applicable value from Table 7

L = Length of bicycle trip
Use: 1.8 miles per trip in one direction

Table 6. Adjustment Factor Lookup Table

BIKE FACILITY CLASS	AVERAGE DAILY TRAFFIC (ADT)	LENGTH OF BIKE PROJECT (one direction)	ADJUSTMENT FACTORS FOR CITIES WITH POP. ≥ 250,000 and non-university towns < 250,000	ADJUSTMENT FACTORS FOR UNIVERSITY TOWNS WITH POP. < 250,000
Class 1 (bike path) & Class 2 (bike lane)	ADT ≤ 12,000 vehicles per day	≤ 1 mile	.0019	.0104
		>1 & ≤ 2 miles	.0029	.0155
		> 2 miles	.0038	.0207
Class 1 (bike path) & Class 2 (bike lane)	12,000< ADT ≤24,000 vehicles per day	≤ 1 mile	.0014	.0073
		>1 & ≤ 2 miles	.0020	.0109
		> 2 miles	.0027	.0145
Class 2 bike lane	24,000< ADT ≤30,000 vehicles per day Maximum is 30,000	≤ 1 mile	.0010	.0052
		>1 & ≤ 2 miles	.0014	.0078
		> 2 miles	.0019	.0104

Table 7. Activity Center Credit Lookup Table

Types of Activity Centers: *Bank, church, hospital or HMO, light rail station (park & ride), office park, post office, public library, shopping area or grocery store, university or junior college.*		
Count your activity centers. If there are…	**Credit (C) Within 1/2 mile**	**Credit (C) Within 1/4 mile**
3	.0005	.001
More than 3 but less than 7	.001	.002
7 or more	.0015	.003

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year\ = \frac{[(\mathbf{AutoTrips}) * (\mathbf{ATSEF}) + (\mathbf{AutoVMT}) * (\mathbf{AREF})]}{1{,}000{,}000}$$

Where:
AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011

Reminder: this formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values from EMFAC2011. Instructions for obtaining the ATSEF and AREF values from EMFAC2011 are included on page 20.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions + YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life}$$

Where:
Project life = Class 1 bicycle paths = 20 yrs
Class 2 bicycle lanes = 15 yrs

The Project Life GHG Reductions will be used in Section D. Reporting.

Pedestrian Facilities

Project Description: Pedestrian facilities replace auto trips by providing or improving pedestrian access. An example is a pedestrian passageway over several lanes of heavy traffic providing safe walking access to adjacent activity centers.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year\ =\ (\boldsymbol{W}) * (\boldsymbol{T})$$

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year\ =\ (\boldsymbol{W}) * (\boldsymbol{T}) * (\boldsymbol{L})$$

Where:
W = Weeks of operation per year
Use: 52
T = Auto trips eliminated
Use: Total one-way trips per week based on project data
L = Length of auto trip eliminated
Use: Average distance to adjacent activity center (Default: 1.0)

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year\ =\ \frac{[(AutoTrips) * (ATSEF) + (AutoVMT) * (AREF)]}{1{,}000{,}000}$$

Where:
AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011

Reminder: This formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values from EMFAC2011. Instructions for obtaining the ATSEF and AREF values from EMFAC2011 are included on page 21.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions} + \boldsymbol{YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life}$$

Where:
Project life = 20 years for pedestrian facilities

The Project Life GHG Reductions will be used in Section D. Reporting.

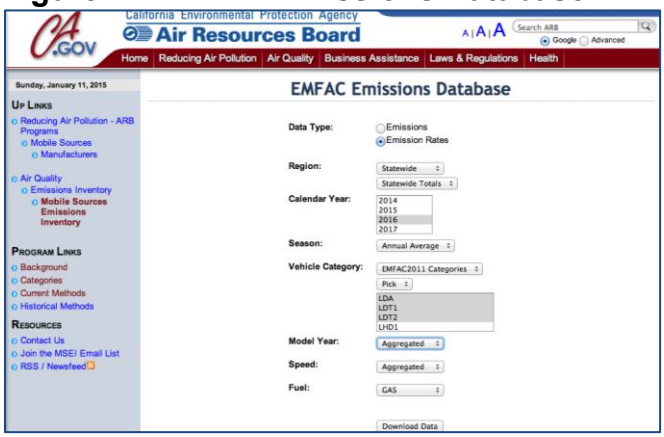
EMFAC2011 Emission Factors

CO2 emission factors must be obtained from EMFAC2011. ARB provides a web-based EMFAC2011 tool (available at http://www.arb.ca.gov/emfac/) to determine vehicle emission factors based on region, calendar year, season, vehicle category, model year, speed, and fuel. The tool provides specified emission factor data in a comma separated values (CSV) output file that can be opened in most spreadsheet software.

Complete the following steps for both calendar years: Yr1 and YrF.

Step 1. Generate the Output File

Figure 2. EMFAC Emissions Database



On the EMFAC Emissions Database screen, select the following parameters:

Data Type:	Emission Rates
Region:	County
Calendar year:	Obtain output files for both Yr1 and YrF
Season:	Annual Average
Vehicle category:	EMFAC2011 Categories Autos: LDA, LDT1, LDT2, and MDV Van: LHD1 or project specific vehicle category Bus: UBUS or project specific vehicle category
Model year:	Aggregated for autos, buses or vans Model year specific for new gas or diesel bus or van projects
Speed:	Aggregated
Fuel:	Gas for autos; Gas or Diesel for vans; Diesel for buses

For the remaining steps, you will only need the following columns from the output file:

- VMT
- CO2_RUNEX (Pavley I+LCFS)
- CO2_STREX (Pavley I+LCFS)

Step 2. Calculate VMT-weighted Auto Running and Trip Start Emission Factors

AREF: Auto fleet average Running Factor in grams/vehicle/day

$$= \frac{(\text{VMT} * \text{ CO2_RUNEX(Pavley I + LCFS)})_{LDA} + (\text{VMT} * \text{ CO2_RUNEX(Pavley I + LCFS)})_{LDT1} + (\text{VMT} * \text{ CO2_RUNEX(Pavley I + LCFS)})_{LDT2} + (\text{VMT} * \text{ CO2_RUNEX(Pavley I + LCFS)})_{MDV}}{Sum\ (VMT)}$$

ATSEF: Auto fleet average Start Factor in grams/vehicle/day divided by trips per vehicle per day.

$$= \frac{(\text{VMT} * \text{ CO2_STREX(Pavley I + LCFS)})_{LDA} + (\text{VMT} * \text{ CO2_STREX(Pavley I + LCFS)})_{LDT1} + (\text{VMT} * \text{ CO2_STREX(Pavley I + LCFS)})_{LDT2} + (\text{VMT} * \text{ CO2_STREX(Pavley I + LCFS)})_{MDV}}{Sum\ (VMT)}$$

The Auto Trip Start Factor in grams/trip is calculated by dividing the Auto Start Factor by 6 trips/vehicle/day[10] as follows:

$$Auto\ Trip\ Start\ Factor\ (\text{ATSEF}) = \left(\frac{Auto\ Start\ Factor}{6}\right)$$

Step 3. Identify the Van or Bus Emission Factors

VREF or **BREF:** For each calendar year, the van or Running Factor can be taken directly from the CSV file:

$$Running\ Factor = \text{CO2_RUNEX(Pavley I + LCFS)}$$

Step 4. Obtain Emission Factors for both Yr1 and YrF

Don't forget to get the emission factors for both the initial year and final year of the project![11]

[10] The number of trips per vehicle per day was estimated by dividing the average number of trips per day by the number of vehicles for each vehicle category (LDA, LDT1, LDT2, and MDV) from the EMFAC web-based tool.

[11] EMAC2011 emission factors are only available through 2035. Use 2035 as a proxy for any final year beyond 2035. This is consistent with CalEEMod.

D. Reporting and Documentation

The final step to complete this quantification methodology is to report the Total Project GHG Emission Reductions and provide documentation of the calculations.

The Total Project GHG Emission Reductions is equal to the sum total of each of the Project Life GHG Reductions calculated in Sections B and C, as follows:

$$\begin{aligned} &Total\ Project\ GHG\ Emission\ Reductions\ in\ MTCO2 \\ &\quad = Project\ Life\ GHG\ Reductions\ (from\ CalEEMod, Section\ B) \\ &\quad + Project\ Life\ GHG\ Reductions (from\ Bus, Section\ C) \\ &\quad + Project\ Life\ GHG\ Reductions\ (from\ Vanpools, Section\ C) \\ &\quad + Project\ Life\ GHG\ Reductions\ (from\ Bicycle, Section\ C) \\ &\quad + Project\ Life\ GHG\ Reductions\ (from\ Pedestrian, Section\ C) \end{aligned}$$

For AHSC Program application scoring purposes, the applicant must report results as:

$$\frac{Total\ Project\ GHG\ Emission\ Reductions\ in\ Metric\ tons\ (MT)\ of\ CO2\ over\ the\ project\ life}{GGRF\ Funds\ Requested\ (\$)}$$

Documentation

Applicants are required to provide electronic documentation that is complete, and sufficient enough to allow the quantification calculations to be reviewed and replicated. Paper copies of any materials must be available upon request by SGC or ARB staff.

Documentation will include such things as:

- Contact information for the person who can answer project specific questions from staff reviewers on the quantification calculations
- Project description, including excerpts or specific references to the location in the main AHSC application of the project information necessary to complete the applicable portions of the quantification methodology
- If applicable, electronic copies of the CalEEMod input and output files
    - A list of the VMT reduction measures used in the proposed project with clearly identified project specific input data used in Section B
    - Electronic documentation of calculations (spreadsheets, etc.) for all additional calculations
- If applicable, electronic copies of the TAC Methods used
    - Documentation of the project specific data used in Section C
    - Documentation of calculations (spreadsheets, EMFAC2011 reports, etc.)
- Summary page with, at minimum, the following information
    - GHG emissions <u>estimates</u> for Yr1 and YrF
    - GHG emission <u>reductions</u> for Yr1, YrF, and Total over the project life
    - GGRF <u>funds requested</u> for the project
    - Total Project GHG emission reductions per GGRF funds requested

Appendix E. Co-Benefits

In order to maximize public health and safety, economic, and environmental co-benefits to all communities served by the **AHSC Program**, all applicants are required to describe and quantify the co-benefits of the **Project** according to Section 107(j). The following resources should be used as a starting point for describing the co-benefits of the **Project**.

Identification of Co-Benefits

Figure E-1 below is excerpted from ARB's Interim Guidance on **Disadvantaged Communities** (Table 3, page 19)[1] and provides a list of commonly identified **Disadvantaged Community** needs. Figure E-2 below was developed by the California Health in All Policies Task Force as part of the Healthy Community Indicators Project[2] and provides an additional set of potential co-benefits that may be associated with a proposed project.

These tables should be used as a starting point in identifying potential co-benefits of the proposed **Project**. The applicant should identify the estimated timeframe in which these co-benefits will be provided.

Figure E-1 **Illustrative Examples of Common Needs of Disadvantaged Communities (as identified by Community Advocates)**
Public Health and Safety Co-Benefits: 1. Reduce health harms (e.g., asthma) suffered disproportionately by low-income residents/communities due to air pollutants 2. Reduce health harms (e.g., obesity) suffered disproportionately by low-income residents/communities due to the built environment (e.g., by providing active transportation opportunities, parks) 3. Increase community safety 4. Reduce heat-related illnesses and increase thermal comfort (e.g., weatherization and solar energy can provide more efficient and affordable air conditioning; urban forestry can reduce heat-island effect)
Economic Co-Benefits: 1. Create quality jobs and increase family income (e.g., targeted hiring for living wage jobs that provide access to health insurance and retirement benefits with long-term job retention) 2. Increase job readiness and career opportunities (e.g., workforce development programs, on-the-job training, industry-recognized certifications) 3. Revitalize local economies (e.g., increased use of local businesses/small businesses) 4. Reduce housing costs (e.g., affordable housing) 5. Reduce transportation costs (e.g., free or reduced cost transit passes) and improve access to public transportation (e.g., new services in under-served urban and rural communities) 6. Reduce energy costs (e.g., weatherization, solar, etc.) 7. Improve transit service levels and reliability on systems/routes that have high use by

[1] http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm
[2] http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx#HealthyCommFramwk

low-income riders 8. Bring jobs and housing closer together (e.g., affordable housing in transit-oriented development, and in healthy, high-opportunity neighborhoods)
Environmental Co-Benefits: 1. Reduce exposure to local toxic air contaminants (e.g., provide a buffer between bike/walk paths and corridors with high levels of transportation pollution) 2. Prioritize zero-emission vehicle projects for areas with high diesel air pollution

The Healthy Community Framework was developed through a consensus process between 19 State agencies, departments, and offices, with significant input from public stakeholders across California including local health departments, community organizations, academics, advocates, and residents. Each item on the framework is a potential co-benefit, and each is tied to specific indicators that are part of the SGC/CDPH Healthy Community Indicators Project.

Figure E-2
Healthy Communities Framework

A Healthy Community provides for the following through all stages of life:

►Meets basic needs of all

- Safe, sustainable, accessible and affordable transportation options
- Affordable, accessible and nutritious foods and safe drinkable water
- Affordable, high quality, socially integrated and location-efficient housing
- Affordable, accessible and high quality health care
- Complete and livable communities including quality schools, parks and recreational facilities, child care, libraries, financial services and other daily needs
- Access to affordable and safe opportunities for physical activity
- Able to adapt to changing environments, resilient, and prepared for emergencies
- Opportunities for engagement with arts, music and culture

►Quality and sustainability of environment

- Clean air, soil and water, and environments free of excessive noise
- Tobacco- and smoke-free
- Green and open spaces, including healthy tree canopy and agricultural lands
- Minimized toxics, greenhouse gas emissions and waste
- Affordable and sustainable energy use
- Aesthetically pleasing

►Adequate levels of economic, social development

- Living wage, safe and healthy job opportunities for all, and a thriving economy
- Support for healthy development of children and adolescents
- Opportunities for high quality and accessible education

►Health and social equity

►Social relationships that are supportive and respectful

- Robust social and civic engagement
- Socially cohesive and supportive relationships, families, homes and neighborhoods

►Safe communities, free of crime and violence

In addition to identifying the public health and safety, economic, and environmental co-benefits, project applicants should also identify how the project and the co-benefits it provides are resilient to the effects of a changing climate and how the project makes the community better suited to deal with potential future risks, like sea-level rise, extreme heat, decreased water supply, and more intense and frequent floods and fires.

For example, project elements such as water conservation and recycling, use of natural infrastructure to address changing hydrological systems, and the integration of cooling materials and shade canopies should be identified with information on how the safeguarding potential of those co-benefits will be provided over the project life. For more information on Climate Resiliency, please see Appendix F.

Description of who will Benefit and how the Co-Benefit Addresses an Identified Need in the Project Area

The applicant should consider and identify the recipients who will directly benefit from the proposed project, such as specific **Disadvantaged Communities** as identified by CalEPA or the **Vulnerable Populations** served by the Project. When completing the co-benefits section of the application, the applicant should identify the **Disadvantaged Community**, **Vulnerable Population**, or other community the co-benefits will be provided to.

The application should also outline how the co-benefit addresses an identified need of the populations served by the **Project**. Ideally, **Projects** should result in co-benefits that either address an important need commonly identified by **Disadvantaged Community** residents (as mentioned above), address a key factor that caused the area(s) to be identified as a **Disadvantaged Community** (e.g., unemployment levels or poor air quality), provide co-benefits that improve a Healthy Communities Indicator, or provide a direct benefits to a **Vulnerable Population**.

For example, this can be accomplished by a project that directly addresses a key factor that caused an area to be identified as a disadvantaged community or vulnerable population– such as unemployment levels or poor air quality – in the first place.

Vulnerable Populations include, but are not limited to:

- Lower-Income Households*
- Children*
- Elderly*
- Unemployed Individuals*
- Individuals with low educational attainment*
- Individuals who are limited-English proficient**
- Individuals with chronic diseases***
- Individuals with physical or mental disabilities
- Immigrants and refugees

* *Included in the composite ranking of CalEnviroScreen 2.0*

** *Included in the composite ranking of CalEnviroScreen 2.0 as "Linguistic isolation"*

*** *Conditions related to specific chronic disease included in CalEnviroScreen 2.0, "Asthma emergency department visits" and "Low birth-weight infants."*

Data that describes the baseline conditions on the co-benefit (i.e. to confirm that there is a need to be addressed)

The following tools are available to help an applicant identify the baseline conditions of a community receiving the project co-benefits:

- ***Disadvantaged Communities*** *and CalEnviroScreen* - Identification of **Disadvantaged Communities** is based on geographic, socioeconomic, public health, and environmental hazard criteria and utilizes the CalEnviroScreen tool, which includes "burden of pollution" indicators, such as exposures and environmental effects, and "population characteristics," such as sensitive population and socioeconomic factors.
  - ✓ http://oehha.ca.gov/ej/ces2.html
  - ✓ http://www.calepa.ca.gov/EnvJustice/GHGInvest/
  - ✓ http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm

- *Healthy Communities Data and Indicators Project (HCI)* - This framework was developed by the Health in All Policies Task Force with extensive public discussion and input from community stakeholders and public health organizations. The framework identifies 20 key attributes of a healthy communities and provides data, statistical measures, and for planning healthy communities and evaluating the impact of plans, projects, policy, and environmental changes on community health.
  - ✓ http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx#HealthyCommFramwk

Citation and summary of the findings of the peer reviewed or government research (including date of publication) that demonstrates the strategy used will support the achievement of the co-benefit

SGC is reviewing resources that are publicly available to support co-benefits determination. Some preliminary resources include:

- ARB Sustainable Communities Research: http://www.arb.ca.gov/research/sustainable/sustainable.htm
- US EPA Smart Growth Portal: http://www.epa.gov/smartgrowth/

Appendix F. Climate Resiliency

The State of California is dedicated to safeguarding public health and safety of its citizens, the economy, and the environment by increasing many measures of resiliency to climate change. The AHSC Program supports the goals of the Safeguarding California Plan and the State of California Sea-Level Rise Guidance document.

Technical resources for proposed projects to address climate resiliency measures can be found in the following documents:

Safeguarding California Plan
http://resources.ca.gov/docs/climate/Final_Safeguarding_CA_Plan_July_31_2014.pdf

The Safeguarding California Plan provides policy guidance for state decision makers, and is part of continuing efforts to reduce impacts and prepare for climate risks. This plan, which updates the 2009 California Climate Adaptation Strategy, highlights climate risks in nine sectors in California, discusses progress to date, and makes realistic sector-specific and cross-sector recommendations.

- Agriculture
- Biodiversity and Habitat
- Emergency Management
- Energy
- Forestry
- Ocean and Coastal Ecosystems and Resources
- Public Health
- Transportation
- Water

California Adaptation Planning Guide: Planning for Adaptive Communities
http://resources.ca.gov/docs/climate/01APG_Planning_for_Adaptive_Communities.pdf

This document presents the basis for climate change adaptation planning and introduces a step-by-step process for local and regional climate vulnerability assessment and adaptation strategy development. All communities seeking climate adaptation planning guidance should start with this document.

State of California Sea-Level Rise (SLR) Guidance Document
http://www.opc.ca.gov/webmaster/ftp/pdf/docs/2013_SLR_Guidance_Update_FINAL1.pdf

The California Ocean Protection Council adopted a 2011 resolution stating that state agencies, as well as non-state entities implementing projects or programs funded by the state or on state property, should incorporate consideration of the risks posed by SLR into all decisions regarding areas or programs potentially affected by SLR. The resolution also states that state agencies should carefully invest public funds and incentivize SLR risk reduction by following the recommendations within this resolution when providing funding to non-state entities, to the extent permissible by law. This SLR Guidance Document provides guidance for incorporating sea-level rise (SLR) projections into planning and decision making for projects in California.

Additional Planning Considerations Concerning SLR include but are not limited to:

- Storms and Extreme Events
- Changing Shorelines
- Changes in Tectonic Activity
- Trends in Local Sea Level

Cal-Adapt www.cal-adapt.org
Cal-Adapt is a web-based climate adaptation planning tool. Cal-Adapt allows the user to identify potential climate change risks in specific geographic areas throughout the state. Users can either query by location, or click on an interactive map to explore what climate impacts are projected to occur in their area of interest.
Addressing Climate Change Adaptation in Regional Transportation Plans http://www.dot.ca.gov/hq/tpp/offices/orip/climate_change/documents/FR3_CA_Climate_Change_Adaptation_Guide_2013-02-26_.pdf#zoom=65
This document provides a clear methodology for regional agencies to address climate change impacts through adaptation of transportation infrastructure. The purpose of this manual is to expand knowledge and develop tools that will assist California MPOs and RTPAs with incorporating climate change impacts into planning, design, engineering, and operational decisions.
Guidance for Incorporating Sea Level Rise in the Project Initiation Document Process http://www.dot.ca.gov/hq/tpp/offices/orip/climate_change/documents/guide_incorp_slr.pdf#zoom=65
The Caltrans has developed a guidance document for incorporating sea level rise into the transportation project planning process. The documents include technical guidance for the engineering design and a planning level document to determine what projects should consider sea level rise. This guidance begins to incorporate sea level rise into the planning and design of projects vulnerable to the effects of sea level rise. The guidance provides sea level rise assumptions for the state along with criteria for determining when sea level rise should be incorporated into projects.
Other Resources related to Adaptation Planning and Implementation
▪ Climate Action for Health: Integrating Public Health into Climate Action ▪ California Multi-Hazard Mitigation Plan 2013 ▪ Preparing California for Extreme Heat 2013 ▪ California Local Energy Assurance Planning (CaLEAP) Tool -The CaLEAP program is a California Energy Commission-sponsored project to assist local governments in preparing plans to ensure that key assets are resilient to disaster events that impact energy and help local governments develop Energy Assurance Plans (EAPs). ▪ CalEMA's MyPlan - MyPlan is a map service designed to be a simple interface to California natural hazard data products. ▪ CalEMA's MyHazards - a map service designed to identify hazards that exist in your area and learn how to reduce risks.

Appendix G. FY 2014-2015 Greenhouse Gas Reduction Fund Programs

Figure G-1

Category	Department	Program	2014-15
Sustainable Communities and Clean Transportation	High-Speed Rail Authority	High-Speed Rail Project	$250 m
	State Control Office/ Caltrans	Low Carbon Transit Operations Program	$25 m
	Transportation Agency/ Caltrans	Transit and Intercity Rail Capital Program	$25 m
	Strategic Growth Council	***Affordable Housing and Sustainable Communities (AHSC) Program***	***$130 m***
	Air Resources Board	Low Carbon Transportation	$200 m
Energy Efficiency and Clean Energy	Dept. of Community Services and Development	Energy Efficiency Upgrades/Weatherization	$75 m
	Energy Commission	Energy Efficiency for Public Buildings	$20 m
	Dept. of Food and Agriculture	Agricultural Energy and Operational Efficiency	$15 m
Natural Resources and Waste Diversion	Dept. of Fish and Wildlife	Wetlands and Watershed Restoration	$25 m
	Dept. of Forestry and Fire Protection	Fire Prevention and Urban Forestry Projects	$42 m
	Cal Recycle	Waste Diversion	$25 m
		TOTAL	**$832 m**

This Page Intentionally Left Blank

AGENDA ITEM NO. 11

REPORT

DATE: February 5, 2015

TO: Regional Council (RC)

FROM: Hasan Ikhrata, Executive Director, (213) 236-1944, ikhrata@scag.ca.gov

SUBJECT: Cap-and-Trade Greenhouse Gas Reduction Fund: Sustainable Agricultural Lands Conservation Program Update

EXECUTIVE DIRECTOR'S APPROVAL: Hasan Ikhrata

RECOMMENDED ACTION:
For Information Only - No Action Required.

EXECUTIVE SUMMARY:
On January 20, 2015, the Strategic Growth Council (SGC) adopted the final Guidelines for the 2014-15 Affordable Housing and Sustainable Communities (AHSC) Program, which includes a Sustainable Agricultural Lands Conservation (SALC) program component. The SALC program is funded by the Cap-and-Trade Greenhouse Gas Reduction Fund. The goal of the SALC is to provide grants to support the permanent protection of farm and range lands through investments in planning and agriculture conservation easements that reduce greenhouse gas emissions. SGC is currently soliciting project applications eligible under the guidelines through a competitive process, and anticipates awarding approximately $5 million in Fiscal Year (FY) 2014-15 grants.

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:
At its July 10, 2014 meeting, the Strategic Growth Council approved the Department of Housing and Community Development (HCD) to implement the housing, transportation, and infrastructure components of the Affordable Housing and Sustainable Communities (AHSC) Program, and the California Natural Resources Agency (CNRA) or Department of Conservation (DOC) to implement the agricultural lands protection component. CNRA, with support from DOC, is administering this component, called the Sustainable Agricultural Lands Conservation (SALC) Program. The two (2) components of the Council's program – AHSC and SALC – are working in tandem to deliver projects that reduce greenhouse gas (GHG) emissions. By investing in infill development, improved mobility options, and protecting lands strategically along growth boundaries, these components work together to reduce GHGs in the aggregate and over time. The programs are administered through cross-agency cooperation, drawing on a wide variety of expertise in order to create programs that deliver multiple benefits.

The SALC program supports the protection of California's agricultural lands. Through the permanent protection of farm and range lands via investments in strategic planning and agricultural conservation easements, the program contributes towards the goals to reduce GHG emissions by protecting those lands most at risk of conversion to nonagricultural uses, thereby avoiding increases in GHG emissions that would be attributed to a more intensive development of the land. Additionally, protecting farmland from

conversion sequesters carbon and can otherwise reduce California climate risks by helping to ensure food security, providing habitat and corridors for wildlife, and helping with flood mitigation and groundwater recharge.

Proposed draft Guidelines for the SALC program were released on September 23, 2014 for public comment. A formal public comment period was held through October 31, 2014, and three (3) public workshops were held throughout California in Oroville, Bakersfield, and Watsonville. SGC staff considered the comments received in order to prepare the proposed final Guidelines approved by the SGC. On January 20, 2015, SGC adopted the final Guidelines for the SALC program.

The SALC program is comprised of two (2) elements: (1) Sustainable Agricultural Land Strategy Plans and (2) Agricultural Conservation Easements. SGC anticipates awarding up to $1 million in funding for the first element, and up to $4 million in the second element. Any un-awarded funding for a specific element may be applied to the other in order to award all available funds. The two elements are defined below.

1. Sustainable Agricultural Land Strategy Plans – grants to counties, cities, and their partners, to inventory and evaluate which agricultural lands are most highly productive and critically threatened and develop locally appropriate strategies, programs and actions that ensure the long term protection of those lands, and

2. Agricultural Conservation Easements – grants to cities, counties, nonprofit organizations, Resource conservation districts, regional park or open-space districts or regional park or open-space authorities, to leverage the protection of strategically located, highly productive, and critically threatened agricultural land, via permanent agricultural conservation easements.

A third element of the SALC program, which would provide funding to incentivize management practices designed to reduce GHGs, sequester carbon and provide other co-benefits on working agricultural operations, did not receive funding in the first year of this program and therefore projects of this nature are ineligible. SGC staff will begin to develop appropriate criteria for this element over the next year. At the time SGC staff is ready to incorporate this third element into the SALC program guidelines, additional guidelines will be prepared for a public comment process, and will require SGC approval.

All future rounds of this program are contingent on budget approval and the availability of funding from the Greenhouse Gas Reduction Fund.

2015 SALC Program Schedule

Solicitation for Projects Released	January 21, 2015
Applications Due for Sustainable Agricultural Land Strategy Grants	March 20, 2015
Pre-Proposal Summaries Due for Agricultural Land Conservation Easement Grants	February 6, 2015
Complete Applications Due for Agricultural Land Conservation Easement Grants	April 1, 2015
Technical Committee to review applications and make proposed recommendations for award	April-May 2015
Recommend Projects for Award to SGC Council	June 2015 Council Meeting

FISCAL IMPACT:
No fiscal impact.

ATTACHMENTS:
1. SGC SALC Staff Report
2. Final Guidelines and Request for Grant Applications

STAFF REPORT: ADOPTION OF FINAL GUIDELINES FOR THE 2014-15 SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

SUMMARY

This report summarizes the Strategic Growth Council's Sustainable Agricultural Lands Program (SALC Program) and the corresponding 2014-15 Guidelines document, and provides an overview of public outreach and comments made on the previous draft and an outline of next steps related to implementation of the SALC Program.

RECOMMENDED ACTION

Approve the Sustainable Agricultural Lands Conservation Program Final Guidelines (Attachment 1). With Council approval, staff may proceed with the solicitation of projects eligible under these guidelines via a competitive process, awarding up to $5 million in Fiscal Year 2014-15 funding.

BACKGROUND

The Budget Act of 2014 appropriates $130 million from the Greenhouse Gas Reduction Fund (GGRF) for the FY 2014-15 budget to the Strategic Growth Council (SGC, or Council) to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16.

The AHSC Program furthers the regulatory purposes of AB 32 and SB 375 by investing in projects that reduce greenhouse gas emissions (GHGs) by creating more compact infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development. These types of projects, described in the AB 32 Scoping Plan, will support ongoing climate objectives and contribute substantial co-benefits by:

- Reducing greenhouse gas emissions and vehicles miles traveled (VMT) by improving mobility options and supporting infill development; and
- Protecting agricultural lands from conversion to other developed uses in order to manage growth within discrete boundaries, and supporting conservation practices that reduce GHG emissions and increase soil carbon sequestration.

Pursuant to SB 862, the Council is required to develop and administer the AHSC Program and to leverage the programmatic and administrative expertise of relevant state agencies and departments in implementing the program. The Council is responsible for the overall administration of the AHSC Program and retains primary authority for the governance of this program and approval of funding awards.

At its July 10, 2014 meeting, the Council approved the Department of Housing and Community Development (HCD) to implement the housing, transportation and infrastructure components of this program, and the California Natural Resources Agency (CNRA) or Department of Conservation (DOC) to implement the agricultural lands protection component. CNRA, with support from DOC, is administering this component, now called the Sustainable Agricultural Lands Conservation (SALC) Program.

Integration Between the AHSC and the SALC

The two components of the Council's program – AHSC and SALC – are working in tandem to deliver projects that reduce GHGs. By investing in infill development, improved mobility options, and protecting lands strategically along growth boundaries, these components work together to reduce GHGs in the aggregate and over time. The programs are administered through cross-agency cooperation, drawing on a wide variety of expertise in order to create programs that deliver multiple benefits.

Sustainable Agricultural Lands Conservation Program

The Sustainable Agricultural Lands Conservation (SALC) program supports the protection of California's agricultural lands. Through the permanent protection of farm and range lands via investments in strategic planning and agricultural conservation easements, the program contributes towards the goals to reduce greenhouse gas (GHG) emissions by protecting those lands most at risk of conversion to non-agricultural uses, thereby avoiding increases in GHG emissions that would be attributed to a more intensive development of the land. Additionally, protecting farmland from conversion sequesters carbon and can otherwise reduce California climate risks by helping to ensure food security, providing habitat and corridors for wildlife, and helping with flood mitigation and groundwater recharge.

The approval of final program guidelines for the SALC program are needed in order to begin a competitive solicitation for projects that meet the proposed program requirements and criteria. The SALC program supports the implementation of the Strategic Growth Council (SGC) Affordable Housing and Sustainable Communities program, as described in SB 862, by "preventing the conversion of agricultural lands by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions." The SALC program is administered by the Department of Conservation, on behalf of the Strategic Growth Council, working in close cooperation with the Natural Resources Agency and the Department of Food and Agriculture.

Proposed draft guidelines for the SALC program were released on September 23, 2014 for public comment. A formal public comment period was held through October 31, 2014, and three public workshops were held throughout California in Oroville, Bakersfield, and Watsonville. Staff has carefully considered the comments received in order to prepare the proposed final guidelines presented today for Council approval. Attachment 2 to this report describes where changes to the draft guidelines were made to create the final draft.

Copies of the comment letters have been posted to the SGC website, and a compilation summary of comments received is provided as Attachment 3 to this staff report.

SALC Program Scope in the Initial Year

These guidelines are focused on **two** of three elements of the SALC Program:

1. Sustainable Agricultural Land Strategy Plans – grants to counties, cities, and their partners, to inventory and evaluate which agricultural lands are most highly productive and critically threatened and develop locally appropriate strategies, programs and actions that ensure the long term protection of those lands, and

2. Agricultural Conservation Easements – funding to leverage the protection of strategically located, highly productive, and critically threatened agricultural land, via permanent agricultural conservation easements.

Program staff anticipates awarding up to $1 million in funding for element 1, and up to $4 million in element 2. Any un-awarded funding for a specific element may be applied to the other in order to award all available funds.

A third element of the program, which would provide funding to incentivize management practices designed to reduce GHGs, sequester carbon and provide other co-benefits on working agricultural operations, is not included as an eligible project type in the first year of this program. Staff will begin to develop appropriate criteria for this element over the next year. At the time staff is ready to incorporate this third element into the SALC program guidelines, a revised draft will be prepared for a public comment process, and will require future Council approval.

All future rounds of this program are contingent on budget approval and the availability of funding from the Greenhouse Gas Reduction Fund.

Greenhouse Gas Quantification of SALC Projects

The California Air Resources Board (ARB) is responsible for providing guidance to estimate GHG emissions reductions from all projects funded by the GGRF. The SALC program will work collaboratively with the ARB to quantify the GHG benefits associated with all projects funded via this program. At the time of this report, the methodology for GHG quantification is still under discussion, but will be in place prior making any GGRF expenditure.

NEXT STEPS

Upon Council approval of the final guidelines, staff will release a request for projects. The following provides anticipated application deadlines and administrative timelines for this first round of funding:

Solicitation for Projects Released, following approval of SALC Final Guidelines by SGC Council	January 21, 2015
Applications Due for Sustainable Agricultural Land Strategy Grants	March 20, 2015
Pre-Proposal Summaries Due for Agricultural Land Conservation Easement Grants	February 6, 2015
Complete Applications Due for Agricultural Land Conservation Easement Grants	April 1, 2015
Technical Committee to review applications and make proposed recommendations for award	April-May 2015
Recommend Projects for Award to SGC Council	June 2015 Council Meeting

STAFF REPORT ATTACHMENTS (*Hyperlink to documents by clicking below*)

Attachment 1: SALC Program Final Guidelines for Council Approval
Attachment 2: SALC Guidelines Change Document
Attachment 3: SALC Comments Compilation

This Page Intentionally Left Blank

CALIFORNIA
SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

GRANT GUIDELINES & APPLICATIONS

FUNDED BY

THE GREENHOUSE GAS REDUCTION FUND

STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

PROPOSED FINAL DRAFT

January 9, 2015

GUIDELINES FOR APPLICATIONS
SUBJECT TO SOLICITATION

Please direct comments to:

Sustainable Agricultural Lands Conservation Program

AHSC_AG@sgc.ca.gov

TABLE OF CONTENTS

SECTION	TITLE	PAGE
1	Sustainable Agricultural Lands Conservation Program Introduction and Program Summary	1
2	Sustainable Agricultural Land Strategy Grants	5
3	Agricultural Conservation Easement Grants	17
4	Land Management Incentives	35
5	Grant Administration	36

APPENDICES

A.	Glossary	A-1
B.	Online Resources	B-1
C.	Additional Resources	C-1

Section 1: Sustainable Agricultural Lands Conservation Program
Introduction and Program Summary

The Sustainable Agricultural Lands Conservation Program (SALCP) supports the State's greenhouse gas (GHG) emission goals by making strategic investments to protect agricultural lands. Protecting critical agricultural lands from conversion to urban or rural residential development, promotes smart growth within existing jurisdictions, ensures open space remains available, and supports a healthy agricultural economy and resulting food security. A healthy and resilient agricultural sector is becoming increasingly important in meeting the challenges occurring and anticipated as a result of climate change.

There are three major elements proposed for the SALCP:

1. Sustainable Agricultural Land Strategy Plans— Short term grants to counties, cities, and partners, to inventory and evaluate which agricultural lands are most highly productive and critically threatened and develop locally appropriate strategies, programs and actions that ensure the long term protection of those lands.
2. Agricultural Conservation Easements—Provide funding to leverage the protection of strategically located, highly productive, and critically threatened agricultural land, via permanent agricultural conservation easements.
3. Financial Incentives for Adoption and Use of Land Management Practices —Leverage USDA and other funding to incentivize management practices designed to reduce GHGs, sequester carbon and provide other co-benefits on working agricultural operations.

These 2014 SALCP Guidelines serve as the Request for Grant Applications (2014 RFGA) . The third element is not included within the 2014 RFGA, but will be addressed in future years.

Program Goals and Objectives

The principal goal of this grant program is to fund plans and conservation acquisitions in order to avoid increases in greenhouse gas emissions associated with agricultural lands, consistent with AB 32: the California Global Warming Solutions Act of 2006.[1] Recent University of California research estimates that land in agricultural and healthy open space use sequesters up to 70 times more carbon than any form of urban development.[2] In future years, the program proposes to add a third program element to incentivize land management practices that lead to additional reductions of GHG on agricultural lands.

Conserving and managing agricultural land contributes towards the goals to reduce GHG emissions by:

- Encouraging focused, compact, transit oriented development within discrete growth boundaries.
- Reducing GHG emissions and increasing soil carbon sequestration through the implementation and use of farm-scale conservation management practices.

The SALCP will complement California's existing farmland conservation efforts, including the Land Conservation (Williamson) Act, the California Farmland Conservancy Program , and the many local and regional agricultural land conservation policies in place throughout the state.

---

[1] Legislative information and other background resources are available in Appendices A (Glossary) and B (Online Resources) in this document.

[2] See Jackson et al, listed in Appendix C (Additional Resources).

Agricultural Land
For the purposes of this program agricultural land will include both cultivated and non-cultivated (e.g., rangeland and pasture) lands.

GHG Quantification and Reporting
In administering the SALCP, the program is responsible for quantifying and reporting to the ARB on how proposed expenditures will contribute to achieving and maintaining greenhouse gas emission reductions. Although separate investment types, the three elements that make up the design of this program -- planning, easements, and in later years management practices -- work together to further the purposes of AB 32. The eligibility and selection criteria presented in these Guidelines are designed to prioritize projects that demonstrate the greatest potential for protecting lands most at risk of conversion to other purposes. The program intends to estimate the amount of GHG emissions that would be attributed to a more intensive development of the land should its protection for agricultural purposes via this program not occur. With forthcoming guidance by the ARB, the program anticipates continued development and refinement of quantification methodologies over time.

Co-benefits
Beyond avoided increases to GHG emissions, conservation of agricultural land provides the opportunity for a series of co-benefits. Examples of these benefits may include, but not be limited to:

- Water conservation, through on site efficiencies, groundwater recharge, flood control, or recycling of urban wastewater.
- Economic benefits (e.g., retention of local jobs and agricultural revenues, entrepreneurial opportunities, reduction in spending on municipal services for dispersed development).
- Improved air quality resulting from carbon sequestration and reduced vehicle miles traveled.
- Energy conservation, through on farm practices, local markets or local processing of commodities.
- Nutrient cycling that decreases potential for water pollution.
- Ecosystem services (e.g., wildlife habitat, pollination, and natural food web adaptation)
- Open space values.
- Increases in local food production promoting food security and resilience, and a greater understanding of agriculture's importance among both urban and rural Californians.

What is Cap and Trade?

The California Global Warming Solutions Act of 2006, AB 32 (Chapter 488, Statutes of 2006), is a multi-year program to reduce Greenhouse Gas (GHG) emissions in California to 1990 levels by 2020. One key strategy to achieve this goal is a 'cap and trade' market system. The 'cap' creates a limit on carbon dioxide equivalent emissions, while a corresponding number of allowances within the cap can be 'traded'. The allowances are purchased by utilities and businesses at quarterly auctions. Over time, as the cap lowers, businesses that aggressively reduce emissions can trade their surplus allowances to firms that find it more expensive to reduce emissions. The auction proceeds are then used to further the goals of AB 32.

Cap and trade auctions began in November 2012. The majority of auction proceeds are required by the California Public Utilities Commission (PUC) to benefit rate payers of investor owned utilities. The smaller 'state portion' of auction proceeds is deposited into the Greenhouse Gas Reduction Fund (GGRF).

GGRF investments are primarily targeted at clean transportation and sustainable community plans; commensurate with the impact transportation has on GHG emissions. Improvements to energy efficiency and natural resources management also contribute, but at lesser levels than transportation oriented factors.

Source of Funds and Statutory Authority
The Budget Act of 2014 appropriates $130 million from the GGRF during FY 2014-15 to the Strategic Growth Council (Council) to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16. The AHSC Program will support ongoing climate adaptation and mitigation objectives and provide substantial co-benefits by, in part,"[p]reventing the conversion of agricultural lands by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions."

The SALCP was identified by the Council as most appropriately administered by the California Department of Conservation (DOC) in conjunction with the Natural Resources Agency (Agency). The SGC approved the roles of DOC and the Agency at its July 10, 2014 meeting.

The DOC's authority for agricultural land protection derives from various sections of statute:

- Public Resources Code Sections 10200-10277, the California Farmland Conservancy Program
- Public Resources Code Sections 10280-10283, Agricultural Protection Planning Grant Program
- Government Code Section 65570, the Farmland Mapping and Monitoring Program (FMMP)
- Government Code Sections 51190-51294.7, the California Land Conservation Act (Williamson Act or LCA)
- Revenue and Taxation Code Sections 421-430.5, pertaining to valuation of open space land subject to an enforceable restriction
- Public Resources Code Division 9, governing Resource Conservation Districts (RCDs)

SB 732 (Chapter 13, Statutes of 2008) established the Council and added California Government Code Sections 75127 and 75128, which direct the Council to manage and award financial assistance to support the planning and development of communities that achieve sustainability objectives. Government Code Section 75126 states that these funded activities must be consistent with the State's Planning Priorities[3], and Section 75125 states that the Council shall develop Guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

The activities funded under SALCP will primarily rely upon DOC's existing statute to fund agricultural conservation easements and planning grants. The funded activities must also meet the goals of reducing greenhouse gas emissions consistent with AB 32. A series of stakeholder meetings in August 2014 informed Agency and DOC staff in the development of these Guidelines.

These Guidelines address both agricultural conservation easement and planning grant funding. Due to the significant differences between the two elements, they are addressed separately throughout much of the Guidelines document.

Disadvantaged Communities
Senate Bill 535 (Chapter 830, Statutes of 2012) directs State and local agencies to make significant investments that improve California's most vulnerable communities. The statute requires that the GGRF investment plan allocate a minimum of 25 percent of available moneys to projects that provide benefits to disadvantaged communities (DACs) and a minimum of 10 percent to projects located within DACs. The target for DACs investment established under CalEPA's interim guidance for FY 2014-15 is 50 percent for the overall Sustainable Communities and Affordable Housing Program allocated to the Strategic Growth Council (out of $130 million total).

[3] See the Glossary, Appendix A, for these Government Code Section 65041.1 priorities.

Projects will first be evaluated to determine if 50% or more of the project is located in a DAC census tract and will provide direct, meaningful, and assured benefits to a DAC. If the project does not meet the criteria for "located within," projects will be evaluated to detemine if they meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a DAC:

A. Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, 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.

CalEPA's interim guidance was used to develop these Guidelines; as a result, the SALCP Guidelines may be modified after final CalEPA guidance is available[4]. In recognizing this guidance and its importance toward assisting disadvantaged communities, SALCP planning grant applications impacting DACs s will be awarded 5 additional points toward their total score.

Grant Application and Administration

The Department of Conservation (DOC) administers the SALCP grant program in conjuction with the Agency, on behalf of the Council.[5] Grant applications will be submitted as a digital version via email, along with one hard copy of the entire application.

SALCP Application Deadlines for FY 2014-15

Sustainable Agricultural Land Strategy Grants: March 20, 2015

Agricultural Land Conservation Easement Grants:

Pre-proposal summaries—February 6, 2015
Complete Applications—April 1, 2015

For fiscal year 2014, awards will be made at the same time for both the planning grants and conservation easement grants. However, planning grants and conservation easement grants each have a specific application process. Please refer to the text box for specific timelines for each program element, and in later sections of these Guidelines for explanatory material. Land management practices will not be eligibile for funding under this round. Should the program continue in future years, these grant Guidelines will be updated to incorporate specific criteria for investments in management practices.

The mailing address for applications is:

California Department of Conservation
Sustainable Agricultural Lands Conservation Program
801 K Street, MS 18-01
Sacramento, CA 95814

SALCP forms and sample documents are available at:
http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

For more information about the grant administration process see Section 5.

[4] CalEPA's November 2014 final interim guidance for appropriations anticipates releasing the full funding guidance in mid-2015.
[5] These entities in whole or in part may be referred to later in this Guidelines document as the State.

Section 2: Sustainable Agricultural Land Strategy Grants

In the initial years of the SALCP, funds will be awarded to support collaborations of local entities that develop a shared vision of agricultural conservation in their communities. Counties, cities, and partners will identify the criteria to evaluate or identify their most important or critically threatened agricultural lands, and strategies that can guide protection of these lands into the future. In conjunction with housing and transportation investments being made in cities, this effort supports a balanced approach to sustainable communities in California.

Sustainable Agricultural Land Strategy Plans will vary by community depending on the unique agricultural characteristics and conversion pressures in any given county and/or city. Therefore, these Guidelines do not provide a specific definition or description of a Sustainable Agricultural Land Strategy Plan. However, examples of what may be considered are provided below. These Guidelines do not define "critically threatened agricultural lands." Instead, through the development of a Sustainable Agricultural Land Strategy Plan, each county and/or city, in collaboration with other organizations, agencies, and the community, will be able to define and identify those agricultural lands within their communities that they consider to be "critically threatened."

Eligible Applicants
Counties and/or cities as the lead applicant(s) in collaboration with other partners.

Application Funding
Up to $1,000,000 in FY 2014-15 is allocated to grants for Sustainable Agricultural Land Strategy planning efforts. Individual grants are limited to $100,000 each. It is anticipated that applications for this program element will be accepted during FY 2014-15 and FY 2015-16 (contingent on availability of future funding). Funds not awarded under this SALCP element may be used to increase available funding for award in another SALCP element.

There must be a minimum ten percent (10%) local match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind.

Eligible Projects
Sustainable Agricultural Land Strategy Plans might include, but not be limited to:

- Development of the criteria used to define the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Delineation of agricultural lands with the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Community consensus-building to develop a strategy for agricultural land preservation.
- Development and adoption of a Sustainable Agricultural Land Strategy, which may include an agricultural land mitigation program or a county or city agricultural element, conservation element, or other similar policy documents.
- Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition.[6]

[6] Applicable for jurisdictions that have adopted a Sustainable Agricultural Strategy or agricultural land mitigation program.

- Planning for critical agricultural infrastructure needs; such as processing facilities, local marketing opportunities, water quality or quantity improvements, or waste handling, to support sustainability in existing rural and agricultural communities.
- Development of innovation incentives for GHG reduction in local communities through financial or technical tools.

Ineligible Projects
Proposals that will not be funded under this program include, but are not limited to, proposals that:

- Do not meet the intent of the SALCP.
- Do not contain adequate documentation and applicable materials.
- Do not clearly state objectives and deliverables.
- Are not received by the application deadline.

General Information Regarding Sustainable Agricultural Land Strategies

Agriculture is one of California's most important industries, but because of geographic and enconomic factors, the nature of agricultural land resources varies widely from region to region. Sustainable Agricultural Land Strategies must account for and should represent the values of local communities. These examples elaborate on the list of eligible projects listed above.

1. The development of criteria to define, or the delineation of, agricultural lands with the greatest local priorities for conservation. This may include but not be limited to lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl, those that also exhibit special environmental significance, or those that may result in enhanced carbon sequestration depending on the cropping and management of the protected lands:

    - Identify criteria that will be used to establish local priorities for agricultural land conservation.
    - Map and inventory of all agriculturally zoned lands within the county as of the current year. County-level maps of agricultural land developed by DOC's Farmland Mapping and Monitoring Program, general plan maps, or other available local and state maps and resources may be used.
    - Identify lands that are already permanently protected. These include agricultural conservation easements, habitat conservation easements, and other permanently protected lands. Sustainable Agricultural Land Strategy Plans should consider the connections between these lands and others identified in the Plan.[7]
    - Develop tables and maps showing the location of lands enrolled in the Williamson Act, lands zoned for agricultural use, and related information; and post on the county's Internet Web site.

2. Community consensus-building activities to develop a strategy for agricultural land preservation:

    - Provide general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close farmer affiliations.

[7] Refer to the following databases: California Protected Area Database and California Conservation Easement Database (both located at http://www.calands.org/) ; the National Conservation Easement Database (http://nced.conservationregistry.org/) and the California Conservation Easements Registry (http://easements.resources.ca.gov/). Your county's local land trust or conservancy may also be found at the http://www.calandtrusts.org/land-trusts/.

- Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) toward the development of a Sustainable Agricultural Land Strategy. These meetings should consider the compatibility between the existing plans and policies of the county, cities, and LAFCO including adopted Spheres of Influence (SOIs), and municipal service boundaries, in development of the Sustainable Agricultural Land Strategy.
- Develop a process to resolve compatibility issues among the various plans.
- Use existing agricultural land inventories/maps, existing policies and ordinances, and the process(es) to resolve compatibility, to inform development of a Sustainable Agricultural Land Strategy.
- Develop urban/rural or public/private partnerships to preserve and protect agricultural land as part of an infill development strategy.
- Post the complete Strategy and a summary to the county's Internet Web site.

3. Development and adoption of a Sustainable Agricultural Land Strategy which may include an agricultural land mitigation program:

    - Describe the goals, strategies, policies and ordinances to retain agriculturally zoned land, where practical, and mitigate the loss of agriculturally zoned lands to nonagricultural uses or nonagricultural zones.
    - Adopt a resolution determining that the existing county goals, policies, ordinances, inventory and maps comprise an agricultural land mitigation program which supports agricultural land rentention and mitigation for agricultural land when converted to non-agricultural uses.
    - Develop and post the Sustainable Agricultural Land Strategy including all relevant maps, goals, related policies and ordinances, on the county's Internet Web site.
    - Conduct nexus studies for agricultural land preservation and mitigation ordinances.
    - Update County General Plans to include agricultural conservation policies, and implementation measures such as an agricultural land mitigation program, including ordinances.

4. Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition:[8]

    - For jurisdictions which have enacted Sustainable Agricultural Land strategies, identify landowners interested in permanent agricultural conservation easements.
    - Conduct due diligence (appraisals, surveys, title review, etc) to prepare potential projects for applications to various funding sources.

5. Planning for critical agricultural infrastructure needs to support sustainability in existing rural and agricultural communities:

    - Conduct an inventory of support businesses, processing facilities, water infrastructure, and markets serving local growers. Identify threats to local production due to potential facility closures or other factors; and opportunities to take advantage of changes in the marketplace that could improve local farming sustainability as well as decrease GHG emissions.

[8] For jurisdictions that have adopted a resolution for a Sustainable Agricultural Land Strategy as stated in Goal 3.

- Develop plans to achieve improvements in conjuction with local agricultural organizations and businesses, particularly those that would result in GHG reduction from more efficient facilities operation.

6. Development of innovation incentives for GHG reduction in local communities through financial or technical tools:

    - Collect data documenting on-farm agricultural management practices targeted to reduce GHG emissions and enhance biological carbon sequestration, and their results.
    - Develop regional technical assistance expertise to improve GHG and carbon sequestration performance on farms.
    - Conduct planning or studies towards development of agricultural carbon markets, the valuation of agricultural lands, or the county tax base as these relate to implementation of agricultural GHG reduction measures or other farmland conservation tools.

Eligibility and Selection Criteria for Sustainable Agricultural Land Strategy Grants

Priority Considerations

Consistent with the goals of the SALCP, the following areas have been identified as priorities in awarding grants:

- The proposal enhances, aligns, or consolidates elements of a county or regional plan toward long-term conservation of agricultural lands.
- The proposal demonstrates collaboration with various levels of government (including federal, state, regional, local and special districts); internal coordination amongst applicant departments; and collaboration with diverse external stakeholder groups such as agricultural businesses, agricultural water providers/purveyors, non-governmental organizations (NGOs) and community members towards conserving agricultural land or increasing carbon sequestration on agricultural land.
- The proposal creates best practices to serve as models for communities across the state or region.
- The proposal is leveraged with additional resources.
- The proposal includes development of an agricultural land mitigation program.

More detailed information on eligibility and selection criteria is located on pages 10 and 11.

Grant Application Review Process

1. Applicants submit a complete grant proposal to the Department of Conservation (DOC) by the deadline.
2. Proposals are reviewed for completeness and eligibility. (Incomplete or ineligible proposals may not be evaluated or considered for funding at the sole discretion of the State.)
3. Grant Committee (Committee) reviews proposals using selection criteria and makes recommendations for awards. The Strategy Grants Committee will consist of staff with planning and agricultural expertise from DOC, the Resources Agency, the California Department of Food and Agriculture, and outside subject matter experts.
4. The Committee recommends the final projects for award to the SGC for Council approval.
5. The Council determines final project awards.

All information submitted in the application package will be used by grant reviewers for evaluation and should demonstrate how effectively the proposal will meet SALCP goals and objectives. Proposals will be reviewed by DOC and Agency staff for completeness and eligibility, followed by technical review and scoring by the Grant Committee. Each area is awarded points on a sliding scale from zero to the listed number.

In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Sustainable Farmland Strategy Grants Scoring Criteria	
Need for the Proposed Plan or Strategy	40 points
Integration of Entities and Existing Resources	25 points
Community Involvement and Participation	20 points
Disadvantaged Community Impacts	5 points
Organizational Capacity (10 points)	10 points
Total Available Points	100 points

Sustainable Agricultural Land Strategy Grants Eligibility Criteria
o The proposal will reduce GHG emissions, including through carbon sequestrarion consistent with California's Global Warming Solutions Act of 2006 and any applicable regional plan. o The county or city (lead applicant) can document farmland conversion issues within the jurisdiction. o Those counties currently participating in the Williamson Act Program will continue implementing the program as a part of their sustainable agricultural land strategy. o The proposal demonstrates collaboration between County government, other levels of local government, and external stakeholder groups such as agricultural businesses, agricultural water providers/purveyors, NGOs, and community members. o The proposal seeks to align local policies and ordinances to protect, preserve, and enhance agricultural lands, promote infill development, and encourage location- and resource-efficient development. o The proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc). o The proposal contains clear, reportable objectives, measures of progress, and deliverables. o The proposal provides specific detail on the types of data that will be used to evaluate agricultural resources, evaluation criteria, data gaps, and how the final product will be used in connection with the existing planning structure within the county. o The proposal includes a minimum ten percent (10%) match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind. o The proposed project can be completed within a 2 year time-frame. (State Administrative Manual).

Sustainable Agricultural Land Strategy Grants Selection Criteria
o The degree to which the proposal documents a linkage between local policies and plans with potential reductions in GHG emissions consistent with California's Global Warming Solutions Act of 2006. o The degree to which a need for the proposal is documented based on farmland conversion rates, age of planning documents, or other factors. o The degree to which the proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, Williamson Act enrollment, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc). o The degree to which the proposal identifies potential barriers to implementation, such as inconsistencies in plans and polices, and provides strategies for aligning local policies and ordinances to protect, preserve, and enhance agricultural lands, promote infill development, and encourage location- and resource-efficient development. o The degree to which the proposal demonstrates a collaborative approach to addressing agricultural land conservation. o The specificity with which the proposal identified the types of data that will be used to evaluate agricultural resources, the local policies and ordinances it seeks to align, and the methods that will be used to resolve compatibility issues between these policies and ordinances, if any. o The degree to which the proposal documents the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions. o The specificity and reasonableness of the timeline, reportable measures of progress, and deliverables. o The degree to which the proposal can leverage cash and in-kind match funds. o The degree to which the proposal documents that the project lead and its partners have the capacity to successfully execute proposed work on time and within budget, using recent examples from similar projects. o Proposals that are located in or provide benefits to Disadvantaged Communities, as defined by CalEPA, will receive 5 points toward the total maximum score of 100 points.

The Sustainable Agricultural Land Strategy Application

The grant application package for this program component is composed of a Cover Sheet and three sections: Application Questions, Work Plan, and Supporting Documents. Please see the DOC web site[9] for forms and supporting material.

Application Questions

This narrative section addresses the need for the proposal, and the plans for collaboration, integration, and organizational capacity.

Need for the Proposed Plan or Strategy

1. Describe why a sustainable farmland plan or strategy is needed for the area covered by this application. Provide supporting information in the form of agricultural land resource conversion studies or other data.
2. Describe the existing state of agricultural land use planning policies within the area, including Williamson Act status. Discuss any documents in need of update or replacement, or policy gaps that would be informed by the results of this proposal.
3. Describe how the proposed plan will serve areas that are especially vulnerable to development pressures or climate change impacts.
4. Describe the anticipated effects of climate change (e.g., physical, ecological, or economic forces) that are likely to impact the community represented by the application and its agricultural land resources.
5. Describe any aspects of the proposal that provide the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions.

Integration of Entities and Existing Resources

1. Describe how the proposed plan will provide linkages between existing local policies and plans to reduce GHG emissions.
2. Describe what agricultural and land resource factors will be evaluated as part of this proposal, including opportunities for integrating agricultural land conservation efforts with other protected land strategies.
3. Describe the local policies and ordinances the plan will seek to align. What methods will be used to resolve compatibility issues between these policies and ordinances?
4. Describe what is planned to foster interagency relationships among levels of local government in the development of agricultural resource plans or strategies.
5. Describe how the proposed plan will be consistent with the State's planning priorities. Describe how the proposal will consider integrating currently permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easement, flood corridor easements, or parks).

Community Impact and Participation

1. Identify the specific community, citizen, and/or agricultural organizations that will participate in and those which will be consulted regarding the development of the plan or strategy.
2. What steps are planned to ensure continued involvement of these organizations in the implementation of the plan or strategy?

[9] http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

DISADVANTAGED COMMUNITY IMPACTS

Answers to questions 3 and 4 do not affect eligibility but may affect selection based on final application scores. A total of 5 points within the final score will be attributed to Disadvantaged Community impacts and benefits.

3. Is the majority (50% or more) of the proposed project area located within one or more Disadvantaged Community (DAC), as defined by CalEPA for the Affordable Housing and Sustainable Communities Program? Please use the CalEnviroScreen tool to make this determination, located at the following address: http://oehha.ca.gov/ej/ces2.html
4. If the answer to question 3 is no, will the project meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a DAC?
   -- Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, and is designed to avoid displacement of DAC residents and businesses, or
   --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
   --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.

Organizational Capacity

1. Describe the applicant's experience in developing plans or working on similar projects.
2. Does the applicant have the professional staff qualified to develop the plan? If not, how will this expertise be acquired? Please describe the qualifications and plan, if any, to acquire the expertise.
3. What partnerships does the applicant have in place to implement the plan or strategy?
4. Citing the Work Plan Budget, what resources does the proposal leverage beyond the minimum match requirements?

Work Plan

Applicants must provide a detailed work plan (3 pages maximum) that specifies what steps will be taken to develop the agricultural land strategy or plan, including establishing benchmarks with target completion dates and a cost estimate. The project cost estimate and schedule should be of sufficient detail to allow assessment of the progress of the work plan at regular intervals. This plan will be a component of the Grant Agreement should the project be selected for funding.

The work plan should clearly address:

- The goals and objectives including implementation (e.g., strategy, timeline, committed resources, partner support)
- The plan deliverables
- The target completion dates
- Work Plan Summary -- A tabular summary (example on next page) indicating the specific benchmarks of the work plan must be included. The estimated cost for each benchmark and when these benchmarks will be completed are to be specified in this summary. Total estimated costs should equal grant amount requested plus other funders' contributions.

Project Title		
High Level Activities/Milestones (with Deliverables)	**Responsible Parties (City, County, Consultant, etc.)**	**Timetable in Months (Ex. Month 1-5, Month 4-10, etc.)**
Task 1 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 2 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 3 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		

Budget and Match Contributions

This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations.

While it is a goal of SALCP to leverage the limited amount of available funds with match contributions, the minimum match requirement under the program, will be ten percent (10%). At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind. Match funds may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, or donations). Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Eligible Costs

For Sustainable Agricultural Land Strategy Grants, the direct costs, including staff and benefits to implement the work, during the performance period specified in the Grant Agreement will be eligible for reimbursement. All eligible costs must be supported by appropriate documentation. Costs incurred outside of the performance period, Indirect/Overhead Costs, food or beverages (e.g. as part of meetings, workshops, training, or events), and costs for CEQA document preparation are not eligible for reimbursement.

Indirect/Overhead Costs are defined as: expenses of doing business that are of a general nature and are incurred to benefit two or more functions within an organization. These costs are not usually identified specifically with a grant, Grant Agreement, plan or activity, but are necessary for the general operation of the organization. Examples of indirect costs include salaries and benefits of employees not directly assigned to the work program; functions such as personnel, business services, information technology, and salaries of supervisors and managers; and overhead

such as rent, utilities, supplies, etc. Indirect costs cannot be included in the Budget and Work Plan and will not be funded.

Travel

Reimbursement of travel is not permitted unless expressly provided in the approved budget. Travel by private or Grantee-owned automobile, necessary for the performance of projects are subject to the State of California travel and per diem rates and allowable cost requirements. Please refer to this website to obtain the most up to date per diem rates and eligible mileage reimbursement rate: (http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx).

What to Submit: Supporting Documentation

The Sustainable Agricultural Land Strategy Grant application is composed of three main sections: Questions, Work Plan, and Supporting Documents. Materials should be presented unbound in the order indicated below. Clearly number and label each item and number all pages in sequencial order.

Please do not submit additional materials that have not been specifically requested (i.e., press clippings or brochures) as they will not be considered during the evaluation.

Submit one (1) unbound printed original and one digital version of items 1-8 below.

1. Application Form Cover Sheet
2. Application Questions – no more than eight (8) numbered pages, on 8 ½" x 11 paper, using twelve-point easy-to-read font
3. Work Plan -- no more than three (3) numbered pages, on 8 ½ " x 11" paper, using twelve-point easy-to-read font
4. Work Plan Summary (timeline with benchmarks)
5. Budget
6. Area Map – A map of the area covered by the proposed plan (the geographical purview of the plan). Maps or images must fit into an 8 ½" x 11" folder.
7. Signed Authorizing Resolution from the Board of Supervisors or City Council
   - A sample resolution indicating the format and content of an authorizing resolution is available on the SALCP web site.
   - The resolution may be submitted subsequent to the application, if the board meeting schedule prevents the applicant from obtaining a signed resolution before the filing deadline. Submit the draft resolution with the application package and indicate the board meeting date when the resolution will be adopted.
8. Disadvantaged Communities (DACs) – if applicable, provide printouts or other evidence of DAC status.
9. Support/Collaboration Letters – provide copies of letters from entities within the plan service area and from the local community demonstrating support and/or willingness to participate in development of the strategic farmland plan.

Additional Components

Relevant Portions of County General Plan

Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation may be attached to the application. Provide the adoption date(s) of these policies along with internet links to them, or the applicant may provide the documents on other digital media.

Section 3: Agricultural Conservation Easement Grants

Under the 2013 Cap-and-Trade Auction Proceeds Investment Plan[10], the purchase of agricultural conservation easements (ACEs) on strategic agricultural land was designated as one way to ensure sustainable communities by strengthening the land use planning process and supporting agricultural viability.

The motivation to improve agricultural practices in concert with AB 32 goals—including energy, water, and farm nutrient investments--may be more attractive to landowners with the security and financial assistance that permanent conservation easements convey. Preventing subdivision and sprawl conversion of agricultural land may reduce vehicle miles traveled and related greenhouse gas emissions.

Eligible Applicants

Per California Public Resources Code §10212, applicants may include cities, counties, nonprofit organizations, RCDs, regional park or open-space districts or regional park or open-space authorities that have the conservation of farmland among their stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Nonprofit organizations must hold a tax exemption as defined under Section 501(c)3 of the Internal Revenue Code, and further qualify under Internal Revenue Code Sections 170(b)(1)(A)(vi) or 170(h)(3) as provided by PRC §10221.

In most circumstances, the applicant will become the holder of the agricultural conservation easement in perpetuity. This responsibility makes 'joint proposals' in the traditional sense problematic. However, match funding from additional partners greatly contribute to the overall strength of an easement proposal.

Application Funding

Up to $4,000,000 is allocated in FY 2014-15 to grants for agricultural conservation easement acquisition. Easement grants do not have a maximum dollar figure; proposals will be rated relative to one another to maximize conservation outcomes with available funding. The critical nature of the property, proportion of match funding, and degree to which the proposal satisfies the selection criteria will be taken into consideration to optimize agricultural conservation easement acquisitions in furtherance of the SALCP goals and objectives.

In order to leverage the limited amount of funding available, the SALCP will require match funding toward the direct easement acquisition cost. While the SALCP standard match will be 50 percent (50%), compelling applications which include a lesser match may also be considered. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined.

Eligible applicants are not limited in the number of proposals they can submit, however, because the agricultural conservation easement grant application process entails a significant amount of work, applicants are strongly encouraged to contact DOC staff to discuss the characteristics of proposed projects prior to completing the application.

Applications for ACEs will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. It is anticipated that projects will be reviewed three times per year. Due to timing

[10] http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/final_investment_plan.pdf

constraints associated with approval of the SALCP Guidelines, the application cycles of funding partners, and State fiscal year end deadlines, there will be a single review of applications in FY 2014-15. Please see page 4 and the SALCP web site for additional information.

Eligible Projects

Applications for conservation easements on cultivated and noncultivated land (including rangeland and pasture) will be considered for funding under this program. Each of these agricultural uses may provide opportunities for GHG reduction and co-benefits that complement Sustainable Community efforts. ACE projects located on rangeland and pasture that are selected for funding based on GHG reduction potential and related attributes may be restricted to noncultivated use. This restriction would be based on factors including the availability of willing sellers, match funding, and eligible applicants. Consistent with PRC Section 10252.5[11], the primary use of the noncultivated land must be agricultural, and the ACE may not substantially prevent agricultural uses on the property.

Agricultural conservation easement applications are eligible to be considered for grant funding if the following criteria are met (PRC §10251):

- The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. The land is also in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production.
- The applicable city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan as they relate to the location within the county or city where the easement acquisition is proposed.
- The grant proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the grant proposal. (Properties within a city's Sphere of Influence must acquire resolutions of approval from both the County and City).
- Without conservation, the land proposed for protection is likely to be converted to non-agricultural use in the foreseeable future.
- The project demonstrates the contribution that the ACE will make toward meeting AB 32 goals.

Ineligible Projects

Projects are considered ineligible if they fail to meet any of the eligibility criteria described above, or if any of the following apply:

- The local government applicant has acquired, or proposes to acquire, the proposed ACE through the use of eminent domain, unless requested by the owner of the land (PRC §10232).
- The proposed ACE would restrict agricultural husbandry practices (as defined in PRC §10218) on the land (PRC §10238). In instances where the ACE project was selected and received match funding based on its noncultivated status, the land must continue to be primarily agricultural in nature, and the ACE may not substantially prevent agricultural uses (e.g, livestock grazing) on the property.
- The applicant or seller of the ACE do not agree to restrict the use of the land in perpetuity (Civil Code §815.2(b)).
- The proposed ACE is part of a local government's condition placed upon the issuance of an entitlement for use of a specific property (PRC §10243).
- Clear title to the proposed ACE cannot be conveyed (PRC §10264(b)).
- Once entered into a Grant Agreement, the easement acquisition cannot be completed within a two-year timeframe. The two-year timeframe reflects State Contracting Manual requirements.

[11] SB 1142 (Wiggins, Chapter 323, Statute of 2009)

- The purchase price of the proposed ACE exceeds the appraised fair market value (PRC §10260(a)).
- The ACE appraisal is determined to be unacceptable (PRC §10260). Please see the section on appraisals on the next page.

Examples of contributions toward AB 32 goals include, but are not limited to:

- Decreased number of parcels or development rights
- Decreased vehicle miles traveled
- Locations that would support the establishment of greenbelts or urban separators
- Carbon sequestration potential
- Participation in land management or energy efficiency programs that contribute to overall improved efficiency in the agricultural operation

More detailed information regarding the eligibility and selection criteria is included on pages 24 through 26.

Initial Screening–Pre-proposals

Due to the complex nature of conservation easement transactions, eligible applicants are strongly encouraged to provide DOC with structured summaries of proposed easement projects. A Pre-proposal worksheet for this purpose has been developed and is available on the DOC website.

By providing preliminary title reports and basic information about the potential project, DOC grant managers can assist the applicant in determining whether the property has title complexities or other issues that should be addressed prior to devoting work to completing a full project proposal.

Eligible applicants are encouraged to contact DOC to discuss the characteristics of potential easement properties, along with any program questions, early in the application process. The deadline for pre-proposal submission for FY 2014-15 projects is February 6, 2015. In subsequent years, pre-proposals and full proposals will be accepted on a continuous basis. Applications will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. It is anticipated that projects will be reviewed three times per year.

General Information Regarding Agricultual Conservation Easement Requirements

Placing an agricultural conservation easement on land is a complicated transaction. It represents a multi-generational commitment on the part of the farm family and an equivalent commitment by the easement holder to steward the easement in perpetuity. These factors differentiate the application and due diligence process for an ACE from most grant funding opportunities.

PROPERTY VALUATION

Appraisals

A current ACE appraisal will be required for determining the fair market value of the ACE. The appraisal may be submitted with the grant application, or should the application be approved for funding, within 3 (three) months of the start date of the grant agreement. Applications that are not accompanied by a current appraisal must contain estimates for the anticipated cost of the ACE and material to support the valuation estimate. DOC reserves the right to require that a current ACE appraisal accompany the grant application if, in its sole discretion, it determines that insufficient data is available to support an estimate. If the project is approved, and the appraisal contains an ACE value that is higher than the grant agreement budget, the difference will need to be covered by a landowner bargain sale (donation) or by other match funders. Any savings that result from valuations that are lower than the budget estimate will be proportioned to the participating funders.

For ACE valuations, the grant applicant selects and retains an independent, certified appraiser to appraise the project property. The appraiser must use the "before and after" method of valuation, calculating the difference between the fair market value and the restricted value as provided in PRC §10260. The "before and after" method evaluates the property's market value under two scenarios: one as the current market value without restriction, and second as the diminished value as though encumbered by an agricultural conservation easement. The DOC has developed a resource for appraisers and applicants, entitled Overview and Preparation of Agricultural Conservation Easements, which is available on the DOC website.

Applicants are encouraged to thoroughly discuss the restrictions and permitted uses of the proposed ACE with the appraiser early in the appraisal process[12]. Major issues such as reserved home sites or other areas that will not be utilized exclusively for agriculture must be confirmed prior to the appraisal, and be identified in the appraisal, as they will likely affect ACE valuation. Subsequent changes to the proposed ACE's restrictions or permitted uses may necessitate an update to the appraisal.

In no situation shall the ACE purchase price be greater than the appraised fair market value of the agricultural conservation easement, as provided in PRC §10260.

The appraisal is subject to review and approval by DOC and the Department of Conservation's designee; typically easement appraisals are reviewed by the Department of General Services Real Estate Services Division. The grant may fund appraisal costs incurred prior to execution of the Grant Agreement only if the project is approved for funding and if reimbursement for appraisal costs is sought in the grant application. The program will only fund one appraisal per ACE.

If a significant amount of time (6 months or more) transpires between the effective date of the appraisal and the submission of the grant application, applicants may be required to obtain a letter of certification from the appraiser,

[12] Applicants should advise appraisers and landowners that appraisals may be subject to disclosure under the Public Records Act of 1968 (Chapter 3.5 of Division 7 of Title 1 of the Government Code, commencing with §6250).

stating that the easement value has not changed since the appraisal was conducted. Grant recipients may be required to obtain an updated appraisal if the effective date is not within 12 months of the escrow closing date.

Use-Based IRS Deductions
If a landowner seeks tax benefits from the Internal Revenue Service in return for charitable donation of an easement or portion thereof, the timing and requirements of the easement appraisal are critical. See a tax attorney or accountant for more information. A "special use valuation" and qualified IRS deduction may affect easement valuation.

EASEMENT DOCUMENTS AND TITLE CONSIDERATIONS

Model Agricultural Conservation Easement
Please note that DOC has developed model ACE language that may be updated periodically. The model easement and related documents are available on the DOC website.

The model easement ensures that all important terms and conditions are described and serves to streamline the approval process. The model easement will be used as a starting point and will be customized as needed to reflect individual property characteristics. Grant applicants should use the model easement when discussing ACE restrictions with landowners and appraisers.

Discussion of the terms and conditions for the proposed ACE with the landowners early in the process will significantly expedite easement negotiation and review, and ensure an accurate appraisal.

Due Diligence / Clear Title
Separated minerals rights, leases, judgments, ownership anomalies, outstanding property interests, etc., may inhibit the conveyance of clear title. Applicants are expected to exercise due diligence to discover and disclose such potential issues prior to submittal of the application. Within the application, applicants are expected to disclose any title concerns and include a plan for their resolution, should they be awarded grant funding. Disbursement of funds for the purchase of an ACE is contingent upon DOC determination that title concerns have been resolved, thus allowing funds to be placed into escrow.

Mortgage and Lien Subordination
As part of the easement acquisition process, any liens or other financial encumbrances on the property are required to be subordinated to the terms of the easement. Subordination documents are subject to review and approval by DOC.

It is possible that the lender may charge a fee to provide the subordination. Applicants are encouraged to consult lenders early regarding subordination practices. Subordination fees may be eligible for reimbursement if requested in the grant application.

ADDITIONAL REQUIREMENTS AND CONSIDERATIONS

Match Contributions
In order to leverage the limited amount of funding available, the SALCP will require match funding toward the direct easement acquisition cost. While the SALCP standard match will be 50 percent (50%), compelling applications which include a lesser match may also be considered. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined. The match may be provided directly by the applicant, or from other funding sources (e.g.,

other grant funds, state or local government contributions[13], or donations of easement value by the landowner of the subject property). Up to 50 percent of stewardship endowment contributions may be applied toward the match requirement.[14]

The SALCP will also provide funds toward associated costs for easement acquisition, such as appraisal reimbursement, staff and consults, and real estate document charges. Please see the budget section for more information. Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Stewardship Fund

The total cost of the ACE acquisition includes funds dedicated solely for the long-term stewardship of that ACE. For agricultural conservation easements, stewardship typically includes the cost of annual monitoring and evaluation of easement threats. A portion of these funds is typically provided by the landowner as part of the match contribution.

Within the Grant Agreement, grantees will certify their ability to effectively manage, account for, and annually report on those stewardship funds conveyed through the Grant Agreement. In the Budget Itemization, grant applicants should include a stewardship amount that has been calculated to include a principle amount that, when managed and invested, is reasonably anticipated to cover the annual stewardship costs of the property in perpetuity. The stewardship fund amount will be subject to review and approval by DOC, and may be different from the original budgeted amount concurrent with any changes to final easement configuration or property valuation.

ACE Monitoring

Regular monitoring of properties under easement is necessary to ensure compliance with the terms of the easement. DOC requires an annual report from the holder of the easement, certifying that the conditions of the easement are being upheld. The monitoring component of the application, not to exceed three pages, describes how the proposed ACE will be monitored following its recordation. The components of the monitoring plan are discussed in more detail later in the Guidelines.

Additional Conservation Values

In order to maintain agricultural viability and protect the flexibility required to maintain permanent agriculture, the legislature prohibited restrictions on agricultural husbandry practices within DOC-funded easements (PRC §10238). ACEs funded by DOC also specify that any subsequent easements layered over the ACE may not restrict agricultural husbandry practices or otherwise conflict with DOC-funded easements, in order to maintain maximum agricultural viability.

In 2009, the Legislature clarified that on noncultivated rangeland and pasture, DOC may participate in funding ACEs with restrictions that would require the land to be maintained in an uncultivated state. This legislation, SB 1142 (Wiggins, Chapter 323, Statutes of 2009), describes the circumstances under which such restrictions can apply, including that the primary use of the land is agricultural, that the ACE may not substantially prevent agricultural uses on the property, and that any nonagricultural qualities that will be protected by the ACE are inherent to the easement property. Husbandry practices on any cultivated lands within these ACEs may not be restricted.

Some portions of properties may provide an opportunity to protect additional nonagricultural resource values such as riparian habitat. These areas may be considered for purchase of nonagricultural conservation easements which

---

[13] State or local government contributions may include, but are not limited to, general fund monies and fees collected as a result of agricultural land mitigation or other open-space mitigation programs. These contributions may be used provided that they do not violate PRC § 10243, nor place limits on agricultural land use.

[14] PRC § 10233(a).

protect resources in addition to the agricultural values. Applicants may specify if portions of a proposed easement meet this criteria and the other funders that may participate in protection of the overall property.

Potential Publicity

Applicants are encouraged to inform landowners that a successful grant application may result in publicity. During the application evaluation and easement negotiation phases, documents associated with each project will be treated as confidential in accord with the requirements of the California Public Records Act.

Because public funds are used to secure easements under this program—or any similar government program—the landowner's name and the amount of the grant are public records that may be publicly disclosed after completion of the ACE in accordance with the Public Records Act.

Eligibility and Selection Criteria for Agricultural Conservation Easements

Eligibility for funding under this program is based on the California Farmland Conservancy Program statute. Selection criteria are also based on DOC statute, with additional factors pertinent to funding under the SALCP. These criteria are found on the following two pages.

While multiple applications may meet the basic eligibility criteria, each property is different, and each potential ACE will have strengths and weaknesses. Some proposals may be more appropriate for funding based on how well they meet the selection criteria relative to applications received at the same time.

Projects will be evaluated and selected based on their overall characteristics, taking into consideration the goals and objectives for the SALCP, and the extent to which the proposed project satisfies the selection criteria. In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Grant Application Review Process

Pre-proposals and Applications received by DOC will be assigned a grant manager, who will provide confirmation that the material has been received. The grant manager will work with applicants to review eligibility and obtain any additional information necessary to enable a complete review of the ACE property's characteristics. Particularly due to title complexities, applicants are strongly advised to contact DOC early in the process to discuss potential issues related to a proposed project. Use of the pre-proposal form will assist potential applicants and DOC by identifying properties that require additional due diligence work to ensure that the title is clean, after which they may be competitive for funding.

The grant manager will contact the applicant in order to schedule a site visit of the property. This may occur at the pre-proposal or full application stage, depending on the level of complexity of the project. Grant applicants will make arrangements for a tour of the property, which must be attended by a representative of the applicant and by the property owner.

After grant managers visit the site and clarify any outstanding questions, project summaries and briefings to the staff and management review team will be undertaken. All eligible proposals will be reviewed utilizing the factors above. Project evaluation will be qualitative relative to the pool of applications. The proposals determined to meet all the eligibility criteria, provide the most conservation value and are most consistent with the selection criteria will be brought forward to the Council for to be recommended for funding.

Agricultural Conservation Easement Eligibility Criteria *Description and Code Citations*[15]
o The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. It is in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production. (PRC 10251 (a)) o The city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan, as they relate to the area of the county or city where the easement is proposed. (PRC 10251 (b), 10244) o Without conservation, the land proposed for protection is likely to be converted to nonagricultural use in the foreseeable future. (PRC 10251 (c)) o The project will demonstrate that it will achieve a reduction in GHG emissions. o The proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the proposal. (PRC 10255 (b)) o The local government applicant has not acquired, or proposed to acquire, the agricultural conservation easement through the use of eminent domain, unless requested by the owner of the land. (PRC 10232) o The proposed agricultural conservation easement would not restrict agricultural husbandry practices (as defined in PRC 10218) on the land. (PRC 10238). In instances where the proposed project is on noncultivated land, the land must continue to be primarily agricultural in nature, and the agricultural conservation easement may not substantially prevent agricultural uses on the property. See additional discussion on page 22. o The applicant and seller of the agricultural conservation easement agree to restrict the use of the land in perpetuity. (PRC 10237) o The proposed easement is not part of a local government's condition placed upon the issuance of an entitlement for use of a specific property. (PRC 10243) o Clear title to the agricultural conservation easement can be conveyed. (PRC 10264 (b)) o The total purchase price of the easement does not exceed its appraised fair market value. (PRC 10260 (a)) o The easement appraisal complies with DOC's published "Overview and Preparation of Agricultural Conservation Easement Appraisals". The appraisal will be reviewed by DOC and the California Department of General Services. (PRC 10260) o The ACE acquisition can be completed within 2 year time-frame. (State Administrative Manual)

[15] Public Resources Code (PRC) for the California Farmland Conservancy Program.

Agricultural Conservation Easement Selection Criteria ***Grant applications will be evaluated based on the overall value of the project, on the extent to which they satisfy the following characteristics:***
o The project will avoid increases in vehicle miles traveled that would result from the development potential of the property (e.g., minimum zoning, number of legal parcels, proximity to urban areas). o The project will contribute to carbon sequestration and decrease greenhouse gas emissions. o The property's size is typical of agricultural operations in the vicinity, and is surrounded by other parcels with sizes and land uses likely to support long-term commercial agricultural production. o The size of the parcel or parcels comprising the property are above their current minimum zoning. o The property is in active agricultural production, including cultivated and noncultivated agriculture (e.g., rangeland and pasture). o The property is adjacent to other permanently protected property (e.g., other agricultural conservation easements, habitat conservation easements, or other fee-title protection). o The agricultural conservation easement would act as a community separator or green-belt, or is located near a city Sphere of Influence. o The property has adequate water availability and water quality for agricultural purposes, and has no known agricultural constraints due to soil or water contamination. o The property is not encumbered with third party mineral interests. o The nature and extent of structural improvements are in proportion to the agricultural operation. o Protection of the property will enhance the opportunity for protecting neighboring agricultural properties or will be a part of a larger, comprehensive permanent protection plan. o The cultivated portion of the property is not within a flood zone and not on highly erodible land as designated by the Natural Resources Conservation Service. o The property provides additional conservation values (e.g., open space, view shed, habitat, riparian corridor). o The proposal shows wide support as evidenced by the level of match funding contributions. o The proposal demonstrates an innovative approach to agricultural land conservation with a potential for wide application in the state. o The price of the proposed acquisition is cost-effective in comparison to the fair market value. o The applicant is eligible to hold agricultural conservation easements and has the technical and fiscal capacity to secure and steward the easement.

Response Time

During each review cycle, SALCP agricultural easement project recommendations will be provided to the Council for discussion and approval at the next regularly scheduled Council meeting. While DOC seeks to provide tentative funding decisions within 90 days of receipt of a complete application, the timing of Council meetings and the complexity of some applications may necessitate additional review time.

If the application remains incomplete at one of the periodic review dates, it will be held for the next review cycle. Please note that extended timing may become an issue if appraisals have been completed but other aspects of the application are incomplete. Early consultation with DOC staff regarding proposed applications is strongly encouraged to achieve the most efficient review process possible.

Approved Agricultural Conservation Easement Projects

Upon receiving tentative approval by the Council, each ACE proposal will be formalized with a Grant Agreement between the applicant and the Department of Conservation. Grant Agreements are based on a standard State format and have a maximum duration of two years from the time of Grant Agreement signature to completion of the easement acquisition. In most instances, the grant manager assigned at the proposal stage will also manage the Grant Agreement.

The Agricultural Conservation Easement Application

This section provides additional information regarding the components of the Grant Application form. Application Form Components:

Agricultural Conservation Easement Applications	
Required Components:	**Additional Components and Certifications:** ***These supporting documents are required if applicable****
o Easement Grant Application Checklist o Easement Grant Application Cover Sheet o Executive Summary (1 page maximum) o Budget o Easement Project Summary Sheet o Detailed Characteristics of the Proposed Easement (6 pages maximum) o Documentation of Public Notice o Preliminary Title Report and Assessor's Parcel Map o Appraisal o Landowner Letter of Support o Conflict of Interest Certification o Easement Monitoring Plan (3 page maximum)	o Relevant Portions of the County General Plan o Documentation of Organizational Eligibility (documents differ for nonprofit and governmental applicants) o Letters of Support from Partners o Accreditation documents o Location Map showing parcel boundaries, nearest Sphere of Influence, and Protected Lands o Implementation Schedule (approved proposals will require this as part of the Grant Agreement process) ***Applicant will provide current documents and/or certify that documents on file with DOC are current.**

REQUIRED COMPONENTS

Easement Grant Application Checklist and Cover Sheet

These pages provide the applicant's contact information and a checklist to ensure all components of the application are attached.

Executive Summary

This section, not to exceed one page, should provide a brief but thorough description of the proposed project and its scope (agricultural land quality, location, size, and type of agricultural use). It should explain the potential or actual development pressure impacting the surrounding area, and the contributions the easement might make toward meeting AB 32 goals and objectives. Please also include any information regarding the landowner's need to meet any critical deadlines for concluding the transaction.

Budget

This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations. Associated staff costs directly related to the easement acquisition may be eligible for reimbursement if the costs:

- Are approved as part of the application.
- Were incurred after the submission of a complete application and no more than 180 days before the execution of the Grant Agreement.
- Occur during the time period of the written Grant Agreement.
- Include rates comparable to those of similar expertise in the applicable professions.

Subcontractors identified by the applicant should be listed in the proposed budget, along with the subcontractors' rates. After the grant application is approved, addition or identification of subcontractors requires documentation of a competitive bid process. The bid process and reasonableness of any changes are subject to DOC review. Please see Section 5 for more information regarding grant administration. Eligible and ineligible costs toward project completion are shown on the following page.

Easement Acquisition Summary Sheet

The easement acquisition summary sheet describes the property and its characteristics within a standardized tabular format. Information regarding the ownership structure, number of legal parcels, water sources, mineral rights, and the existing and proposed infrastructure of the property (home sites, farm labor housing, etc) is entered on the form.

Easement Project Characteristics

This section is used to explain attributes of the proposed ACE project, the applicant's capabilities, and local government policies and actions that are relevant to the goals of AB 32. It is formatted as a sequenced series of questions. This section should not exceed six pages.

Eligible Costs include, but are not necessarily limited to:	Ineligible Costs include, but are not necessarily limited to:
o Easement purchase price. Please see page 20 for more information regarding appraisals. o Reasonable costs associated with the acquisition, including but not limited to applicant staff time for easement negotiations, technical and legal consulting, appraisal, preliminary title report, baseline conditions report, escrow fees, and title insurance fees. Payment of these costs are subject to DOC review and shall not exceed 10 percent of the value of the easement for which the costs were incurred (PRC §10231). o Stewardship Funds	o Indirect overhead costs o Ceremonial expenses (including food and beverages) o Expenses for publicity o Bonus payments of any kind o Interest expenses o Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise. o Services, materials, or equipment obtained under any other state program. o Real estate brokerage fees and/or expenses.

Documentation of Public Notice and Local Government Resolution of Support

Before an application for an easement acquisition grant can be approved, the applicant must provide public notice to parties reasonably likely to be interested in the property (PRC §10254). This includes written notice to adjacent property owners, a more generalized public notice, and notice to the local government indicating the applicant's intent to apply for a grant to acquire an agricultural conservation easement. Applicants need to follow one of two tracks shown in the flowchart on page 32 in order to satisfy statutory public and local government noticing requirements. The track that is chosen – Option A or Option B – will determine the order and timing of the documentation requirements for the Grant Application.

The two most common forms of public notification are a notice provided in a newspaper of general circulation in the area, or documented public notice made prior to local governmental meetings where resolutions of support are passed. Please note that the names of landowners whose property is being considered for an ACE are not released to the public as part of this process. The applicant is the contact listed in these notifications.

The timing of public and neighboring landowner notice is important. Written notice to adjacent landowners must occur no less than 30 days prior to the expected date of the local government's consideration of the resolution of support. Notice to the county or city shall occur no less than 30 days before the applicant submits a grant application (PRC §10254). Because of the importance of notification timelines, applicants are encouraged to work with DOC staff to ensure that the process is completed in the correct order.

The governing body of the county or city in which the property is located must certify that the proposed easement meets the eligibility criteria set forth in PRC §10251, and that the easement proposal has been approved by the governing body (PRC §10255(b)). A sample resolution of support is available on the DOC web site. Resolutions for ACEs funded under this program should substantially conform to the sample form.

If the property lies within the Sphere of Influence of an incorporated city, both the city and county must pass resolutions of support (PRC §10255(c)).

The resolution(s) of support must be provided before grant disbursement.

Agricultural Conservation Easement Public Notice Requirements and Public Resources Code Citations				
Local government notice	30 days	prior to	Application	PRC §10254(b)
Public notice		prior to	Funding Decision	PRC §10254
Neighboring landowner notice	30 days	prior to	Resolution of support	PRC §10254(a)
Resolution of support		prior to	Grant disbursement	PRC §10255(b)

OPTION A	OPTION B
Neighboring Landowner Notification (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ☑ Request for resolution provides local government notice ☑ BOS agenda provides public notice ⇩ **Grant Application Submission** (at least 30 days after local government notice) ⇩ **DOC/Council Funding Decision** (at least 30 days after public notice) ⇩ **Disbursement of Funds**	**Local Government Notice** ☑ Letter to Planning Director (at least 30 days prior to) ⇩ **Grant Application Submission** ⇩ **Public Notice** ☑ Newspaper published notice OR ☑ BOS agenda provides public notice (at any point prior to funding decision) ⇩ **DOC/Council Funding Decision** ⇩ **Neighboring Landowner Notification** (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ⇩ **Disbursement of Funds**

Preliminary Title Report, Assessor's Parcel Map(s), and Appraisal
These required documents are critical in evaluating the suitability of a property for an agricultural conservation easement. Resolution of outstanding title issues in order to obtain clear title can be time consuming for the applicant and the landowner. Similarly, an accurate appraisal ensures both the landowner and DOC that fair market value will be paid for the easement.

Landowner Letter of Support
The applicant must provide a letter from the landowner(s) stating their support for proceeding with the easement. The landowner states their intent to work with the applicant to secure the easement.

Conflict of Interest Certification
Nonprofit applicants must provide certification that no conflict of interest or appearance of conflict of interest exists for any members of their Board of Directors or Staff as it relates to the proposed ACE. In evaluation of potential conflicts of interest, land trust applicants are encouraged to consider the Land Trust Alliance sample conflict of interest policies.[16] DOC-CFCP provides sample conflict of interest certification forms on its web site.

Easement Monitoring Plan
Because conservation easements are perpetual in nature, monitoring is important to ensure compliance with the terms of the easement. The applicant, who will become the easement holder, must submit a plan that describes how the ACE will be monitored following its recordation. The plan, up to three pages in length, must address all of the following:

- The plan for compiling a baseline conditions report. This report must be provided to DOC at the close of escrow and is the basis for future condition comparisons.
- The process and frequency of monitoring.
- Who will be responsible for monitoring on behalf of the applicant.
- How monitoring documents will be archived.
- How the Stewardship Fund budget reflects the costs of monitoring, necessary enforcement, and management plan for maintaining the fund in perpetuity.

ADDITIONAL COMPONENTS AND CERTIFICATIONS

Relevant Portions of County General Plan
Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation is required under PRC §10251(b).
To meet the requirements, applicants may attach the current version of these documents or state on the Easement Grant Application Checklist the adoption date(s) of these policies along with internet links to them.

Documentation of Organizational Eligibility
DOC requires documentation of Internal Revenue Service 501(c)3 status for nonprofit applicants, along with the organization's Articles of Incorporation and By Laws documenting the principal charitable or public purposes of the

[16] Available at http://www.landtrustalliance.org/training/publications/topics#governance

nonprofit organization, a statement describing the organization's goals and purposes, the beneficiaries of its programs, and a statement describing the organization's commitment to conservation of agricultural land resources. Applicants who have previously submitted these documents to DOC may certify that the existing documents remain current, or submit updated documents with the application.

Letters of Support from Partners

While optional unless requested by DOC, applicants frequently submit letters of support from local officials, agricultural groups, conservation organizations, or other entities with an interest in conserving farmland through agricultural conservation easements.

Accreditation Documents

Applicants may submit documentation of fiscal and professional expertise to demonstrate their technical capacity to hold permanent agricultural conservation easements. This may take the form of Land Trust Alliance Accreditation or similar certifications.

Project Location Map

In addition to the required assessor's parcel map(s), applicants may submit maps depicting the proposed easement parcel boundaries relative to Important Farmland data, nearest Sphere of Influence, priority planning areas, and other protected lands in the vicinity. DOC will evaluate proposals with publicly accessible GIS data, therefore, if the applicant can document additional conserved lands or resource values that support the proposal they are encouraged to provide supplemental maps.

Please note that detailed maps regarding property infrastructure, such as home sites, farm buildings, farm labor housing, and future building envelopes, must be developed for inclusion in the easement exhibits and baseline conditions report for any application selected for funding under this program.

Implementation Schedule

This section is used to explain the timeline and anticipated completion date for the easement acquisition, as well as any issues on which the timing will hinge, including the timeframe of a willing seller to complete a transaction. Please use the Easement Project Implementation Schedule provided in the Application Form, and attach any necessary explanation, not to exceed one page.

While the Easement Project Implementation Schedule is optional for the application phase, it will be required for the Grant Agreement should the project be selected for funding. State contracting requirements limit Grant Agreements to a maximum of two years.

Section 4: Land Management Incentives

Planning for and protecting California's valuable farmland resources are important steps toward meeting greenhouse gas reduction goals. How these lands are managed provides an additional opportunity to leverage those investments with incentives for proven management practices that can increase carbon sequestration and an array of co-benefits. The SALCP long-term plan is to use a portion of the GGRF funds allocated for the program for this purpose.

This effort, planned to be phased in as the strategy grant phase of the SALCP winds down, will take advantage of existing delivery systems for on-farm conservation practices. The USDA Natural Resources Conservation Service (NRCS), local Resource Conservation Districts (RCDs), and similar local entities have known and trusted relationships with landowners. By providing targeted funds to practices that build upon NRCS' Environmental Quality Incentive Program (EQIP)[17], California's SALCP will efficiently focus conservation investments on practices with the greatest potential to further GHG reductions, increase carbon sequestration, and other co-benefits.

NRCS scientists have been actively evaluating land management practices and their potential to produce these benefits. A portal to access data and tools has been developed:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/

In particular, NRCS provides a list and description of management practices:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982

Applicability to Other Components of the Program
The management practices outlined by NRCS may be relevant to applications for Sustainable Agricultural Land Strategy or Agricultural Conservation Easement grants. Applicants who can document that their proposal involves lands or landowners who actively participate in these practices and who have committed to long-term conservation may be more successful than those that lack such information.

Metrics, Markets, and Co-benefits
Working with NRCS will provide an opportunity to collect and evaluate data regarding management practice participation, the GHG reduction value of these practices, and other metrics that support ongoing GGRF investments. Over time, there may be potential for landowners to benefit from long-term agreements to use these practices supported by privately-administered carbon markets, or other markets established to provide co-benefits.

Working Toward Implementation
Over the next two years, the Department of Conservation will work with NRCS, the Agency, and the Council to develop an implementation plan for the Land Management Incentives component of the SALCP. Information will be provided as it becomes available. Please contact the Department of Conservation with your thoughts and suggestions.

[17] http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/eqip/?cid=stelprdb1242633

Section 5: Grant Administration

These grant administration Guidelines apply to both program components unless noted. They are for general information and are subject to change.

OVERVIEW OF THE PROCESS AFTER GRANTS ARE AWARDED

Steps in Executing the Grant Agreement

1. State sends grant agreement and materials to grantee.
2. Grantee must submit all supporting materials and a signed agreement within twelve (12) months of the announcement or risk forfeiting the grant award.
3. Grantee signs and returns all required copies back to the State (a fully executed copy will be returned to the Grantee).

Steps Upon Signature of the Grant Agreement

1. Grantee participates in an orientation meeting (via phone) with the grant manager prior to commencing work.
2. Grantee commences work and submits requests for reimbursements, as applicable.
3. Grantee submits quarterly progress reports for review via electronic file and signed original document.
4. Grantee may be asked to attend a future Strategic Growth Council meeting to discuss the merits of the grant project.
5. Grantee must submit a final report upon completion of the award agreement in order to receive its final payment. The State may withhold ten percent (10%) of planning grant project costs or the associated costs (for agricultural conservation easements), to ensure that final reports and documentation have been received.

FUNDING AND ACCOUNTING

Payment of Grant Funds

Funds cannot be disbursed until there is a fully executed Grant Agreement between the Department of Conservation and the Grantee. Only those actual and direct project-related costs incurred during the approved term of the Grant Agreement and as specified in the Grant Agreement budget will be eligible for payment. All costs must be supported by appropriate invoices, purchase orders, canceled warrants/checks, and other approved documents.

For Sustainable Agricultural Land Strategy Grants, work done prior to a fully executed Grant Agreement will not be funded.

- Payments will be made on a reimbursement basis (i.e. the grantee pays for services or staff then is reimbursed).
- Ten percent (10%) of the amounts submitted for reimbursement will be withheld and issued as a final payment upon work program completion, at the sole discretion of the Department of Conservation.
- Advanced payments are not allowed.

Funds for the purchase of agricultural conservation easements will be deposited into an escrow account established with a title insurance company licensed by the California Department of Real Estate for disbursement of funds and recordation of the easement. All other match funds being used to complete the easement purchase must be deposited into the escrow account concurrent with funds from this program. At close of escrow the title insurance

company must be able to insure title to the interest being recorded. Associated costs for purchase of an easement (direct acquisition funds as identified in the Grant Agreement) will be paid on a reimbursement basis, after escrow has closed and all final documents have been received.

Accounting of Grant Funds
It is essential that complete and accurate records be maintained. Grant recipients must maintain an accounting and record keeping system that reflects sound fiscal controls and safeguards. The accounting information must be sufficient so that the total cost of each aspect of the project cost can be readily determined and records are readily available upon demand. Grant recipients must retain all grant transaction records for a period of three years after final payment is made by the State. (Note: This does not limit requirements for permanent record keeping of all conservation easement, baseline reports, and monitoring-related documents.)

Accounting of Stewardship Funds—Agricultural Conservation Easements
Each recipient of a grant for purchase of a conservation easement will be required to certify that, as the stewardship fund holder, it uses accepted accounting practices as promulgated by either the Financial Accounting Standards Board or any successor entity for nonprofit organizations, or the Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in statute for local government financial affairs.

Auditing of Fund Expenditures
All expenditures of public funds under this program are subject to audit by the State of California. All grant recipients shall maintain books, records, documents and other evidence sufficient to properly reflect the amount, receipt, and disposition of all project funds (including State funds, interest earned, and matching funds by the grant recipient) and the total cost of the project.

ORGANIZATIONAL CONSIDERATIONS

Subcontractors and Purchasing
Grant recipients (grantees) may make use of their own staff and such subcontractor(s) as are mutually acceptable to the grantee and the Department of Conservation (Department). Grantees are expected to adhere to the jurisdiction's or organization's internal contracting and purchasing guidelines. Documentation of the grantee's contracting or purchasing guidelines, processes, and project-specific approvals may be requested in the event of audit by the State of California. All subcontractors are governed by and must adhere to all provisions of the Grant Agreement.

Workplace Certifications and Insurance
Pursuant to the requirements of Government Code §8355, grantees must sign a certification that a drug-free workplace will be provided.

Grantees must obtain and keep Worker's Compensation, commercial general liability, and automobile liability insurance policies compliant with specifications provided by the Department in force for the term of the Grant Agreement. The insurance specifications are included within the standard Grant Agreement template and posted on the Department web site. These policies shall cover any acts or omissions of the grantee or its employees engaged in the provision of service specified in the Grant Agreement.

Grantees shall name the State of California, its officers, agents, employees and servants as additional insured parties for all insurance required, and are responsible for guaranteeing that a copy of each Certificate of Insurance is submitted to the Department within thirty (30) days of Grant Agreement signature.

Materials and Publicity
Any publicity surrounding a grant or agricultural conservation easement funded under this program should be discussed with the Department in advance. The landowners of properties placed under an agricultural conservation easement should understand that their names may become public as the result of publicity events, news articles, or requests for public records. Coordination between the grantee, the Department, and other funders on any publicity is greatly appreciated.

Successful applicants for Sustainable Agricultural Land Strategy Grants will be informed of requirements regarding publicity during their orientation meeting with the grant manager.

Loss of Funding (Not a complete list)
The following are examples of actions that may result in a Grantee's loss of funding:

- Grantee fails to obtain a Grant Agreement.
- Grantee withdraws from the grant program.
- Grantee fails to complete the funded work.
- Grantee fails to complete work in a manner that meets the requirements agreed upon.
- Grantee fails to submit all documentation within the time periods specified in the grant agreement.
- Grantee changes scope of work program without approval of the Department.
- Grantee changes the subcontractor or partner(s) identified in the work plan or application without approval from the Department.

APPENDIX A – GLOSSARY

The terms used in these grant Guidelines are defined as follows:

AB 32 (Chapter 488, 2006): Assembly Bill 32, or the California Global Warming Solutions Act of 2006, establishes a comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases. It codifies in the Health and Safety Code declarations about the serious threats posed by global warming and the intent of the Legislature to ensure coordination among state agencies and all affected stakeholders in the development of regulations to implement this law.

Affordable Housing and Sustainable Communities (AHSC) Program: The AHSC Program furthers the regulatory purposes of AB 32 and SB 375 by investing in projects that reduce greenhouse gas emissions by creating more compact, infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development. These projects, described in the AB 32 Scoping Plan, support climate objectives and co-benefits by reducing vehicle miles traveled and associated greenhouse gas and other emissions, or by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions.

Agricultural Conservation Easements (ACE): a voluntary, legally recorded deed restriction in perpetuity as defined in Section 815.1 of the Civil Code. The ACE removes development pressure, prohibits practices that would damage or interfere with the agricultural use of the property, and prevents the restriction of agricultural husbandry practices. The ACE remains in effect even when land changes ownership and maintains the land in private ownership and on the tax rolls. The ACE must be held by a qualified Section 501(c)(3) California non-profit organization, or a local government, both which must state one of its primary purposes is the protection of agricultural use.

Applicant: An eligible organization requesting funding from this program to be administered by the State. Eligible applicants for the Strategic Agricultural Land Strategy Grants are cities and counties. Partners to the Strategic Agricultural Land Strategy Grants may include nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority. Eligible Applicants for the Agricultural Conservation Easement Grants include local governments, nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority that have the conservation of farmland among its stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Baseline Conditions Report: A comprehensive document that describes the condition of a property placed under conservation easement. The Baseline Conditions Report (BCR) is compiled by the easement holder, and is referred to during future monitoring of the easement to determine whether the terms and conditions of the easement are being upheld.

Co-Benefits: The ancillary or additional benefits of policies that are implemented with a primary goal, such as climate change mitigation – acknowledging that most policies designed to reduce greenhouse gas emissions also have other, often at least equally important, benefits (e.g., energy savings, economic benefits, air quality benefits, public health benefits). Also referred to as “multiple benefits.” (U.S. Environmental Protection Agency)

Conservation easement: An interest in land, less than fee simple, which represents the right to prevent the development or improvement of the land, as specified in Section 815.1 of the California Civil Code. For the purposes

of SALCP, the easement is held to prevent any use that may diminish or impair purposes other than agricultural production.

Disadvantaged Community: Communities that rank among the highest in combined burdens and vulnerabilities from pollution, other environmental factors and population characteristics. Funding for grants, investments, cleanup efforts, and enforcement actions are targeted to the state's most disadvantaged communities. The CalEPA and the Office of Environmental Health Hazard Assessment (OEHHA) developed the CalEnviroScreen tool to analyze multiple environmental and socioeconomic factors to create scores for each ZIP code in the state. The 2014 release of CalEnviroScreen 2.0 is based on census tract data.

Fund or Funds: monies authorized from the California Budget Act of 2014 from the Greenhouse Gas Reduction Fund (GGRF) to the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16.

Grant Administrator: an employee of the State who manages grants, also called a Grant Manager.

Grant Agreement: a contractual arrangement between the State and grantee specifying the payment of funds by the State for the execution of the work program by the grantee.

Grant Performance Period: the beginning and ending dates of the Grant Agreement. Eligible costs incurred during this period may be funded from the grant. No work plan should exceed 24 months, as outlined in State Contracting Manual Guidelines.

Grantee: an applicant that has a signed agreement for grant funding with the State.

Greenhouse Gases: include, but are not limited to, carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Infrastructure: specific to the SALCP, infrastructure refers to the resources upon which an agricultural business relies. This includes but is not limited to seed and fertilizer suppliers, veterinary services, water and energy distribution, transportation, drying or processing facilities, and storage or marketing facilities.

Joint Proposal: an application submitted for the Sustainable Agricultural Land Strategy Grants by one lead eligible applicant with one or more eligible applicant (co-applicant). A single Budget and Work Plan must be submitted by the lead applicant. Budget and Work Plan must describe the funds that will be distributed to lead and co-applicants and identify general activities for which they are used.

Land Trust: A private nonprofit organization that holds a tax exemption as defined under Section 501(c)(3) of the Internal Revenue Code, and further qualifies as an organization under Section 170(b)(1)(A)(vi) or 170(h)(3) of the Internal Revenue Code. For purposes of SALCP, land trusts eligible to hold agricultural conservation easements must have among their purposes the conservation of agricultural lands.

Local Agency Formation Commission (LAFCO): The Cortese-Knox Local Government Reorganization Act (Government Code Section 56000, et seq.) established Local Agency Formation Commissions in each county, empowering them to review, approve or deny proposals for boundary changes and incorporations for cities, counties, and special districts. Among the purposes of a LAFCO are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). One of the primary planning tasks is the establishment of "spheres of influence" for the various governmental bodies within their jurisdiction.

Natural Resources: the materials and functions that comprise the natural wealth of an area's ecosystems, including, but not limited to the plants, animals, minerals, air, water, and soil. Among these functions are watershed catchment, wildlife migration and habitation, forestry, grazing, and crop production. Of particular importance for complex, large scale natural resources functions are lands that flood, lands that are farmed, lands dedicated to open space, lands designated for mineral extraction, greenbelts, parks and trails, and lands valued for their aesthetics.

Partner(s): non-profits, resource conservation districts, or other stakeholders with an interest in conserving agricultural land that are included or play a role in the Applicant's proposed scope of work.

Regional Plan: either of the following: 1) A long-range transportation plan developed pursuant to Section 134(g) of Title 23 of the United States Code and any applicable state requirements, OR 2) A regional blueprint plan, which is a regional plan that implements statutory requirements intended to foster comprehensive planning as defined in Section 65041.1 of, Chapter 2.5 (commencing with Section 65080) of Division 1 of title 7 of, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

Specific Plan: a tool for local government implementation of all or part of an area covered by a general plan. A specific plan can combine policy statements with development regulations. It is often used to address the development requirements for projects such as urban infill developments or planned communities. Its emphasis is on standards and development criteria for projects within the area of the specific plan. A specific plan may be adopted either by resolution or by ordinance. Specific plans must be consistent with all facets of the General Plan (§65450, et seq.).

Sphere of Influence (SOI): The SOI is a plan for the probable physical boundaries and service area of a local government agency (Government Code Section 56076). One of the primary planning tasks of each county's LAFCO is the establishment of SOIs for the governmental bodies within their jurisdictions.

State: for purposes of this program, State is a general term including the Strategic Growth Council, Department of Conservation, and the Natural Resources Agency or its representatives.

State Planning Priorities: as defined under Government Code Section 65041.1:

> The state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities, shall be as follows:

(a) To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.

(b) To protect environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.

(c) To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:
(1) Uses land efficiently.
(2) Is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b).
(3) Is located in an area appropriately planned for growth.
(4) Is served by adequate transportation and other essential utilities and services.
(5) Minimizes ongoing costs to taxpayers.
(Amended (as added by Stats. 2002, Ch. 1016) by Stats. 2002, Ch. 1109, Sec. 1. Effective January 1, 2003.)

Stewardship Fund: Funds dedicated solely for the long-term stewardship of conservation easements. These funds are set aside by the easement holder at the recordation of a conservation easement and dedicated to ensure funding the cost of annual monitoring and evaluation of easement threats.

Subcontractor: an entity contracting with the applicant that will participate in the proposed work program submitted by the applicant. Subcontractors must be included in the work plan and budget form. The lead applicant submits invoices on behalf of the subcontractor. The State pays the lead applicant, who then pays the subcontractor.

APPENDIX B –Online Resources

Legislation	
AB32: California Global Warming Solutions Act of 2006 http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab_0001-0050/ab_32_bill_20060927_chaptered.pdf	**State Planning Priorities** (Government Code 65041.1) http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=65041.1
SB 375: Regional greenhouse gas emission reduction targets http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200720080SB375	**SB 226: CEQA Streamlining Opportunities** http://leginfo.ca.gov/pub/11-12/bill/sen/sb_0201-0250/sb_226_bill_20111004_chaptered.html
SB 732: Strategic Growth Council Statute http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0701-0750/sb_732_bill_20080930_chaptered.pdf	**Senate Bill 535 (De León, Chapter 830, Statutes of 2012)** Investments to Benefit Disadvantaged Communities http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535&search_keywords=

State Planning Documents	
Air Quality and Climate	
State Implementation Plans Air Resources Board http://www.arb.ca.gov/planning/sip/sip.htm	**California Climate Adaption Planning Guide** Natural Resources Agency http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/
AB 32 Scoping Plan Air Resources Board http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm	**Climate Adaptation Strategy** Natural Resources Agency http://www.climatechange.ca.gov/adaptation/index.html
SB 375 Implementation Air Resources Board http://www.arb.ca.gov/cc/sb375/sb375.htm	**Long Term Energy Efficiency Strategic Plan** California Public Utilities Commission http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/eesp
Cap-and-Trade Auction Proceeds Investment Plan CalEPA/GO/Legislature http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm	**Vision for clean air: A framework for air quality and climate planning** Air Resources Board http://www.arb.ca.gov/planning/vision/vision.htm

Datasets and Databases including Geographical Information System Layers	
Farmland Mapping and Monitoring Program Department of Conservation http://www.consrv.ca.gov/DLRP/fmmp/Pages/index.aspx	**Healthy Communities Data and Indicators Project** Department of Public Health http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx
National Conservation Easement Database U.S. Endowment for Forestry and Communities http://nced.conservationregistry.org/	**Natural Community Conservation Plan Map** Department of Fish and Wildlife http://www.dfg.ca.gov/habcon/nccp/status.html **Riparian Habitat Conservation Program** https://www.wcb.ca.gov/Programs/Riparian
California Protected Area Database Strategic Growth Council http://www.calands.org/data	**Geoportal Public Access** Department of Technology http://portal.gis.ca.gov/geoportal/catalog/main/home.page
California Conservation Easement Database Strategic Growth Council http://www.calands.org/cced	**GHG Emmission Inventory –Query Tool for 2000-2012** CAL EPA http://www.arb.ca.gov/app/ghg/2000_2012/ghg_sector.php

Land Conservation and Technical Assistance Programs	
California Council of Land Trusts http://www.calandtrusts.org/	**California Resource Conservation Districts** Department of Conservation http://www.conservation.ca.gov/dlrp/RCD/Pages/Index.aspx
California Farmland Conservancy Program Department of Conservation http://www.conservation.ca.gov/dlrp/cfcp/Pages/Index.aspx	**California State Conservancies** Natural Resources Agency http://resources.ca.gov/offices/
Habitat Conservation Planning Programs Department of Fish and Wildlife https://www.wildlife.ca.gov/Explore/Organization/HCPB	**Environmenal Quality Incentive Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip/

Agriculture	
California Climate Change Portal Department of Food and Agriculture http://www.cdfa.ca.gov/environmentalstewardship/climate.html Climate Change Consortium for Specialty Crops: Impacts and Strategies for Resilience (http://www.cdfa.ca.gov/environmentalstewardship/pdfs/ccc-report.pdf)	**California Farm Bureau Federation** http://www.cfbf.com/CFBF/About_Us/CFBF/AboutUs/Default.aspx?hkey=d9842fb4-f5b1-4be5-8893-a3fdd28e5a96
California Climate and Agriculture Network http://calclimateag.org/	**Land Conservation Act (Williamson Act)** Department of Conservation http://www.consrv.ca.gov/dlrp/lca/Pages/Index.aspx
Farmland Studies and Reports American Farmland Trust http://farmland.org/resources/reports/default.asp	**Agricultural Conservation Easement Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/acep/

Land Use	
California Environmental Quality Act (CEQA) Guidelines Office of Planning & Research http://opr.ca.gov/s_ceqaguidelines.php	**Land Use, General Plans, and Disadvantaged Communities Technical Advisory** Office of Planning & Research http://opr.ca.gov/docs/SB244_Technical_Advisory.pdf
Guidelines for Classification and Designation of Mineral Lands Department of Conservation http://www.conservation.ca.gov/smgb/Guidelines/Documents/ClassDesig.pdf	**Planners Guide to Specific Plans** Office of Planning & Research http://opr.ca.gov/docs/specific_plans.pdf
General Plan Guidelines Office of Planning & Research http://ceres.ca.gov/planning/genplan/gpg.pdf	**Transit Oriented Development (TOD) Resources** Department of Housing & Community Development http://www.hcd.ca.gov/hpd/tod.pdf
LAFCOs, General Plans, and City Annexations Office of Planning & Research http://opr.ca.gov/docs/LAFCOs_GeneralPlans_City_Annexations.pdf	**California Strategic Growth Council Strategic Plan** Strategic Growth Council http://sgc.ca.gov/docs/workplan/strategicplan-01-24-12.pdf
Important Farmland Maps Department of Conservation http://www.consrv.ca.gov/dlrp/fmmp/Pages/Index.aspx	**Oil and Gas Resources** Department of Conservation http://www.consrv.ca.gov/dog/Pages/Index.aspx

Water	
California Water Plan Department of Water Resources http://www.waterplan.water.ca.gov/cwpu2013/ae/index.cfm	**California State Coastal Conservancy Strategic Plan** Coastal Conservancy http://scc.ca.gov/files/2013/03/SCC-Strategic-Plan-2013-18.pdf
Safe Drinking Water State Revolving Fund Public Health http://www.cdph.ca.gov/services/funding/Pages/SRF.aspx	**Regional Board Water Quality Control Plans (Basin Plans)** State Water Resources Control Board http://www.waterboards.ca.gov/plans_policies/

Guidance and Indicators	
Climate	
Climate Change and Climate Action Planning Technical Advisories Office of Planning and Research http://opr.ca.gov/s_ceqaandclimatechange.php	**Ecosystem Services and Forestry** US Forest Service http://www.fs.fed.us/ecosystemservices/carbon.shtml
Indicators of Climate Change in California Office of Environmental Health Hazard Assessment http://www.oehha.ca.gov/multimedia/epic/pdf/ClimateChangeIndicatorsReport2013.pdf	

Resource Websites and Tools	
ARB Cool California: Local government assistance website Air Resources Board http://www.coolcalifornia.org/article/climate-action-planning	**California Local Energy Assurance Planning Tool (CaLEAP)** CalEPA https://caleap.icfwebservices.com/
GHG and Carbon Sequestration Ranking Tool-NRCS United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982	**SEEC GHG Inventory and Forecast Tools Update** Air Resources Board/OPR http://californiaseec.org/resources-guidance/resources-guidance-collection/#b_start=0
CalEnviroScreen 2.0 Office of Environmental Health Hazard Assessment http://oehha.ca.gov/ej/ces2.html	**Environmental Goals and Policy Report** Governor's Office /Office of Planning and Research http://opr.ca.gov/s_egpr.php
CERES Planning and Natural Resource Information Natural Resources Agency http://ceres.ca.gov/	

Appendix C – Additional Resources

Below are additional technical reports regarding greenhouse gas and carbon sequestration quantification in agricultural and forest settings. More information will be added in future releases of these Guidelines.

Goines, B. and M. Nechodom. 2009. National Forest Carbon Inventory Scenarios for the Pacific Southwest Region (California), Report to Regional Forester and PSW Station Director, CA: Albany: U.S. Department of Agriculture, Forest Service Region 5 Climate Change Interdisciplinary Team.

Jackson, Louise, et al. 2012. Adaptation Strategies for Agricultural Sustainability in Yolo County, California. California Energy Commission. Publication number: CEC-500-2012-032. 189pp.

Koteen, L. E., D. D. Baldocchi, and J. Harte. 2011. Invasion of non-native grasses causes a drop in soil carbon storage in California grasslands. Environmental Research Letters 6. 044001.

Kroeger, T., et al. 2010. An Economic Analysis of the Benefits of Habitat Conservation on California Rangelands. Defenders of Wildlife. 93pp.

PIER. 2003. California Energy Commission Contractor/Consultant Report. Attachment IV – Carbon Sequestration in California's Terrestrial Ecosystems and Geological Formations. 48pp.

Ryals, R. and W. Silver. 2013. Effects of organic matter amendments on net primary productivity and greenhouse gas emissions in annual grasslands. Ecological Applications, 23(1), 2013, pp. 46 – 59.

Silver, W., R. Ryals, and V. Eviner. 2010. Soil Carbon Pools in California's Annual Grassland Ecosystems. Rangeland Ecol Manage 63:128-136.

Silver, W., M. DeLonge, and J. Owen. 2013. Climate Change Mitigation Potential of California's Rangeland Ecosystems. DESPM, University of California, Berkeley. 30pp.

USDA. Technical Bulletin 1930.2011.USDA Agriculture and Forestry Greenhouse Gas Inventory: 1990-2008.115pp.

Sustainable Agricultural Lands Conservation Program
Guidelines Revisions from Draft to Proposed Final

General Revisions and Introductory Material:

- ≠ Clarified GHG reduction language throughout the document as it pertains to GHG quantification and ARB reporting requirements.
- ≠ Clarified the definition for agricultural land under the SALCP, as including both cultivated and non-cultivated lands.
- ≠ Expanded the co-benefits descriptions of agricultural land (e.g., improved air quality, recycling of urban wastewater, additional economic benefits, local food production, additional ecosystem services).
- ≠ Identified additional DOC statutory authority to protect agricultural land and provide grants to do so.
- ≠ Established deadlines for Strategy Grant and Agricultural Conservation Easement (ACE) Grant applications for FY 14-15.

Sustainable Agricultural Land Strategy Grant Element Revisions:

- ≠ Clarified that counties and/or cities are the lead applicants for Strategy Grants.
- ≠ Emphasized that local governments will determine their unique critically threatened agricultural lands in collaboration with partners.
- ≠ Added examples of potential components for Strategy Grants (e.g., planning for critical agricultural infrastructure needs to include local marketing opportunities, water quality/quantity improvements).
- ≠ Specified that those counties currently participating in the Williamson Act should continue to participate in order to be eligible.
- ≠ Expanded upon the work plan requirements.

Agricultural Conservation Easement Grant Element Revisions:

- ≠ Clarified that non-cultivated and cultivated land may qualify for ACE grants (i.e., rangeland and pasture will be considered for ACE grant funding), and that non-cultivated agricultural land may provide opportunities for GHG reduction and co-benefits complementary to the SALCP.
- ≠ Identified additional DOC statute (PRC Section 10252.5) to allow non-cultivated agricultural land to be eligible for ACE grant funding as long as the property is in active agricultural production and primarily agricultural in nature.
- ≠ Removed the 2-mile Sphere of Influence (SOI) eligibility requirement.
- ≠ Retains as a goal the 50% match funding requirement for ACE acquisitions, but allows flexibility for a lower match on compelling projects.
- ≠ Added a pre-proposal review phase to assist potential applicants with improving their project.
- ≠ Added flexibility for appraisal submittal timing requirements (i.e., the appraisal may be submitted after the grant agreement is awarded as opposed to with application, under specified limitations).

Land Management Incentives Element Revisions:

- ≠ Added clarifying language that planning for Land Management Incentives projects could occur under the Strategy Grant element.

Sustainable Agricultural Lands Conservation Program
Draft Guidelines Comment Compilation

Comment Facts:

- ≠ Workshops were held in Oroville, Bakersfield, and Watsonville.
- ≠ 22 comment letters were submitted including several comments on the actual guidelines.
- ≠ Seven comment emails were submitted.
- ≠ A total of 188 individual comments were given in the letters, emails, and public workshops.
- ≠ Organizations that submitted comments included three resources conservation districts, 13 land trusts/conservancies, one state conservancy, three open space districts, two local governments, the coalition of rural counties, one local farm bureau, one NRCS local office, one developer/builder, one capital venture firm, several sustainable agricultural for-profit and non-profit groups, the California State Association of Counties, and the California Building Industry Association. Refer to separate list of reviewers.

General Comments- 33 comments

Overall, the SALC program has been well-received including acknowledgement that this is the first program in the nation to address GHGs using agricultural land and practices.

Twelve comments were to increase funding (e.g., 10%) citing that the program will be oversubscribed. Some of these comments requested funding to be increased specifically for the agricultural conservation easement component and another to fund the Land Management Incentives component now. The one developer/builder that submitted comments, who has also applied for the Affordable Housing Grants, recommended that SGC increase funds to the ACE component over the Affordable Housing.

Six comments requested expanding the co-benefit of agricultural lands definition to include the following economic, environmental and social co-benefits:

- ≠ Retention of local jobs and agricultural revenues in the community.
- ≠ Reduction in spending on municipal services for new, dispersed development.
- ≠ Recycling of urban waste water.
- ≠ Maintenance of and increases in CA food production.
- ≠ Increases of local food production that promote food security and resilience.
- ≠ Economic benefits of and entrepreneurial opportunities in local food systems.
- ≠ Improved air and water quality.
- ≠ Wildlife habitat, pollination, and natural food web adaptation to eco systems.

Two comments requested revision of the guidelines to explicitly incorporate and integrate on all levels the SALC Program to the larger Affordable Housing and Sustainable Communities Program for more input.

Strategy Grants Component- 55 comments

The Strategy Grants Component can be divided into four related categories: eligibility, criteria, points, and definitions.

Eligibility related- Of the 55 comments received on the Strategy Grants component, 15 comments were eligibility-related. Eight of the 16 comments included requests that RCDs or special districts be eligible as lead applicants to the Strategy Grants. Additional suggestions for lead applicant included:

- ≠ Local Agency Formation Commission's (LAFCOs)
- ≠ Metropolitan Planning Organization's (MPOs)
- ≠ Non Profits (i.e., land trusts)
- ≠ Joint Powers Authority (JPA)
- ≠ Regional planning partners

Additional eligibility-related comments suggested changes to the description of projects including:

- ≠ Using stronger language on pp. 6 and 10 (i.e., "Funds used from the GHG Fund must be used to reduce GHF emissions.").
- ≠ Funding completion of the RUCS model Open Source including identification, acquisition and inputting of the local/regional data; trainings, and updating the associated database.
- ≠ Establishing a requirement that proposals identify objectives and specific strategies that will reduce future GHG emission and that proposal identify specific land intended for conservation. The proposal should also describe anticipated development that will be avoided.
- ≠ Requiring proposals to include agricultural water in the planning process in order to make the other goals feasible.
- ≠ Adding a city's conservation plan as eligible to the list on page 9.

Criteria related- 13 comments were criteria-related, four of these comments suggested that specific mandatory components be included in proposals. The components are:

- ≠ Identification of potential barriers to implementation- incompatibility between applicant's agricultural land conservation plans, local policies and ordinances; and strategies to alleviate these issues.
- ≠ Require a Resolution of Support from LAFCO for proposed projects.
- ≠ Require applicants to outline and conduct a work plan that:
    - o Identifies the most valuable agricultural land that is sufficiently at risk of conversion to urban which would result in GHG savings.
    - o Analyzes the risks to the identified specific to growth pressures, deficient water supplies shortcomings in the existing planning and policy regime.
    - o Establishes performance-based, measurable goals for conservation (forestalling development) and protection (long-term or permanent) of the target land.
    - o Designs strategies based on risk analysis that will achieve the goals.

Points related- ten comments were points related. Eight of the eleven comments requested a change to the Disadvantaged Community (DAC) scoring which included either:

- ≠ Eliminate use of the CalEnviroScreen, or
- ≠ Eliminate DAC points entirely, or
- ≠ Decrease points assigned to DAC

Other points-related comments were to give priority to projects that:

- ≠ Consolidated existing plans.
- ≠ Included a farmland mitigation program. Additionally, one comment seeks clarification as to whether a project that falls under an existing mitigation program (e.g., The Placer Legacy Program) would be considered an eligible project.
- ≠ Resulted in permanent or long-term emission reductions.
- ≠ Used feasibility studies, data acquisition and modeling.

Williamson Act related comments-

Five comments were received related to the requirement for the county and/or city to participate in the Williamson Act for the Strategy Grant component.

- ≠ One comment requested that the Williamson Act requirement be removed from the Strategy Grant component. Counties without WA need this type of program the most. The reviewer indicates that the inability of a county to continue to absorb the entire cost of the Williamson Act program does not necessarily mean that the county is any less interested in addressing agricultural conservation on a local level (RCRC comment).
- ≠ Another two comments strongly supported the requirement for participation in the Williamson Act. Participation in the Williamson Act demonstrates a county's commitment to agricultural conservation. Additionally, this comment suggests a two-tier approach to the Open Space Subvention program linking subvention incentives to the adoption of measurable agricultural land conservation strategies in participating counties; or alternatively leveraging SALCP funding to encourage continue participation in the Williamson Act which would help to avoid increased transportation emissions generated by urban/suburban sprawl.
- ≠ Another comment requested the Strategy grants projects be given extra points for those local governments that maintained Williamson Act within their jurisdiction.
- ≠ One comment requested ability to work on revising the Williamson Act under the Strategy Grants (e.g., tiered approach by Butte County).

Definition related comments- the remaining comments in this component requested that the following terminology be defined or that the provided definition be expanded:

- ≠ Critically threatened agriculture; local entities should also expand upon the definition specific to their jurisdiction.
- ≠ Agriculture infrastructure definition should include dependable water systems, commercial transportation and marketing access, active Right to Farm policies; zoning and building assurances to adapt agricultural businesses over time with new buildings, technologies, family housing; and agricultural technical services.

- ≠ Agriculture viability.
- ≠ Sustainable Agricultural Land Strategy Plan defined as "land use policies, land management practices, and other mechanisms a city, county, or region will use to prevent the conversion of agricultural land to non-agricultural uses and reduce its GHG emissions associated with urban conversion and urban/suburban sprawl development into adjacent agricultural lands".

Agricultural Conservation Easement Component-56 comments

The Agricultural Conservation Easement Component comments can be divided into two related categories: criteria and other.

Criteria related- Of the 56 comments received on the Agricultural Conservation Easement Component, 24 comments were criteria-related. Nine of the 24 comments requested that the 2 mile-SOI requirement be revised or eliminated, citing the following reasons:

- ≠ The 2 mile radius requirement is too restrictive.
- ≠ An ACE located beyond 2 miles of an SOI can also provide the benefits of reduced urban sprawl, reducing VMT's, and other added co-benefits.
- ≠ A point system could be used instead, assigning more points to projects falling within the 2 mile radius.

Additionally, several comments asked for a definition of a Sphere of Influence (SOI). There is a definition provided in the Glossary of the Guidelines. You may wish to consider expanding or clarifying the definition as the Government Code (The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000) already defines an SOI (Government Code § 56076) and provides guidance to cities and LAFCOs for the establishment and/or amendment to such boundaries (Government Code §§ 56425-56430).

Of the 24 criteria-related comments submitted, another seven requested that rangeland be eligible for funding, citing the multiple co-benefits associated with conserving rangeland, for example, groundwater recharge, carbon sequestration, and wildlife habitat.

Several of these comments requested that the no-agricultural-husbandry limitation (statute) be removed as a criteria citing that rangeland ACEs should be allowed to restrict or prohibit the conversion of rangeland to other types of agriculture. This would allow for matching funding (e.g., from the WCB) and would decrease GHG emissions into the atmosphere by not allowing tilling. Another comment supported the no-restriction to agricultural husbandry practices.

Seven criteria-related comments requested decreasing the 50% match requirement for the following reasons:

- ≠ A 50 % match is more stringent than requirements for other grants and would eliminate the flexibility for creativity. For example, an application that does not have the required match but has higher conservation values could be approved if flexibility was built into the Program.
- ≠ A reduced match percentage would result in ACE grants that meet the intent of the Program when sources of match are limited or unavailable.

- ≠ A 50% match would result in smaller farms being conserved. Recommended matches included a range of 10-25%.

Two comments requested clarification regarding any restrictions on the type of match funding and where the match funding could come from.

With follow-up on the 50% match funding requirement, many reviewers did not know they could comment on this requirement.

Four comments requested a decrease in the 40-acre minimum size requirement; one to decrease to 20 acres at the urban edge, and another (San Diego) to decrease the minimum to five acres.

- ≠ 20 acres for key parcels at the urban edge and consider these parcels equal to or better than 40+ acre parcels as long as they are adjacent to the other permanently protected lands.
- ≠ San Diego suggests smaller parcels be considered for ACE's as many of their farms are on 1-9 acre parcels. The county's PACE program has secured 413 acres of ACE's. The county is hoping for SALCP funding to continue the PACE program. The 40 acre minimum requirement will drastically reduce the number of applications they can submit. Additionally, parcels located within 2 miles of SOI's are going to be much smaller than 40 acres further reducing the number of San Diego County applications.

Two comments requested a definition or clarification as to what is meant by "large enough to sustain, commercial agricultural production." See page 17 of the Guidelines.

Other Requirements comments-Three comments requested that appraisals only be required *after* the grant agreement is underway as opposed to requiring the appraisal with the application, citing the following reasons:

- ≠ The appraisal is a great expense ranging from $5 to 10K, and the possibility of needing two appraisals in the event the first one is too old (more than one year) for state requirements, creates additional financial strain on the land owner and grantee.
- ≠ If the landowner is providing a donation of value to the ACE towards the match and claiming the donation with the IRS, they will have to pay for a second appraisal, which would increase the total upfront appraisal costs to the landowner.
- ≠ The conservation easement transaction process has been around for long enough for professionals to gauge a close approximation of the value of a conservation easement, state reviewers have this expertise, and know regional values for fee-title and conservation easements.

Two additional comments requested that DGS not be required to review the appraisals; that internal review be completed instead.

Two requested that the ACE projects require land management practices currently on their farm or will have them in the future (e.g., hedgerows, EQIP type practices).

Williamson Act related comments- one comment was received requesting that ACE projects with parcels currently under WA be given additional points.

Land Management Incentive Component-31 comments

The Land Management Incentive Component comments fell into three related categories: timing for implementation, lead applicants, and recommended practices and models.

Timing for Implementation- Of the 31 comments received on the Land Management Incentive Component, six comments recommended that this component should commence more quickly. Rationale was that the benefits of agricultural lands for GHG reduction must reflect that lands must be healthy to maximize benefits. The suggestions included:

- ≠ Discussing ideas about how to implement with Natural Resources (specifically with J. Alves)
- ≠ Starting a pilot program this year
- ≠ Fully funding and implementing the program immediately

Lead Applicants- Five comments were submitted for the RCDs to act as a lead applicant in this component. Additional entities suggested as lead applicants included UC Cooperative Extension, UC Davis, non-profits and those demonstrating experience.

Recommended Practices, Projects, and Models- USDA, NRCS, and the UC Cooperative Extension were identified in several comments as needing to be incorporated more to provide input or as a resource especially in the Land Management Incentive component but also in the Strategy Grant component.

Six additional comments were on NRCS- EQIP or CIG practices- three were to adjust the NRCS EQIP practices specifically to California issues if relied on as a model. Four of the comments were requesting reliance on the Land Management Incentives to incorporate these NRCS practices.

The remaining recommended practices, projects and model related comments included:

- ≠ Strategy project for land management activities including allowance of pre-proposals.
- ≠ Inclusion of BioChar/BioMass processes/systems activities, including Bio Mass contracts and cooperatives.
- ≠ Capacity building for resource conservation districts; best practices model similar to the Watershed Coordinator program [administered by DOC-DLRP].
- ≠ Installation of hedgerows.
- ≠ Inclusion of all agricultural land, not just the land under ACE or other protections. SALCP goals can be realized from all agricultural land based on management practices and continued use in agriculture. A critical mass of economically viable farm and ranch operations is needed.
- ≠ Establishment of ecosystem services markets as an implementation mechanism.

CALIFORNIA
SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

GRANT GUIDELINES & REQUEST FOR GRANT APPLICATIONS

FUNDED BY
THE GREENHOUSE GAS REDUCTION FUND

STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

Approved for Release January 20, 2015

For additional information, please contact:

California Department of Conservation
DIVISION OF LAND RESOURCE PROTECTION
(916) 324-0850
http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

STRATEGIC GROWTH COUNCIL
(916) 322-2318
http://www.sgc.ca.gov/s_salcprogram.php

TABLE OF CONTENTS

SECTION	TITLE	PAGE
1	Sustainable Agricultural Lands Conservation Program Introduction and Program Summary	1
2	Sustainable Agricultural Land Strategy Grants	5
3	Agricultural Conservation Easement Grants	17
4	Land Management Incentives	35
5	Grant Administration	36

APPENDICES

A.	Glossary	A-1
B.	Online Resources	B-1
C.	Additional Resources	C-1

Section 1: Sustainable Agricultural Lands Conservation Program
Introduction and Program Summary

The Sustainable Agricultural Lands Conservation Program (SALCP) supports the State's greenhouse gas (GHG) emission goals by making strategic investments to protect agricultural lands. Protecting critical agricultural lands from conversion to urban or rural residential development, promotes smart growth within existing jurisdictions, ensures open space remains available, and supports a healthy agricultural economy and resulting food security. A healthy and resilient agricultural sector is becoming increasingly important in meeting the challenges occurring and anticipated as a result of climate change.

There are three major elements proposed for the SALCP:

1. Sustainable Agricultural Land Strategy Plans— Short term grants to counties, cities, and partners, to inventory and evaluate which agricultural lands are most highly productive and critically threatened and develop locally appropriate strategies, programs and actions that ensure the long term protection of those lands.
2. Agricultural Conservation Easements—Provide funding to leverage the protection of strategically located, highly productive, and critically threatened agricultural land, via permanent agricultural conservation easements.
3. Financial Incentives for Adoption and Use of Land Management Practices —Leverage USDA and other funding to incentivize management practices designed to reduce GHGs, sequester carbon and provide other co-benefits on working agricultural operations.

These 2014 SALCP Guidelines serve as the Request for Grant Applications (2014 RFGA) . The third element is not included within the 2014 RFGA, but will be addressed in future years.

Program Goals and Objectives

The principal goal of this grant program is to fund plans and conservation acquisitions in order to avoid increases in greenhouse gas emissions associated with agricultural lands, consistent with AB 32: the California Global Warming Solutions Act of 2006.[1] Recent University of California research estimates that land in agricultural and healthy open space use sequesters up to 70 times more carbon than any form of urban development.[2] In future years, the program proposes to add a third program element to incentivize land management practices that lead to additional reductions of GHG on agricultural lands.

Conserving and managing agricultural land contributes towards the goals to reduce GHG emissions by:

- Encouraging focused, compact, transit oriented development within discrete growth boundaries.
- Reducing GHG emissions and increasing soil carbon sequestration through the implementation and use of farm-scale conservation management practices.

The SALCP will complement California's existing farmland conservation efforts, including the Land Conservation (Williamson) Act, the California Farmland Conservancy Program , and the many local and regional agricultural land conservation policies in place throughout the state.

---

[1] Legislative information and other background resources are available in Appendices A (Glossary) and B (Online Resources) in this document.

[2] See Jackson et al, listed in Appendix C (Additional Resources).

Agricultural Land
For the purposes of this program agricultural land will include both cultivated and non-cultivated (e.g., rangeland and pasture) lands.

GHG Quantification and Reporting
In administering the SALCP, the program is responsible for quantifying and reporting to the ARB on how proposed expenditures will contribute to achieving and maintaining greenhouse gas emission reductions. Although separate investment types, the three elements that make up the design of this program -- planning, easements, and in later years management practices -- work together to further the purposes of AB 32. The eligibility and selection criteria presented in these Guidelines are designed to prioritize projects that demonstrate the greatest potential for protecting lands most at risk of conversion to other purposes. The program intends to estimate the amount of GHG emissions that would be attributed to a more intensive development of the land should its protection for agricultural purposes via this program not occur. With forthcoming guidance by the ARB, the program anticipates continued development and refinement of quantification methodologies over time.

Co-benefits
Beyond avoided increases to GHG emissions, conservation of agricultural land provides the opportunity for a series of co-benefits. Examples of these benefits may include, but not be limited to:

- Water conservation, through on site efficiencies, groundwater recharge, flood control, or recycling of urban wastewater.
- Economic benefits (e.g., retention of local jobs and agricultural revenues, entrepreneurial opportunities, reduction in spending on municipal services for dispersed development).
- Improved air quality resulting from carbon sequestration and reduced vehicle miles traveled.
- Energy conservation, through on farm practices, local markets or local processing of commodities.
- Nutrient cycling that decreases potential for water pollution.
- Ecosystem services (e.g., wildlife habitat, pollination, and natural food web adaptation)
- Open space values.
- Increases in local food production promoting food security and resilience, and a greater understanding of agriculture's importance among both urban and rural Californians.

What is Cap and Trade?

The California Global Warming Solutions Act of 2006, AB 32 (Chapter 488, Statutes of 2006), is a multi-year program to reduce Greenhouse Gas (GHG) emissions in California to 1990 levels by 2020. One key strategy to achieve this goal is a 'cap and trade' market system. The 'cap' creates a limit on carbon dioxide equivalent emissions, while a corresponding number of allowances within the cap can be 'traded'. The allowances are purchased by utilities and businesses at quarterly auctions. Over time, as the cap lowers, businesses that aggressively reduce emissions can trade their surplus allowances to firms that find it more expensive to reduce emissions. The auction proceeds are then used to further the goals of AB 32.

Cap and trade auctions began in November 2012. The majority of auction proceeds are required by the California Public Utilities Commission (PUC) to benefit rate payers of investor owned utilities. The smaller 'state portion' of auction proceeds is deposited into the Greenhouse Gas Reduction Fund (GGRF).

GGRF investments are primarily targeted at clean transportation and sustainable community plans; commensurate with the impact transportation has on GHG emissions. Improvements to energy efficiency and natural resources management also contribute, but at lesser levels than transportation oriented factors.

Source of Funds and Statutory Authority
The Budget Act of 2014 appropriates $130 million from the GGRF during FY 2014-15 to the Strategic Growth Council (Council) to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16. The AHSC Program will support ongoing climate adaptation and mitigation objectives and provide substantial co-benefits by, in part,"[p]reventing the conversion of agricultural lands by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions."

The SALCP was identified by the Council as most appropriately administered by the California Department of Conservation (DOC) in conjunction with the Natural Resources Agency (Agency). The SGC approved the roles of DOC and the Agency at its July 10, 2014 meeting.

The DOC's authority for agricultural land protection derives from various sections of statute:

- Public Resources Code Sections 10200-10277, the California Farmland Conservancy Program
- Public Resources Code Sections 10280-10283, Agricultural Protection Planning Grant Program
- Government Code Section 65570, the Farmland Mapping and Monitoring Program (FMMP)
- Government Code Sections 51190-51294.7, the California Land Conservation Act (Williamson Act or LCA)
- Revenue and Taxation Code Sections 421-430.5, pertaining to valuation of open space land subject to an enforceable restriction
- Public Resources Code Division 9, governing Resource Conservation Districts (RCDs)

SB 732 (Chapter 13, Statutes of 2008) established the Council and added California Government Code Sections 75127 and 75128, which direct the Council to manage and award financial assistance to support the planning and development of communities that achieve sustainability objectives. Government Code Section 75126 states that these funded activities must be consistent with the State's Planning Priorities[3], and Section 75125 states that the Council shall develop Guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

The activities funded under SALCP will primarily rely upon DOC's existing statute to fund agricultural conservation easements and planning grants. The funded activities must also meet the goals of reducing greenhouse gas emissions consistent with AB 32. A series of stakeholder meetings in August 2014 informed Agency and DOC staff in the development of these Guidelines.

These Guidelines address both agricultural conservation easement and planning grant funding. Due to the significant differences between the two elements, they are addressed separately throughout much of the Guidelines document.

Disadvantaged Communities
Senate Bill 535 (Chapter 830, Statutes of 2012) directs State and local agencies to make significant investments that improve California's most vulnerable communities. The statute requires that the GGRF investment plan allocate a minimum of 25 percent of available moneys to projects that provide benefits to disadvantaged communities (DACs) and a minimum of 10 percent to projects located within DACs. The target for DACs investment established under CalEPA's interim guidance for FY 2014-15 is 50 percent for the overall Sustainable Communities and Affordable Housing Program allocated to the Strategic Growth Council (out of $130 million total).

[3] See the Glossary, Appendix A, for these Government Code Section 65041.1 priorities.

Projects will first be evaluated to determine if 50% or more of the project is located in a DAC census tract and will provide direct, meaningful, and assured benefits to a DAC. If the project does not meet the criteria for "located within," projects will be evaluated to detemine if they meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a DAC:

A. Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, 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.

CalEPA's interim guidance was used to develop these Guidelines; as a result, the SALCP Guidelines may be modified after final CalEPA guidance is available[4]. In recognizing this guidance and its importance toward assisting disadvantaged communities, SALCP planning grant applications impacting DACs s will be awarded 5 additional points toward their total score.

Grant Application and Administration

The Department of Conservation (DOC) administers the SALCP grant program in conjuction with the Agency, on behalf of the Council.[5] Grant applications will be submitted as a digital version via email, along with one hard copy of the entire application.

SALCP Application Deadlines for FY 2014-15

Sustainable Agricultural Land Strategy Grants: March 20, 2015

Agricultural Land Conservation Easement Grants:

Pre-proposal summaries—February 6, 2015
Complete Applications—April 1, 2015

For fiscal year 2014, awards will be made at the same time for both the planning grants and conservation easement grants. However, planning grants and conservation easement grants each have a specific application process. Please refer to the text box for specific timelines for each program element, and in later sections of these Guidelines for explanatory material. Land management practices will not be eligibile for funding under this round. Should the program continue in future years, these grant Guidelines will be updated to incorporate specific criteria for investments in management practices.

The mailing address for applications is:

California Department of Conservation
Sustainable Agricultural Lands Conservation Program
801 K Street, MS 18-01
Sacramento, CA 95814

SALCP forms and sample documents are available at:
http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

For more information about the grant administration process see Section 5.

[4] CalEPA's November 2014 final interim guidance for appropriations anticipates releasing the full funding guidance in mid-2015.
[5] These entities in whole or in part may be referred to later in this Guidelines document as the State.

Section 2: Sustainable Agricultural Land Strategy Grants

In the initial years of the SALCP, funds will be awarded to support collaborations of local entities that develop a shared vision of agricultural conservation in their communities. Counties, cities, and partners will identify the criteria to evaluate or identify their most important or critically threatened agricultural lands, and strategies that can guide protection of these lands into the future. In conjunction with housing and transportation investments being made in cities, this effort supports a balanced approach to sustainable communities in California.

Sustainable Agricultural Land Strategy Plans will vary by community depending on the unique agricultural characteristics and conversion pressures in any given county and/or city. Therefore, these Guidelines do not provide a specific definition or description of a Sustainable Agricultural Land Strategy Plan. However, examples of what may be considered are provided below. These Guidelines do not define "critically threatened agricultural lands." Instead, through the development of a Sustainable Agricultural Land Strategy Plan, each county and/or city, in collaboration with other organizations, agencies, and the community, will be able to define and identify those agricultural lands within their communities that they consider to be "critically threatened."

Eligible Applicants
Counties and/or cities as the lead applicant(s) in collaboration with other partners.

Application Funding
Up to $1,000,000 in FY 2014-15 is allocated to grants for Sustainable Agricultural Land Strategy planning efforts. Individual grants are limited to $100,000 each. It is anticipated that applications for this program element will be accepted during FY 2014-15 and FY 2015-16 (contingent on availability of future funding). Funds not awarded under this SALCP element may be used to increase available funding for award in another SALCP element.

There must be a minimum ten percent (10%) local match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind.

Eligible Projects
Sustainable Agricultural Land Strategy Plans might include, but not be limited to:

- Development of the criteria used to define the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Delineation of agricultural lands with the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Community consensus-building to develop a strategy for agricultural land preservation.
- Development and adoption of a Sustainable Agricultural Land Strategy, which may include an agricultural land mitigation program or a county or city agricultural element, conservation element, or other similar policy documents.
- Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition.[6]
- Planning for critical agricultural infrastructure needs; such as processing facilities, local marketing opportunities, water quality or quantity improvements, or waste handling, to support sustainability in existing rural and agricultural communities.

[6] Applicable for jurisdictions that have adopted a Sustainable Agricultural Strategy or agricultural land mitigation program.

- Development of innovation incentives for GHG reduction in local communities through financial or technical tools.

Ineligible Projects
Proposals that will not be funded under this program include, but are not limited to, proposals that:

- Do not meet the intent of the SALCP.
- Do not contain adequate documentation and applicable materials.
- Do not clearly state objectives and deliverables.
- Are not received by the application deadline.

General Information Regarding Sustainable Agricultural Land Strategies

Agriculture is one of California's most important industries, but because of geographic and enconomic factors, the nature of agricultural land resources varies widely from region to region. Sustainable Agricultural Land Strategies must account for and should represent the values of local communities. These examples elaborate on the list of eligible projects listed above.

1. The development of criteria to define, or the delineation of, agricultural lands with the greatest local priorities for conservation. This may include but not be limited to lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl, those that also exhibit special environmental significance, or those that may result in enhanced carbon sequestration depending on the cropping and management of the protected lands:

    - Identify criteria that will be used to establish local priorities for agricultural land conservation.
    - Map and inventory of all agriculturally zoned lands within the county as of the current year. County-level maps of agricultural land developed by DOC's Farmland Mapping and Monitoring Program, general plan maps, or other available local and state maps and resources may be used.
    - Identify lands that are already permanently protected. These include agricultural conservation easements, habitat conservation easements, and other permanently protected lands. Sustainable Agricultural Land Strategy Plans should consider the connections between these lands and others identified in the Plan.[7]
    - Develop tables and maps showing the location of lands enrolled in the Williamson Act, lands zoned for agricultural use, and related information; and post on the county's Internet Web site.

2. Community consensus-building activities to develop a strategy for agricultural land preservation:

    - Provide general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close farmer affiliations.
    - Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) toward the development of a Sustainable Agricultural Land Strategy. These meetings should consider the compatibility between the existing plans and policies of the county, cities, and

[7] Refer to the following databases: California Protected Area Database and California Conservation Easement Database (both located at http://www.calands.org/) ; the National Conservation Easement Database (http://nced.conservationregistry.org/) and the California Conservation Easements Registry (http://easements.resources.ca.gov/). Your county's local land trust or conservancy may also be found at the http://www.calandtrusts.org/land-trusts/.

LAFCO including adopted Spheres of Influence (SOIs), and municipal service boundaries, in development of the Sustainable Agricultural Land Strategy.
- Develop a process to resolve compatibility issues among the various plans.
- Use existing agricultural land inventories/maps, existing policies and ordinances, and the process(es) to resolve compatibility, to inform development of a Sustainable Agricultural Land Strategy.
- Develop urban/rural or public/private partnerships to preserve and protect agricultural land as part of an infill development strategy.
- Post the complete Strategy and a summary to the county's Internet Web site.

3. Development and adoption of a Sustainable Agricultural Land Strategy which may include an agricultural land mitigation program:

    - Describe the goals, strategies, policies and ordinances to retain agriculturally zoned land, where practical, and mitigate the loss of agriculturally zoned lands to nonagricultural uses or nonagricultural zones.
    - Adopt a resolution determining that the existing county goals, policies, ordinances, inventory and maps comprise an agricultural land mitigation program which supports agricultural land rentention and mitigation for agricultural land when converted to non-agricultural uses.
    - Develop and post the Sustainable Agricultural Land Strategy including all relevant maps, goals, related policies and ordinances, on the county's Internet Web site.
    - Conduct nexus studies for agricultural land preservation and mitigation ordinances.
    - Update County General Plans to include agricultural conservation policies, and implementation measures such as an agricultural land mitigation program, including ordinances.

4. Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition:[8]

    - For jurisdictions which have enacted Sustainable Agricultural Land strategies, identify landowners interested in permanent agricultural conservation easements.
    - Conduct due diligence (appraisals, surveys, title review, etc) to prepare potential projects for applications to various funding sources.

5. Planning for critical agricultural infrastructure needs to support sustainability in existing rural and agricultural communities:

    - Conduct an inventory of support businesses, processing facilities, water infrastructure, and markets serving local growers. Identify threats to local production due to potential facility closures or other factors; and opportunities to take advantage of changes in the marketplace that could improve local farming sustainability as well as decrease GHG emissions.
    - Develop plans to achieve improvements in conjuction with local agricultural organizations and businesses, particularly those that would result in GHG reduction from more efficient facilities operation.

6. Development of innovation incentives for GHG reduction in local communities through financial or technical tools:

[8] For jurisdictions that have adopted a resolution for a Sustainable Agricultural Land Strategy as stated in Goal 3.

- Collect data documenting on-farm agricultural management practices targeted to reduce GHG emissions and enhance biological carbon sequestration, and their results.
- Develop regional technical assistance expertise to improve GHG and carbon sequestration performance on farms.
- Conduct planning or studies towards development of agricultural carbon markets, the valuation of agricultural lands, or the county tax base as these relate to implementation of agricultural GHG reduction measures or other farmland conservation tools.

Eligibility and Selection Criteria for Sustainable Agricultural Land Strategy Grants

Priority Considerations

Consistent with the goals of the SALCP, the following areas have been identified as priorities in awarding grants:

- The proposal enhances, aligns, or consolidates elements of a county or regional plan toward long-term conservation of agricultural lands.
- The proposal demonstrates collaboration with various levels of government (including federal, state, regional, local and special districts); internal coordination amongst applicant departments; and collaboration with diverse external stakeholder groups such as agricultural businesses, agricultural water providers/purveyors, non-governmental organizations (NGOs) and community members towards conserving agricultural land or increasing carbon sequestration on agricultural land.
- The proposal creates best practices to serve as models for communities across the state or region.
- The proposal is leveraged with additional resources.
- The proposal includes development of an agricultural land mitigation program.

More detailed information on eligibility and selection criteria is located on pages 10 and 11.

Grant Application Review Process

1. Applicants submit a complete grant proposal to the Department of Conservation (DOC) by the deadline.
2. Proposals are reviewed for completeness and eligibility. (Incomplete or ineligible proposals may not be evaluated or considered for funding at the sole discretion of the State.)
3. Grant Committee (Committee) reviews proposals using selection criteria and makes recommendations for awards. The Strategy Grants Committee will consist of staff with planning and agricultural expertise from DOC, the Resources Agency, the California Department of Food and Agriculture, and outside subject matter experts.
4. The Committee recommends the final projects for award to the SGC for Council approval.
5. The Council determines final project awards.

All information submitted in the application package will be used by grant reviewers for evaluation and should demonstrate how effectively the proposal will meet SALCP goals and objectives. Proposals will be reviewed by DOC and Agency staff for completeness and eligibility, followed by technical review and scoring by the Grant Committee. Each area is awarded points on a sliding scale from zero to the listed number.

In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Sustainable Farmland Strategy Grants Scoring Criteria	
Need for the Proposed Plan or Strategy	40 points
Integration of Entities and Existing Resources	25 points
Community Involvement and Participation	20 points
Disadvantaged Community Impacts	5 points
Organizational Capacity (10 points)	10 points
Total Available Points	100 points

Sustainable Agricultural Land Strategy Grants Eligibility Criteria
o The proposal will reduce GHG emissions, including through carbon sequestrarion consistent with California's Global Warming Solutions Act of 2006 and any applicable regional plan. o The county or city (lead applicant) can document farmland conversion issues within the jurisdiction. o Those counties currently participating in the Williamson Act Program will continue implementing the program as a part of their sustainable agricultural land strategy. o The proposal demonstrates collaboration between County government, other levels of local government, and external stakeholder groups such as agricultural businesses, agricultural water providers/purveyors, NGOs, and community members. o The proposal seeks to align local policies and ordinances to protect, preserve, and enhance agricultural lands, promote infill development, and encourage location- and resource-efficient development. o The proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc). o The proposal contains clear, reportable objectives, measures of progress, and deliverables. o The proposal provides specific detail on the types of data that will be used to evaluate agricultural resources, evaluation criteria, data gaps, and how the final product will be used in connection with the existing planning structure within the county. o The proposal includes a minimum ten percent (10%) match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind. o The proposed project can be completed within a 2 year time-frame. (State Administrative Manual).

Sustainable Agricultural Land Strategy Grants Selection Criteria
o The degree to which the proposal documents a linkage between local policies and plans with potential reductions in GHG emissions consistent with California's Global Warming Solutions Act of 2006. o The degree to which a need for the proposal is documented based on farmland conversion rates, age of planning documents, or other factors. o The degree to which the proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, Williamson Act enrollment, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc). o The degree to which the proposal identifies potential barriers to implementation, such as inconsistencies in plans and polices, and provides strategies for aligning local policies and ordinances to protect, preserve, and enhance agricultural lands, promote infill development, and encourage location- and resource-efficient development. o The degree to which the proposal demonstrates a collaborative approach to addressing agricultural land conservation. o The specificity with which the proposal identified the types of data that will be used to evaluate agricultural resources, the local policies and ordinances it seeks to align, and the methods that will be used to resolve compatibility issues between these policies and ordinances, if any. o The degree to which the proposal documents the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions. o The specificity and reasonableness of the timeline, reportable measures of progress, and deliverables. o The degree to which the proposal can leverage cash and in-kind match funds. o The degree to which the proposal documents that the project lead and its partners have the capacity to successfully execute proposed work on time and within budget, using recent examples from similar projects. o Proposals that are located in or provide benefits to Disadvantaged Communities, as defined by CalEPA, will receive 5 points toward the total maximum score of 100 points.

The Sustainable Agricultural Land Strategy Application

The grant application package for this program component is composed of a Cover Sheet and three sections: Application Questions, Work Plan, and Supporting Documents. Please see the DOC web site[9] for forms and supporting material.

Application Questions

This narrative section addresses the need for the proposal, and the plans for collaboration, integration, and organizational capacity.

Need for the Proposed Plan or Strategy

1. Describe why a sustainable farmland plan or strategy is needed for the area covered by this application. Provide supporting information in the form of agricultural land resource conversion studies or other data.
2. Describe the existing state of agricultural land use planning policies within the area, including Williamson Act status. Discuss any documents in need of update or replacement, or policy gaps that would be informed by the results of this proposal.
3. Describe how the proposed plan will serve areas that are especially vulnerable to development pressures or climate change impacts.
4. Describe the anticipated effects of climate change (e.g., physical, ecological, or economic forces) that are likely to impact the community represented by the application and its agricultural land resources.
5. Describe any aspects of the proposal that provide the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions.

Integration of Entities and Existing Resources

1. Describe how the proposed plan will provide linkages between existing local policies and plans to reduce GHG emissions.
2. Describe what agricultural and land resource factors will be evaluated as part of this proposal, including opportunities for integrating agricultural land conservation efforts with other protected land strategies.
3. Describe the local policies and ordinances the plan will seek to align. What methods will be used to resolve compatibility issues between these policies and ordinances?
4. Describe what is planned to foster interagency relationships among levels of local government in the development of agricultural resource plans or strategies.
5. Describe how the proposed plan will be consistent with the State's planning priorities. Describe how the proposal will consider integrating currently permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easement, flood corridor easements, or parks).

Community Impact and Participation

1. Identify the specific community, citizen, and/or agricultural organizations that will participate in and those which will be consulted regarding the development of the plan or strategy.
2. What steps are planned to ensure continued involvement of these organizations in the implementation of the plan or strategy?

[9] http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

DISADVANTAGED COMMUNITY IMPACTS

Answers to questions 3 and 4 do not affect eligibility but may affect selection based on final application scores. A total of 5 points within the final score will be attributed to Disadvantaged Community impacts and benefits.

3. Is the majority (50% or more) of the proposed project area located within one or more Disadvantaged Community (DAC), as defined by CalEPA for the Affordable Housing and Sustainable Communities Program? Please use the CalEnviroScreen tool to make this determination, located at the following address: http://oehha.ca.gov/ej/ces2.html
4. If the answer to question 3 is no, will the project meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a DAC?
   -- Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, and is designed to avoid displacement of DAC residents and businesses, or
   --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
   --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.

Organizational Capacity

1. Describe the applicant's experience in developing plans or working on similar projects.
2. Does the applicant have the professional staff qualified to develop the plan? If not, how will this expertise be acquired? Please describe the qualifications and plan, if any, to acquire the expertise.
3. What partnerships does the applicant have in place to implement the plan or strategy?
4. Citing the Work Plan Budget, what resources does the proposal leverage beyond the minimum match requirements?

Work Plan

Applicants must provide a detailed work plan (3 pages maximum) that specifies what steps will be taken to develop the agricultural land strategy or plan, including establishing benchmarks with target completion dates and a cost estimate. The project cost estimate and schedule should be of sufficient detail to allow assessment of the progress of the work plan at regular intervals. This plan will be a component of the Grant Agreement should the project be selected for funding.

The work plan should clearly address:

- The goals and objectives including implementation (e.g., strategy, timeline, committed resources, partner support)
- The plan deliverables
- The target completion dates
- Work Plan Summary -- A tabular summary (example on next page) indicating the specific benchmarks of the work plan must be included. The estimated cost for each benchmark and when these benchmarks will be completed are to be specified in this summary. Total estimated costs should equal grant amount requested plus other funders' contributions.

Project Title		
High Level Activities/Milestones (with Deliverables)	**Responsible Parties (City, County, Consultant, etc.)**	**Timetable in Months (Ex. Month 1-5, Month 4-10, etc.)**
Task 1 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 2 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 3 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		

Budget and Match Contributions

This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations.

While it is a goal of SALCP to leverage the limited amount of available funds with match contributions, the minimum match requirement under the program, will be ten percent (10%). At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind. Match funds may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, or donations). Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Eligible Costs

For Sustainable Agricultural Land Strategy Grants, the direct costs, including staff and benefits to implement the work, during the performance period specified in the Grant Agreement will be eligible for reimbursement. All eligible costs must be supported by appropriate documentation. Costs incurred outside of the performance period, Indirect/Overhead Costs, food or beverages (e.g. as part of meetings, workshops, training, or events), and costs for CEQA document preparation are not eligible for reimbursement.

Indirect/Overhead Costs are defined as: expenses of doing business that are of a general nature and are incurred to benefit two or more functions within an organization. These costs are not usually identified specifically with a grant, Grant Agreement, plan or activity, but are necessary for the general operation of the organization. Examples of indirect costs include salaries and benefits of employees not directly assigned to the work program; functions such as personnel, business services, information technology, and salaries of supervisors and managers; and overhead

such as rent, utilities, supplies, etc. Indirect costs cannot be included in the Budget and Work Plan and will not be funded.

Travel

Reimbursement of travel is not permitted unless expressly provided in the approved budget. Travel by private or Grantee-owned automobile, necessary for the performance of projects are subject to the State of California travel and per diem rates and allowable cost requirements. Please refer to this website to obtain the most up to date per diem rates and eligible mileage reimbursement rate: (http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx).

What to Submit: Supporting Documentation

The Sustainable Agricultural Land Strategy Grant application is composed of three main sections: Questions, Work Plan, and Supporting Documents. Materials should be presented unbound in the order indicated below. Clearly number and label each item and number all pages in sequencial order.

Please do not submit additional materials that have not been specifically requested (i.e., press clippings or brochures) as they will not be considered during the evaluation.

Submit one (1) unbound printed original and one digital version of items 1-8 below.

1. Application Form Cover Sheet
2. Application Questions – no more than eight (8) numbered pages, on 8 ½" x 11 paper, using twelve-point easy-to-read font
3. Work Plan -- no more than three (3) numbered pages, on 8 ½ " x 11" paper, using twelve-point easy-to-read font
4. Work Plan Summary (timeline with benchmarks)
5. Budget
6. Area Map – A map of the area covered by the proposed plan (the geographical purview of the plan). Maps or images must fit into an 8 ½" x 11" folder.
7. Signed Authorizing Resolution from the Board of Supervisors or City Council
   - A sample resolution indicating the format and content of an authorizing resolution is available on the SALCP web site.
   - The resolution may be submitted subsequent to the application, if the board meeting schedule prevents the applicant from obtaining a signed resolution before the filing deadline. Submit the draft resolution with the application package and indicate the board meeting date when the resolution will be adopted.
8. Disadvantaged Communities (DACs) – if applicable, provide printouts or other evidence of DAC status.
9. Support/Collaboration Letters – provide copies of letters from entities within the plan service area and from the local community demonstrating support and/or willingness to participate in development of the strategic farmland plan.

Additional Components

Relevant Portions of County General Plan

Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation may be attached to the application. Provide the adoption date(s) of these policies along with internet links to them, or the applicant may provide the documents on other digital media.

Section 3: Agricultural Conservation Easement Grants

Under the 2013 Cap-and-Trade Auction Proceeds Investment Plan[10], the purchase of agricultural conservation easements (ACEs) on strategic agricultural land was designated as one way to ensure sustainable communities by strengthening the land use planning process and supporting agricultural viability.

The motivation to improve agricultural practices in concert with AB 32 goals—including energy, water, and farm nutrient investments--may be more attractive to landowners with the security and financial assistance that permanent conservation easements convey. Preventing subdivision and sprawl conversion of agricultural land may reduce vehicle miles traveled and related greenhouse gas emissions.

Eligible Applicants

Per California Public Resources Code §10212, applicants may include cities, counties, nonprofit organizations, RCDs, regional park or open-space districts or regional park or open-space authorities that have the conservation of farmland among their stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Nonprofit organizations must hold a tax exemption as defined under Section 501(c)3 of the Internal Revenue Code, and further qualify under Internal Revenue Code Sections 170(b)(1)(A)(vi) or 170(h)(3) as provided by PRC §10221.

In most circumstances, the applicant will become the holder of the agricultural conservation easement in perpetuity. This responsibility makes 'joint proposals' in the traditional sense problematic. However, match funding from additional partners greatly contribute to the overall strength of an easement proposal.

Application Funding

Up to $4,000,000 is allocated in FY 2014-15 to grants for agricultural conservation easement acquisition. Easement grants do not have a maximum dollar figure; proposals will be rated relative to one another to maximize conservation outcomes with available funding. The critical nature of the property, proportion of match funding, and degree to which the proposal satisfies the selection criteria will be taken into consideration to optimize agricultural conservation easement acquisitions in furtherance of the SALCP goals and objectives.

In order to leverage the limited amount of funding available, the SALCP will require match funding toward the direct easement acquisition cost. While the SALCP standard match will be 50 percent (50%), compelling applications which include a lesser match may also be considered. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined.

Eligible applicants are not limited in the number of proposals they can submit, however, because the agricultural conservation easement grant application process entails a significant amount of work, applicants are strongly encouraged to contact DOC staff to discuss the characteristics of proposed projects prior to completing the application.

Applications for ACEs will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. It is anticipated that projects will be reviewed three times per year. Due to timing constraints associated with approval of the SALCP Guidelines, the application cycles of funding partners, and

[10] http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/final_investment_plan.pdf

State fiscal year end deadlines, there will be a single review of applications in FY 2014-15. Please see page 4 and the SALCP web site for additional information.

Eligible Projects

Applications for conservation easements on cultivated and noncultivated land (including rangeland and pasture) will be considered for funding under this program. Each of these agricultural uses may provide opportunities for GHG reduction and co-benefits that complement Sustainable Community efforts. ACE projects located on rangeland and pasture that are selected for funding based on GHG reduction potential and related attributes may be restricted to noncultivated use. This restriction would be based on factors including the availability of willing sellers, match funding, and eligible applicants. Consistent with PRC Section 10252.5[11], the primary use of the noncultivated land must be agricultural, and the ACE may not substantially prevent agricultural uses on the property.

Agricultural conservation easement applications are eligible to be considered for grant funding if the following criteria are met (PRC §10251):

- The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. The land is also in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production.
- The applicable city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan as they relate to the location within the county or city where the easement acquisition is proposed.
- The grant proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the grant proposal. (Properties within a city's Sphere of Influence must acquire resolutions of approval from both the County and City).
- Without conservation, the land proposed for protection is likely to be converted to non-agricultural use in the foreseeable future.
- The project demonstrates the contribution that the ACE will make toward meeting AB 32 goals.

Ineligible Projects

Projects are considered ineligible if they fail to meet any of the eligibility criteria described above, or if any of the following apply:

- The local government applicant has acquired, or proposes to acquire, the proposed ACE through the use of eminent domain, unless requested by the owner of the land (PRC §10232).
- The proposed ACE would restrict agricultural husbandry practices (as defined in PRC §10218) on the land (PRC §10238). In instances where the ACE project was selected and received match funding based on its noncultivated status, the land must continue to be primarily agricultural in nature, and the ACE may not substantially prevent agricultural uses (e.g, livestock grazing) on the property.
- The applicant or seller of the ACE do not agree to restrict the use of the land in perpetuity (Civil Code §815.2(b)).
- The proposed ACE is part of a local government's condition placed upon the issuance of an entitlement for use of a specific property (PRC §10243).
- Clear title to the proposed ACE cannot be conveyed (PRC §10264(b)).
- Once entered into a Grant Agreement, the easement acquisition cannot be completed within a two-year timeframe. The two-year timeframe reflects State Contracting Manual requirements.
- The purchase price of the proposed ACE exceeds the appraised fair market value (PRC §10260(a)).

[11] SB 1142 (Wiggins, Chapter 323, Statute of 2009)

- The ACE appraisal is determined to be unacceptable (PRC §10260). Please see the section on appraisals on the next page.

Examples of contributions toward AB 32 goals include, but are not limited to:

- Decreased number of parcels or development rights
- Decreased vehicle miles traveled
- Locations that would support the establishment of greenbelts or urban separators
- Carbon sequestration potential
- Participation in land management or energy efficiency programs that contribute to overall improved efficiency in the agricultural operation

More detailed information regarding the eligibility and selection criteria is included on pages 24 through 26.

Initial Screening–Pre-proposals

Due to the complex nature of conservation easement transactions, eligible applicants are strongly encouraged to provide DOC with structured summaries of proposed easement projects. A Pre-proposal worksheet for this purpose has been developed and is available on the DOC website.

By providing preliminary title reports and basic information about the potential project, DOC grant managers can assist the applicant in determining whether the property has title complexities or other issues that should be addressed prior to devoting work to completing a full project proposal.

Eligible applicants are encouraged to contact DOC to discuss the characteristics of potential easement properties, along with any program questions, early in the application process. The deadline for pre-proposal submission for FY 2014-15 projects is February 6, 2015. In subsequent years, pre-proposals and full proposals will be accepted on a continuous basis. Applications will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. It is anticipated that projects will be reviewed three times per year.

General Information Regarding Agricultual Conservation Easement Requirements

Placing an agricultural conservation easement on land is a complicated transaction. It represents a multi-generational commitment on the part of the farm family and an equivalent commitment by the easement holder to steward the easement in perpetuity. These factors differentiate the application and due diligence process for an ACE from most grant funding opportunities.

PROPERTY VALUATION

Appraisals

A current ACE appraisal will be required for determining the fair market value of the ACE. The appraisal may be submitted with the grant application, or should the application be approved for funding, within 3 (three) months of the start date of the grant agreement. Applications that are not accompanied by a current appraisal must contain estimates for the anticipated cost of the ACE and material to support the valuation estimate. DOC reserves the right to require that a current ACE appraisal accompany the grant application if, in its sole discretion, it determines that insufficient data is available to support an estimate. If the project is approved, and the appraisal contains an ACE value that is higher than the grant agreement budget, the difference will need to be covered by a landowner bargain sale (donation) or by other match funders. Any savings that result from valuations that are lower than the budget estimate will be proportioned to the participating funders.

For ACE valuations, the grant applicant selects and retains an independent, certified appraiser to appraise the project property. The appraiser must use the "before and after" method of valuation, calculating the difference between the fair market value and the restricted value as provided in PRC §10260. The "before and after" method evaluates the property's market value under two scenarios: one as the current market value without restriction, and second as the diminished value as though encumbered by an agricultural conservation easement. The DOC has developed a resource for appraisers and applicants, entitled Overview and Preparation of Agricultural Conservation Easements, which is available on the DOC website.

Applicants are encouraged to thoroughly discuss the restrictions and permitted uses of the proposed ACE with the appraiser early in the appraisal process[12]. Major issues such as reserved home sites or other areas that will not be utilized exclusively for agriculture must be confirmed prior to the appraisal, and be identified in the appraisal, as they will likely affect ACE valuation. Subsequent changes to the proposed ACE's restrictions or permitted uses may necessitate an update to the appraisal.

In no situation shall the ACE purchase price be greater than the appraised fair market value of the agricultural conservation easement, as provided in PRC §10260.

The appraisal is subject to review and approval by DOC and the Department of Conservation's designee; typically easement appraisals are reviewed by the Department of General Services Real Estate Services Division. The grant may fund appraisal costs incurred prior to execution of the Grant Agreement only if the project is approved for funding and if reimbursement for appraisal costs is sought in the grant application. The program will only fund one appraisal per ACE.

If a significant amount of time (6 months or more) transpires between the effective date of the appraisal and the submission of the grant application, applicants may be required to obtain a letter of certification from the appraiser, stating that the easement value has not changed since the appraisal was conducted. Grant recipients may be required to obtain an updated appraisal if the effective date is not within 12 months of the escrow closing date.

---

[12] Applicants should advise appraisers and landowners that appraisals may be subject to disclosure under the Public Records Act of 1968 (Chapter 3.5 of Division 7 of Title 1 of the Government Code, commencing with §6250).

Use-Based IRS Deductions
If a landowner seeks tax benefits from the Internal Revenue Service in return for charitable donation of an easement or portion thereof, the timing and requirements of the easement appraisal are critical. See a tax attorney or accountant for more information. A "special use valuation" and qualified IRS deduction may affect easement valuation.

EASEMENT DOCUMENTS AND TITLE CONSIDERATIONS

Model Agricultural Conservation Easement
Please note that DOC has developed model ACE language that may be updated periodically. The model easement and related documents are available on the DOC website.

The model easement ensures that all important terms and conditions are described and serves to streamline the approval process. The model easement will be used as a starting point and will be customized as needed to reflect individual property characteristics. Grant applicants should use the model easement when discussing ACE restrictions with landowners and appraisers.

Discussion of the terms and conditions for the proposed ACE with the landowners early in the process will significantly expedite easement negotiation and review, and ensure an accurate appraisal.

Due Diligence / Clear Title
Separated minerals rights, leases, judgments, ownership anomalies, outstanding property interests, etc., may inhibit the conveyance of clear title. Applicants are expected to exercise due diligence to discover and disclose such potential issues prior to submittal of the application. Within the application, applicants are expected to disclose any title concerns and include a plan for their resolution, should they be awarded grant funding. Disbursement of funds for the purchase of an ACE is contingent upon DOC determination that title concerns have been resolved, thus allowing funds to be placed into escrow.

Mortgage and Lien Subordination
As part of the easement acquisition process, any liens or other financial encumbrances on the property are required to be subordinated to the terms of the easement. Subordination documents are subject to review and approval by DOC.

It is possible that the lender may charge a fee to provide the subordination. Applicants are encouraged to consult lenders early regarding subordination practices. Subordination fees may be eligible for reimbursement if requested in the grant application.

ADDITIONAL REQUIREMENTS AND CONSIDERATIONS

Match Contributions
In order to leverage the limited amount of funding available, the SALCP will require match funding toward the direct easement acquisition cost. While the SALCP standard match will be 50 percent (50%), compelling applications which include a lesser match may also be considered. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined. The match may be provided directly by the applicant, or from other funding sources (e.g.,

other grant funds, state or local government contributions[13], or donations of easement value by the landowner of the subject property). Up to 50 percent of stewardship endowment contributions may be applied toward the match requirement.[14]

The SALCP will also provide funds toward associated costs for easement acquisition, such as appraisal reimbursement, staff and consults, and real estate document charges. Please see the budget section for more information. Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Stewardship Fund

The total cost of the ACE acquisition includes funds dedicated solely for the long-term stewardship of that ACE. For agricultural conservation easements, stewardship typically includes the cost of annual monitoring and evaluation of easement threats. A portion of these funds is typically provided by the landowner as part of the match contribution.

Within the Grant Agreement, grantees will certify their ability to effectively manage, account for, and annually report on those stewardship funds conveyed through the Grant Agreement. In the Budget Itemization, grant applicants should include a stewardship amount that has been calculated to include a principle amount that, when managed and invested, is reasonably anticipated to cover the annual stewardship costs of the property in perpetuity. The stewardship fund amount will be subject to review and approval by DOC, and may be different from the original budgeted amount concurrent with any changes to final easement configuration or property valuation.

ACE Monitoring

Regular monitoring of properties under easement is necessary to ensure compliance with the terms of the easement. DOC requires an annual report from the holder of the easement, certifying that the conditions of the easement are being upheld. The monitoring component of the application, not to exceed three pages, describes how the proposed ACE will be monitored following its recordation. The components of the monitoring plan are discussed in more detail later in the Guidelines.

Additional Conservation Values

In order to maintain agricultural viability and protect the flexibility required to maintain permanent agriculture, the legislature prohibited restrictions on agricultural husbandry practices within DOC-funded easements (PRC §10238). ACEs funded by DOC also specify that any subsequent easements layered over the ACE may not restrict agricultural husbandry practices or otherwise conflict with DOC-funded easements, in order to maintain maximum agricultural viability.

In 2009, the Legislature clarified that on noncultivated rangeland and pasture, DOC may participate in funding ACEs with restrictions that would require the land to be maintained in an uncultivated state. This legislation, SB 1142 (Wiggins, Chapter 323, Statutes of 2009), describes the circumstances under which such restrictions can apply, including that the primary use of the land is agricultural, that the ACE may not substantially prevent agricultural uses on the property, and that any nonagricultural qualities that will be protected by the ACE are inherent to the easement property. Husbandry practices on any cultivated lands within these ACEs may not be restricted.

Some portions of properties may provide an opportunity to protect additional nonagricultural resource values such as riparian habitat. These areas may be considered for purchase of nonagricultural conservation easements which

---

[13] State or local government contributions may include, but are not limited to, general fund monies and fees collected as a result of agricultural land mitigation or other open-space mitigation programs. These contributions may be used provided that they do not violate PRC § 10243, nor place limits on agricultural land use.

[14] PRC § 10233(a).

protect resources in addition to the agricultural values. Applicants may specify if portions of a proposed easement meet this criteria and the other funders that may participate in protection of the overall property.

Potential Publicity

Applicants are encouraged to inform landowners that a successful grant application may result in publicity. During the application evaluation and easement negotiation phases, documents associated with each project will be treated as confidential in accord with the requirements of the California Public Records Act.

Because public funds are used to secure easements under this program—or any similar government program—the landowner's name and the amount of the grant are public records that may be publicly disclosed after completion of the ACE in accordance with the Public Records Act.

Eligibility and Selection Criteria for Agricultural Conservation Easements

Eligibility for funding under this program is based on the California Farmland Conservancy Program statute. Selection criteria are also based on DOC statute, with additional factors pertinent to funding under the SALCP. These criteria are found on the following two pages.

While multiple applications may meet the basic eligibility criteria, each property is different, and each potential ACE will have strengths and weaknesses. Some proposals may be more appropriate for funding based on how well they meet the selection criteria relative to applications received at the same time.

Projects will be evaluated and selected based on their overall characteristics, taking into consideration the goals and objectives for the SALCP, and the extent to which the proposed project satisfies the selection criteria. In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Grant Application Review Process

Pre-proposals and Applications received by DOC will be assigned a grant manager, who will provide confirmation that the material has been received. The grant manager will work with applicants to review eligibility and obtain any additional information necessary to enable a complete review of the ACE property's characteristics. Particularly due to title complexities, applicants are strongly advised to contact DOC early in the process to discuss potential issues related to a proposed project. Use of the pre-proposal form will assist potential applicants and DOC by identifying properties that require additional due diligence work to ensure that the title is clean, after which they may be competitive for funding.

The grant manager will contact the applicant in order to schedule a site visit of the property. This may occur at the pre-proposal or full application stage, depending on the level of complexity of the project. Grant applicants will make arrangements for a tour of the property, which must be attended by a representative of the applicant and by the property owner.

After grant managers visit the site and clarify any outstanding questions, project summaries and briefings to the staff and management review team will be undertaken. All eligible proposals will be reviewed utilizing the factors above. Project evaluation will be qualitative relative to the pool of applications. The proposals determined to meet all the eligibility criteria, provide the most conservation value and are most consistent with the selection criteria will be brought forward to the Council for to be recommended for funding.

Agricultural Conservation Easement Eligibility Criteria *Description and Code Citations*[15]
o The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. It is in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production. (PRC 10251 (a)) o The city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan, as they relate to the area of the county or city where the easement is proposed. (PRC 10251 (b), 10244) o Without conservation, the land proposed for protection is likely to be converted to nonagricultural use in the foreseeable future. (PRC 10251 (c)) o The project will demonstrate that it will achieve a reduction in GHG emissions. o The proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the proposal. (PRC 10255 (b)) o The local government applicant has not acquired, or proposed to acquire, the agricultural conservation easement through the use of eminent domain, unless requested by the owner of the land. (PRC 10232) o The proposed agricultural conservation easement would not restrict agricultural husbandry practices (as defined in PRC 10218) on the land. (PRC 10238). In instances where the proposed project is on noncultivated land, the land must continue to be primarily agricultural in nature, and the agricultural conservation easement may not substantially prevent agricultural uses on the property. See additional discussion on page 22. o The applicant and seller of the agricultural conservation easement agree to restrict the use of the land in perpetuity. (PRC 10237) o The proposed easement is not part of a local government's condition placed upon the issuance of an entitlement for use of a specific property. (PRC 10243) o Clear title to the agricultural conservation easement can be conveyed. (PRC 10264 (b)) o The total purchase price of the easement does not exceed its appraised fair market value. (PRC 10260 (a)) o The easement appraisal complies with DOC's published "Overview and Preparation of Agricultural Conservation Easement Appraisals". The appraisal will be reviewed by DOC and the California Department of General Services. (PRC 10260) o The ACE acquisition can be completed within 2 year time-frame. (State Administrative Manual)

[15] Public Resources Code (PRC) for the California Farmland Conservancy Program.

Agricultural Conservation Easement Selection Criteria ***Grant applications will be evaluated based on the overall value of the project, on the extent to which they satisfy the following characteristics:***
o The project will avoid increases in vehicle miles traveled that would result from the development potential of the property (e.g., minimum zoning, number of legal parcels, proximity to urban areas). o The project will contribute to carbon sequestration and decrease greenhouse gas emissions. o The property's size is typical of agricultural operations in the vicinity, and is surrounded by other parcels with sizes and land uses likely to support long-term commercial agricultural production. o The size of the parcel or parcels comprising the property are above their current minimum zoning. o The property is in active agricultural production, including cultivated and noncultivated agriculture (e.g., rangeland and pasture). o The property is adjacent to other permanently protected property (e.g., other agricultural conservation easements, habitat conservation easements, or other fee-title protection). o The agricultural conservation easement would act as a community separator or green-belt, or is located near a city Sphere of Influence. o The property has adequate water availability and water quality for agricultural purposes, and has no known agricultural constraints due to soil or water contamination. o The property is not encumbered with third party mineral interests. o The nature and extent of structural improvements are in proportion to the agricultural operation. o Protection of the property will enhance the opportunity for protecting neighboring agricultural properties or will be a part of a larger, comprehensive permanent protection plan. o The cultivated portion of the property is not within a flood zone and not on highly erodible land as designated by the Natural Resources Conservation Service. o The property provides additional conservation values (e.g., open space, view shed, habitat, riparian corridor). o The proposal shows wide support as evidenced by the level of match funding contributions. o The proposal demonstrates an innovative approach to agricultural land conservation with a potential for wide application in the state. o The price of the proposed acquisition is cost-effective in comparison to the fair market value. o The applicant is eligible to hold agricultural conservation easements and has the technical and fiscal capacity to secure and steward the easement.

Response Time

During each review cycle, SALCP agricultural easement project recommendations will be provided to the Council for discussion and approval at the next regularly scheduled Council meeting. While DOC seeks to provide tentative funding decisions within 90 days of receipt of a complete application, the timing of Council meetings and the complexity of some applications may necessitate additional review time.

If the application remains incomplete at one of the periodic review dates, it will be held for the next review cycle. Please note that extended timing may become an issue if appraisals have been completed but other aspects of the application are incomplete. Early consultation with DOC staff regarding proposed applications is strongly encouraged to achieve the most efficient review process possible.

Approved Agricultural Conservation Easement Projects

Upon receiving tentative approval by the Council, each ACE proposal will be formalized with a Grant Agreement between the applicant and the Department of Conservation. Grant Agreements are based on a standard State format and have a maximum duration of two years from the time of Grant Agreement signature to completion of the easement acquisition. In most instances, the grant manager assigned at the proposal stage will also manage the Grant Agreement.

The Agricultural Conservation Easement Application

This section provides additional information regarding the components of the Grant Application form. Application Form Components:

Agricultural Conservation Easement Applications	
Required Components:	**Additional Components and Certifications:** ***These supporting documents are required if applicable****
o Easement Grant Application Checklist o Easement Grant Application Cover Sheet o Executive Summary (1 page maximum) o Budget o Easement Project Summary Sheet o Detailed Characteristics of the Proposed Easement (6 pages maximum) o Documentation of Public Notice o Preliminary Title Report and Assessor's Parcel Map o Appraisal o Landowner Letter of Support o Conflict of Interest Certification o Easement Monitoring Plan (3 page maximum)	o Relevant Portions of the County General Plan o Documentation of Organizational Eligibility (documents differ for nonprofit and governmental applicants) o Letters of Support from Partners o Accreditation documents o Location Map showing parcel boundaries, nearest Sphere of Influence, and Protected Lands o Implementation Schedule (approved proposals will require this as part of the Grant Agreement process) ***Applicant will provide current documents and/or certify that documents on file with DOC are current.**

REQUIRED COMPONENTS

Easement Grant Application Checklist and Cover Sheet

These pages provide the applicant's contact information and a checklist to ensure all components of the application are attached.

Executive Summary

This section, not to exceed one page, should provide a brief but thorough description of the proposed project and its scope (agricultural land quality, location, size, and type of agricultural use). It should explain the potential or actual development pressure impacting the surrounding area, and the contributions the easement might make toward meeting AB 32 goals and objectives. Please also include any information regarding the landowner's need to meet any critical deadlines for concluding the transaction.

Budget

This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations. Associated staff costs directly related to the easement acquisition may be eligible for reimbursement if the costs:

- Are approved as part of the application.
- Were incurred after the submission of a complete application and no more than 180 days before the execution of the Grant Agreement.
- Occur during the time period of the written Grant Agreement.
- Include rates comparable to those of similar expertise in the applicable professions.

Subcontractors identified by the applicant should be listed in the proposed budget, along with the subcontractors' rates. After the grant application is approved, addition or identification of subcontractors requires documentation of a competitive bid process. The bid process and reasonableness of any changes are subject to DOC review. Please see Section 5 for more information regarding grant administration. Eligible and ineligible costs toward project completion are shown on the following page.

Easement Acquisition Summary Sheet

The easement acquisition summary sheet describes the property and its characteristics within a standardized tabular format. Information regarding the ownership structure, number of legal parcels, water sources, mineral rights, and the existing and proposed infrastructure of the property (home sites, farm labor housing, etc) is entered on the form.

Easement Project Characteristics

This section is used to explain attributes of the proposed ACE project, the applicant's capabilities, and local government policies and actions that are relevant to the goals of AB 32. It is formatted as a sequenced series of questions. This section should not exceed six pages.

Eligible Costs include, but are not necessarily limited to:	Ineligible Costs include, but are not necessarily limited to:
o Easement purchase price. Please see page 20 for more information regarding appraisals. o Reasonable costs associated with the acquisition, including but not limited to applicant staff time for easement negotiations, technical and legal consulting, appraisal, preliminary title report, baseline conditions report, escrow fees, and title insurance fees. Payment of these costs are subject to DOC review and shall not exceed 10 percent of the value of the easement for which the costs were incurred (PRC §10231). o Stewardship Funds	o Indirect overhead costs o Ceremonial expenses (including food and beverages) o Expenses for publicity o Bonus payments of any kind o Interest expenses o Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise. o Services, materials, or equipment obtained under any other state program. o Real estate brokerage fees and/or expenses.

Documentation of Public Notice and Local Government Resolution of Support

Before an application for an easement acquisition grant can be approved, the applicant must provide public notice to parties reasonably likely to be interested in the property (PRC §10254). This includes written notice to adjacent property owners, a more generalized public notice, and notice to the local government indicating the applicant's intent to apply for a grant to acquire an agricultural conservation easement. Applicants need to follow one of two tracks shown in the flowchart on page 32 in order to satisfy statutory public and local government noticing requirements. The track that is chosen – Option A or Option B – will determine the order and timing of the documentation requirements for the Grant Application.

The two most common forms of public notification are a notice provided in a newspaper of general circulation in the area, or documented public notice made prior to local governmental meetings where resolutions of support are passed. Please note that the names of landowners whose property is being considered for an ACE are not released to the public as part of this process. The applicant is the contact listed in these notifications.

The timing of public and neighboring landowner notice is important. Written notice to adjacent landowners must occur no less than 30 days prior to the expected date of the local government's consideration of the resolution of support. Notice to the county or city shall occur no less than 30 days before the applicant submits a grant application (PRC §10254). Because of the importance of notification timelines, applicants are encouraged to work with DOC staff to ensure that the process is completed in the correct order.

The governing body of the county or city in which the property is located must certify that the proposed easement meets the eligibility criteria set forth in PRC §10251, and that the easement proposal has been approved by the governing body (PRC §10255(b)). A sample resolution of support is available on the DOC web site. Resolutions for ACEs funded under this program should substantially conform to the sample form.

If the property lies within the Sphere of Influence of an incorporated city, both the city and county must pass resolutions of support (PRC §10255(c)).

The resolution(s) of support must be provided before grant disbursement.

Agricultural Conservation Easement Public Notice Requirements and Public Resources Code Citations				
Local government notice	30 days	prior to	Application	PRC §10254(b)
Public notice		prior to	Funding Decision	PRC §10254
Neighboring landowner notice	30 days	prior to	Resolution of support	PRC §10254(a)
Resolution of support		prior to	Grant disbursement	PRC §10255(b)

OPTION A	OPTION B
Neighboring Landowner Notification (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ☑ Request for resolution provides local government notice ☑ BOS agenda provides public notice ⇩ **Grant Application Submission** (at least 30 days after local government notice) ⇩ **DOC/Council Funding Decision** (at least 30 days after public notice) ⇩ **Disbursement of Funds**	**Local Government Notice** ☑ Letter to Planning Director (at least 30 days prior to) ⇩ **Grant Application Submission** ⇩ **Public Notice** ☑ Newspaper published notice OR ☑ BOS agenda provides public notice (at any point prior to funding decision) ⇩ **DOC/Council Funding Decision** ⇩ **Neighboring Landowner Notification** (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ⇩ **Disbursement of Funds**

Preliminary Title Report, Assessor's Parcel Map(s), and Appraisal
These required documents are critical in evaluating the suitability of a property for an agricultural conservation easement. Resolution of outstanding title issues in order to obtain clear title can be time consuming for the applicant and the landowner. Similarly, an accurate appraisal ensures both the landowner and DOC that fair market value will be paid for the easement.

Landowner Letter of Support
The applicant must provide a letter from the landowner(s) stating their support for proceeding with the easement. The landowner states their intent to work with the applicant to secure the easement.

Conflict of Interest Certification
Nonprofit applicants must provide certification that no conflict of interest or appearance of conflict of interest exists for any members of their Board of Directors or Staff as it relates to the proposed ACE. In evaluation of potential conflicts of interest, land trust applicants are encouraged to consider the Land Trust Alliance sample conflict of interest policies.[16] DOC-CFCP provides sample conflict of interest certification forms on its web site.

Easement Monitoring Plan
Because conservation easements are perpetual in nature, monitoring is important to ensure compliance with the terms of the easement. The applicant, who will become the easement holder, must submit a plan that describes how the ACE will be monitored following its recordation. The plan, up to three pages in length, must address all of the following:

- The plan for compiling a baseline conditions report. This report must be provided to DOC at the close of escrow and is the basis for future condition comparisons.
- The process and frequency of monitoring.
- Who will be responsible for monitoring on behalf of the applicant.
- How monitoring documents will be archived.
- How the Stewardship Fund budget reflects the costs of monitoring, necessary enforcement, and management plan for maintaining the fund in perpetuity.

ADDITIONAL COMPONENTS AND CERTIFICATIONS

Relevant Portions of County General Plan
Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation is required under PRC §10251(b).
To meet the requirements, applicants may attach the current version of these documents or state on the Easement Grant Application Checklist the adoption date(s) of these policies along with internet links to them.

Documentation of Organizational Eligibility
DOC requires documentation of Internal Revenue Service 501(c)3 status for nonprofit applicants, along with the organization's Articles of Incorporation and By Laws documenting the principal charitable or public purposes of the nonprofit organization, a statement describing the organization's goals and purposes, the beneficiaries of its programs, and a statement describing the organization's commitment to conservation of agricultural land resources.

[16] Available at http://www.landtrustalliance.org/training/publications/topics#governance

Applicants who have previously submitted these documents to DOC may certify that the existing documents remain current, or submit updated documents with the application.

Letters of Support from Partners

While optional unless requested by DOC, applicants frequently submit letters of support from local officials, agricultural groups, conservation organizations, or other entities with an interest in conserving farmland through agricultural conservation easements.

Accreditation Documents

Applicants may submit documentation of fiscal and professional expertise to demonstrate their technical capacity to hold permanent agricultural conservation easements. This may take the form of Land Trust Alliance Accreditation or similar certifications.

Project Location Map

In addition to the required assessor's parcel map(s), applicants may submit maps depicting the proposed easement parcel boundaries relative to Important Farmland data, nearest Sphere of Influence, priority planning areas, and other protected lands in the vicinity. DOC will evaluate proposals with publicly accessible GIS data, therefore, if the applicant can document additional conserved lands or resource values that support the proposal they are encouraged to provide supplemental maps.

Please note that detailed maps regarding property infrastructure, such as home sites, farm buildings, farm labor housing, and future building envelopes, must be developed for inclusion in the easement exhibits and baseline conditions report for any application selected for funding under this program.

Implementation Schedule

This section is used to explain the timeline and anticipated completion date for the easement acquisition, as well as any issues on which the timing will hinge, including the timeframe of a willing seller to complete a transaction. Please use the Easement Project Implementation Schedule provided in the Application Form, and attach any necessary explanation, not to exceed one page.

While the Easement Project Implementation Schedule is optional for the application phase, it will be required for the Grant Agreement should the project be selected for funding. State contracting requirements limit Grant Agreements to a maximum of two years.

Section 4: Land Management Incentives

Planning for and protecting California's valuable farmland resources are important steps toward meeting greenhouse gas reduction goals. How these lands are managed provides an additional opportunity to leverage those investments with incentives for proven management practices that can increase carbon sequestration and an array of co-benefits. The SALCP long-term plan is to use a portion of the GGRF funds allocated for the program for this purpose.

This effort, planned to be phased in as the strategy grant phase of the SALCP winds down, will take advantage of existing delivery systems for on-farm conservation practices. The USDA Natural Resources Conservation Service (NRCS), local Resource Conservation Districts (RCDs), and similar local entities have known and trusted relationships with landowners. By providing targeted funds to practices that build upon NRCS' Environmental Quality Incentive Program (EQIP)[17], California's SALCP will efficiently focus conservation investments on practices with the greatest potential to further GHG reductions, increase carbon sequestration, and other co-benefits.

NRCS scientists have been actively evaluating land management practices and their potential to produce these benefits. A portal to access data and tools has been developed:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/

In particular, NRCS provides a list and description of management practices:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982

Applicability to Other Components of the Program
The management practices outlined by NRCS may be relevant to applications for Sustainable Agricultural Land Strategy or Agricultural Conservation Easement grants. Applicants who can document that their proposal involves lands or landowners who actively participate in these practices and who have committed to long-term conservation may be more successful than those that lack such information.

Metrics, Markets, and Co-benefits
Working with NRCS will provide an opportunity to collect and evaluate data regarding management practice participation, the GHG reduction value of these practices, and other metrics that support ongoing GGRF investments. Over time, there may be potential for landowners to benefit from long-term agreements to use these practices supported by privately-administered carbon markets, or other markets established to provide co-benefits.

Working Toward Implementation
Over the next two years, the Department of Conservation will work with NRCS, the Agency, and the Council to develop an implementation plan for the Land Management Incentives component of the SALCP. Information will be provided as it becomes available. Please contact the Department of Conservation with your thoughts and suggestions.

[17] http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/eqip/?cid=stelprdb1242633

Section 5: Grant Administration

These grant administration Guidelines apply to both program components unless noted. They are for general information and are subject to change.

OVERVIEW OF THE PROCESS AFTER GRANTS ARE AWARDED

Steps in Executing the Grant Agreement

1. State sends grant agreement and materials to grantee.
2. Grantee must submit all supporting materials and a signed agreement within twelve (12) months of the announcement or risk forfeiting the grant award.
3. Grantee signs and returns all required copies back to the State (a fully executed copy will be returned to the Grantee).

Steps Upon Signature of the Grant Agreement

1. Grantee participates in an orientation meeting (via phone) with the grant manager prior to commencing work.
2. Grantee commences work and submits requests for reimbursements, as applicable.
3. Grantee submits quarterly progress reports for review via electronic file and signed original document.
4. Grantee may be asked to attend a future Strategic Growth Council meeting to discuss the merits of the grant project.
5. Grantee must submit a final report upon completion of the award agreement in order to receive its final payment. The State may withhold ten percent (10%) of planning grant project costs or the associated costs (for agricultural conservation easements), to ensure that final reports and documentation have been received.

FUNDING AND ACCOUNTING

Payment of Grant Funds

Funds cannot be disbursed until there is a fully executed Grant Agreement between the Department of Conservation and the Grantee. Only those actual and direct project-related costs incurred during the approved term of the Grant Agreement and as specified in the Grant Agreement budget will be eligible for payment. All costs must be supported by appropriate invoices, purchase orders, canceled warrants/checks, and other approved documents.

For Sustainable Agricultural Land Strategy Grants, work done prior to a fully executed Grant Agreement will not be funded.

- Payments will be made on a reimbursement basis (i.e. the grantee pays for services or staff then is reimbursed).
- Ten percent (10%) of the amounts submitted for reimbursement will be withheld and issued as a final payment upon work program completion, at the sole discretion of the Department of Conservation.
- Advanced payments are not allowed.

Funds for the purchase of agricultural conservation easements will be deposited into an escrow account established with a title insurance company licensed by the California Department of Real Estate for disbursement of funds and recordation of the easement. All other match funds being used to complete the easement purchase must be deposited into the escrow account concurrent with funds from this program. At close of escrow the title insurance

company must be able to insure title to the interest being recorded. Associated costs for purchase of an easement (direct acquisition funds as identified in the Grant Agreement) will be paid on a reimbursement basis, after escrow has closed and all final documents have been received.

Accounting of Grant Funds
It is essential that complete and accurate records be maintained. Grant recipients must maintain an accounting and record keeping system that reflects sound fiscal controls and safeguards. The accounting information must be sufficient so that the total cost of each aspect of the project cost can be readily determined and records are readily available upon demand. Grant recipients must retain all grant transaction records for a period of three years after final payment is made by the State. (Note: This does not limit requirements for permanent record keeping of all conservation easement, baseline reports, and monitoring-related documents.)

Accounting of Stewardship Funds—Agricultural Conservation Easements
Each recipient of a grant for purchase of a conservation easement will be required to certify that, as the stewardship fund holder, it uses accepted accounting practices as promulgated by either the Financial Accounting Standards Board or any successor entity for nonprofit organizations, or the Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in statute for local government financial affairs.

Auditing of Fund Expenditures
All expenditures of public funds under this program are subject to audit by the State of California. All grant recipients shall maintain books, records, documents and other evidence sufficient to properly reflect the amount, receipt, and disposition of all project funds (including State funds, interest earned, and matching funds by the grant recipient) and the total cost of the project.

ORGANIZATIONAL CONSIDERATIONS

Subcontractors and Purchasing
Grant recipients (grantees) may make use of their own staff and such subcontractor(s) as are mutually acceptable to the grantee and the Department of Conservation (Department). Grantees are expected to adhere to the jurisdiction's or organization's internal contracting and purchasing guidelines. Documentation of the grantee's contracting or purchasing guidelines, processes, and project-specific approvals may be requested in the event of audit by the State of California. All subcontractors are governed by and must adhere to all provisions of the Grant Agreement.

Workplace Certifications and Insurance
Pursuant to the requirements of Government Code §8355, grantees must sign a certification that a drug-free workplace will be provided.

Grantees must obtain and keep Worker's Compensation, commercial general liability, and automobile liability insurance policies compliant with specifications provided by the Department in force for the term of the Grant Agreement. The insurance specifications are included within the standard Grant Agreement template and posted on the Department web site. These policies shall cover any acts or omissions of the grantee or its employees engaged in the provision of service specified in the Grant Agreement.

Grantees shall name the State of California, its officers, agents, employees and servants as additional insured parties for all insurance required, and are responsible for guaranteeing that a copy of each Certificate of Insurance is submitted to the Department within thirty (30) days of Grant Agreement signature.

Materials and Publicity
Any publicity surrounding a grant or agricultural conservation easement funded under this program should be discussed with the Department in advance. The landowners of properties placed under an agricultural conservation easement should understand that their names may become public as the result of publicity events, news articles, or requests for public records. Coordination between the grantee, the Department, and other funders on any publicity is greatly appreciated.

Successful applicants for Sustainable Agricultural Land Strategy Grants will be informed of requirements regarding publicity during their orientation meeting with the grant manager.

Loss of Funding (Not a complete list)
The following are examples of actions that may result in a Grantee's loss of funding:

- Grantee fails to obtain a Grant Agreement.
- Grantee withdraws from the grant program.
- Grantee fails to complete the funded work.
- Grantee fails to complete work in a manner that meets the requirements agreed upon.
- Grantee fails to submit all documentation within the time periods specified in the grant agreement.
- Grantee changes scope of work program without approval of the Department.
- Grantee changes the subcontractor or partner(s) identified in the work plan or application without approval from the Department.

APPENDIX A – GLOSSARY

The terms used in these grant Guidelines are defined as follows:

AB 32 (Chapter 488, 2006): Assembly Bill 32, or the California Global Warming Solutions Act of 2006, establishes a comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases. It codifies in the Health and Safety Code declarations about the serious threats posed by global warming and the intent of the Legislature to ensure coordination among state agencies and all affected stakeholders in the development of regulations to implement this law.

Affordable Housing and Sustainable Communities (AHSC) Program: The AHSC Program furthers the regulatory purposes of AB 32 and SB 375 by investing in projects that reduce greenhouse gas emissions by creating more compact, infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development. These projects, described in the AB 32 Scoping Plan, support climate objectives and co-benefits by reducing vehicle miles traveled and associated greenhouse gas and other emissions, or by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions.

Agricultural Conservation Easements (ACE): a voluntary, legally recorded deed restriction in perpetuity as defined in Section 815.1 of the Civil Code. The ACE removes development pressure, prohibits practices that would damage or interfere with the agricultural use of the property, and prevents the restriction of agricultural husbandry practices. The ACE remains in effect even when land changes ownership and maintains the land in private ownership and on the tax rolls. The ACE must be held by a qualified Section 501(c)(3) California non-profit organization, or a local government, both which must state one of its primary purposes is the protection of agricultural use.

Applicant: An eligible organization requesting funding from this program to be administered by the State. Eligible applicants for the Strategic Agricultural Land Strategy Grants are cities and counties. Partners to the Strategic Agricultural Land Strategy Grants may include nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority. Eligible Applicants for the Agricultural Conservation Easement Grants include local governments, nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority that have the conservation of farmland among its stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Baseline Conditions Report: A comprehensive document that describes the condition of a property placed under conservation easement. The Baseline Conditions Report (BCR) is compiled by the easement holder, and is referred to during future monitoring of the easement to determine whether the terms and conditions of the easement are being upheld.

Co-Benefits: The ancillary or additional benefits of policies that are implemented with a primary goal, such as climate change mitigation – acknowledging that most policies designed to reduce greenhouse gas emissions also have other, often at least equally important, benefits (e.g., energy savings, economic benefits, air quality benefits, public health benefits). Also referred to as “multiple benefits.” (U.S. Environmental Protection Agency)

Conservation easement: An interest in land, less than fee simple, which represents the right to prevent the development or improvement of the land, as specified in Section 815.1 of the California Civil Code. For the purposes

of SALCP, the easement is held to prevent any use that may diminish or impair purposes other than agricultural production.

Disadvantaged Community: Communities that rank among the highest in combined burdens and vulnerabilities from pollution, other environmental factors and population characteristics. Funding for grants, investments, cleanup efforts, and enforcement actions are targeted to the state's most disadvantaged communities. The CalEPA and the Office of Environmental Health Hazard Assessment (OEHHA) developed the CalEnviroScreen tool to analyze multiple environmental and socioeconomic factors to create scores for each ZIP code in the state. The 2014 release of CalEnviroScreen 2.0 is based on census tract data.

Fund or Funds: monies authorized from the California Budget Act of 2014 from the Greenhouse Gas Reduction Fund (GGRF) to the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16.

Grant Administrator: an employee of the State who manages grants, also called a Grant Manager.

Grant Agreement: a contractual arrangement between the State and grantee specifying the payment of funds by the State for the execution of the work program by the grantee.

Grant Performance Period: the beginning and ending dates of the Grant Agreement. Eligible costs incurred during this period may be funded from the grant. No work plan should exceed 24 months, as outlined in State Contracting Manual Guidelines.

Grantee: an applicant that has a signed agreement for grant funding with the State.

Greenhouse Gases: include, but are not limited to, carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Infrastructure: specific to the SALCP, infrastructure refers to the resources upon which an agricultural business relies. This includes but is not limited to seed and fertilizer suppliers, veterinary services, water and energy distribution, transportation, drying or processing facilities, and storage or marketing facilities.

Joint Proposal: an application submitted for the Sustainable Agricultural Land Strategy Grants by one lead eligible applicant with one or more eligible applicant (co-applicant). A single Budget and Work Plan must be submitted by the lead applicant. Budget and Work Plan must describe the funds that will be distributed to lead and co-applicants and identify general activities for which they are used.

Land Trust: A private nonprofit organization that holds a tax exemption as defined under Section 501(c)(3) of the Internal Revenue Code, and further qualifies as an organization under Section 170(b)(1)(A)(vi) or 170(h)(3) of the Internal Revenue Code. For purposes of SALCP, land trusts eligible to hold agricultural conservation easements must have among their purposes the conservation of agricultural lands.

Local Agency Formation Commission (LAFCO): The Cortese-Knox Local Government Reorganization Act (Government Code Section 56000, et seq.) established Local Agency Formation Commissions in each county, empowering them to review, approve or deny proposals for boundary changes and incorporations for cities, counties, and special districts. Among the purposes of a LAFCO are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). One of the primary planning tasks is the establishment of "spheres of influence" for the various governmental bodies within their jurisdiction.

Natural Resources: the materials and functions that comprise the natural wealth of an area's ecosystems, including, but not limited to the plants, animals, minerals, air, water, and soil. Among these functions are watershed catchment, wildlife migration and habitation, forestry, grazing, and crop production. Of particular importance for complex, large scale natural resources functions are lands that flood, lands that are farmed, lands dedicated to open space, lands designated for mineral extraction, greenbelts, parks and trails, and lands valued for their aesthetics.

Partner(s): non-profits, resource conservation districts, or other stakeholders with an interest in conserving agricultural land that are included or play a role in the Applicant's proposed scope of work.

Regional Plan: either of the following: 1) A long-range transportation plan developed pursuant to Section 134(g) of Title 23 of the United States Code and any applicable state requirements, OR 2) A regional blueprint plan, which is a regional plan that implements statutory requirements intended to foster comprehensive planning as defined in Section 65041.1 of, Chapter 2.5 (commencing with Section 65080) of Division 1 of title 7 of, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

Specific Plan: a tool for local government implementation of all or part of an area covered by a general plan. A specific plan can combine policy statements with development regulations. It is often used to address the development requirements for projects such as urban infill developments or planned communities. Its emphasis is on standards and development criteria for projects within the area of the specific plan. A specific plan may be adopted either by resolution or by ordinance. Specific plans must be consistent with all facets of the General Plan (§65450, et seq.).

Sphere of Influence (SOI): The SOI is a plan for the probable physical boundaries and service area of a local government agency (Government Code Section 56076). One of the primary planning tasks of each county's LAFCO is the establishment of SOIs for the governmental bodies within their jurisdictions.

State: for purposes of this program, State is a general term including the Strategic Growth Council, Department of Conservation, and the Natural Resources Agency or its representatives.

State Planning Priorities: as defined under Government Code Section 65041.1:

> The state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities, shall be as follows:

(a) To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.

(b) To protect environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.

(c) To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:
(1) Uses land efficiently.
(2) Is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b).
(3) Is located in an area appropriately planned for growth.
(4) Is served by adequate transportation and other essential utilities and services.
(5) Minimizes ongoing costs to taxpayers.
(Amended (as added by Stats. 2002, Ch. 1016) by Stats. 2002, Ch. 1109, Sec. 1. Effective January 1, 2003.)

Stewardship Fund: Funds dedicated solely for the long-term stewardship of conservation easements. These funds are set aside by the easement holder at the recordation of a conservation easement and dedicated to ensure funding the cost of annual monitoring and evaluation of easement threats.

Subcontractor: an entity contracting with the applicant that will participate in the proposed work program submitted by the applicant. Subcontractors must be included in the work plan and budget form. The lead applicant submits invoices on behalf of the subcontractor. The State pays the lead applicant, who then pays the subcontractor.

APPENDIX B –Online Resources

Legislation	
AB32: California Global Warming Solutions Act of 2006 http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab_0001-0050/ab_32_bill_20060927_chaptered.pdf	**State Planning Priorities** (Government Code 65041.1) http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=65041.1
SB 375: Regional greenhouse gas emission reduction targets http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200720080SB375	**SB 226: CEQA Streamlining Opportunities** http://leginfo.ca.gov/pub/11-12/bill/sen/sb_0201-0250/sb_226_bill_20111004_chaptered.html
SB 732: Strategic Growth Council Statute http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0701-0750/sb_732_bill_20080930_chaptered.pdf	**Senate Bill 535 (De León, Chapter 830, Statutes of 2012)** Investments to Benefit Disadvantaged Communities http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535&search_keywords=

State Planning Documents	
Air Quality and Climate	
State Implementation Plans Air Resources Board http://www.arb.ca.gov/planning/sip/sip.htm	**California Climate Adaption Planning Guide** Natural Resources Agency http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/
AB 32 Scoping Plan Air Resources Board http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm	**Climate Adaptation Strategy** Natural Resources Agency http://www.climatechange.ca.gov/adaptation/index.html
SB 375 Implementation Air Resources Board http://www.arb.ca.gov/cc/sb375/sb375.htm	**Long Term Energy Efficiency Strategic Plan** California Public Utilities Commission http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/eesp
Cap-and-Trade Auction Proceeds Investment Plan CalEPA/GO/Legislature http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm	**Vision for clean air: A framework for air quality and climate planning** Air Resources Board http://www.arb.ca.gov/planning/vision/vision.htm

Datasets and Databases including Geographical Information System Layers	
Farmland Mapping and Monitoring Program Department of Conservation http://www.consrv.ca.gov/DLRP/fmmp/Pages/index.aspx	**Healthy Communities Data and Indicators Project** Department of Public Health http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx
National Conservation Easement Database U.S. Endowment for Forestry and Communities http://nced.conservationregistry.org/	**Natural Community Conservation Plan Map** Department of Fish and Wildlife http://www.dfg.ca.gov/habcon/nccp/status.html **Riparian Habitat Conservation Program** https://www.wcb.ca.gov/Programs/Riparian
California Protected Area Database Strategic Growth Council http://www.calands.org/data	**Geoportal Public Access** Department of Technology http://portal.gis.ca.gov/geoportal/catalog/main/home.page
California Conservation Easement Database Strategic Growth Council http://www.calands.org/cced	**GHG Emmission Inventory –Query Tool for 2000-2012** CAL EPA http://www.arb.ca.gov/app/ghg/2000_2012/ghg_sector.php

Land Conservation and Technical Assistance Programs	
California Council of Land Trusts http://www.calandtrusts.org/	**California Resource Conservation Districts** Department of Conservation http://www.conservation.ca.gov/dlrp/RCD/Pages/Index.aspx
California Farmland Conservancy Program Department of Conservation http://www.conservation.ca.gov/dlrp/cfcp/Pages/Index.aspx	**California State Conservancies** Natural Resources Agency http://resources.ca.gov/offices/
Habitat Conservation Planning Programs Department of Fish and Wildlife https://www.wildlife.ca.gov/Explore/Organization/HCPB	**Environmenal Quality Incentive Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip/

Agriculture	
California Climate Change Portal Department of Food and Agriculture http://www.cdfa.ca.gov/environmentalstewardship/climate.html Climate Change Consortium for Specialty Crops: Impacts and Strategies for Resilience (http://www.cdfa.ca.gov/environmentalstewardship/pdfs/ccc-report.pdf)	**California Farm Bureau Federation** http://www.cfbf.com/CFBF/About_Us/CFBF/AboutUs/Default.aspx?hkey=d9842fb4-f5b1-4be5-8893-a3fdd28e5a96
California Climate and Agriculture Network http://calclimateag.org/	**Land Conservation Act (Williamson Act)** Department of Conservation http://www.consrv.ca.gov/dlrp/lca/Pages/Index.aspx
Farmland Studies and Reports American Farmland Trust http://farmland.org/resources/reports/default.asp	**Agricultural Conservation Easement Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/acep/

Land Use	
California Environmental Quality Act (CEQA) Guidelines Office of Planning & Research http://opr.ca.gov/s_ceqaguidelines.php	**Land Use, General Plans, and Disadvantaged Communities Technical Advisory** Office of Planning & Research http://opr.ca.gov/docs/SB244_Technical_Advisory.pdf
Guidelines for Classification and Designation of Mineral Lands Department of Conservation http://www.conservation.ca.gov/smgb/Guidelines/Documents/ClassDesig.pdf	**Planners Guide to Specific Plans** Office of Planning & Research http://opr.ca.gov/docs/specific_plans.pdf
General Plan Guidelines Office of Planning & Research http://ceres.ca.gov/planning/genplan/gpg.pdf	**Transit Oriented Development (TOD) Resources** Department of Housing & Community Development http://www.hcd.ca.gov/hpd/tod.pdf
LAFCOs, General Plans, and City Annexations Office of Planning & Research http://opr.ca.gov/docs/LAFCOs_GeneralPlans_City_Annexations.pdf	**California Strategic Growth Council Strategic Plan** Strategic Growth Council http://sgc.ca.gov/docs/workplan/strategicplan-01-24-12.pdf
Important Farmland Maps Department of Conservation http://www.consrv.ca.gov/dlrp/fmmp/Pages/Index.aspx	**Oil and Gas Resources** Department of Conservation http://www.consrv.ca.gov/dog/Pages/Index.aspx

Water	
California Water Plan Department of Water Resources http://www.waterplan.water.ca.gov/cwpu2013/ae/index.cfm	**California State Coastal Conservancy Strategic Plan** Coastal Conservancy http://scc.ca.gov/files/2013/03/SCC-Strategic-Plan-2013-18.pdf
Safe Drinking Water State Revolving Fund Public Health http://www.cdph.ca.gov/services/funding/Pages/SRF.aspx	**Regional Board Water Quality Control Plans (Basin Plans)** State Water Resources Control Board http://www.waterboards.ca.gov/plans_policies/

Guidance and Indicators	
Climate	
Climate Change and Climate Action Planning Technical Advisories Office of Planning and Research http://opr.ca.gov/s_ceqaandclimatechange.php	**Ecosystem Services and Forestry** US Forest Service http://www.fs.fed.us/ecosystemservices/carbon.shtml
Indicators of Climate Change in California Office of Environmental Health Hazard Assessment http://www.oehha.ca.gov/multimedia/epic/pdf/ClimateChangeIndicatorsReport2013.pdf	

Resource Websites and Tools	
ARB Cool California: Local government assistance website Air Resources Board http://www.coolcalifornia.org/article/climate-action-planning	**California Local Energy Assurance Planning Tool (CaLEAP)** CalEPA https://caleap.icfwebservices.com/
GHG and Carbon Sequestration Ranking Tool-NRCS United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982	**SEEC GHG Inventory and Forecast Tools Update** Air Resources Board/OPR http://californiaseec.org/resources-guidance/resources-guidance-collection/#b_start=0
CalEnviroScreen 2.0 Office of Environmental Health Hazard Assessment http://oehha.ca.gov/ej/ces2.html	**Environmental Goals and Policy Report** Governor's Office /Office of Planning and Research http://opr.ca.gov/s_egpr.php
CERES Planning and Natural Resource Information Natural Resources Agency http://ceres.ca.gov/	

Appendix C – Additional Resources

Below are additional technical reports regarding greenhouse gas and carbon sequestration quantification in agricultural and forest settings. More information will be added in future releases of these Guidelines.

Goines, B. and M. Nechodom. 2009. National Forest Carbon Inventory Scenarios for the Pacific Southwest Region (California), Report to Regional Forester and PSW Station Director, CA: Albany: U.S. Department of Agriculture, Forest Service Region 5 Climate Change Interdisciplinary Team.

Jackson, Louise, et al. 2012. Adaptation Strategies for Agricultural Sustainability in Yolo County, California. California Energy Commission. Publication number: CEC-500-2012-032. 189pp.

Koteen, L. E., D. D. Baldocchi, and J. Harte. 2011. Invasion of non-native grasses causes a drop in soil carbon storage in California grasslands. Environmental Research Letters 6. 044001.

Kroeger, T., et al. 2010. An Economic Analysis of the Benefits of Habitat Conservation on California Rangelands. Defenders of Wildlife. 93pp.

PIER. 2003. California Energy Commission Contractor/Consultant Report. Attachment IV – Carbon Sequestration in California's Terrestrial Ecosystems and Geological Formations. 48pp.

Ryals, R. and W. Silver. 2013. Effects of organic matter amendments on net primary productivity and greenhouse gas emissions in annual grasslands. Ecological Applications, 23(1), 2013, pp. 46 – 59.

Silver, W., R. Ryals, and V. Eviner. 2010. Soil Carbon Pools in California's Annual Grassland Ecosystems. Rangeland Ecol Manage 63:128-136.

Silver, W., M. DeLonge, and J. Owen. 2013. Climate Change Mitigation Potential of California's Rangeland Ecosystems. DESPM, University of California, Berkeley. 30pp.

USDA. Technical Bulletin 1930.2011.USDA Agriculture and Forestry Greenhouse Gas Inventory: 1990-2008.115pp.

This Page Intentionally Left Blank

AGENDA ITEM NO. 12

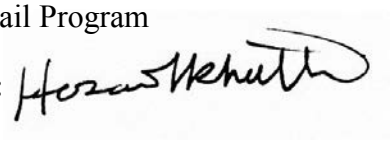
REPORT

DATE: February 5, 2015

TO: Regional Council (RC)

FROM: Hasan Ikhrata, Executive Director, (213) 236-1944, ikhrata@scag.ca.gov

SUBJECT: Cap-and-Trade Greenhouse Gas Reduction Fund: Low Carbon Transit Operations Program and the Transit and Intercity Rail Program

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only – No Action Required

EXECUTIVE SUMMARY:
The Low Carbon Transit Operations Program and the Transit and Intercity Rail Program provide funding from the Greenhouse Gas Reduction Fund to support transit capital and operations projects to increase ridership, reduce vehicle miles traveled, and fund zero-emissions and low emission transit vehicles. These programs were presented and discussed at the November 6, 2014 Joint Meeting of the Regional Council and Policy Committees. This report provides an update on the status of the programs. Project submittals for the Low Carbon Transit Operations Program are due on February 2, 2015. Project applications for the Transit and Intercity Rail Program are due on April 10, 2015.

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:

Senate Bill 862 created the Low Carbon Transit Operations Program and the Transit and Intercity Rail Program. These programs are part of a larger effort to reduce greenhouse gas emissions through integrated quality transit, affordable housing, and sustainable communities, and were presented and discussed at the November 6, 2014 Joint Meeting of the Regional Council and Policy Committees.

The Low Carbon Transit Operations Program supports new or expanded bus or rail services, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. This is a formulaic program whereby the State Controller determines the allocation based on a statutory population and farebox revenue formula. Eligible project sponsors are transit operators, transportation planning agencies, and county transportation commissions that are eligible for State Transit Assistance funds in accordance with Public Utilities Code 99313 and 99314. At least 50 percent of project expenditures will benefit disadvantaged communities in agencies that include communities designated as disadvantaged. In 2014-15, this program provided $25 million in funding. Beginning in 2015-16, the program will receive 5% of annual Cap-and-Trade auction proceeds, which the Governor's Budget identifies as $50 million for 2015-16. The 2014-15 Guidelines were adopted on December 19, 2014, and the first project submittals are due

by February 2, 2015 for allocation by April 15, 2015. Project submittals for the second round are due by April 15, 2015, for allocation by June 30, 2015.

The Transit and Intercity Rail Capital Program goals include the reduction of greenhouse gas emissions, expanded rail service to increase ridership, the integration of different rail and bus systems, and improved rail safety. The program supports rail and bus capital projects and operational improvements that result in increased ridership and reduced greenhouse gas emissions. This is a competitive program that is envisioned to fund a small number of transformational projects that improve the statewide network. Proposed projects will be evaluated based on emission reduction, ridership growth, achievement of integrated service, and safety benefit, with additional secondary evaluation criteria as identified in the guidelines. Eligible applicants must be public agencies, including joint powers agencies, that operate existing or planned regularly scheduled intercity rail service (and associated feeder bus service), commuter rail, commuter bus service, or bus and rail transit service, or that have planning responsibility for future services not under the authority of an existing operator. At least 25 percent of project expenditures will benefit disadvantaged communities. In 2014-15, this program received $25 million in funding. Beginning in 2015-16, the program will receive 10% of annual Cap-and-Trade auction proceeds, which the Governor's Budget identifies as $100 million for 2015-16. The Draft 2014-15 Guidelines were made available on December 19, 2014, and the Final Guidelines are to be adopted on February 6, 2015. Project applications are due April 10, 2015, and projects will be selected by June 30, 2015.

FISCAL IMPACT:
Work associated with this item is included in the current FY2014/15 Overall Work Program 140.SCG00121 Transit and Rail Planning.

ATTACHMENTS:
None

REPORT

AGENDA ITEM NO. 13

DATE: February 5, 2015

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

FROM: Basil Panas, Chief Financial Officer; (213) 236-1817; panas@scag.ca.gov

SUBJECT: Purchase Orders $5,000 but less than $200,000; Contracts $25,000 but less than $200,000; and Amendments $5,000 but less than $75,000

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
For Information Only - No Action Required.

STRATEGIC PLAN:
This item supports SCAG'S Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

BACKGROUND:

SCAG executed the following Purchase Orders (PO's) between $5,000 and $200,000

Vendor	PO Purpose	PO Amount
Reilly Workplace Investigations	Investigation Services	$30,000
CoStar Realty Information Group	Real Estate Date (for contract 15-02-C1)	$21,018
Conferencing Advisors, Inc.	Lifesize Video Conferencing System Support	$14,688
McCune Audio Video Lighting	Videography Services for 2014 Economic Summit	$8,230
City Fare, Inc.	SCAG Staff Appreciation Luncheon	$5,000
Southern Calif. Leadership Network	Sponsorship	$5,000
California Contract Cities Association	Sponsorship	$5,000

SCAG executed the following Contracts between $25,000 and $200,000

Consultant/Contract #	Contract's Purpose	Contract Amount
1. Raimi + Associates (15-001-B20)	The consultant shall provide services for a Sustainability Planning Grant for the City of Palm Springs. This project is intended to promote active and healthy modes of transportation by making it easy to choose to travel by other means other than driving. The plan also is consistent with the policies of SCAG's 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (2012 RTP/SCS) and will assist in solving regional transportation issues.	$84,871

SCAG executed the following Contracts between $25,000 and $200,000

Consultant/Contract #	Contract's Purpose	Contract Amount
2. KTU&A (14-001-B36)	The consultant shall provide services for a Sustainability Planning Grant for the City of Calimesa. Specifically, the consultant shall develop the framework for a safe, connected active transportation trail system to serve two (2) adjoining cities (Calimesa and Yucaipa). In support of this, the cities will improve trail infrastructure to serve as safe routes to school and be able to provide recreation venues. All of these features are intended to promote more active and healthy modes of transportation by making it easy to choose to travel by other than driving. This plan also is consistent with the policies of SCAG's 2012 RTP/SCS and will assist in solving regional transportation issues.	$81,542
3. HBA Specto (15-006-SS)	The consultant shall enhance the functionality of SCAG's Land Use Model to increase ability to analyze different types of households that may be impacted by various transit-oriented developments (TOD's).	$50,000

SCAG executed the Amendment between $5,000 and $74,999

Consultant/Contract #	Amendment's Purpose	Amendment Amount
N/A	N/A	N/A

ATTACHMENT:
Contract Summaries

REPORT

AGENDA ITEM NO. 14

DATE: February 5, 2015

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

FROM: Basil Panas, Chief Financial Officer, 213-236-1817, panas@scag.ca.gov

SUBJECT: Fiscal Year (FY) 2013-14 External Financial Audit

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
For Information Only – No Action Required.

EXECUTIVE SUMMARY:
SCAG's external independent auditors, Vasquez and Co., LLP, completed the audit of SCAG's FY 2013-14 financial statements. Copies of the Comprehensive Annual Financial Report were distributed electronically in January and are also available at: http://www.scag.ca.gov/about/Pages/Financial%20Reports.aspx

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

BACKGROUND:
At the April 3, 2014 Regional Council Meeting, the Consultant was hired by SCAG to provide auditing services including but not limited to, performing SCAG's financial audit and a Single Audit.

FISCAL IMPACT:
None

ATTACHMENT:
None

This Page Intentionally Left Blank

AGENDA ITEM NO. 15

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Main Office
818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800
f (213) 236-1825

www.scag.ca.gov

Officers

President
Carl Morehouse, San Buenaventura

First Vice President
Cheryl Viegas-Walker, El Centro

Second Vice President
Michele Martinez, Santa Ana

Immediate Past President
Greg Pettis, Cathedral City

Executive/Administration Committee Chair

Carl Morehouse, San Buenaventura

Policy Committee Chairs

Community, Economic and Human Development
Margaret Finlay, Duarte

Energy & Environment
Deborah Robertson, Rialto

Transportation
Alan Wapner, San Bernardino Associated Governments

2015 Meeting Schedule

Regional Council and Policy Committees

All Regular Meetings are scheduled on the 1st Thursday of each month; except for the month of October*	
Executive/Administration Committee (EAC)	9:00 AM – 10:00 AM
Community, Economic and Human Development Committee (CEHD)	10:00 AM – 12:00 PM
Energy and Environment Committee (EEC)	10:00 AM – 12:00 PM
Transportation Committee (TC)	10:00 AM – 12:00 PM
Regional Council (RC)	12:15 PM – 2:00 PM

January 1, 2015 (DARK)

February 5, 2015

March 5, 2015

April 2, 2015

May 7 – 8, 2015
(2015 SCAG Regional Conference & General Assembly)

June 4, 2015

July 2, 2015

August 6, 2015 **(DARK)**

September 3, 2015

October 8, 2015*****
(Note: League of California Cities Annual Conference, San Jose, CA, on Sept. 30 – Oct. 2)

November 5, 2015

December 3, 2015

This Page Intentionally Left Blank

REPORT

AGENDA ITEM NO. 16

DATE: February 5, 2015

TO: Executive/Administration Committee
Regional Council

FROM: Darin Chidsey, Director, Policy, Strategy & Public Affairs; (213)-236-1836; (Chidsey@scag.ca.gov)

SUBJECT: February 2015 Federal and State Legislative Update

EXECUTIVE DIRECTOR'S APPROVAL:

FEDERAL

The 114th Congress convened on January 6, 2015. Rep. John Boehner (R-OH) was re-elected Speaker, Rep. Kevin McCarthy (R-CA) retains the position of Majority Leader, and Rep. Steve Scalise (R-LA) will continue as Majority Whip. On the Democratic side, Rep. Nancy Pelosi (D-CA) was handily reelected Minority Leader, with Rep. Steny Hoyer (D-MD) as Minority Whip, and Rep. Jim Clyburn (D-SC) as Assistant Democratic Leader. Rep. Xavier Becerra (D-CA) serves as Chairman of the Democratic Caucus.

Congress Passes FY15 Funding Bill

On December 13, 2014, the Congress passed H.R. 83, funding the federal government for Fiscal Year 2015 and averting a government shutdown. The House vote of 219-206 occurred on December 11, 2014, with the Senate passing the bill December 13, by vote of 56-40.The bill comports with the 2013 Budget Act (the "Ryan-Murray Agreement"), providing a total of $1.013 trillion for the operation of the federal government, and meeting the $521 billion defense and $492 billion non-defense budget caps.

The legislation contains full funding for fiscal year 2015 for 11 of the 12 regular annual Appropriations bills, with the exception of the Department of Homeland Security (DHS). The bill includes $17.8 billion in discretionary appropriations for the Department of Transportation (DOT) – the same as the fiscal year 2014 enacted level and $4.8 billion below the President's request. Within this total, the legislation provides $500 million for the TIGER program, which funds competitive grants for state and local road, transit, port, and railroad construction projects. Other transportation breakdowns include:

- **Highways** – The bill provides almost $41 billion in obligation limitation funding for the Federal Highway program – the same level authorized in the MAP-21 transportation authorization legislation, which expires on May 31, 2015. This is the same as the fiscal year 2014 level.

- **Rail** – The Federal Railroad Administration (FRA) is funded at $1.6 billion, an increase of $23 million above the fiscal year 2014 enacted level. No funding is provided for high-speed rail.

- **Transit** – The bill contains $2.3 billion for the Federal Transit Administration (FTA) – an increase of $141 million over the fiscal year 2014 enacted level. The legislation also allows $8.6 billion in state and local transit grant funding from the Mass Transit Account (of the Highway Trust Fund), consistent with MAP-21, to help local communities build, maintain, and ensure the safety of their mass transit systems. The legislation provides a total of $2.1 billion for Capital

Investment Grants ("New Starts"), full funding for state and local "Small Starts," and funding for all current "Full Funding Grant Agreement" projects within FTA. These programs provide competitive grants for major transit investments – including rapid rail, light rail, bus rapid transit, and commuter rail – that are planned and operated by local communities.

Senate EPW Committee Hearing on Transportation Reauthorization Bill

On Wednesday, January 28, 2015, the Senate Committee on Environment and Public Works (EPW) held a hearing to examine the need for Federal transportation infrastructure investments and the importance of passing a long-term MAP-21 reauthorization to support the Nation's global economic competitiveness.

USDOT Secretary Anthony Foxx testified before the EPW Committee and reported that the Obama administration is working on changes to its previous $302 billion four-year transportation bill, the 'GROW America Act', and plans to release a new draft soon. The Secretary indicated the changes would be small, mostly "fine-tuning." The funding mechanism in the existing bill — roughly $150 billion in one-time revenue from overhauling the tax treatment of overseas profits — will remain the administration's preferred option though it would remain open to other suggestions from Congress. Secretary Foxx also repeatedly said he would like to see projects go through the state and federal permitting applications concurrently rather than one after the other. In addition, EPW Committee Chair Sen. James M. Inhofe (R-OK), indicated that his top priority this year is to pass a fiscally-responsible, long-term highway bill. Currently the federal portion of the nation's transportation system is being funded by a short term extension to MAP-21, the last transportation authorization bill passed by the Congress, until May 31, 2015. The Congress must pass an authorization bill by or before that date or extend the current authorization to continue funding the transportation system.

Invest in Transportation Act

On January 29, 2015, U.S. Senators Barbara Boxer (D-CA) and Rand Paul (R-KY) announced that they will be introducing the *Invest in Transportation Act of 2015*, bipartisan legislation that would extend the Highway Trust Fund and boost economic growth by providing an incentive for companies to bring back some of the estimated $2 trillion in foreign earnings that are being held overseas.

The legislation would allow companies to voluntarily return their foreign earnings to the United States at a tax rate of 6.5 percent (current repatriation tax rate is 35%). The rate is only for repatriations that exceed each company's average repatriations in recent years, and funds must have been earned in 2015 or earlier. Companies would have up to five years to complete the transfer.

All tax revenues from the repatriation program would be transferred into the Highway Trust Fund, helping to address the urgent federal funding crisis facing America's highways, bridges, and transit systems. The measure also would ensure that a portion of the repatriated funds will be used for increased hiring, wages and pensions; research and development, environmental improvements; public-private partnerships; capital improvements; and acquisitions. Under the bill, no funds could be spent on increases in executive compensation, or on increases in shareholder dividends or stock buybacks for three years after the program ends. Economic studies have found that repatriating some of the $2 trillion in foreign earnings held by companies overseas could add several hundred billion dollars to GDP and help businesses create millions of jobs. This measure supports the policy the Administration has signaled will be principal funding source in its soon to be released transportation authorization successor to MAP-21.

Senator Barbara Boxer Will Not Run for Reelection
Senator Barbara Boxer of California, past Chairwoman and current Ranking Member of the Senate Environment and Public Works Committee, announced that she will not seek a fifth term next election cycle. She will continue to serve the remainder of the 114th Congress, leaving an open seat for California in the 2016 election.

STATE
The 2015-16 session of the California Legislature convened on December 1, 2014. Leadership positions for the new session include, in the Senate, President pro tempore Kevin de León (D-Los Angeles), and Minority Leader Bob Huff (R-Brea). Committee Chair and Vice-Chair appointments to committees of jurisdiction of many of the issues relevant to SCAG interests are: Transportation and Housing Committee Chair Jim Beall (D-San Jose) and Vice-Chair Anthony Canella (R-Modesto); Natural Resources and Water Committee Chair Fran Pavley (D-Calabasas) and Vice-Chair Jeff Stone (R-Riverside); Governance and Finance Committee Chair Robert M. Hertzberg (D-Los Angeles) and Vice-Chair Janet Nguyen (R-Santa Ana); and Environmental Quality Committee Chair Bob Wieckowski (D-Fremont) and Vice-Chair Ted Gaines (R-El Dorado Hills).

In the Assembly, leadership consists of Speaker Toni Atkins (D-San Diego) and Minority Leader Kristin Olsen (R-Modesto). Committee Chair and Vice-Chair appointments to committees of jurisdiction of many of the issues relevant to SCAG interests are: Transportation Committee Chair Jim Frazier (D-Fairfield) and Vice-Chair Katcho Achadjian (R-San Luis Obispo); Natural Resources Committee Chair Das Williams (D-Ventura) and Vice-Chair Brian Dahle (R-Redding); Local Government Committee Chair Brian Maienschein (R-San Diego) and Vice-Chair Lorena S. Gonzalez (D-San Diego); Housing and Community Development Committee Chair Ed Chau (D-Monterey Park) and Vice-Chair Mark Steinorth (R-Rancho Cucamonga); and Governmental Organization Committee Chair Adam C. Gray (D-Modesto) and Vice-Chair Eric Lindner (R-Corona).

Summary of Governor's Proposed 2015-16 Budget
The non-partisan California Legislative Analyst's Office (LAO) released the "2015-2016 Overview of the Governor's Budget" on Tuesday, January 13, 2015. The budget package proposes $158.8 billion of spending, $113.2 billion from the General Fund and $45.5 billion from Special Funds. The Administration projects to end 2015-2016 with $3.4 billion in total reserves, including $2.8 billion in the Budget Stabilization Account and $532 million in the state's traditional budget reserve. The Governor's budget plans to pay down state debt, invest in education, navigate federal uncertainty in health and human services, and allocate resources for environmental protection.

As proposed, the plan would pay down the remaining $992 million in school and community college deferrals, provide an additional $4 billion for K-12 Local Control Funding, and increase base funding by $119 million for the California State University and the University of California. K-12 Proposition 98 funding would increase $640, or 7.2 percent, per pupil.

The Health and Human Services aspect of the budget is subject to uncertainty due to recent federal actions, such as new labor regulations for In-Home Supportive Services (IHSS) and Department of Developmental Services (DDS) workers and the Executive Actions on Immigration, which could newly qualify some undocumented immigrants for state Health and Human Services Agency (HHS) programs like Medi-Cal. The budget proposes 2015-16 Medi-Cal spending of $18.6 billion from the General Fund, a 4.3 % increase over revised 2014-15 spending, and assumes a Medi-Cal caseload of $12.2 million.

In terms of environmental protection, the budget would allocate $532.5 million of the Proposition 1 water bond passed by the voters in 2014, assume $1 billion of cap-and-trade auction revenues, and spend $115 million ($93.5 million General Fund) for drought response. Of the cap-and-trade revenues, the proposed budget require that one-quarter of these investments be specifically targeted to benefit disadvantaged communities, and allocates these funds as follows:

- 25 percent for the high-speed rail project ($250M);
- 5 percent to local transit agencies for operational improvements ($50M);
- 10 percent in competitive grants for state or local transit improvement projects ($100M);
- 20 percent for affordable housing and other development that support transit ridership ($200M);
- 20 percent to Air Resources Board for low carbon transportation ($200M).

The remaining 20 percent of Cap-and-Trade revenues proposed for allocation is for energy efficiency/clean energy and for natural resources and waste diversion purposes, as follows:

- 7.5 percent for energy efficiency upgrades/weatherization ($75M);
- 2 percent for energy efficiency for public buildings ($20M);
- 1.5 percent for agricultural energy and operational efficiency ($15M);
- 2.5 percent for wetlands and watershed restoration ($25M);
- 4 percent for fire prevention and urban forestry projects ($42M);
- 2.5 percent for waste diversion ($25M).

For the complete LAO report, please visit: http://lao.ca.gov/reports/2015/budget/overview/budget-overview-2015.pdf

California Legislative Deadlines
Included for your information below are the relevant constitutional, statutory and by-rule deadlines for the California legislature in 2015.

January
Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).
Jan. 5 Legislature reconvenes (J.R. 51(a)(1)).
Jan. 10 Budget Bill must be submitted by Governor (Art. IV, Sec. 12 (a)).
Jan. 19 Martin Luther King, Jr. Day observed.
Jan. 30 Last day to submit bill requests to the Office of Legislative Counsel.

February
Feb. 16 Presidents' Day observed.
Feb. 27 Last day for bills to be introduced (J.R. 61(a)(1), J.R. 54(a)).

March
Mar. 26 Spring Recess begins upon adjournment (J.R. 51(a)(2)).
Mar. 30 Cesar Chavez Day observed.

April
Apr. 6 Legislature reconvenes from Spring Recess (J.R. 51(a)(2)).

May

May 1 Last day for policy committees to hear and report fiscal bills for referral to fiscal committees (J.R. 61(a)(2)).
May 15 Last day for policy committees to hear and report to the Floor nonfiscal bills (J.R. 61(a)(3)).
May 22 Last day for policy committees to meet prior to June 8 (J.R. 61(a)(4)).
May 25 Memorial Day observed.
May 29 Last day for fiscal committees to hear and report bills to the Floor (J.R. 61(a)(5)). Last day for fiscal committees to meet prior to June 8 (J.R. 61(a)(6)).

June

June 1-5 Floor Session only. No committee may meet for any purpose (J.R. 61(a)(7)).
June 5 Last day to pass bills out of house of origin (J.R. 61(a)(8)).
June 8 Committee meetings may resume (J.R. 61(a)(9)).
June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)(3)).

July

July 3 Independence Day observed
July 17 Last day for policy committees to meet and report bills (J.R. 61(a)(10)). Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(a)(3)).

August

Aug. 17 Legislature reconvenes from Summer Recess (J.R. 51(a)(3)).
Aug. 28 Last day for fiscal committees to meet and report bills to the Floor (J.R. 61(a)(11)).
Aug. 31 – Sept. 11 Floor Session only. No committee may meet for any purpose except for Rules Committee and Conference Committees (J.R. 61(a)(12)).

September

Sept. 4 Last day to amend on the Floor (J.R. 61(a)(13), A.R. 69(e)).
Sept. 7 Labor Day observed.
Sept. 11 Last day for any bill to be passed (J.R. 61(a)(14)). Interim Study Recess begins upon adjournment (J.R. 51(a)(4)).

This Page Intentionally Left Blank

AGENDA ITEM NO. 17

REPORT

DATE: February 5, 2015

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

FROM: Basil Panas, Chief Financial Officer; (213) 236-1817; panas@scag.ca.gov

SUBJECT: CFO Monthly Report

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
For Information Only-No Action Required.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal, 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

MEMBERSHIP DUES:
As of December 31, 2014, seven (7) cities have not renewed their membership with SCAG. Staff recommends to the RC that the dues for the cities of San Bernardino and Jurupa Valley, be waived. Staff will continue to secure the renewal for the cities of: Avalon, Culver City, Los Alamitos, Maywood, and Rancho Santa Margarita.

EXTERNAL AUDIT
In December 2014, SCAG published its Comprehensive Annual Financial Report (CAFR) for FY 2013-14 which contained an unmodified ("clean") opinion issued by SCAG's outside independent auditors, Vasquez & Co., LLP. In addition, Vasquez & Co. issued SCAG's Single Audit Report, with an unmodified opinion. Both documents have been submitted to the State Controller's Office for review.

INTERNAL AUDIT
The Internal Auditor and SCAG Finance Department staff has commenced a risk assessment of SCAG's financial management procedures in the wake of the alleged fraud of $6.4 million at the City of Pasadena's Underground Utility Program. The subsequent forensic audit report issued by KPMG with the city contained over seventy weaknesses and/or recommendations for improvement. SCAG's risk assessment is currently underway and will use those observations to evaluate SCAG's existing systems and procedures. The results will be reported to the Audit Committee at its March 17, 2015 meeting.

BUDGET & GRANTS (B&G):
On November 28, 2014, Budget & Grants Department (B&G) staff received Federal approval of its Amendment 2 to the Fiscal Year (FY) 2014-15 Overall Work Program (OWP) budget.

The annual Metropolitan Planning Organization (MPO) meeting with SCAG's funding partners – Caltrans, FHWA and FTA – will be held on January 29, 2015 at 1:00 p.m. at the SCAG offices. This meeting is held every year and provides an opportunity for SCAG to discuss with its funding partners, previous year's accomplishments and priorities for the coming FY 2015-16.

During the months of November and December, 2014 the following grant-related work was completed by B&G Department staff:

- Prepared, finalized and executed four (4) agreements with various Clean Cities coalitions.
- Prepared and submitted a grant application for the FTA Section 5339 Bus & Bus Facilities on behalf of two (2) subrecipients; Omnitrans and SunLine Transit Agency. The grant funds (approximately $4.5 Million) will be passed-thru to the transit operators for the purpose of purchasing six (6) replacement buses. FTA has approved the application and currently under the review of the Department of Labor (DOL).

CONTRACTS:
In December 2014, the Contracts Department issued eight (8) Requests for Proposal (RFP's); awarded one (1) contract; issued five (5) contract amendments; and issued 46 Purchase Orders to support ongoing business and enterprise operations. Staff also administered 96 consultant contracts.

Contracts staff continued to negotiate better pricing and reduced costs for services. During the month of December 2014, over $53,774 in budget savings was realized, bringing the FY 2014-15 total to approximately $159,529.

ATTACHMENT:
December 2014 CFO Monthly Status Report

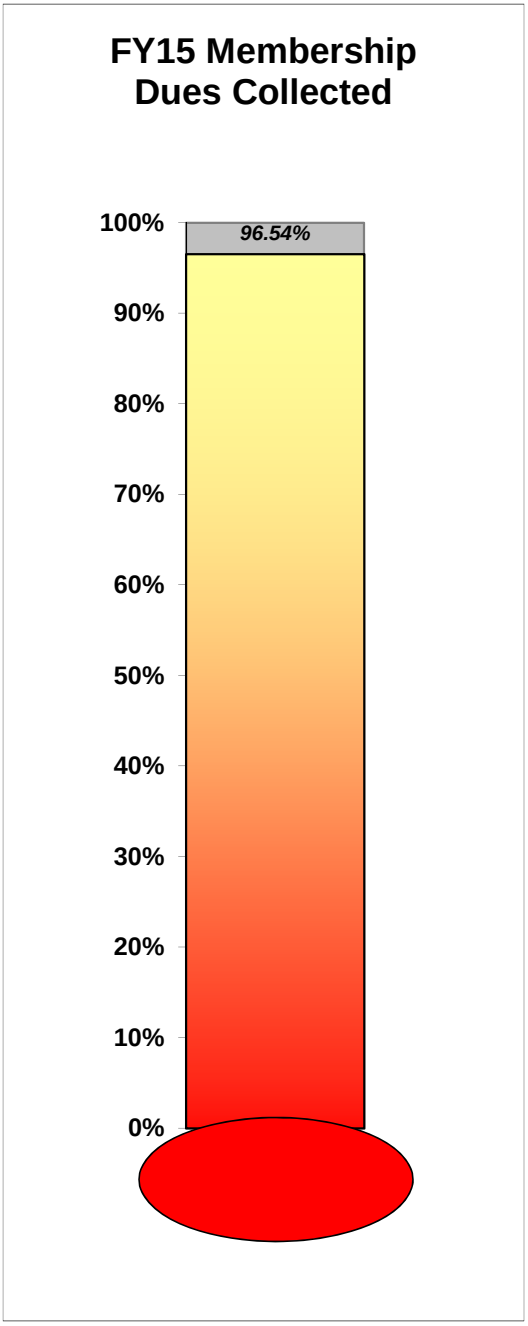
SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Office of the Chief Financial Officer

Monthly Status Report

DECEMBER 2014

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS



OVERVIEW

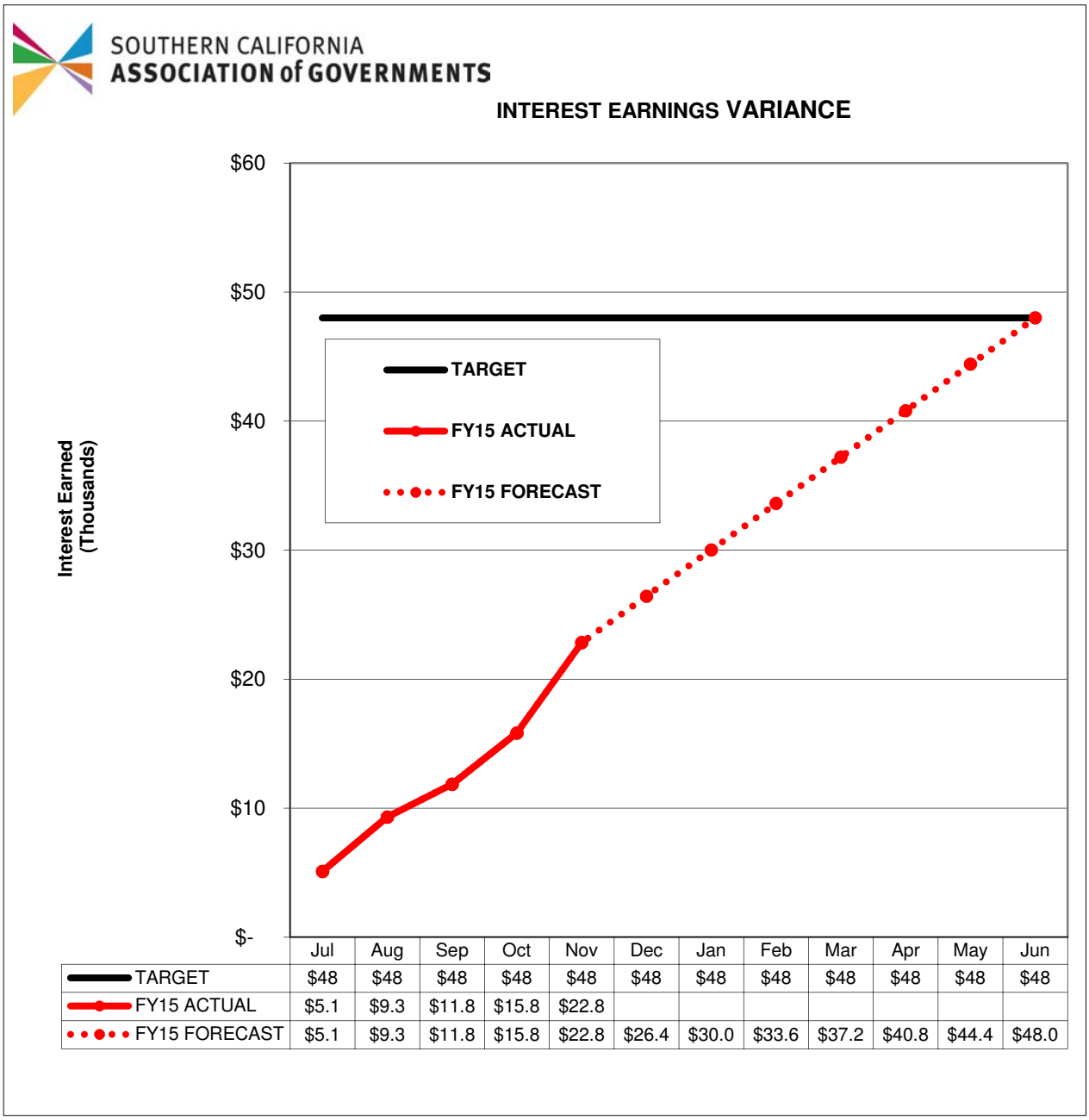
As of January 8, 2015, 183 cities and counties have renewed their membership while seven (7) cities have not yet renewed. No cities' dues have been waived and there is one (1) city in the SCAG region which is still being recruited for membership.

SUMMARY

FY15 Membership Dues	$1,912,751.73
Total Collected	$1,846,497.30
Percentage Collected	96.54%

Office of the CFO

Interest Earnings Variance



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
TARGET	$48	$48	$48	$48	$48	$48	$48	$48	$48	$48	$48	$48
FY15 ACTUAL	$5.1	$9.3	$11.8	$15.8	$22.8							
FY15 FORECAST	$5.1	$9.3	$11.8	$15.8	$22.8	$26.4	$30.0	$33.6	$37.2	$40.8	$44.4	$48.0

OVERVIEW

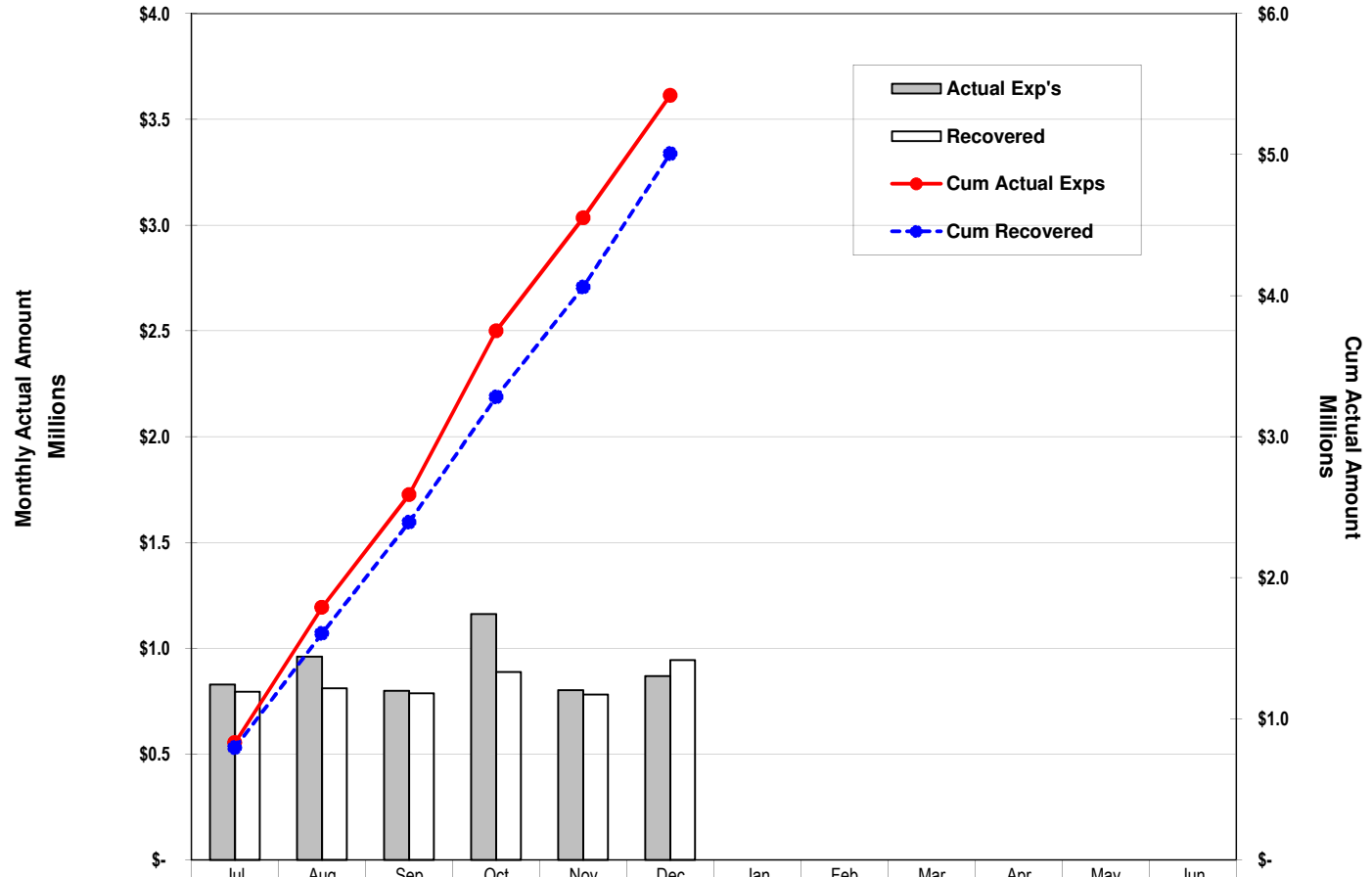
Actual interest income is plotted against the target amount. The amount earned through November was $22,823. The LA County Pool earned 0.76% in November.

SUMMARY

The amount projected for FY15 is $48,000.

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

FY15 INDIRECT COST & RECOVERY



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual Exp's	$829	$961	$798	$1,162	$802	$868		$-	$-	$-	$-	$-
Recovered	$794	$811	$788	$888	$780	$944		$-	$-	$-	$-	$-
Cum Actual Exps	$829	$1,790	$2,588	$3,750	$4,552	$5,420						
Cum Recovered	$794	$1,605	$2,393	$3,281	$4,061	$5,005						

OVERVIEW

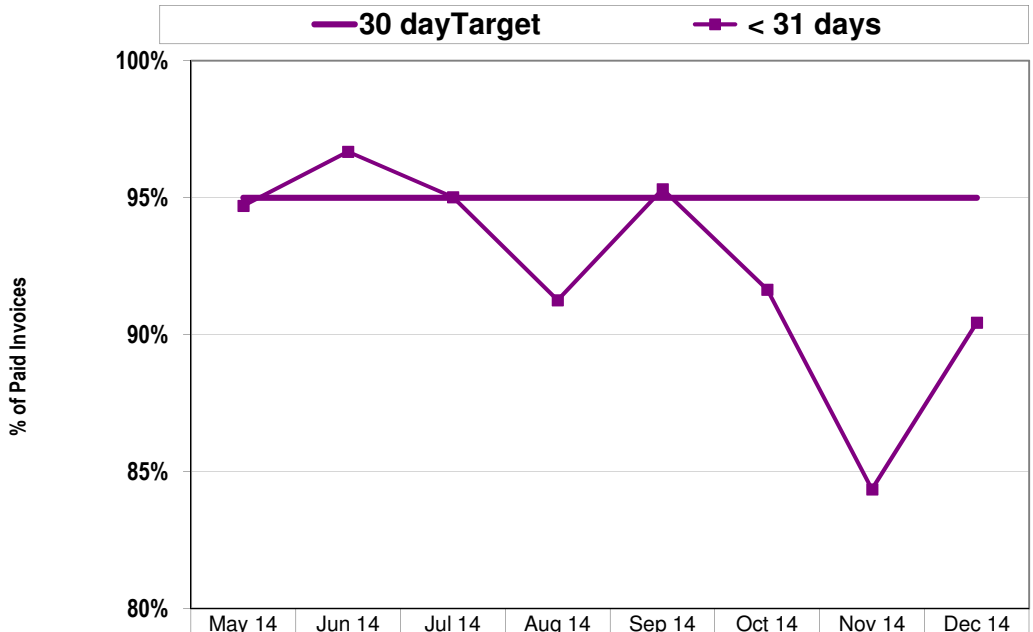
A comparison of Indirect Cost (IC), incurred by SCAG vs. IC recovered from SCAG's grants.

SUMMARY

Through December 2014, SCAG was under-recovered by $414,174 due to lower than budgeted labor charges.

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

INVOICE AGING



	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14
30 dayTarget	95%	95%	95%	95%	95%	95%	95%	95%
< 31 days	94.70%	96.68%	95.02%	91.26%	95.31%	91.64%	84.35%	90.44%

OVERVIEW

The percent of total invoices paid within 30 days. The target is to pay 95% of all invoices within 30 days. This goal was not met.

SUMMARY

90.44% of December 2014's payments were made within 30 days of invoice receipt.

At month-end, 54 invoices remained unpaid less than 30 days.

Actual

OVERVIEW

The percent of total invoices paid within 60 and 90 days. The target is to pay 98% of invoices within 60 days and 100% within 90 days.

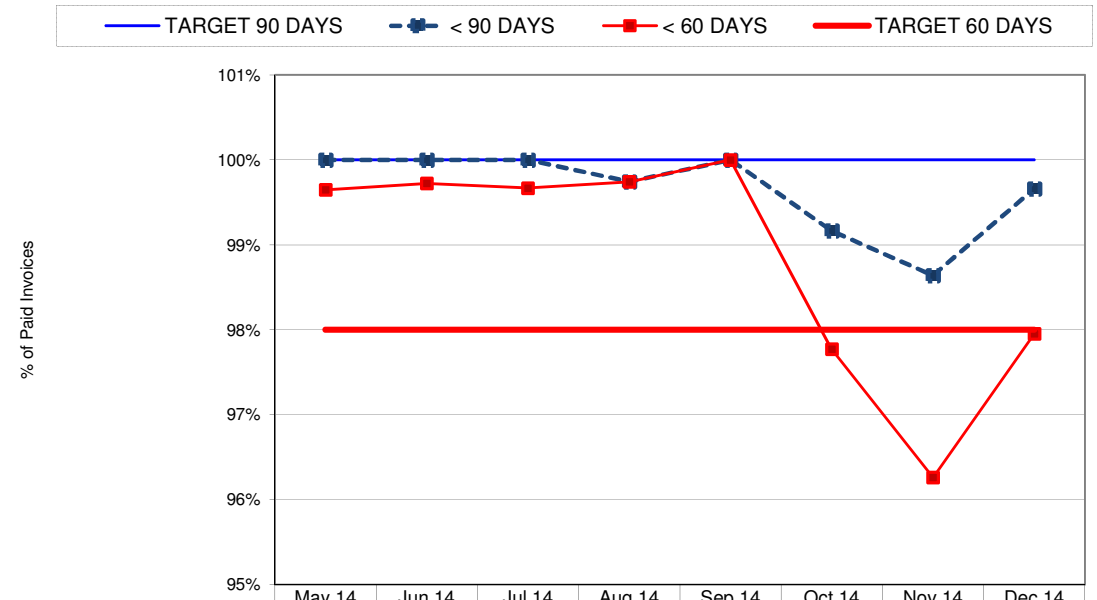
SUMMARY

These goals were not met during this period.

97.95% of December 2014's payments were within 60 days of invoice receipt and 99.66% within 90 days. Invoices unpaid 30-60 days totaled 31; 60-90 days: 9; >90 days: 7.

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

INVOICE AGING



	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14
TARGET 90 DAYS	100%	100%	100%	100%	100%	100%	100%	100%
< 90 DAYS	100.00%	100.00%	100.00%	99.74%	100.00%	99.16%	98.64%	99.66%
< 60 DAYS	99.65%	99.72%	99.67%	99.74%	100.00%	97.77%	96.26%	97.95%
TARGET 60 DAYS	98%	98%	98%	98%	98%	98%	98%	98%

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

Office of the CFO

Consolidated Balance Sheet

	11/30/2014	12/31/2014	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	$ 1,468,078	$ 913,142		
LA County Investment Pool	$ 13,907,592	$ 11,011,093		
Cash & Investments	$ 15,375,670	$ 11,924,235	$ (3,451,435)	October CPG billing was not reimbursed by Caltrans till after Dec 31
Accounts Receivable	$ 5,145,295	$ 7,988,893	$ 2,843,598	Dec has three months of CPG billing outstanding, Nov had two
Fixed Assets - Net Book Value	$ 657,061	$ 657,061	$ -	No change
Total Assets	$ 21,178,027	$ 20,570,189	$ (607,837)	
Accounts Payable	$ (642,328)	$ (577,873)	$ 64,455	Immaterial difference
Employee-related Liabilities	$ (467,256)	$ (149,754)	$ 317,501	Dec 31 had only three working days unpaid, Nov had ten
Other Current Liabilities	$ (853,352)	$ (890,536)	$ (37,184)	Immaterial difference
Deferred Revenue	$ (699,135)	$ (699,135)	$ -	
Total Liabilities and Deferred Revenue	$ (2,662,071)	$ (2,317,299)	$ 344,772	
Fund Balance	**$ 18,515,956**	**$ 18,252,891**	**$ (263,065)**	

-

WORKING CAPITAL

	11/30/2014	12/31/2014	Incr (decr) to working capital
Cash	$ 15,375,670	$ 11,924,235	$ (3,451,435)
Accounts Receivable	$ 5,145,295	$ 7,988,893	$ 2,843,598
Accounts Payable	$ (642,328)	$ (577,873)	$ 64,455
Employee-related Liabilities	$ (467,256)	$ (149,754)	$ 317,501
Working Capital	**$ 19,411,382**	**$ 19,185,501**	**$ (225,881)**

Office of the CFO

Fiscal Year-To-Date Expenditure Report Through December 31, 2014

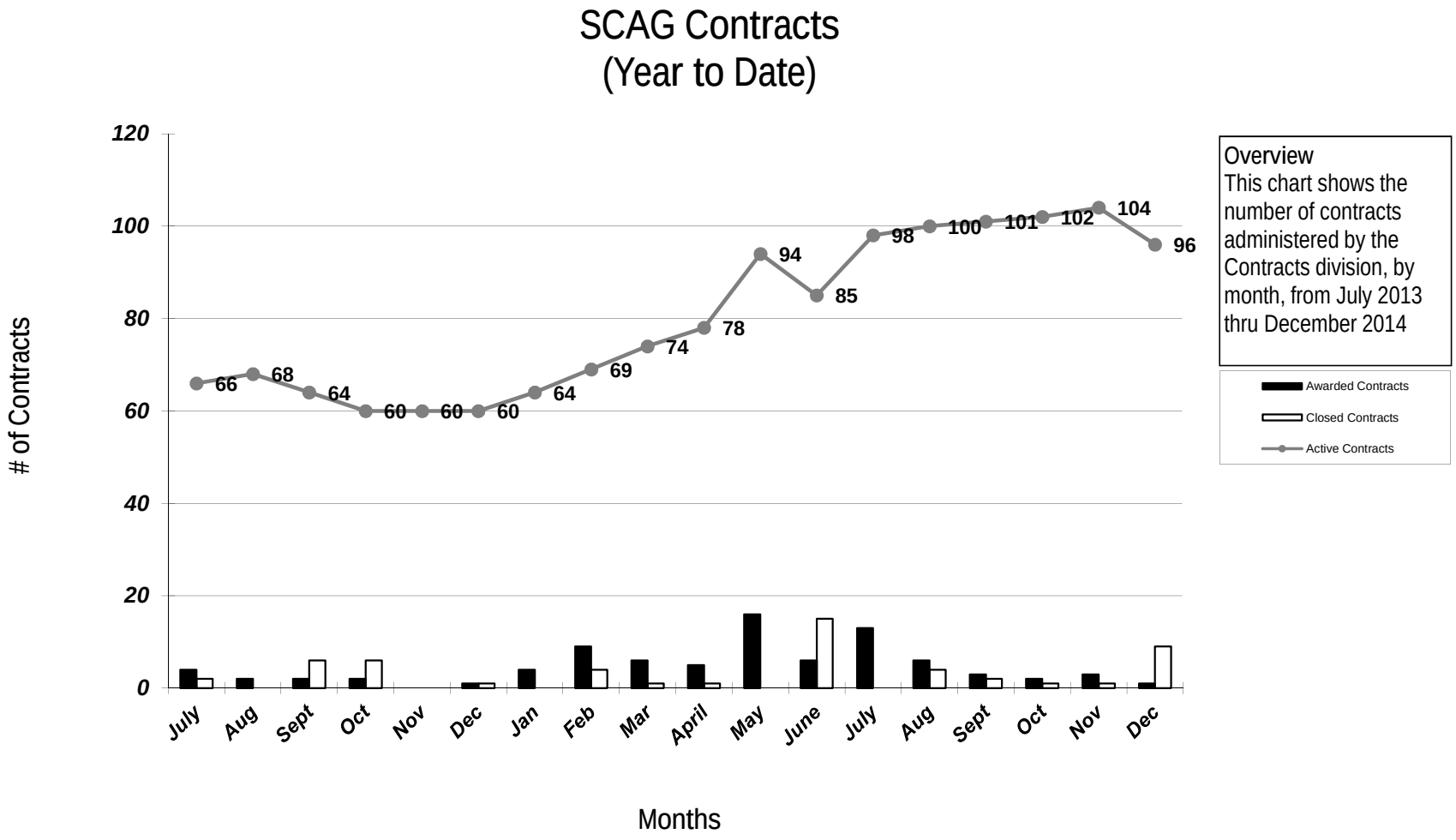
COMPREHENSIVE BUDGET

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1		Staff & Allocated Fringe Benefits	369,802	369,802	37,595		332,207	10.2%
2	51001	Allocated Indirect Costs	276,634	276,634	28,031		248,603	10.1%
3	54300	SCAG Consultants	528,440	488,440	120,515	367,925	0	24.7%
4	54340	Legal costs	120,000	120,000	39,982	80,018	0	33.3%
5	55441	Payroll, bank fees	15,000	15,000	2,503		12,497	16.7%
6	55510	Office Supplies	15,000	15,000	9,725	5,275	0	64.8%
7	55600	SCAG Memberships	27,000	27,000	4,620	20,000	2,380	17.1%
8	55610	Professional Membership	12,719	12,539	7,888	1,658	2,993	62.9%
9	55730	Capital Outlay	542,106	542,106	-		542,106	0.0%
10	55860	Scholarships	14,000	14,000	12,000		2,000	85.7%
12	55910	RC/Committee Mtgs		20,000	5,712	0	14,288	28.6%
13	55912	RC Retreat		6,000	5,214	0	786	86.9%
14	55914	RC General Assembly	400,000	400,000	65,000	155,199	179,801	16.3%
16	55916	Economic Summit	50,000	50,000	13,230	36,770	0	26.5%
17	55917	Labor Summit	7,000	7,000	-	1,502	5,498	0.0%
18	55920	Other Meeting Expense	50,000	64,000	45,710	18,290	0	71.4%
19	55930	Miscellaneous other	11,000	13,000	5,829	7,171	0	44.8%
20	55940	Stipend - RC Meetings	211,440	211,440	71,380	0	140,060	33.8%
22	56100	Printing	6,000	6,500	328	3,897	2,275	5.0%
23	58100	Travel - outside SCAG region	35,000	34,415	10,443	0	23,972	30.3%
24	58101	Travel - local	26,000	26,000	9,271	0	16,729	35.7%
25	58110	Mileage - local	11,500	11,500	7,108	0	4,392	61.8%
26	58150	Staff Lodging Expense	9,000	6,500	-		6,500	0.0%
27	58200	Travel - reg fees	-	585	585		0	100.0%
28	58800	RC Sponsorships	69,720	69,900	69,900		0	100.0%
29		**Total General Fund**	**2,807,361**	**2,807,361**	**572,569**	**697,706**	**1,537,086**	**20.4%**
30					-			
31		Staff & Fringe Benefits	13,974,295	14,099,861	6,675,737		7,424,124	47.3%
32	51001	Allocated Indirect Costs	10,453,605	10,543,347	4,977,430		5,565,917	47.2%
33	54300	SCAG Consultants	14,738,572	22,504,141	2,282,772	15,073,696	5,147,673	10.1%
34	54350	Professional Services	506,000	661,000	165,660	495,340	0	25.1%
35	55210	Software Support	701,500	701,500	77,940	88,390	535,170	11.1%
36	55220	Hardware Support	100,000	100,000	10,131	0	89,869	10.1%
37	55280	Third Party Contribution	3,294,080	3,503,086	707,370	0	2,795,716	20.2%
39	55620	Resource Materials - subscrib	60,000	67,183	67,183	0	0	100.0%
40	55810	Public Notices	33,000	33,000	2,750	1,432	28,818	8.3%
41	55830	Conference - Registration	10,000	10,000	7,819	2,181	0	78.2%
42	55920	Other Meeting Expense	86,698	779,627	-		779,627	0.0%
43	55930	Miscellaneous - other	155,402	218,770	317	18,230	200,223	0.1%
44	56100	Printing	34,500	34,500	441	1,602	32,456	1.3%
45	58100	Travel	260,332	260,780	51,815	0	208,965	19.9%
46		**Total OWP**	**44,407,984**	**53,516,795**	**15,027,365**	**15,680,871**	**22,808,559**	**28.1%**
47					-			
48		**Comprehensive Budget**	**47,215,345**	**56,324,156**	**15,599,934**	**16,378,577**	**24,345,645**	**27.7%**

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

INDIRECT COST EXPENDITURES

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	50010	Regular Staff	3,563,315	3,447,642	1,641,311		1,806,331	47.6%
2	50013	Regular OT	-	1,339	1,339		0	100.0%
3	50014	Interns, Temps, Annuit	153,000	191,000	18,305		172,695	9.6%
4	51000	Allocated Fringe Benefits	2,593,861	2,510,635	1,296,891		1,213,744	51.7%
5	54300	SCAG Consultants	1,370,481	1,283,044	481,472	801,572	0	37.5%
6	54340	Legal	200,000	191,237	8,305	177,984	4,949	4.3%
7	55210	Software Support	527,279	532,752	382,569	125,658	24,525	71.8%
8	55220	Hardware Supp	113,780	105,780	49,119	47,831	8,830	46.4%
9	55230	Computer Maintenance	-	20,000	18,160	1,840	0	90.8%
10	55240	Repair & Maint Non-IT	20,000	25,892	25,892	0	0	100.0%
11	55400	Office Rent 818 Offices	1,582,877	1,582,877	759,234	823,643	0	48.0%
12	55410	Office Rent Satellite	171,490	171,490	86,301	85,189	0	50.3%
13	55420	Equip Leases	108,979	108,979	25,120	83,859	0	23.1%
14	55430	Equip Repairs & Maint	19,000	13,108	5,660	7,448	0	43.2%
15	55440	Insurance	170,722	170,722	59,545	1,216	109,961	34.9%
16	55441	Payroll / Bank Fees	10,000	10,000	7,032		2,968	70.3%
17	55460	Mater & Equip < $5,000	35,000	165,437	165,437	0	0	100.0%
18	55510	Office Supplies	80,000	81,000	32,333	48,667	1	39.9%
19	55520	Graphic Supplies	1,500	1,500	325	871	304	21.6%
20	55530	Telephone	189,800	189,800	66,133	122,184	1,483	34.8%
21	55540	Postage	5,000	10,040	10,040	0	0	100.0%
22	55550	Delivery Services	5,000	4,960	2,795	2,164	0	56.4%
23	55600	SCAG Memberships	104,313	104,313	96,987	7,326	1	93.0%
24	55620	Res Mats/Subscrip	32,800	37,327	28,206	9,121	0	75.6%
25	55700	Deprec - Furn & Fixt	5,738	5,738	-		5,738	0.0%
26	55710	Deprec - Computer Equipment	69,136	69,136	-		69,136	0.0%
27	55720	Amortiz - Leasehold Improvements	7,786	7,786	-		7,786	0.0%
28	55800	Recruitment Notices	18,500	18,500	11,605	6,895	0	62.7%
29	55801	Recruitment - other	22,000	22,000	9,396	12,604	0	42.7%
30	55810	Public Notices	5,000	5,000	500	4,500	0	10.0%
31	55820	Training	80,000	80,000	39,382	40,617	0	49.2%
32	55830	Conference/workshops	23,850	22,850	1,868	0	20,982	8.2%
33	55920	Other Mtg Exp	2,200	2,200	35	480	1,685	1.6%
34	55930	Miscellaneous - other	8,500	16,263	16,263	0	0	100.0%
35	55950	Temp Help	38,500	136,060	43,396	92,664	0	31.9%
36	56100	Printing	17,600	12,600	665	11,935	0	5.3%
37	58100	Travel - Outside	109,050	104,905	13,863		91,042	13.2%
38	58101	Travel - Local	11,800	13,800	2,508		11,292	18.2%
39	58110	Mileage - Local	45,825	44,825	10,180		34,645	22.7%
42	58200	Travel - Reg Fees	-	1,145	1,145		0	100.0%
43	58450	Fleet Vehicle	800	800	320	480	0	40.0%
44		**Total Indirect Cost**	**11,524,482**	**11,524,482**	**5,419,635**	**2,516,749**	**3,588,098**	**47.0%**
					-		-	



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Summary

The chart shows that the Contract Division is managing 96 active consultant contracts. Fifty-two of these are Cost Plus Fixed Fee contracts, 17 are fixed price contracts, and the remaining 27 are Time and Materials (T&M) contracts (includes Labor Hour and Retainer contracts). The Contracts Department anticipates issuing approximately 50 contracts during FY 2014-15. Note, due to the nature of SCAG's work, the majority of SCAG contracts have a one year term and end on June 30th each year.

Office of the CFO

Staffing Report as of January 1, 2015

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

GROUPS	Authorized Positions	Filled Positions	Vacant Positions
Executive	5	3	2
Legal	3	2	1
Strategy, Policy & Public Affairs	22	19	3
Administration	41	37	4
Planning & Programs	67	63	4
Total	**138**	**124**	**14**

OTHER POSITIONS

GROUPS	Limited Term Positions	Temp Positions	Agency Temps
Executive	0	0	0
Legal	0	0	0
Strategy, Policy & Public Affairs	2	1	0
Administration	1	3	2
Planning & Programs	2	11	0
Total	**5**	**15**	**2**