

San Joaquin Valley Regional Planning Agencies' Directors' Committee

ITEM II F 2

c/o Kern Council of Governments – 1401 19th Street, Suite 300 – Bakersfield, CA 93301
Phone: 661-861-2191 – FAX: 661-324-58215

November 12, 2014

Mike McCoy
Executive Director, Strategic Growth Council
1400 10th Street
Sacramento, CA 95814

RE: Affordable Housing and Sustainable Communities (AHSC) Program Draft Guidelines

Dear Mr. McCoy:

With great dismay we provide comments on the Affordable Housing and Sustainable Communities (AHSC) Program Draft Guidelines. Funding provided through this program is an important opportunity to implement key land use and transportation strategies to address climate change within the San Joaquin Valley. We find the draft guidelines to be anti – Sustainable Communities Strategy and anti – San Joaquin Valley. As a result, we request the adoption of the final AHSC guidelines be delayed until the first quarter of calendar year 2015 to allow adequate time to develop guidelines that benefit the states most disadvantaged communities.

The California Air Resources Board's (ARB) *Investments to Benefit Disadvantaged Communities: Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies* document provides guidance on maximizing benefits to disadvantaged communities. Within these guidelines ARB outlines requirements for administering agencies to maximize benefits to disadvantaged communities by targeting funding to the extent feasible, for projects located within disadvantaged community census tracts and to create or modify guidelines or procedures to meet or exceed the minimum statutory requirements. We find the draft AHSC program guidelines to be contrary to this requirement. Under the draft guidelines San Joaquin Valley communities do not meet the minimum requirements to apply for the 40 percent of funding dedicated to transit oriented development project.

The following comments are submitted on behalf of the San Joaquin Valley Regional Planning Agencies' Directors' Committee. Membership in this committee includes the Executive Director from each of the following eight agencies that serve the entire Central Valley region of California, with 62 cities and over 4 million residents: Fresno Council of Governments (FresnoCOG); Kern Council of Governments (KernCOG), Kings County Association of Governments (KCAG), Madera County Transportation Commission (MCTC), Merced County Association of Governments (MCAG), San Joaquin Council of Governments (SJCOG), Stanislaus Council of Governments (StanCOG), and Tulare County Association of Governments (TCAG). These eight counties share an air basin challenged by weather and topography that create an ideal setting for retention of pollutants, causing extreme levels of air pollution.

Regional Priorities Must be Considered in Project Selection Process

SB 862 calls for the SGC to “coordinate with MPOs and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the [program] goals and objectives...” State and regional coordination is necessary to ensure funding from the Greenhouse

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Gas Reduction Fund is used to support projects that implement regional plans developed pursuant to SB 375. Incorporation of a clear MPO role consistent with SB 862 should be incorporated into the final guidelines. We look forward to continued coordination as this area is further developed.

Eligible Projects

Integrated Connectivity Projects (ICP)

We agree that promoting mode shift away from people driving alone will require increasing and improving transit and active transportation options to better compete with single occupancy vehicles as a means of travel; however, currently the guidelines require that ICP projects must: include at least one transit station or stop, and demonstrate an increase in transit use. Although an increase in transit ridership can show a benefit to the reduction of GHG emissions, transit is not the only strategy to reduce the number of people driving alone. Instead, we recommend ICP projects be required: 1) to reduce GHG emissions; 2) support implementation of the SCS or regional plan to reduce GHG emissions and; 3) to demonstrate consistency with the state planning priorities in Governments Code 65041.1. We are concerned quality projects that reduce GHG emissions, such as car sharing, vanpooling/shuttle programs or other bicycle and pedestrian programs will not be eligible although they have a direct GHG reduction benefit.

Transit Oriented Development (TOD)

Transit oriented development is defined as compact, mixed use development near transit facilities and high-quality walking environments. The typical TOD leverages transit infrastructure to promote economic development and smart growth. Unfortunately, we find the AHSC draft guidelines definition of transit oriented development to be exclusionary rather than inclusionary. The requirement that 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 not less than 100 such units in a Metropolitan Area or 50 units in non-metropolitan areas is limiting and has the effect of eliminating quality GHG reducing projects within CalEPA defined disadvantaged communities. Attachment 1 to this letter, highlights example San Joaquin Valley projects that are not eligible for funding based on the draft AHSC guidelines. As one may see in Attachment 1, projects like the Cal Weber 40 project in downtown Stockton are not eligible. The Cal Weber 40 project seeks to add 40 housing units with 39 of the units being rent restricted. The proposed project is located within one block of a Bus Rapid Transit (BRT) line operating at 10 minute frequency. This project, based on the draft AHSC guidelines, is not eligible for funding. It does not meet the 100-unit mark and does not include one other transportation or transit-related infrastructure use; although its location within one block of a BRT line is clearly beneficial to transit usage and the inclusion of 39 rent-restricted units meets the intent of the program to provide affordable housing options. This is TOD in the Valley.

Since the adoption of the Blueprint in 2009, the San Joaquin Valley has made significant strides in increasing the density of residential development patterns. Prior to the Blueprint, the average density found within the Valley was 4.3 dwelling units per acre. With adoption of the Blueprint, the Valley expressed a commitment to build at densities averaging 6.8 dwelling units to the acre – increasing densities more than 50% beyond traditional patterns, and placing greater emphasis on the protection of agricultural lands and environmental resources. These increases were enthusiastically supported by the State, and lauded as a major success for the San Joaquin Valley. To date, the valley has succeeded in placing many great projects with significantly increased densities to meet this goal. SCS formulation throughout the valley weighed heavily upon the vision incorporated by the Blueprint. However, the progress made is severely discounted by the guidelines now being proposed by the Strategic Growth Council, where a minimum of 20 dwelling units to the acre in rural areas, and 40 units per acre in urban centers, and 60 units per acre in large city downtowns are required to be eligible for the funds intended to continually promote the increases of density that yield the actual reductions of greenhouse gas emissions. Therefore, despite the significant increases in density, and continual efforts to

foster more sustainable communities by implementation of both the Blueprint and SCS's, the San Joaquin Valley is being excluded from funding opportunities to expediate this progress.

Unfortunately, the exclusionary nature of the guidelines appears to have an unintended consequence. Quality projects within disadvantaged communities are ineligible based on the draft AHSC guidelines. How will the state meet the requirement that 50 percent of the funding be allocated to disadvantaged communities, if the guidelines significantly exclude quality projects within the most disadvantaged regions of the state?

As a result, we make the following recommendations with regard to TOD projects:

1. A range of minimum densities should be developed for large urban, small urban, and rural cities with recognition that one size does not fit all for successful transit oriented development.
2. Remove the minimum development size of 100 units for metropolitan areas and 50 units for non-metropolitan areas.
3. Allow affordable housing projects to apply without requiring an additional transportation project be built simultaneously. As the Cal Weber 40 project illustrates, such projects can achieve the same benefit through location within proximity to a high-quality transit station.
4. Allow GHG-reducing transportation projects to be proposed if they provide a direct benefit to an existing or fully funded and under construction affordable housing project.
5. To ensure consistency with the intent of the TOD project goal, we request clarity on the definition of express bus service and the inclusion of interregional rail.

Eligible Applicants

The current guidelines define public agencies as a city, county, city and county, or council of governments; however, they exclude reference to metropolitan planning organizations. We request the definition of eligible applicants be expanded to include metropolitan planning organizations.

Simplify Guidelines

In general we encourage the Strategic Growth Council (SGC) to strive for greater flexibility and simplicity throughout the guidelines. SB 862 identifies three primary program goals: 1) reduce GHG emissions primarily through reductions in vehicle miles traveled (VMT); 2) be consistent with regionally-adopted Sustainable Community Strategies or similar documents and; 3) be consistent with state planning priorities. SB 862 also requires half of the AHSC funding benefit disadvantaged communities and half be allocated to affordable housing. The AHSC program should mirror this structure, rather than creating additional minimum percentages for Transit-Oriented Development (TOD) projects and Integrated Connectivity Projects (ICP).

Matching Requirements

Section 104(g) of the draft guidelines requires project sponsors to provide at least a 50 percent match for all transportation, transit-related or green-infrastructure grants. The 50 percent match requirement is too high and can be overly burdensome on disadvantaged communities. The AHSC match requirements should be lowered. As a point of comparison for the magnitude of the AHSC match requirement, the state's Active Transportation Program (ATP) requires only an 11.47 percent match, which is waived for disadvantaged communities.

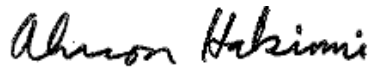
CalEPA's SB 535 Disadvantaged Communities mapping (attachment 2) identifies significant portions of the San Joaquin Valley as falling within the top 25 percent of areas with concentrations of people that are of low-income; high unemployment; low levels of home ownership; high rent burdens; sensitive populations and; low levels of educational attainment. The 50 percent match requirement has the potential to impede project development in the most economically depressed regions of the state. These communities are less likely to have the resources to meet the 50 percent match requirements. Consideration should be given in these areas

to ensure they are able to identify viable projects that provide benefit to the residents of the disadvantaged communities. The match requirement should not prevent these communities from reaping the benefits of GHG-reducing projects.

We look forward to the successful implementation of this program as we see the potential for this program to benefit the residents of the San Joaquin Valley through increased access to affordable housing as well as increased transportation options such as walking, biking, and transit.

In closing, we thank you for your consideration of the comments above and look forward to continued collaboration throughout the process.

Sincerely,

A handwritten signature in black ink that reads "Ahron Hakimi". The signature is written in a cursive, flowing style.

AHRON HAKIMI

Director, Kern Council of Governments

Chair, San Joaquin Valley Regional Planning Agencies' Directors' Committee