

Briefing of the Strategic Growth Council's "Lessons Learned: Round One" Affordable Housing and Sustainable Communities Program Workshop

On Tuesday, July 14, 2015, the Strategic Growth Council (SGC) held the first of two workshops titled "Lessons Learned: Round One", intended to interface with those parties involved in the Affordable Housing and Sustainable Communities (AHSC) Grant Program, in preparation for Round Two of this program. This first workshop was held in Sacramento (with the second workshop scheduled for Monday, July 20, 2015 in Los Angeles), and consisted of SGC staff delivering a brief overview of those projects awarded in Round One, and discussions with the Council regarding areas of improvement or needed adjustment for Round Two activities. Approximately 100 people were in attendance, representing private developers, special interest/non-government, and/or quasi-government groups; and local, regional and state agencies. Both the Council and SGC staff were very open about the challenges and shortcomings of Round One. However, those attending were generally very complimentary of the process and efforts made, overall, and were largely unified on the areas needing the greatest attention. Following are those areas that received the greatest amount of attention during workshop discussions:

- Rural Agency Competitiveness and Eligibility

The Round One application process included the submission of 147 concept applications, with 56 of these ultimately being invited to submit full applications. This resulted in 28 applications being awarded, at a total amount of \$121,955,460. 15 of the original 147 were submitted by small and/or rural agencies with populations under 50,000. Unfortunately, only 2 projects, totaling \$11 million (9% of the total funding awarded) were successful in receiving funding awards. SGC staff and the majority of those parties attending the workshop in Sacramento expressed concern for this point. Discussions for potential actions to address this included refining the jurisdictional monetary cap utilized in Round One, creating a set-aside category for small agencies, a tiered scoring process to place rural applications on a level playing field, and regional allocations or a formula-based distribution of the funds.

- Geographic Equity (fair/balanced distribution of funds throughout the entire State)

21 jurisdictions are represented amongst the 28 successful applications; 20 of which are generally located within the Bay Area and SoCal/LA. Similar to the concerns of rural agency competitiveness, ensuring that funds are geographically distributed in a way that allows for the dollars to be utilized state-wide to the greatest extent was also a major theme. Like those offered for rural agency competitiveness and eligibility, discussions for potential actions to address this included refining the jurisdictional monetary cap utilized in Round One, creating a set-aside category for small agencies – especially those not in an MPO area, and regional allocations or a formula-based distribution of the funds.

- CalEEMod (California Emissions Estimator Model) and the Scoring Process

The model utilized (CalEEMod) to calculate emissions reductions, and other vital inputs, for the application process provided many technical challenges for applicants both big and small. Concerns of model transparency, lack of methodology documentation, and technical support for the model were consistent tripping points throughout the application process. To begin addressing this challenge, SGC Staff has opened dialogue with the Air Pollution Control Officers Association (CAPCOA) – the group who provides oversight and ownership of the model – to make adjustments to make the model more user-friendly, to improve the transparency of the modeling inputs and outputs, and to customize certain modules for AHSC program use.

- MPO Inclusion within the Application and Scoring Process

Legislation language, as well as funding guidelines, direct agencies responsible for administering Greenhouse Gas Reduction Funds (Cap and Trade dollars) within the Sustainable Communities and Clean Transportation category – including programs such as the AHSC – direct such agencies to create and maintain program-specific guidelines that are supportive of implementation efforts for each region’s Sustainable Communities Strategy (SCS). As the keeper of such SCSs, coordination with Metropolitan Planning Organizations (MPOs), such as Fresno COG, is required. In Round One, however, the SGC chose to have such coordination be extremely limited. Understanding that opportunities for greater regional/project-level feedback, as well as additional technical/modeling assistance, were missed by limiting this coordination, the SGC will be seeking greater inclusion for the MPOs in Round Two.

- Greater Technical Assistance during the Application Process

Many of the combined challenges offered by such issues as the use of CalEEMod, the limited role of the MPOs, and lack of staff at the local levels, resulted in 42 of the 147 (or 28.5%) concept applications originally submitted being deemed ineligible in Round One; including 11 of the 15 rural agency applications. Given that nearly 30% of the submitted applications were not considered due to the technical challenges associated with the application process, the SGC clearly understood that improved access to technical assistance during the application process is critical to the longevity of a successful program. Discussions on how to address this were largely based on CalEEMod adjustments, and the more-inclusive role MPOs will likely play in Round Two application activities.

- Increasing Transit Project Applications

While 26% of the total funds awarded are to be used on transportation-related infrastructure, only 2 of the total 28 projects awarded were true “transportation only” projects (i.e., bus rapid transit, vanpool, etc.), with the rest focusing the bulk of the funding on affordable housing-related costs. Given that the transportation sector is the largest greenhouse gas emitting sector in the state, efforts to increase project applications that directly address the improvement of transportation-related GHG emissions reductions will be a greater focus in Round Two.