Affordable Housing and Sustainable Communities (AHSC) Funding Forum Summary of Meeting Presentations and Meeting Comments

The Road to Affordable Housing and Sustainable Communities (AHSC) Funding Forum– Part I
Meeting Conducted January 26, 2017 (10:30 am - 12:30 pm)
Oak Room, San Mateo Library, 55 W. 3rd Ave, San Mateo

The purposes of the AHSC Forum conducted on January 26th, 2017 were to (1) provide participants with an overview of the AHSC funding requirements and best practices, and (2) provide an opportunity for participants to identify opportunities and actions that will lead to successful AHSC funding of projects in San Mateo County.

Attendees

1. Rose Cade, San Mateo County Department of Housing
2. Victor Ramirez, East Palo Alto Rent Stabilization Program
3. Jennifer Wong, Palo Alto Housing
4. Ray Hodges, San Mateo County Department of Housing
5. David Crabbe, Housing Leadership Council
6. Xiomara Cisneros, Brisbane Baylands
7. Donna Colson, City of Burlingame
8. John Tastor, Housing Leadership Council
9. Bart Charlow, Samaritan House
10. Laura Fanucchi, HIP Housing
11. Caryll-Lynn Taylor, Neighbors Helping Neighbors
12. Ali Gaylord, BRIDGE Housing
13. Tracy Choi, San Mateo County Department of Housing
14. Craig Shields, California Department of Housing and Community Development
15. Auros Harman, SolarCity

16. Peter Skinner, San Mateo County Transit Authority
17. Elizabeth Wampler
18. Julia Klein, City of San Mateo
19. Nell Selander, City of San Carlos
20. Steve Monowitz, San Mateo County Planning and Building
21. Armando Sanchez, HEART
22. Maeve Johnston, San Mateo County Health System
23. Keri Lung, Palo Alto Housing
24. David Pape, Grand Boulevard Initiative
25. Doug Kim, SamTrans
26. Orissa Stewart-Rose, Enterprise Consultant
27. Sally Greenspan, Enterprise
28. Gracia Ayon, San Mateo County Department of Housing
29. Janet Stone, San Mateo County Department of Housing
30. Heather Peters, San Mateo County Department of Housing
31. Michael Lane, Nonprofit Housing of Northern California
32. Andrew Bielak, MidPen Housing
33. Joshua Abrams, 21 Elements
34. Jeffery Baird, 21 Elements
35. Evelyn Stivers, Housing Leadership Council

Meeting Overview

Following a brief welcome and introductions, Sandy Wong, Executive Director, City/County Association of Governments of San Mateo County (C/CAG), provided an overview of the importance of linking transportation and housing, and opportunities for AHSC and other funding of projects in San MAHSC applications the requirements and the components of successful AHSC projects. Presentations covered the following (links to the PowerPoint presentations are available on the 21 Elements website at http://www.21elements.com/Resources/21-element-meetings.html:

➢ How Far We Have Traveled and What We Have Learned – An Administrator's View From Inside – Craig Shields, CA Department of Housing and Community Development *(see attached)*

➢ How We Did It – A Technical Assistance Provider's Winning Formula, Orissa Rose-Price, Enterprise AHSC Consultant *(see attached)*

➢ How We Scored Did It – Lessons Learned from the Green House Gas Models, Jennifer West, GreenTRIP Senior Program Manager, TransForm *(see attached)*

➢ Lessons Learned from South San Francsico Application, Armando Sanchez, HEART

> How We Fit In and Other Lessons - A Developers Perspective on the Challenges of AHSC on the Peninsula, Alice Talcott, MidPen Housing

Following the presentations and opportunities to ask questions, participants were divided into three small groups to review the topics listed below. The comments are sorted by the topics and combined below. In addition, letters were received from MidPen Housing and the City of South San Francisco that are attached at the end of this summary.

Summary of Comments

FOR PROJECTS LOCATED IN SAN MATEO COUNTY, WHAT ARE THE KEY CHALLENGES OR IMPEDIMENTS FOR ACCESSING AHSC FUNDS?

1. Recognize we have few Disadvantaged Communities (DACS)
2. Strive to connect Housing & Transportation
3. Define what is "transportation"?
   - Connect our work to scoring criteria
   - Shuttles?
   - Shared mobility?
4. Identify our local strategies so they can be added to score
5. Recognize that ridership = chicken & egg
6. Identify how to win without "new transit"
   - Max out in every other category on application
7. Teach everyone about the scoring up front
8. Make sure the priorities of decision makers and stakeholders match the scoring
9. Understand State vs. AMI issues
10. Include long distance commuting in the scoring (preventing it)
11. Recognize that high density, taller, reduced parking, large projects do well
    - Hard sell in San Mateo County because of NIMBY reaction
    - Address community messaging
12. Consider the lack of sites that meet criteria
13. Make sure projects are at least 30% affordable
14. Factor in SAMTRANS liability concerns

15. Consider that service changes (transit) are hard for small/medium projects
16. Address Cal Train electrification
    ▪ Scoring: chance to increase scoring for transit funded & planned
17. Understand what the qualification is for BRT – separate lanes/bus only
18. Staff capacity to dedicate to application process
19. Understand the difficulty of supplanting municipal funds (inability to do) vs. gap financing
20. Recognize the GHG scoring criteria is complex
21. Identify location caps for GHG reduction
22. Preference for capital transit projects
    ▪ Difficult to find
23. Establish a 95% benchmark for leveraged funds
24. Address concerns about water capacity

WHAT IS NEEDED TO MAKE AN AHSC FUNDABLE PROJECT HAPPEN IN SAN MATEO COUNTY?

1. Review where DAC might be located in an adjacent project area – Berkeley purchased bus that went to @ DAC
2. Be creative to leverage location
3. Build a coalition
   ▪ Start with a specific transit partner to get pipeline
4. Voice concerns to policy makers
5. Utilize the Enterprise app to match transit pipeline with housing pipeline – connect projects that match
6. Provide opportunities for data sharing/version control for co-applicants & stakeholders
7. Identify pent up demand, where SAMTRANS/transit services could be expanded
   ▪ Increase frequency
8. Undertake more advocacy
   ▪ Set aside more suburban areas, liability
9. Identify pipeline housing and transit pipeline share these
10. Identify ICP sites, downtown centers to fall into the urban zone
    ▪ Figure out project setting in advance??

11. Map out opportunity areas
    ▪ Distance to jobs, transit
    ▪ Then overlay our pipeline
    ▪ Overlay future pipeline sites
12. Aim for ICP project
13. Leverage through measure A/K, impact fees
14. Identify shovel-ready transit improvements
15. Plan more than one year out ahead of transit projects
16. Focus TA on competitive cities
    ▪ For example, East Palo Alto and Daly City
17. Make sure there are regular coordination/meetings between necessary parties

DO YOU HAVE ANY OTHER COMMENTS OR SUGGESTIONS?
1. Consider that South San Francisco brought DAC residents into the project area
2. Consider for DAC adjacent strategies to qualify

CALIFORNIA STRATEGIC GROWTH COUNCIL

Affordable Housing and Sustainable Communities (AHSC) Program

The *Bikeway* to Affordable Housing and Sustainable Communities (AHSC) Funding Forum
Part I
January 26, 2017

January 25,2017

1

AHSC Mission

To fund projects that result in the reduction of greenhouse gas (GHG) emissions

- through a reduction in vehicle miles traveled (VMT)
- with increased accessibility of housing, employment centers and key destinations
- utilizing low-carbon transportation options such as walking, biking and transit.

CALIFORNIA STRATEGIC GROWTH COUNCIL

What does it fund?

Eligible Capital Projects	Eligible Programs (3 Year Grants)
1. Affordable Housing Development (loan) *Bricks and Mortar* 2. Housing-Related Infrastructure (grant) *Required as Condition of Approval* 3. Sustainable Transportation Infrastructure (grant) *Transit, Bike Lanes, Sidewalks* 4. Transportation-Related Amenities (grant) *Bike Parking, Repair Kiosks, Urban Greening, Bus Shelters*	1. Active Transportation Programs 2. Transit Ridership Programs

CALIFORNIA STRATEGIC GROWTH COUNCIL

November 14, 2016 | 3

Project Area Types

TOD Transit Oriented Development	ICP Integrated Connectivity Project	RIPA Rural Innovation Project Area
Required: ✓ High Quality Transit ✓ Affordable Housing	Required: ✓ Qualifying Transit ✓ Sustainable Transportation Infrastructure	Required: ✓ Qualifying Transit ✓ Sustainable Transportation Infrastructure
Required: At least one additional components from the following: ❑ Sustainable Transportation Infrastructure ❑ Transportation Related Amenities ❑ Programs	Required: At least one additional components from the following: ❑ Affordable Housing ❑ Transportation Related Amenities ❑ Programs	Required: At least one additional components from the following: ❑ Affordable Housing ❑ Transportation Related Amenities ❑ Programs

January 25,2017

CALIFORNIA STRATEGIC GROWTH COUNCIL

What happened in Round 2?

CALIFORNIA STRATEGIC
GROWTH COUNCIL

Round 2 Results

Project Area Targets

- TOD
- ICP
- RIPA

RIPA
Target: 10%
Final: 14%

TOD
Target: 35%
Final: 41%

ICP
Target: 35%
Final: 45%

130 Concept Proposals
$1.1 Billion Requested

74 Full Applications
$691 Million Requested

25 Recommended Projects
$289 Million Available
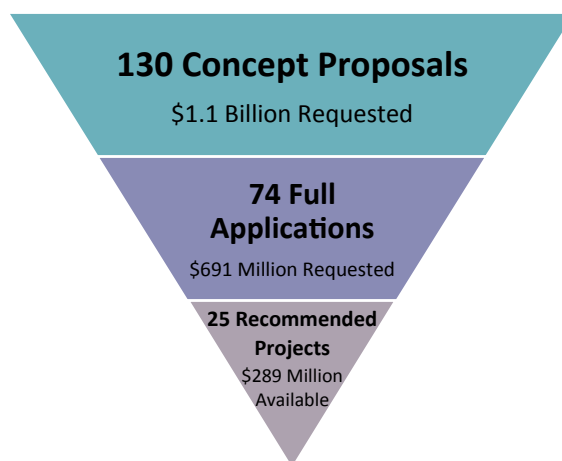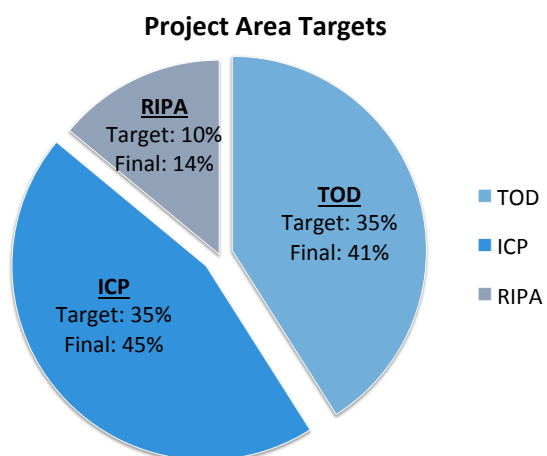
CALIFORNIA STRATEGIC
GROWTH COUNCIL

Geographic Distribution of Awards
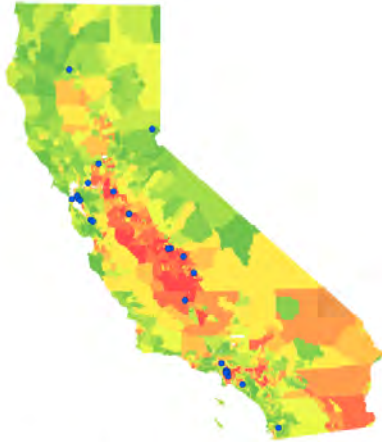
Region	Total Awards
Bay Area	7
Southern California	7
Sacramento	1
San Diego	1
San Joaquin Valley	7
North State-Sierra	2
TOTAL	25

Data Source: CalEnviroScreen, FAAST, SGC

CALIFORNIA STRATEGIC GROWTH COUNCIL

January 25,2017

AHSC Award Recommendations 2016
Bay Area, California
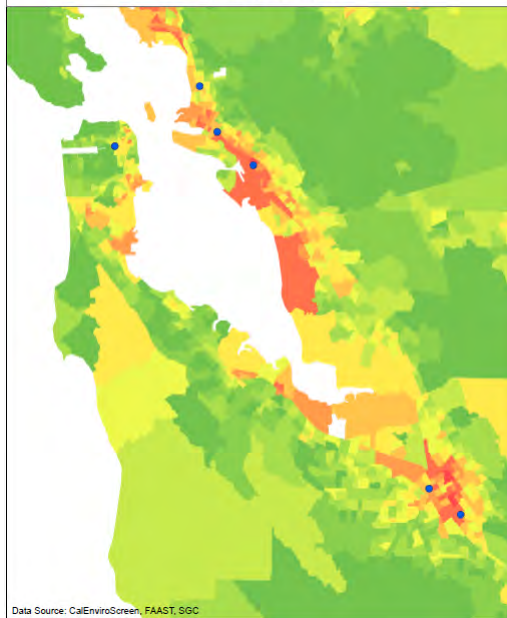
Data Source: CalEnviroScreen, FAAST, SGC

January 25,2017

8

Disadvantaged Communities

$88.4 Million will go to census tracts ranked in the top 5th percentile of CalEnviroScreen 2.0

85% of Award Funds Benefit Disadvantaged Communities

73%	6%	6%
Invested directly in disadvantaged communities	Invested within ½ mi of a disadvantaged community	25% of Project Work Hours by residents of disadvantaged communities

January 25,2017

Affordable Housing

- 80% of total funds will go towards affordable housing and related infrastructure
- More than 2,260 units of affordable housing, mostly at very deep levels of affordability

Number of Affordable Units Funded
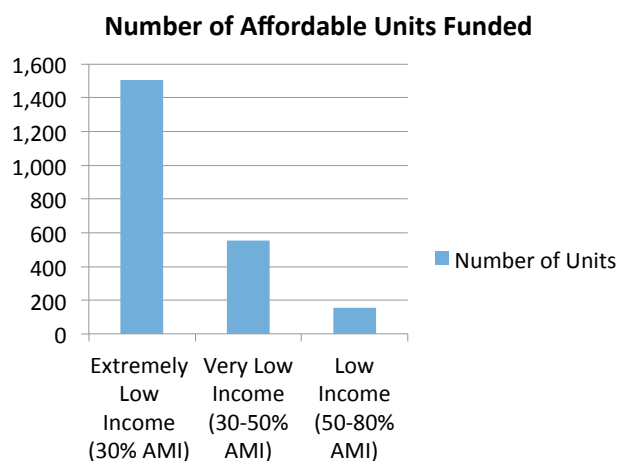
January 25,2017

Transportation and Transit Improvements

More than 20% of total funding ($55.4 Million) is being allocated for transportation-related investments

- **$48.2 Million in Sustainable Transportation Infrastructure**
- **$7.2 Million in Transportation Related Amenities**

January 25, 2017

Examples of Round 2 Awarded Projects

January 25, 2017

CALIFORNIA STRATEGIC
GROWTH COUNCIL

455 Fell Street
TOD Project – City of San Francisco

January 25,2017

Project Details

- 81-85 % DAC (25% of work hours)
- 108 affordable housing units for 30-60% AMI
  - 57 one-bedroom
  - 42 two-bedroom
  - 8 three-bedroom
- 100% Affordable
- Density: 125 units/acre
- 1,700 ft^2 community garden

- Transportation Service: Light Rail & Bus
- Adding landscaped medians, ADA upgrades, travel lane reductions for angled parking, pedestrian bulbouts, and traffic calming

- AHD: $15,037,563
- STI: $1,019,000
- **Total Award amount: $16,059,563**

PATH Metro Villas Phase II
TOD Project – City of Los Angeles

Madison Avenue

Westmoreland Avenue

January 25,2017

Project Details

- 96-100% DAC
- 120 affordable housing units for 30-60% AMI
  - 60 efficiency units
  - 60 one-bedroom
- 100% Affordable
- Density: 140 units/acre
- Significant case management and supportive services for transitioning homeless

- Transportation Service: Metro, BRT, Bus
- Connects Beverly/Vermont Red Line Station to Virgil Ave bike lane via sidewalk improvements and bike-enhanced network
- Sidewalk repair, curb ramps, tree replacement, pedestrian signals, and bike share

AHD: $12,413,648
STI: $1,192,345
Program: $144,190
Total Award amount: $13,750,183

14

Kings Canyon Connectivity Project
ICP Project – City of Fresno

Project Details

- 96-100% DAC
- 135 affordable housing units for 30-60% AMI
  - 89 family units
  - 46 senior units
- 100% Affordable
- Workforce training program and construction apprenticeships

- Transportation Service: Bus
- Building important bike and pedestrian infrastructure along several blocks to 2 new BRT stops (July 2017)

AHD: $14,863,754
HRI: $47,200
STI: $513,222
TRA: $155,250
Total Award amount: $15,579,426

Redding Downtown Loop and Affordable Housing
ICP Project – City of Redding

Project Details

- Not in a DAC
- 56 affordable housing units for 30-60% AMI
  - 15 one-bedroom
  - 47 two-bedroom
  - 17 three-bedroom
- 70% Affordable
- 2,700 sq. ft. Commercial

- Transportation Service: Bus
- Adding Class IV cycle track and bike lanes, curb extensions, sidewalk construction, bus vouchers

- AHD: $5,873,372
- HRI: $3,570,000
- STI: $8,973,958
- TRA: $1,582,670
- **Total Award amount: $20,000,000**

January 25,2017

16

What happens next?

Tentative Schedule

Figure 2: Tentative Schedule for AHSC Round 3	
Quarterly Cap & Trade Auction	*November 2016*
Listening Sessions on Lessons Learned in AHSC Round 2	Fall 2016
Release of Round 3 Draft Program Guidelines	Winter 2017
Stakeholder Meetings/Comments on Draft Guidelines	Winter 2017
Quarterly Cap & Trade Auction	*February 2017*
TCAC Applications Due	*Early March 2017*
Final Guidelines to Council for Approval	Spring 2017
Quarterly Cap & Trade Auction	*May 2017*
TCAC Applications Due	*Late June 2017*
Release of Round 3 Application	Summer 2017

Considerations for Round 3…

- What aspects of the Guidelines are the biggest challenge?
- Strive for a genuinely collaborative approach
- What is your strongest starting point?
  - Transportation planning?
  - Affordable Housing pipeline?
- What support do you need?
  - SGC & HCD: Advisory Role, Pre-Application Consultations
  - Technical Assistance: Sponsored TA Providers
  - Partners & Conveners: Metropolitan Transportation Commission + Association of Bay Area Governments

January 25,2017

CALIFORNIA STRATEGIC GROWTH COUNCIL

AHSC Strategies for Success
in 2017 & Beyond
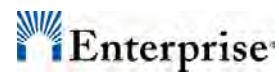
Enterprise

Who We Are: Enterprise

- Mission: work nationally to create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities

  - Invested $18.6B nationally for 340,000 affordable homes

  - Invested $1.8B into CA's affordable housing

FINANCE

TECHNICAL ASSISTANCE   POLICY
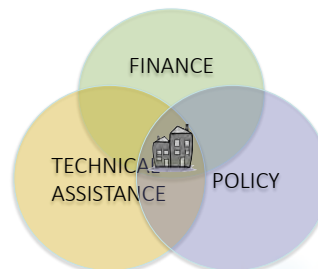
Enterprise

Enterprise's AHSC Innovation Frame

AHSC changes development as usual & integrates our programmatic priorities

Tools   TA   Policy

Supported 40+ public & private partners

Worked with 15/25 awarded projects in AHSC Round 2

Enterprise
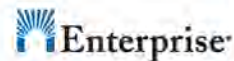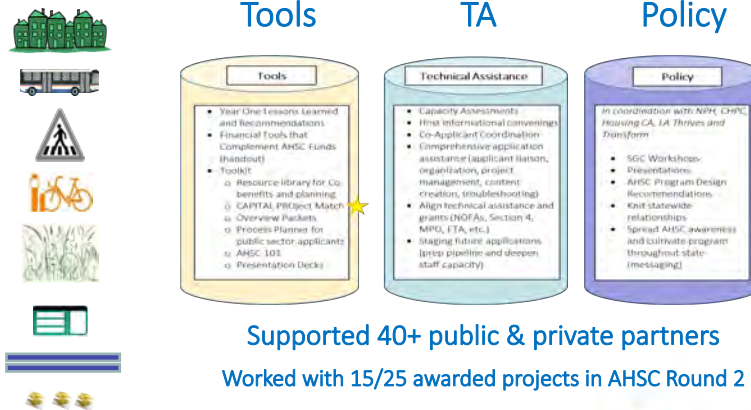
AHSC Pushing New Levels of Coordination

- Competitive statewide program provides vital funding post-RDA
- Incentivizes looking BEYOND the parcel to maximize GHG reductions
- Success requires new cross-sector partnerships and attentiveness to many factors

TOD 35%   ICP 35%   RIPA 10%

50% DAC   50% AF

Enterprise
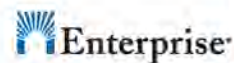
Develop a pipeline of AHSC Projects

1. Know fundamental AHSC threshold and eligibility requirements

2. Scan plans and pull out data for AHSC eligible projects

3. Separate near term projects from longer term ones

4. Record levels of committed and expected financing

5. assess competiveness of projects for concept & full app

6. Organize & share this data with potential co-applicants!!

Meet Key Thresholds
- ✓ Environmental clearances
- ✓ Entitlements
- ✓ No legal challenges
- ✓ Construction not started
- ✓ Climate Adaptation
- ✓ No conversion of resource lands

95%

Combine Projects into a Mega-Competitive AHSC Project

- ✓ **Map project locations** to see partnership opportunities and vet options for project area scale and point maximization.
- ✓ **Always include affordable housing and transportation** infrastructure, no matter project type requirements!
- ✓ Remember that DACs don't guarantee awards and **not all STIs are created equal**

Thoughtfully Prepare a Competitive AHSC Application

✓ DEVOTE TIME to conveying project's high impact & meaningful benefit

- Narratives

- Attachments

✓ STUDY SCORING structure and what getting points takes

- Evaluate potential for GHG reduction early on and collect key data

- Start thinking now about community engagement and tasks with long lead times

✓ CLARIFY roles and responsibilities of all team members

- Have designated point person and document sharing platform

- Track progress, use/develop templates when able and have regular check ins
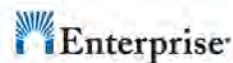
Enterprise

Thank you!

Follow up:

Sally Greenspan (Statewide AHSC TA Director)
sgreenspan@enterprisecommunity.org

Grecia Ayon (TA Associate)
gayon@enterprisecomunity.org

Enterprise
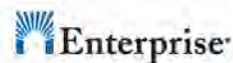
AHSC Greenhouse Gas Emission Reductions

January 26, 2017

Jennifer West
GreenTRIP
Senior Program Manager

1

TransForm - GreenTRIP

- Certification
- GreenTRIP Connect
- Research, Policy & TA
  AHSC
- Great Communities Collaborative
  (since 2008)
- MTC Regional Prosperity Plan

TransForm

Purpose of AHSC

"To reduce Greenhouse Gas emissions (GHG) through projects that implement land-use, housing, transportation… to support infill and compact development…"

GHG Scores = 30 pts possible

Total Project GHG Reductions Score

Efficiency of Reductions Score (GHG reductions over AHSC funds requested)

Total Project GHG Reductions Score		Efficiency of Reductions Score
Bin 1 = 15 points	+	Bin 1 = 15 points
Bin 2 = 12 points		Bin 2 = 12 points
Bin 3 = 9 points		Bin 3 = 9 points
Bin 4 = 6 points		Bin 4 = 6 points
Bin 5 = 3 points		Bin 5 = 3 points

= Max 30 points
Total GHG reduction score

TransForm's role

- Worked with over 40 applicants in 2016
  - Technical Assistance (SGC)
  - Enterprise team (Bay Area)
  - TA with SCAG (SoCal)
  - Direct clients (all over state)
- TOD, ICP and RIPA

Green TRIP

TransForm

Highest GHG Reductions (2016)

- Size (# units) of housing – larger, density
- Mixed use project
- New transit service brings largest GHG reductions = partner with transit agency
- Reduced parking
- Close to jobs
- Transit passes
- Location

TransForm

Project Setting

Table 6. Maximum Potential Reductions by Project Setting Type

CalEEMod Project Setting Types*	Maximum Potential Reductions (Total maximum project VMT reduction)[31]
Low Density Suburban	15%
Suburban Center	20%
Urban Center	40%
Urban	75%

listed in order of increasing maximum potential reductions

- Caps = maximum GHG reductions for housing (CalEEMod)
- San Mateo County projects – likely Urban Center, Suburban Center or Low Density Suburban

TransForm

Recommendations

- Know your GHG reductions well – consider during project planning, partner with transit agency for potential greater reductions
- Use GreenTRIP Connect - GHG reductions (estimate)
- Use GreenTRIP Parking Database
- Apply for GreenTRIP Certification – includes many AHSC strategies
- *Strongest Recommendation* – Complete GHG pre-evaluation before AHSC NOFA release (likely June 2017)

TransForm

Connect.GreenTRIP.org

Database.GreenTRIP.org

MidPen
H O U S I N G

Memo

To: Strategic Growth Council and AHSC staff

From: Alice Talcott, MidPen Housing

Date: December 20, 2016

RE: AHSC Lessons Learned Workshop

Unfortunately, no one at MidPen was able to attend the "Lessons Learned" Workshop in Oakland on December 12th as it conflicted with a department event for us. However, we didn't want to let the opportunity pass to give you our thoughts and ideas about improvements we would like to see to the program, so are taking this opportunity to submit our feedback in writing.

We submitted two full applications in 2016, for projects in Sunnyvale and Monterey – neither of which were funded. As a staff, we did a debrief after the process was completed and came up with a list of areas where we saw discrepancies, inconsistencies and areas where we feel the program could be improved.

In particular, we strongly believe that the current system for measuring GHG reductions needs significant revision. The SGC has rightly maintained that the methodology must be rooted in a defensible, scientific method of quantifying GHG reduction. As such, we suggest you carefully consider the *results* from the methodology and consider if it seems defensible when applying a common sense comparison between projects. Our experience with the methodology is that it is arbitrary, excludes important factors and differentiators between projects and that the TAC methodologies are unclear and unpredictable.

We are particularly struck that our Edwina Benner project scored in the <u>bottom</u> GHG bin for TOD projects. We realize that this is a competitive program with many worthy applicants. Nonetheless, we think this is a project which would have a significant effect on reducing VMT, and think it could be a helpful case study for you in analyzing the effectiveness of the GHG methodology in comparing projects of different types and in a variety of location settings . The overall score did not seem commensurate to us in its impact in reducing GHGs, particularly when compared to the characteristics of other higher scoring projects.

The Edwina Benner Plaza project is a 66 unit, dense family project in Sunnyvale, in the heart of Silicon Valley and located within easy walking distance of a light rail station. The project is located directly across the freeway from Moffett Park, which has **30,000 jobs.** The area already has bike lanes, so we included a transportation infrastructure

project that completed a section of sidewalk to make a continuous walking path between the light rail station and the pedestrian overpassing to Moffet Park.

Silicon Valley has a severe jobs/housing imbalance, and the housing is unaffordable to the many low-income workers. With a median two bedroom rent at over $3,000 in Sunnyvale, low income workers are forced to live in far-away communities to find housing that is affordable. Because the entire area is so unaffordable, this results in workers living in far-away communities with two to three hour auto commutes, greatly increasing traffic congestion and the resulting greenhouse gases. Building affordable housing in direct proximity to jobs eliminates those auto commutes and directly leads to a drop in VMTs. *Yet the CalEEMod methodology doesn't take into account the GHG reduction which is the result of those eliminated and reduced auto trips.* It only measures the reduction which is the result of the project being located near transit- i.e. the difference in VMTs that result from someone driving *from the affordable housing* location vs. taking transit *from that location.* We think this severely undercounts the GHG reductions which result from placing the housing near jobs.

And because of the location settings embedded within CalEEMod, the score was capped as an "Urban Center" location well below the caps for an "Urban" location. The cap for Urban Center is a maximum reduction of 40% and for Urban it is almost double that at 75%. By capping out, it made it impossible to differentiate within CalEEMod based on proximity to jobs (or anything else) and *made the location setting the primary determinant of the outcome.* The locational characteristics used for the caps do not take into account an area like Silicon Valley, which has a historically lower density of development but a high density of jobs.

We also note that the sidewalk infrastructure project was reduced by staff to only 9.75 metric tons of carbon, making this component essentially meaningless in our overall GHG reduction results (.2% of the total GHG reduction). While it was not a large project, it was still confusing in light of the emphasis placed in the program and the scoring system on doing active transportation infrastructure improvements. It seems unclear why the program would continue to encourage these projects if your calculations show them to be ineffective GHG reduction strategies. Our Monterey project, which had a more extensive bike/ped project, also had its GHG score reduced significantly by staff.

We also encourage you to look more closely at how the model could incorporate unit size, target population and whether the units already exist (and are already affordable). The Benner project scored significantly below a number of acq/rehabs of supportive housing/SRO projects. Within CalEEMod, bigger projects score better, but no distinction is made between an SRO unit vs. a three bedroom. This doesn't make sense. While we are highly supportive of this type of project, we question whether they contribute to GHG reductions more than a new construction family project in direct proximity to tens of thousands of jobs. (Because you didn't publish the TAC score separately from the CalEEMod score, we are unable to analyze how much of this difference is in the

CalEEMod vs. TAC methodologies). That said, we also think that classifying senior housing as retirement homes was arbitrary, and particularly problematic because it was done after applications were already submitted. In fixing the senior problem we encourage you to do it holistically, looking at both unit size as well as all types of target populations.

Below is an informal list of our feedback, which includes suggestions both for improvements to GHG methodology as well as other criteria. We look forward to commenting more formally during the guideline revision process, but appreciate your willingness to consider this feedback now. We appreciate the staff's hard work on this truly innovative program.

1. **Improve GHG Methodology – Replace or modify CalEEMod and TAC**
   - better recognize and value areas with high jobs/housing imbalance

       - Provide a CalEEMod score boost for projects in Counties or Cities with a severe jobs/housing imbalance.

   - Get rid of location setting caps or correct with higher caps for densifying suburban areas with high concentrations of jobs and jobs/housing imbalances, like Santa Clara and San Mateo counties.

   - Give more GHG credit to deep affordability. Research shows that lower income tenants use transit more frequently.

   - Better differentiate housing types (family, supportive, senior) and how they contribute to GHG; give more GHGs to new construction than to rehabs

       - Have a "project type" cap on the CalEEMod scoring, not just "project setting"

   - Differentiate between unit sizes. Many more people served in larger units.

       - Use standardized estimates of number of people per unit to use in the model.

   - Create more standard methodologies for TAC, scale or cap TAC results so that there is not such a huge disparity between bike/ped improvements and new transit service projects.

       - More clarity on which TAC methods provide the biggest boosts so that projects can do better advance planning. TAC modeling and scoring should be standardized so that there are different options

to choose from and criteria to meet them, instead of performing project-specific models. Eliminate or better define the distinction for "college towns" in bicycle infrastructure improvements.

- Currently, TAC scores are uncapped, unlike CalEEMod. Greatly incentivizes projects to incorporate a high scoring transit project and deemphasizes the housing project.

- Consider changing the GHG scoring so that it is scored on an absolute standard, not on separating the projects into bins. This bin process creates a big discrepancy in points between projects that may be quite close in absolute GHG reduction. Unless the modelling accuracy can be significantly improved, this system of scoring plays too large of a determinant between projects that may be quite similar.

2. **Other Scoring Criteria:**
   - Fix affordability points so that SMI is not being used – change to AMI scoring similar to 9%. Current system leads to excessively low targeting in high AMI counties. In San Mateo County, SMI based scoring requires us to put significant numbers of units (up to 30%) at 20% AMI, leading to unsustainable cash flow.

   - Points for Active Transportation require both pedestrian and bike improvements for full scoring, regardless of what is most needed in the project area. The scoring system incentives doing *everything*, regardless of what the highest priorities are or what already exists.

   - Eliminate Walk Score/Bike Score. Replace with better measurement of amenities within the nearby area. This scoring should also take into account if improvements to the ped/bike infrastructure are part of the proposed project.

   - Get rid of Joint and Several Liability requirements. This continues to be a significant hurdle in working with local city and county partners. We don't see the problem with holding each grant or loan recipient liable for only their own component.

   - Get rid of points encouraging joint applications. This overly complicates the application process and is unnecessary to ensuring coordination with other local agencies.

   - Provide better clarity on what is expected for readiness, cost reasonableness.

- Guidelines are confusing on what is required at concept vs. application stages. Adoption of new UMRs should make cost reasonableness more efficient for housing, but also need something for the other components.

- Clarify what is meant by "exceeding" building code standards

    - This is under the "water, energy and greening" section. Specific standards are needed, such as being above Title 24 by a certain percentage, or scoring a certain amount on Build it Green. The standards now are too vague.

- Relax/clarify community engagement scoring or don't require childcare or translation services if none are needed (stakeholder engagement, under community benefit and engagement section)

    - Points are given for going "above and beyond" traditional outreach, which is a very vague concept and sets an ever increasing standard. Better to set required standards to be met. Many features of "non-traditional" outreach aren't applicable to some projects, like having translation or childcare services where there is none requested.

- Eliminate anti-displacement and workforce training strategies for 100% affordable housing projects. Affordable projects are an anti-displacement strategy on their own.

- Allow projects to apply for more than 3 years of transportation program funding

- Provide more clarity on what the largest possible project area is, and whether STIs can extend beyond the project area if part of them is inside it.

- Clarify in the regulations what happens with remaining funds after the TOD, ICP and RIPA goals have been filled. The method used in the previous round to fund projects in the most impacted DACs was not something outlined in the regulations at all. By clarifying in the guidelines, it also allows for public comment on the policy.

3. **Process:**

    - Make application materials available sooner

- Do not change methodologies during the application process. The change to the GHG methodology for senior projects was particularly problematic in this regard. The applications take a huge amount of work to produce, so the lack of predictability is very costly to applicants.

- We are not convinced of the efficacy of the two stage application process. The concept stage serves the function of screening for projects which meet the threshold requirements and which have funds committed. However, because the scoring is not part of the concept phase, it does not help screen out projects that will be clearly uncompetitive. As such, it seems like a one-step process could achieve the same goals by having clear threshold requirements and adding a readiness requirement for having all soft funds committed at the time of application, similarly to TCAC. This would eliminate applicants having to do two applications.

CITY COUNCIL 2016

PRADEEP GUPTA, PH.D., MAYOR
LIZA NORMANDY, VICE MAYOR
MARK ADDIEGO, COUNCILMEMBER
RICHARD A. GARBARINO, COUNCILMEMBER
KARYL MATSUMOTO, COUNCILMEMBER

MIKE FUTRELL, CITY MANAGER

OFFICE OF THE CITY MANAGER

December 21, 2016

Mr. Ben Metcalf, Director
Department of Housing and Community Development
2020 West El Camino Avenue, Suite 500
Sacramento, CA 94252-2054

Mr. Randall Winston, Executive Director
Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814

RE: **Comments from the City of South San Francisco on the Affordable Housing and Sustainable Communities Program**

Dear Mr. Metcalf and Mr. Winston:

On behalf of the City of South San Francisco (SSF), thank you for this opportunity to submit comments and for allowing us the opportunity to participate in the "Lessons Learned" work shop regarding the Affordable Housing and Sustainable Communities program.

As you know, SSF has twice applied to this program and have yet to be recommended for funding. We have learned some valuable lessons; after our round one application fell short (2015) we included staff feedback and included a major affordable housing component for our round 2 application (2016), specifically 80 affordable units for seniors while providing direct connections to the South San Francisco Caltrain station for pedestrians and bicyclists. This application was certainly an improvement having officially received the endorsement of the Metropolitan Transportation Commission as one of their top, regional projects. However due to the classification of senior housing as a retirement community we once again fell short.

Be that as it may, here are some comments for the next round of funding.

- Award more points for a mixed-use project as we have future developments in the heart of our 108-year-old Downtown shopping district. Our compact Downtown is walkable to many day-to-day shopping needs such as local markets, neighborhood hardware and numerous local restaurants and service providers. For many decades, the Downtown has served the needs of the community and further reinforces what has been a pedestrian friendly non-auto dependent environment.

- Senior housing should not be classified as "a retirement community" as Independent Low-Income Senior apartments are designed for age restricted older adults in terms of convenience such as limited number of stairs, and more expansive accessibility features incorporated into the physical characteristics. Apartment living offers an easier lifestyle for an older adult since there is no more yard work and household repairs, and they have access to shared activities.

- Due to the lack of data availability for BikeScore statewide, alternative evaluation options for this criterion should be offered or considered, such as adjusting the entire scoring matrix down by these available points. This is a major issue for jurisdictions that may have otherwise scored higher points on this category but are not doing so do to the lack of availability on data from Walkscore.com.

- There should be no difference between private schools and public schools within project areas. We did not have a public school in our immediate project area, but instead there is a private K through 12 school and a private academy. We lost out on points which seems arbitrary as school children are pedestrians and need improvements too whether they go to public schools, charter schools or private schools. In addition, private schools offer scholarships and tuition assistance to low income students and their families which would offset the argument that low-income families traditionally send their students only to public schools.

Again, thank you for this opportunity to comment on this very valuable program. Should you have any questions or need additional clarification, please do not hesitate to contact my staff point of contact, Mr. Ron Gerber at Ron.Gerber@ssf.net or (650) 829-6613.

Sincerely,

Mike Futrell
City Manager