

Memorandum

DATE: September 17, 2015

TO: Interested Stakeholders

FROM: Affordable Housing and Sustainable Communities Program Staff

RE: Updates: 2015-16 SGC Affordable Housing and Sustainable Communities Program

This memo provides updates on the Affordable Housing and Sustainable Communities (AHSC) Program, including a summary of changes proposed to the 2015-16 SGC AHSC Program Guidelines.

Public Review Draft Guidelines

The 2015-16 Draft Guidelines reflect the robust feedback received on the first year of SGC's AHSC Program, including our first round of applicants and awards, as well as comments from hundreds of diverse stakeholders. The proposed changes are intended to advance the goals and objectives of the AHSC Program by strengthening the connection between housing, transportation, and transit investments to further reduce vehicle miles travelled and greenhouse gas emissions while creating healthier, transit-oriented environments.

Proposed revisions cover a range of topics including: revised scoring criteria, the jurisdictional cap for localities, projects in rural areas, transportation capital improvements, housing and transportation collaboration, urban greening and green infrastructure, active transportation, and community benefits and engagement.

Input on Draft Guidelines

SGC will be holding several public workshops to describe proposed changes in the Draft Guidelines and hear public comments on the Draft Guidelines. Written comments may be sent to: AHSC@sgc.ca.gov no later than **Friday, October 30, 2015** in order to be considered for the draft Final Guidelines document.

The attached document will undergo public review, feedback, and staff revision prior to Council adoption of the final 2015-16 AHSC Guidelines at its December 17, 2015 meeting.

Other Updates

- Sustainable Agricultural Lands Conservation (SALC) Program. Revised guidelines for the SALC Program will be released in early October, with public workshops to be announced. Staff anticipates adoption of 2015-16 SALC Program Guidelines at its December 17, 2015 meeting.

- Policy Considerations outside of the Guidelines. The attached draft does not address the following topics. Staff will provide options on these issues for Council discussion at the October 15, 2015 SGC meeting.
 - Statewide Geographic Distribution of Funds
 - Technical Assistance for AHSC Applicants
 - Coordination with Metropolitan Planning Organizations
 - Alignment of AHSC and SALC Programs

- 2014-15 AHSC Applicants Affected by the Jurisdictional Cap. Staff has developed an approach to allow projects affected by the \$15 million AHSC award limit per locality to potentially receive funding. This approach will be presented at the October 15, 2015 SGC meeting.

SUMMARY OF PROPOSED CHANGES TO 2015-16 AHSC GUIDELINES

Notes

- An updated Greenhouse Gas Emission Reductions Quantification Methodology (Appendix D in the Program Guidelines) will be released by the Air Resources Board (ARB) under separate cover prior to public workshops on Draft Guidelines.
- ARB has prepared Draft Funding Guidelines for agencies administering GGRF appropriations to ensure the requirements of the GGRF Program are met. ARB anticipates presenting the Funding Guidelines for Board approval on September 24, 2015. These AHSC Guidelines may be revised to be consistent with the Final Funding Guidelines.
- The Draft Guidelines do not consider issues related to geographic distribution of AHSC funds.

PROGRAM OBJECTIVES

The 2014-15 AHSC applications received reflected challenges in aligning transportation and transit capital projects with those of affordable housing developments. While the SGC recognizes that such alignment and partnerships occur over time, we have incorporated the following considerations to encourage a stronger balance of housing, transportation, and transit investments.

Refinement of TOD and ICP Project Area Types

- Transit-Oriented Development (TOD) Project Areas. The Draft Guidelines acknowledges that some TOD areas have already (and recently) made significant investments in transportation and transit infrastructure. For TOD Project Areas, the Guidelines propose that transportation infrastructure is no longer required, but is an eligible cost. (p 8)
- Integrated Connectivity Project (ICP) Areas. All ICP projects are required to include Sustainable Transportation Improvements (STI), defined as transportation and transit capital costs which directly result in mode shift from passenger vehicles. (p 10)

Clarity on Transportation Capital Improvements

- To ensure more meaningful transportation investments, the Draft Guidelines distinguishes what was formerly considered "Transportation-Related Infrastructure" in two categories: Sustainable Transportation Infrastructure (STI) and Transportation-Related Amenities (TRAs). The STI category was created to support capital projects that result in mode shift from passenger vehicles to low-carbon transportation options such as transit, walking, and bicycling. TRAs support these mode shifts by providing amenities to accommodate these modes. (p. 14-15)

Emphasis on Transportation and Housing Partnerships

- Recognizing that planning and development of housing and transportation capital projects do not necessarily align to similar timeframes or processes, the Draft Guidelines provide greater flexibility with regard to coordination of capital costs. However, in order to encourage development of integrated projects, the Draft Guidelines encourage meaningful partnerships between transportation and transit projects and housing development through scored criteria. (p 39)

CONSIDERATION OF BROADER POLICY GOALS

Geographic Concerns

- Eliminates the Jurisdictional Cap for localities.
- Creation of New Project Area Type: Rural Innovation Project Areas
 - o In consideration of the unique characteristics of rural communities and the roles they play in greenhouse gas emissions reduction, a new project area has been created to support innovative housing and transportation projects: Rural Innovation Project Areas (RIPAs). These projects will compete separately from other TOD and ICP projects, but must meet the same criteria as those required in an ICP Area. (p 6-10)
 - o A rural community is defined based on Health & Safety Code § 50199.21, and clarified here: <http://www.treasurer.ca.gov/ctcac/2015/methodology.pdf>
 - o A target goal of 10 percent of AHSC funds would be invested in Rural Innovation Project Areas, but if insufficient eligible applications are received, funds would roll over to fund additional applications in other Project Area types. (p 6-10)

Supplemental Strategies for GHG Reductions

- **Active Transportation.** The Draft Guidelines consider the co-benefits achieved from active transportation improvements supporting walking and bicycling, and provide additional points for clearly articulated purpose and need for such investments, as well as how the proposed improvements address the purpose and need. (p 34-35)
- **Urban Greening, Green Building, Energy Efficiency, Renewable Energy.** Identified in the Draft Guidelines as the “Water, Energy, and Greening” section, this encourages projects that incorporate urban greening, low-impact design, site development and energy efficiency standards, and on-site renewable energy generation, in most cases to exceed current or pending building code standards. (p 35-37)

Incentives to Encourage Use of 4% Low Income Tax Credit Program

- Increases loan limits per unit of \$50,000 (from \$30,000) per restricted unit for the purposes of loan limit calculations. (p 17)
- 9% tax credit reservations must have a tax credit reservation in hand from the California Tax Credit Allocation Committee (TCAC) to be considered an Enforceable Funding Commitment. (p A-2)

OTHER PROGRAMMATIC CHANGES

- Planning Costs are no longer standalone Eligible Costs, and has been incorporated into soft costs associated with Affordable Housing Development, Housing-Related Infrastructure, Sustainable Transportation Infrastructure, and Transportation-Related Amenities. (p 11, 13, 15, 16, 19)
- Requires all AHSC-funded Affordable Housing Developments to provide at least one secure overnight bicycle parking for every two units. This may be funded by AHSC funds, but does not count toward required Project Area components. (p 12)
- Exempts Acquisition and Substantial Rehabilitation projects from minimum density requirements. (p 12)
- Limits the amount of AHSC funds allowed for parking, with the intent to phase out parking as an allowable cost altogether in future funding rounds. (p 13-14)

GREENHOUSE GAS EMISSIONS REDUCTIONS: CALCULATIONS AND REFINEMENT OF METHODOLOGY

- **Calculation of GHG Reductions Scores and Binning.** The GHG Quantifications Methodology scoring criteria focus on two components of GHG reductions:

GHG Component	Calculation	Total Points Possible	Increment of Points/Bin
1) Total Reductions	Total GHGs Reduced	15	3
2) Cost Efficiency of Reductions	$\frac{\text{Total Project GHG Reductions}}{\text{AHSC \$ Requested}}$	15	3

Each of these components results in a total maximum score of 15 points. Each component will be ranked from highest to lowest – and be assigned an incremental point value based on reductions associated with the application. These “bins” occur in increments of three points and are designed to award points to projects with similar GHG emissions reductions.

- **Diversification of GHG Reductions Score.** The Total GHG Reductions Score, including the GHG Quantifications Methodology (30 points) and Supplemental Strategies (20 points) respond to the Year 1 concerns related to: 1) Year 1 increments/bins being too large (11 points), and 2) the priority of points on the GHG reductions, based only on cost efficiency weighing too heavily (55 of 100 total points). The 2015-16 Draft Guidelines attempt to better balance the GHG Quantifications Methodology with other Supplemental Strategies, including Active Transportation and Water Energy and Greening, and adjust bin score increments, addressing some of the concerns around the potential unevenness of this scoring criterion. (p 32-34)
- ARB is preparing updates to the Quantification Methodology to provide increased usability to applicants, incorporate feedback from the July SGC Lessons Learned workshops, and provide greater consistency with other quantification methodologies such as incorporating a “Well-to-Wheels” quantification approach (instead of the FY 2014-2015 “Tank-to-Wheels”) to estimate GHG reductions. The Quantification Methodology will be consistent with SGC’s Affordable Housing and Sustainable

Communities Program (AHSC) Guidelines for FY 2015-2016. ARB anticipates the draft will be available for public comment at AHSC workshops in October 2015.

- SGC and ARB staff are working with the California Air Pollution Control Officers Association (CAPCOA) to identify updates to CalEEMod, and to determine whether the updated model will be available for the FY 15-16 AHSC Program. CAPCOA, which owns and maintains CalEEMod, is currently updating the model to include model and data refinements, some of which are in response to comments received through the AHSC Program last year.
- Peer review is pending on new research regarding depth of affordability and GHG reductions. SGC staff plan on putting together an independent blind peer review of the Center for Neighborhood Technology’s recent research on “Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy.” Pending the findings of the report’s peer review, findings may be incorporated into future GHG quantification methodologies.

ELIGIBILITY AND APPLICANT LIMITS AND THRESHOLDS

- Increases the Developer Cap from \$15 million to \$40 million per developer per NOFA cycle. (p 17)
- Minimum and maximum award amounts (p 17):

	Minimum	Maximum
2014-15 Round	\$500,000 (ICP) \$1 million (TOD)	\$8 million (ICP) \$15 million (TOD)
2015-16 Proposed Guidelines for both TODs and ICs	\$1 million	\$20 million

- Clarifies joint and several liability for joint applicants. (p 20)
- Clarifies threshold requirements for environmental clearances (CEQA and NEPA). (p 26)
- Strengthens threshold requirements related to no net loss of housing units for AHSC-funded projects. (p 28)

APPLICATION SCORING AND SCREENING CRITERIA

Screening of Applicants at Concept

- To the extent that the number of applications received exceed that of 200% of the total amount available in the Notice of Funding Availability, applicants meeting all threshold requirements will be invited to submit a full application based on the following filter (p 21):

Demonstration of the level of Enforceable Funding Commitments (EFCs) calculated as follows:

$$\frac{\text{AHSC Funds Requested} + \text{EFCs} - \text{Deferred Costs}}{\text{Total Development Cost}}$$

- Invites to Full Application will include up to 200% of the respective targets within each Project Area category and statutory set-aside (affordable housing and disadvantaged communities), based on the total amount available designated in the Notice of Funding Availability. (p 21)
- At least one concept proposal from each Metropolitan Planning Organization (MPO) jurisdiction will be invited to submit a full application, provided it meets all threshold requirements. (p 21)

Scoring Criteria at Full Application

The proposed scoring criteria for the 2015-16 Draft AHSC Guidelines is provided in **Table 1**. In addition to some of the changes mentioned above, a few changes of note:

- **Housing and Transportation Collaboration.** To allow for greater flexibility and reward more meaningful coordination, the 2015-16 AHSC Draft Guidelines do not require Housing and Transportation Capital Projects in any project prototypes. However, coordination between housing and transportation infrastructure is still a policy goal of the Program. This category encourages collaboration between housing, transportation, and transit partners by incentivizing joint applications and coordinated investments in both housing and transportation capital projects. (p. 39-40)
- **Community Benefit and Engagement.** This category refines and captures the objectives of meaningful public engagement and direct implementation of community benefits that reflect community needs and interests. Co-benefits of GHG reduction will continue to be tracked and measured, per ARB Guidance. (p 40-42)
- **Access to Destinations.** This category replaces the Accessibility to Employment and some components of the 2014-15 Walking and Biking Criteria, using Walkscore and Bikescore to estimate accessibility and proximity of services and key destinations, as well as bike infrastructure to address location efficiency with regard to the Project. (p 42)
- **Depth and Level of Housing Affordability.** Points for this criterion have been increased to 10 points in the 2015-16 Draft Guidelines. The 2014-15 Guidelines awarded up to 6.5 points for this criterion. (p 37-39)

- **Funds Leveraged.** Focuses on capital project and program activities leveraged by other Enforceable Funding Commitments. (p 42-43)
- **Anti-Displacement.** The Draft Guidelines provide additional points for demonstration of policies, strategies, or programs designed to avoid both physical and economic displacement of low-income residents and businesses of the Project Area. (p 43-44)

Table 1
Proposed Scoring Criteria for 2015-16 AHSC Program

GHG Reductions	
GHG Quantification Methodology (CalEEMod and Transportation and Connectivity (TAC))	POINTS
• Total Project GHG Reductions	15
• Efficiency of Reductions (Total Project GHG Reductions/AHSC \$ Request)	15
Supplemental Strategies	
• Active Transportation Improvements	10
• Water, Energy, and Greening	10
GHG REDUCTIONS SUBTOTAL	50
Policy Objectives	
• Depth and Level of Housing Affordability	10
• Housing and Transportation Collaboration	10
• Community Benefit and Engagement	8
• Access to Destinations	8
• Funds Leveraged	5
• Anti-Displacement Strategies	4
• Program Need and Readiness	3
• Implementation of Planning Efforts	2
POLICY OBJECTIVES SUBTOTAL	50
TOTAL POINTS	100

CONSIDERATION OF METROPOLITAN PLANNING ORGANIZATION OBJECTIVES AND PRIORITIES

In its first year, the AHSC Program collaborated with the state’s 18 Metropolitan Planning Organizations (MPOs) to disseminate information about the program, convene workshops, and provide initial technical assistance to applicants. As appropriate, MPO staff also served as reviewers of AHSC applications at concept and full application, providing insight into applicant implementation of applicable Sustainable Communities Strategy (SCS), and in some cases, provided recommendations based on criteria adopted by the respective region.

In this second year of the AHSC Program, we look forward to ongoing coordination between the State and MPOs to continue to inform the updated AHSC Program Guidelines and provide closer alignment of state and regional objectives. We envision this occurring in four categories, to be developed with consideration for each region’s unique needs and capacity. The following provides examples of potential partnerships, which may include other public, private, or nonprofit partners.

Additional details are being developed, and will be brought forward prior to Council adoption of the guidelines.

**Table 2
 Possible Options for MPO Engagement and Input**

	Examples/Options
Regional/Local Capacity Building	<ul style="list-style-type: none"> - Identifying pipeline projects, leveraging past regional planning grants, SGC Prop 84 recipients, etc. - Identifying and developing partnership opportunities between housing, transportation, transit partners, and other public, nonprofit, community stakeholders - Determining local capacity needs for future applications
Outreach and Information Sharing	<ul style="list-style-type: none"> - Regional informational workshops - Topic-specific workshops - Presentations to local boards, groups - Development of resource material
Application Development and Assistance	<ul style="list-style-type: none"> - Grant writing assistance - GHG quantification - Partnership development - Data, GIS assistance
Application Review and Recommendations	<p>At Concept:</p> <ul style="list-style-type: none"> o Review of applications for consistency with SCS <p>At Full Application:</p> <ul style="list-style-type: none"> o MPO review of Full Applications, using regionally-adopted criteria. Recommendations provided to the State for consideration. o MPO staff reviews regional applications along with other interagency State reviewers. Major differences in scores discussed through consensus-based approach to determine final score.

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

DRAFT 2015-2016 PROGRAM GUIDELINES



STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

**** REVISED SEPTEMBER 2015 ****

Substantial changes to the Program Guidelines are indicated in red text throughout the document.

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APPENDICES

APPENDIX A **Definitions**

APPENDIX B **Examples of Eligible Costs**

Figure B-1 Examples of Eligible Costs

APPENDIX C **Project Location Designations**

Figure C-1 Project Location Designation Definitions

APPENDIX D **Greenhouse Gas Quantification Methodology for the Strategic
Growth Council's Affordable Housing and Sustainable
Communities Program for Fiscal Year 2014-15**

****Removed – Pending Update****

APPENDIX E **Community Benefits**

Figure E-1 Illustrative Examples of Common Needs of Disadvantaged Communities

Figure E-2 Healthy Communities Framework

APPENDIX F **Climate Resiliency**

**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, Statutes 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. **Three project prototypes have been identified to implement this strategy: 1) Transit Oriented Development (TOD) Project Areas, or 2) Integrated Connectivity Project (ICP) Project Areas, or 3) Rural Innovation Project Areas (RIPA).**

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	Rural Innovation Project Area (RIPA)
Transit Requirements (All Project Areas) §102	<ul style="list-style-type: none"> 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). <p><i>Note: Transit requirements based on transit that exists as of date of application submission. ICP/RIPA projects that would build High Quality Transit will remain eligible as an ICP/RIPA.</i></p>		
Project Area Specific Requirements §102	<ul style="list-style-type: none"> MUST be served by 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 Project Area MUST include an Affordable Housing Development (funded either through AHSC Program funds or other sources). 	<ul style="list-style-type: none"> CANNOT be served by High Quality Transit 	<ul style="list-style-type: none"> CANNOT be served by High Quality Transit MUST be located within a Rural Area
Required AHSC Funded Components §102	<p>AHSC Program funds MUST be used for Affordable Housing (which includes Affordable Housing Developments or Housing Related Infrastructure) AND at least one (1) other type of Eligible Use</p>		<p>AHSC Program funds MUST be used for Sustainable Transportation Infrastructure AND at least one (1) other type of Eligible Use</p>
Eligible Uses §103	<ul style="list-style-type: none"> Affordable Housing Developments Housing Related Infrastructure Sustainable Transportation Infrastructure (Active Transportation and Transit Infrastructure) Transportation-Related Amenities (includes transit-related amenities, active transportation related amenities and green streets) Programs 		
Affordable Housing Development Requirements §103	<p>Affordable Housing Developments may be:</p> <ul style="list-style-type: none"> 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	<p>Target 40 percent of available to TOD Project Areas</p>	<p>Target 30 percent of available to ICP Project Areas</p>	<p>Target 10 percent of available funds to RIPAs</p>
<p><i>Only applications which meet all Threshold Requirements will be eligible and considered for funding. If insufficient eligible applications are received in any Project Area Type (TOD, ICP or RIPA) funds targeted to that Project Area Type will roll over to fund additional applications in other Project Area Types.</i></p>			
Project Awards §104	<p>All Project Area Types are subject to the following minimum and maximum award amounts: Minimum: \$1 Million Maximum: \$20 Million</p>		
Statutory Funding Set-asides §106	<ul style="list-style-type: none"> 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) <p><i>Note: A single project can address both set-asides above, and are not mutually exclusive.</i></p>		

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 one of 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**.
 - (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 **three** eligible **Project Area** types as defined below:
- (1) Transit Oriented Development (TOD) **Project Areas**,
 - (2) Integrated Connectivity Project (ICP) **Project Areas**, and
 - (3) **Rural Innovation Project Areas (RIPA)**.

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 **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 **High Quality Transit**, with an emphasis on providing **Disadvantaged Community** benefits. Project Areas that include **High Quality Transit** are ineligible to apply as an **ICP Project Area**.

A **Rural Innovation Project Area (RIPA)** must demonstrate VMT reduction through fewer or shorter vehicle trips or mode shift to transit use, bicycling or walking within areas lacking **High Quality Transit** within a **Rural Area**.

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

- (1) include at least one (1) **Transit Station/Stop** served by **High Quality Transit**;
- (2) include an **Affordable Housing Development** located no further than one-half (½) mile from a **Transit Station/Stop** served by **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 one (1) **Eligible Use**, combined as one of the following:

TOD Project Area Key Definitions
(From Appendix A)

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.

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 or include multiple Bus Rapid Transit features as detailed in Appendix A (page XXXX)

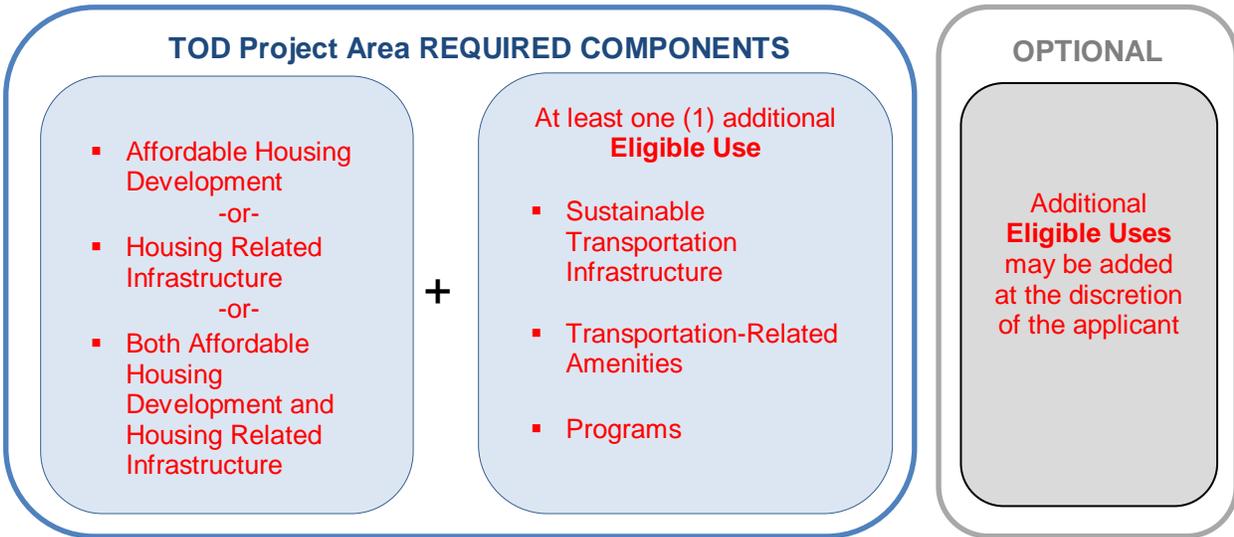
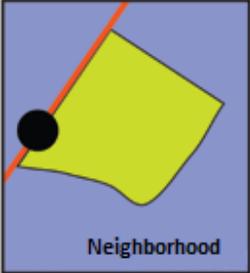
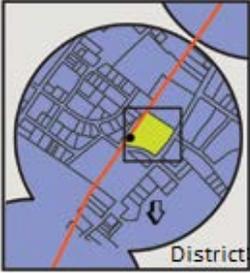
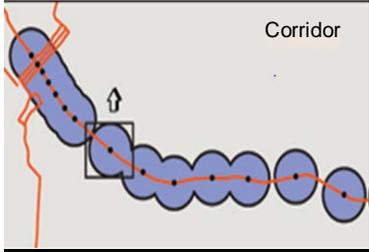


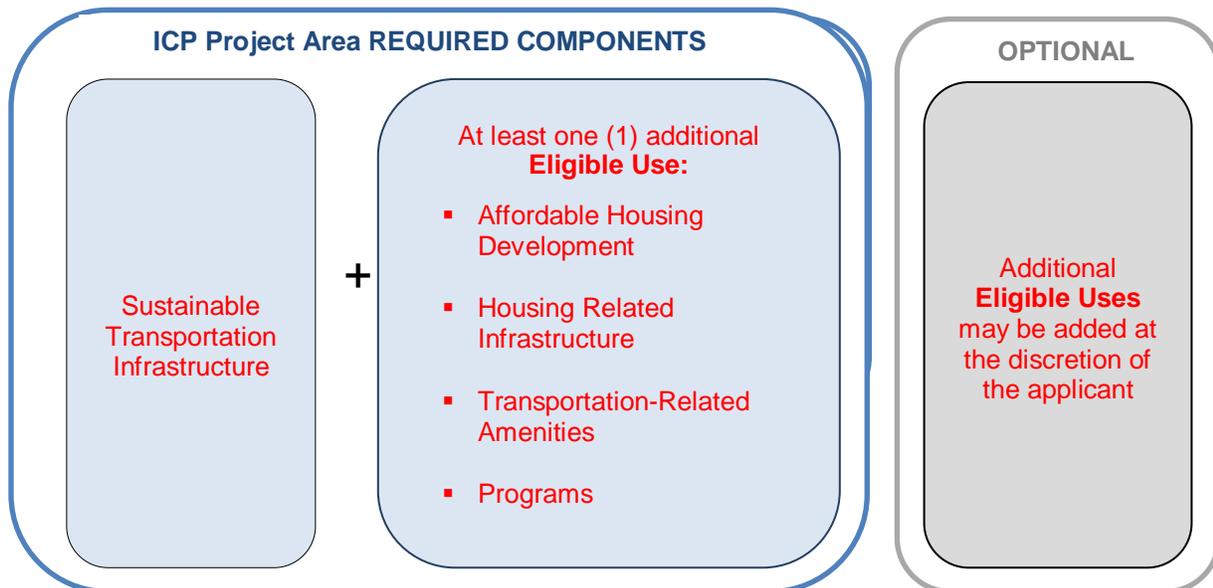
Figure 2 Examples of TODs		
TOD Neighborhood	TOD District	Transit Corridor
<p>Focus on projects improving connectivity and accessibility of public transit, active transportation infrastructure and affordable housing and/or mixed-use areas.</p> <ul style="list-style-type: none"> • Most likely to be located 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: <ul style="list-style-type: none"> ✓ 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. 	<p>Could consist of similar types of improvements in a TOD Neighborhood of a metropolitan area, but impacting a larger geographic area.</p> <ul style="list-style-type: none"> • 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 business and commercial areas 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. 	<p>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).</p> <ul style="list-style-type: none"> • 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 **High Quality Transit**; and
- (3) Include **Capital Projects** or **Program Costs** as follows:

ICP/RIPA Project Area Key Definitions
(From Appendix A)

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.



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**.

(e) **RIPAs** must meet all of the requirements detailed in Section 102(d) above for an **ICP Project Area** and must be located within a **Rural Area**.

Section 103. Eligible Costs

The **AHSC Program** funds **Capital Projects** or eligible **Program Costs** within TOD, ICP and **RIPA 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	
<ul style="list-style-type: none"> ▪ Affordable Housing Development ▪ Housing-Related Infrastructure ▪ Sustainable Transportation Infrastructure ▪ Transportation-Related Amenities 	
Eligible Planning and Program Costs*	
<ul style="list-style-type: none"> ▪ Pre-Development Costs Related to Project Implementation ▪ Active Transportation Programs ▪ Transit Ridership Programs ▪ Criteria Air Pollutant Reduction Programs 	

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 or 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 >.75

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

- (1) Mixed-use **Affordable Housing Developments** may demonstrate consistency with the **Net Density** requirements through either the unit per acre or Floor Area Ratio (FAR) requirements detailed in Figure 4 above.
- (2) Acquisition and **Substantial Rehabilitation** (including preservation of housing affordability at-risk of conversion to market rate) are exempt from the above minimum density requirements but shall not result in fewer units or lower percentage of total affordability than currently except where reductions in unit count are required to meet building code requirements.
- (v) must supply at least one (1) secure overnight bicycle storage spot with protective coverings or shelters for every two units. Bicycle storage at the **Affordable Housing Development** will be considered an eligible cost but may not be used to meet required Project Area components for TOD or ICP/RIPA **Project Areas** as outlined in Section 102.

(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, Renewable Energy or Urban Greening** improvements.
 - (iii) Soft costs such as those incidentally but directly related to construction, acquisition, **or other pre-development components** 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.

(2) Housing-Related Infrastructure Capital Projects

- (A) Eligible costs for **Housing-Related Infrastructure Capital Projects** are limited to:¹
 - (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, Renewable Energy or Urban Greening** improvements.
 - (iii) Soft costs such as those incidentally but directly related to construction, acquisition, **or other pre-development components** 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, where the required spaces are fewer than typically required by base zoning based on the following:**

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

Figure 5
Allowable Parking Costs

<u>Percent Reduction compared to Base Zoning</u>	<u>Maximum Allowable AHSC funds per space</u>
<u>At least 25% reduction</u>	<u>\$10,000</u>
<u>26 to 50% reduction</u>	<u>\$20,000</u>
<u>>50% reduction</u>	<u>\$30,000</u>

Note: The Council intends to decrease funds available for traditional parking spaces (excluding parking spaces dedicated for car share, electric vehicle charging stations, zero emission vehicles (ZEVs) or ADA accessible parking) in subsequent rounds of funding with the goal of eliminating funds for this use entirely.

- (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) **Sustainable Transportation Infrastructure Capital Projects** (including Active Transportation and Transit Infrastructure)
- (A) Eligible costs for **Sustainable Transportation Infrastructure Capital Projects** are limited to:²
 - (i) Capital improvements that result in the improvement of addition of infrastructure to induce mode-shift by enhancing 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, Renewable Energy 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

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

- (iv) Soft costs such as those incidentally but directly related to construction, acquisition, **or project plans, specifications and estimates** 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 **30 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**.

(4) **Transportation-Related Amenities Capital Projects**

- (A) **Transportation-Related Amenities must be publically accessible**
- (B) **Eligible costs for Transportation-Related Amenities Capital Projects are limited to:**³
 - (i) **Capital improvements that are publicly accessible and provide supportive amenities to cyclists, pedestrians, and transit riders (i.e. bike parking, bus shelter, benches, street trees, etc) 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, acquisition **or project plans, specifications and estimates** 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**.

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

(vii) 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, ICP and RIPA Project Area** is \$20 million with a minimum award of at least \$1 million.
- ~~(b) The maximum **AHSC Program** award(s) within the geographic boundary of a **Locality** is limited to \$15 million per **NOFA** funding cycle.~~
- (b) A single **Developer** may receive no more than \$40 million per **NOFA** funding cycle.
- (c) The limitations set forth in (b) 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).
- (d) 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.
- (e) 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~~ \$50,000 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.
- (f) 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 joint 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**.
 - (A) A recipient of Department funds must remain liable for performing all requirements of the award of funds as those requirements are set forth in the Standard Agreement. Where there are multiple recipients, all such recipients must remain jointly and severally liable to the Department for that performance. Notwithstanding the foregoing, recipients may indemnify each other and enter into agreements amongst one another as to which shall bear responsibility as to particular portions of the award. If a particular recipient is not statutorily required to maintain eligibility for award funds, that recipient may request to withdraw from the award at any time, and the Department shall, in its reasonable discretion, allow such withdrawal if agreed to by the remaining recipients and not otherwise prohibited by law.

(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 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.
- (2) Concept proposals will be reviewed based on the information detailed in Figure 6 below.
- (3) Concept proposals will be reviewed based on select **AHSC Program** elements as detailed in Figure 6 below and evaluated as follows:

(A) Satisfaction of threshold requirements; and

(B) Demonstration of the level of **Enforceable Funding Commitments (EFCs)** calculated as follows:

$$\frac{\text{AHSC funds requested} + \text{EFCs} - \text{Deferred Costs}}{\text{Total Development Cost}}$$

(1) The resulting percentage calculation in (B) above cannot decrease between the time of concept proposal and full application submittal.

- (4) Applicants will be notified whether or not they are invited to submit a full application based on ranking of concept proposals.
 - (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) In inviting full applications, consideration will be given to statutorily required Affordable Housing and **Disadvantaged Community** set-asides and TOD/ICP/RIPA targets as stated in Section 105(d)(3)(A) through (E) to include at least 200 percent of the respective set-aside or targets based of the total amount available as designated in the NOFA.
 - (C) At least one concept proposal from each Metropolitan Planning Organization jurisdiction will be invited to submit a full application granted it meets all threshold requirements of Section 106.
 - (D) An invitation to submit a full application does not guarantee project will compete successfully for funding.

Figure 6 AHSC Concept Proposals Required Contents	
Project Overview	
1	<p>Project Description defining each of the following:</p> <ul style="list-style-type: none"> ▪ Project Area Type (TOD, ICP or RIPA) ▪ Project Area (defined by vicinity map, service area, etc.) ▪ Project location (i.e. address) ▪ Transit Service map and schedules ▪ Proposed Project Description ▪ Eligibility for Statutory Set-Asides, if applicable <ul style="list-style-type: none"> ✓ Affordable Housing ✓ Disadvantaged Community Benefits ▪ Identification of Project Co-Benefits
2	<p>AHSC Program funding amounts requested for:</p> <ul style="list-style-type: none"> ▪ Grant funds ▪ Loan funds
3	<p>Applicant Information:</p> <ul style="list-style-type: none"> ▪ Identification of joint 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
8	Project Budgets
9	<p>Demonstration of Project readiness as appropriate:</p> <ul style="list-style-type: none"> • Site Control (per Section 106(a)(7)) • All necessary NEPA and CEQA clearances per Section 106(a)(4) • 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))

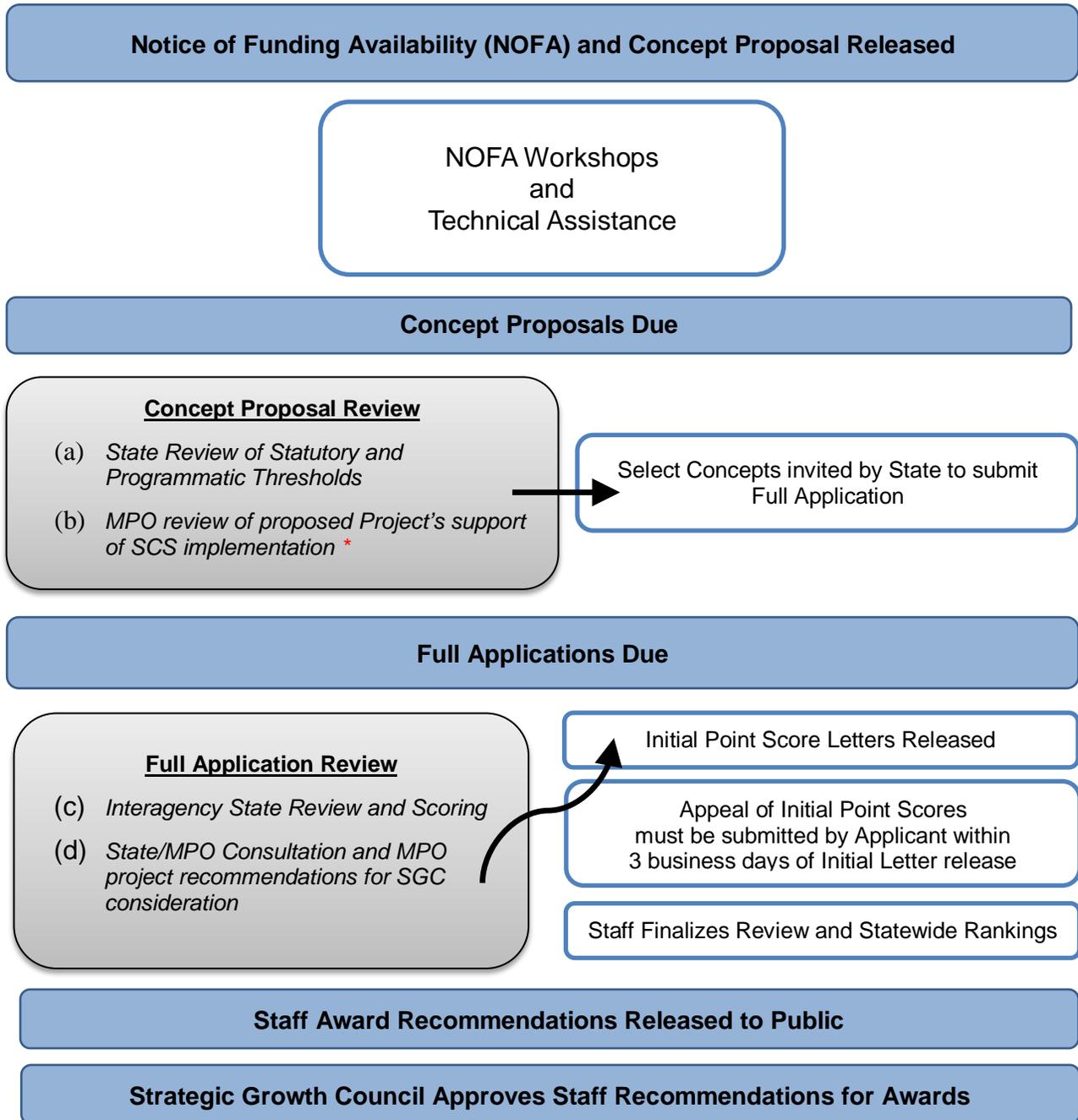
(d) Full Application Process

- (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 Figure 8 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.
 - (C) **Target** forty (40) percent of funds available as designated in the **NOFA** to **TOD Project Area** applications.
 - (D) **Target** thirty (30) percent of funds available as designated in the **NOFA** to **ICP Project Area** applications.
 - (E) **Target 10 percent of funds available as designated in the NOFA to RIPA applications.**
 - (F) To the extent applications received are not sufficient to meet **TOD Project Area, ICP Project Area or RIPA** targets detailed in (C), (D) and (E) 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** may prioritize investments in these areas.

⁴ The requirements detailed in Section 105(d)(3) subsections (A) and (B) are not mutually exclusive.

- (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**



** MPO role may change based on Fall 2015 discussions*

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.
 - (A) Applicants who submit evidence to demonstrate a Lead Agency has prepared a Negative Declaration or Mitigated Negative Declaration which is currently under review, or where the Project is eligible for a categorical exemption, will not be required to submit evidence of completion as stated in (4) above.
- (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) Applicants must demonstrate at least two prior projects, similar in scope and size to the Project for which AHSC funds are being requested, which have been completed by the applicant or joint applicant during the 5 years preceding the application due date.
- (9) 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.
- (10) 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.
- (11) Construction of the **Project** has not commenced as of the application deadline set forth in the **NOFA**.
- (12) **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.
- (13) 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).
- (14) 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.
- (15) 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, **comparable in size**, 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. **First right of return must be provided to displaced residents.**
- (i) **The above no net loss requirements would apply where an Affordable Housing Development or Housing-Related Infrastructure Capital Project is proposed on any property which includes a parcel or any portion of a parcel on which residential dwelling units affordable to lower income households currently exist or where there have been dwelling units restricted to lower-income households which have been vacated or demolished within the 5 year period preceding the application.**
- (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**.
- (16) Applications requesting AHSC Program funding for **Sustainable Transportation Infrastructure and/or Transportation-Related Amenities 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 **Sustainable Transportation Infrastructure and/or Transportation-Related Amenities Capital Project(s)** is consistent with all applicable local rules, regulations, codes, policies and plans enforced or implemented by that entity.
 - (B) If the **Sustainable Transportation Infrastructure and/or Transportation-Related Amenities Capital Project(s)** involves the demolition existing units affordable to lower-income households, the application must demonstrate the replacement of demolished units, **comparable in size**, of equal or greater affordability and equal to or greater than the number of the demolished affordable units **located within comparable access to transit and include first right of return to displaced residents.**

- (i) The above no net loss requirements would apply where an **Sustainable Transportation Infrastructure or Transportation-Related Amenities Capital Project** is proposed on any property which includes a parcel or any portion of a parcel on which residential dwelling units affordable to lower income households currently exist or where there have been dwelling units restricted to lower-income households which have been vacated or demolished within the 5 year period preceding the application.

(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. On September 4, 2015, ARB released [Proposed Funding Guidelines](#) that provides criteria to evaluate whether or not a project provides a 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 : <ul style="list-style-type: none">▪ 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 : <ul style="list-style-type: none">▪ 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

HSC 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:

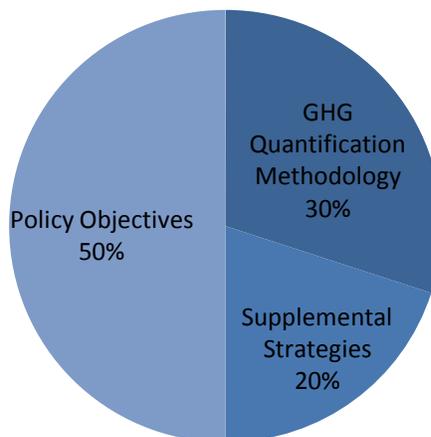
1. GHG Quantification Methodology
2. Supplemental Strategies
3. Policy Objectives

Figures 9, 10 and 11 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 **11 scoring** criteria have been identified, however, not all criteria will apply to each application. Only those criteria which are applicable to the application will be scored.

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 application is submitted as an ICP without an AHD the maximum applicable points would be 90. If the application receives 83 points, that application's final score would be 95.55 percent.

Figure 9
AHSC Scoring Elements



**Figure 10
AHSC Scoring Elements and Criteria**

Scoring Element	Points
GHG Reduction	
GHG Quantification Methodology	
<ul style="list-style-type: none"> Estimated GHG Emissions Reductions (CalEEMod and TAC): 	
Total Project GHG Reductions	15
Cost Efficiency of Reductions (Total Project GHG Reductions/AHSC \$ Request)	15
Supplemental Strategies	
<ul style="list-style-type: none"> Active Transportation Improvements 	10
<ul style="list-style-type: none"> Water, Energy, and Greening 	10
GHG REDUCTION CATEGORY SUBTOTAL	
50	
Policy Objectives	
<ul style="list-style-type: none"> Depth and Level of Housing Affordability 	10
<ul style="list-style-type: none"> Housing and Transportation Collaboration 	10
<ul style="list-style-type: none"> Community Benefit and Engagement 	8
<ul style="list-style-type: none"> Access to Destinations 	8
<ul style="list-style-type: none"> Funds Leveraged 	5
<ul style="list-style-type: none"> Anti-Displacement Strategies 	4
<ul style="list-style-type: none"> Program Need and Readiness 	3
<ul style="list-style-type: none"> Implementation of Planning Efforts 	2
POLICY OBJECTIVES CATEGORY SUBTOTAL	
50	
TOTAL POINTS	
100	

Applicable scoring criteria for each application will be determined based on the proposed **Project**. Figure 11 below identifies the applicability of individual criterion based upon the proposed **Project**.

**Figure 11
AHSC Criteria Applicability**

Physical Site with AHD and/or HRI	Physical Site without AHD and/or HRI	No Physical Site
Eligible Project Area Types		
TOD	ICP or RIPA	ICP or RIPA
Applicable Criteria		
ALL Criteria	ALL Criteria EXCEPT for: <ul style="list-style-type: none"> Depth and Level of Housing Affordability 	All Criteria EXCEPT for: <ul style="list-style-type: none"> Active Transportation Improvements Water, Energy and Greening Depth and Level of Housing Affordability Project Area Connectivity Anti-Displacement Strategies
Maximum Points		
100	90	58
Project Examples		
<ul style="list-style-type: none"> AHD + Transit Pass Program HRI + Pedestrian Improvements 	<ul style="list-style-type: none"> Complete Street improvements + Bike Share Program 	<ul style="list-style-type: none"> Regional or corridor transportation network improvements

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 12 for a complete listing of applicable criteria).

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site

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

GHG Quantification Methodology – 30 Points

(a) Estimated GHG Emissions Reductions – 30 Points Maximum

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	YES

For this section, applications will be scored based on the quantified GHG emission reductions based on 1) the total Project GHG reduction score and 2) cost efficiency of estimated GHG reductions per AHSC dollar, each of which will represent a maximum of 15 points of the total combined 30 points available under this criterion.

Applications will be awarded points for Project GHG Emissions Reductions according to the following process:

- (1) For each **Project**, applicants will calculate the estimated GHG reductions using the GHG Quantification Methodology (CalEEMod and TAC) in Appendix D.
 - (A) Total Project GHG Reduction score will represent the total GHG reduction calculated through the Quantification Methodology, and
 - (B) Cost efficiency of estimated GHG reductions will be calculated by the following formula:

$$\frac{\text{Total Project GHG Reductions}}{\text{AHSC \$ Request}}$$

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 will ranked from highest to lowest for both the Total Project GHG Reduction score and the Efficiency of Reductions score.
- (3) Each application will be assigned to one of 5 bins representing 1/5th of the total number applications in ranked order with each bin receiving an assigned point score, up to a maximum of 15 points for both 1) total Project GHG reduction score and 2) cost efficiency of estimated GHG reductions, as follows:

Bin 1 = 15 points
Bin 2 = 12 points
Bin 3 = 9 points
Bin 4 = 6 points
Bin 5 = 3 points

- (4) Bin scores for score 1) total Project GHG reduction score and 2) cost efficiency of estimated GHG reductions, will be combined to determine final GHG Emissions Reduction criteria score as follows:

<table border="1" style="width: 100%; text-align: center;"> <tr><td>Total Project GHG Reduction Score</td></tr> <tr><td>Bin 1 = 15 points</td></tr> <tr><td>Bin 2 = 12 points</td></tr> <tr><td>Bin 3 = 9 points</td></tr> <tr><td>Bin 4 = 6 points</td></tr> <tr><td>Bin 5 = 3 points</td></tr> </table>	Total Project GHG Reduction Score	Bin 1 = 15 points	Bin 2 = 12 points	Bin 3 = 9 points	Bin 4 = 6 points	Bin 5 = 3 points	+	<table border="1" style="width: 100%; text-align: center;"> <tr><td>Efficiency of Reductions Score</td></tr> <tr><td>Bin 1 = 15 points</td></tr> <tr><td>Bin 2 = 12 points</td></tr> <tr><td>Bin 3 = 9 points</td></tr> <tr><td>Bin 4 = 6 points</td></tr> <tr><td>Bin 5 = 3 points</td></tr> </table>	Efficiency of Reductions Score	Bin 1 = 15 points	Bin 2 = 12 points	Bin 3 = 9 points	Bin 4 = 6 points	Bin 5 = 3 points	=	<p>Total Quantified GHG Reduction Score (Maximum 30 points)</p>
Total Project GHG Reduction Score																
Bin 1 = 15 points																
Bin 2 = 12 points																
Bin 3 = 9 points																
Bin 4 = 6 points																
Bin 5 = 3 points																
Efficiency of Reductions Score																
Bin 1 = 15 points																
Bin 2 = 12 points																
Bin 3 = 9 points																
Bin 4 = 6 points																
Bin 5 = 3 points																

Supplemental Strategies – 20 Points

(b) Active Transportation Improvements – 10 Points Maximum

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	NO

A maximum of 10 Points will be given for the installation, expansion, or improvement active transportation infrastructure (e.g., sidewalks, bikeways, trails, paths, and crossings) OR programs that will encourage the use of active transportation (e.g., safety programs, education programs, marketing campaigns, etc). Transportation-Related Amenities are not eligible for points in this section. To be eligible for points, the applicant must include maps that clearly illustrate the project components and impacted areas. In addition, the applicant must demonstrate the following:

- (1) Up to 4 points will be given for a clearly articulated purpose and need for the active transportation component of the **Project**.

Infrastructure Projects or Programs must demonstrate there is a need for the project being proposed and that the project was identified by or supported by the community it plans to serve. A strong project need often relates to network gap closure or the removal of barriers to access of destinations or safety. The applicant must include documentation of at least one active transportation safety issue or access barrier currently on the **Project** route or in the program area (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). A discussion of the user type (students, seniors, commuters, recreational, etc.) as well as estimate user volumes should be included. Strong **Projects** will include solutions to multiple issues along a corridor or within a bicycle or pedestrian network.

- (2) Up to 6 points will be given for projects that clearly describe how the proposed **Project** or program will successfully address the identified purpose and need.

The applicant will need to demonstrate that the **Project** will do at least one of the following: reduce vehicular speed or volume near non-motorized users, improve sight distance and visibility, eliminate potential conflict points, improve compliance with traffic laws, or address any other barriers that may have existed on the route. Strong **Projects** will include innovative solutions (e.g., protected bikeways in higher speed areas) to address the identified issues. A discussion on the projected future use by new users should be included.

(c) Water, Energy and Greening - 10 Points Maximum

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	NO

In order to receive full points for this criterion, applications must demonstrate how the proposed **Project** will incorporate infrastructure components or building standards that contribute to the reduction of greenhouse gas emissions through carbon sequestration, energy efficiency, or incorporation of renewable energy sources, as well as address other community benefits supporting public health, environmental, and economic factors.

- (1) Urban Greening

Up to 4 points will be given to **Projects** that incorporate urban greening as follows:

- (A) 3 points for Projects that incorporated Urban Greening, including native California vegetation or drought tolerant plants, trees and bioswales along an active transportation, transit corridor, open space, or park, including at least two years of initial maintenance for establishment.
- (B) 1 point for Projects that incorporate low-impact design green infrastructure elements which exceed California's "Model Water Efficient Landscape Ordinance" (as adopted per Executive Order B-29-15) for local landscaping codes standards in effect at the time of landscape permit application, that
 - (i) increase water efficiency standards for new and retrofitted landscapes through more efficient irrigation systems, greywater usage, onsite storm water capture, and
 - (ii) limit the portion of landscapes that can be covered in turf.

(2) Site Development and Energy Efficiency Standards:

4 points will be given to **Projects** that incorporate *any two (2) of the three* items below ((A), (B) or (C)) which exceed the 2013 California Building Standards Code, Title 24, or 2013 Building Energy Efficiency Standards, Title 24 as follows:

- (A) **Projects** which exceed site development requirements per the 2013 [California Green Building Code Standards \(Title 24, Part 11\)](#), updated with the July 1, 2015 Supplement (as adopted per Executive Order B-29-15). California Green Building Standards Code, Title 24. Documentation must include either:
 - (i) Local green building ordinance adopted as mandatory for local building codes and standards (e.g. green building ordinance), in effect at the time of application for the building permit per California Health and Safety Code Section 18938.5, identifying that the adopted local ordinance exceeds Title 24, Part 11; or
 - (ii) Verification the **Project** will exceed Title 24, Part 11 by a special inspector certified under a national or regional green building program or standard publisher, statewide energy consulting or verification organization. Inspectors shall be independent entities with no financial interest in the materials or the project they are inspecting for compliance with this code, such as:
 - (1) LEED AP inspection for a proposal to be reviewed and project approved by United States Green Building Council LEED for Homes or LEED for New Construction; or
 - (2) GreenPoints Raters certified by Build It Green for evaluating and certifying residential green buildings and green building professionals in California; or
 - (3) Other rating by a national or regionally recognized green building program or standard publisher or organization.
- (B) Projects that exceed California's 2013 Building Energy Efficiency Standards Title 24, Part 6 (as adopted per Executive Order B-29-15) Documentation must include either:

- (i) Local energy efficiency ordinance adopted as mandatory for local building codes and standards and approved by the Energy Commission as legally enforceable, and in effect at the time of building permit application; or
 - (ii) Verification the Project will exceed Title 24, Part 6, as referenced in part (i) above, provided by a special inspector certified under a national or regional green building program or standard publisher, statewide energy consulting or verification organization. Special inspectors shall be independent entities with no financial interest in the materials or the project they are inspecting for compliance with this code, such as:
 - (1) LEED AP inspection for a proposal to be reviewed and project approved by United States Green Building Council LEED for Homes or LEED for New Construction; or
 - (2) Home Energy Rating System (HERS) raters certified by the California Energy Commission (CEC).
- (C) Projects that incorporate one or more of the following low-impact development (LID) elements and materials which exceed California Green Building Code Standards (Title 24, Part 11) (as adopted per Executive Order B-29-15). Possible elements include but are not limited to:
- Permeable paving for the parking, walking or patio surfaces;
 - Native vegetation and patterns restored following construction;
 - Cool or vegetated roof or walls;
 - Resilient flooring systems;
 - Thermal insulation;
 - Recycled content ;
 - Reduced or repurposed on-site construction waste ;
 - Drought tolerant plants and tree species; or
 - Vegetative or permeable alternatives to turf.
- (3) On-Site Renewable Energy Generation.
- 3 points for **Project** sites which meet requirements for on-site renewable energy generation (e.g. fuel cell, solar, wind) as outlined in the California Green Building Code Standards (Title 24, Part 11) (as adopted per Executive Order B-29-15) for residential and nonresidential Reach Standards, including efficiency measures that should be installed in any building project striving to meet advanced levels of energy efficiency.

Policy Objectives – 50 points

- (d) Extent to which the Affordable Housing Development Serves Lower- and Moderate-Income Households – 10 Points Maximum

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	NO	NO

Note: This criterion will apply to all **TOD, ICP and RIPA Project Area** with an **Affordable Housing Development** or **Housing Related Infrastructure Capital Projects**.

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 0.333 to determine the final point score for this criterion not to exceed a maximum of 10 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).

(e) **Housing and Transportation Collaboration (10 points)**

Criteria Applicability		
Physical Site with AHD/HRI	Physical Site without AHD/HRI	No Physical Site
YES	YES	YES

NOTE: Applications submitted that do not meet the requirements as detailed in either (1) or (2) below will receive zero points for this criterion.

- (1) For applications with joint applicants:
 - (i) 9 Points will be given for applications brought forth as a joint application between a housing developer and a public agency that has authority over public transit or transportation infrastructure with a request AHSC funds of at least \$1 million for an **Affordable Housing Development** and/or **Housing Related Infrastructure** project **AND Sustainable Transportation Infrastructure** eligible uses.
 - (ii) 1 point will be given for applicants that provide a narrative explanation of thoughtful integration of the housing and transportation infrastructure investments proposed with AHSC funding. Description may include a discussion of the planning process as well as a discussion of the collaborative process that took place between the joint-applicants

(2) For applications with an AHSC fund request for **Affordable Housing Development and/or Housing-Related Infrastructure AND Sustainable Transportation Infrastructure**:

- (i) 6 Points will be given for applications which represent a coordinated housing and transportation investment demonstrated by a request AHSC funds of at least \$1 million for an Affordable Housing Development and/or Housing Related Infrastructure project AND Sustainable Transportation Infrastructure eligible uses.
- (ii) 1 point will be given for applicants that provide a narrative explanation of thoughtful integration of the housing and transportation infrastructure investments proposed with AHSC funding. Description may include a discussion of the planning process as well as a discussion of the collaborative process that took place between the joint-applicants

(f) **Community Benefits and Engagement – 8 Points Maximum**

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	YES

The Community Benefits and Engagement criterion is premised on the idea that **Projects** should fulfill an identified community need and that the community is involved in the development of the **Project**. Points will be based on the relative level of engagement based on the **Project** scope and the quality of the engagement of the target population). For example, affordable housing developments should engage with low-income individuals who potentially may live there and/or representatives from affordable housing advocacy organizations; transportation projects aimed at improving access to major job centers should engage with current or potential employees of those job centers, etc.

Points will be assigned based on the following:

- (1) 1.5 points for applications which describe who was engaged in the identification and development of this **Project**. Documentation should include the following:
 - (A) List the public stakeholders involved. Public stakeholders can include, but are not limited to, residents, community leaders, elected officials, advocacy organizations, local businesses, and members of vulnerable or underserved populations (i.e. elderly, youth, physically and/or mentally disabled, members from disadvantaged communities).

- (B) List the governmental stakeholders involved (i.e. other departments, agencies, jurisdictions, etc. impacted by the proposed that are NOT the applicant), these can include, but are not limited to, local health department, schools/school districts, emergency services, law enforcement, metropolitan planning organization, etc.).
 - (C) In the narrative, provide additional context describing the relative level of community engagement. For example, for many smaller and rural communities, participation of three public stakeholders groups with a total of fifteen people may be a significant level of engagement for that community. However, in a larger, more urban community, this same level of engagement would be insufficient relative to the total population.
 - (D) Provide letters of recommendation from key public and governmental stakeholders. In particular, letters of support should emphasize how this Project meets an identified community need. Applicants may submit no more than five (5) letters of recommendation from diverse sectors including government, community groups, non-profits and private sector stakeholders
- (2) 1.5 points for applications which describe how stakeholders were engaged. Applicants should consider the following:
- (A) What types of meetings or events and how many were held to engage stakeholders (e.g. open houses, community charrettes, city council meetings, planning commission meetings, etc.)?
 - (B) How were meetings or events noticed (e.g. local newspaper, county website, on the radio, at school parents group meetings, etc.)
 - (C) Where did meetings or events take place (e.g. school, community center, city council hall, etc.)?
 - (D) Were meetings or events accessible by public transportation?
 - (E) Were translational services provided at the meetings or events? If so, in what language?
 - (F) When during the day were meetings or events held (e.g. morning, afternoon, evening, etc.)?
 - (G) Was childcare provided during the meetings or events?
 - (H) Were stakeholders part of a decision-making body (i.e. technical advisory committee, citizens advisory committee, etc.) that identified this project/plan? If so, what body?
- (3) 5 points for identification of additional community benefits

Points will be provided based on the applicant describing identified community benefits beyond the new affordable housing and improved transportation infrastructure. The application should describe how the community needs were identified (e.g. through the community engagement process, a local needs assessment, as part of a local health department plan or other city/county plan, etc.). Additionally, the applicant should describe how the **Project** was designed to meet those needs and provide additional community benefits. Applicants may include up to 3 additional community benefits.

NOTE: The additional community benefits section is designed to award points to those proposals that have gone above and beyond the minimal requirements of the program guidelines to respond to community needs (i.e. beyond the need for affordable housing and public transportation infrastructure) and provide additional community benefits. Examples of community benefits are included in Appendix E.

(g) Access to Destinations – 8 points maximum

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	NO

(1) 8 Points in total will be given for the walkability and bikeability of the **Project** site as determined by walkscore.com by using the address of the project site. If the project is a corridor and does not have a specific address, use the center most point of the **Project** for the calculation. Points will be given on the following scale:

(A) 4 points for Walk Score - The methodology for Walk Score uses an algorithm that accounts for distance to amenities, population density, as well as road metrics such as block length and intersection density. Points for Walk Score will be given as follows:

- 4 Points: Walk Score of 90-100
- 2 Points: Walk Score of 70-89

(B) 4 points for Bike Score - The methodology for Bike Score uses an algorithm that accounts for the presence of bike lanes, hills, destinations and road connectivity, and bike commuting mode share. Points for Bike Score will be given as follows:

- 4 Points: Bike Score of 90-100
- 2 Points: Bike Score of 70-89

(h) Funds Leveraged – 5 Points Maximum

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	YES

A **maximum of 5 points** will be awarded for applications demonstrating enforceable funding commitments to leverage AHSC funded eligible uses for both **Capital Projects and Program activities**. Applications will be scored based on the amount of **Enforceable Funding Commitments** (as defined in Appendix A(p) – page A-2) from sources other than the **AHSC Program**, as a percentage of the requested amount of **AHSC Program** funds as follows:

- 5 Points: >150%
- 4 Points: 100% to 150%
- 3 Points: 75% to 100%
- 2 Points: 50% to 74.9%
- 1 Point: 25 to 49.9%

(i) **Anti-Displacement Strategies – 4 Points Maximum**

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	NO

A **maximum of 4 points** will be provided for demonstration of policies, strategies or programs designed to avoid **both the physical and economic** displacement of low-income residents and businesses of the **Project Area** and community as follows:

(1) **Physical Displacement Strategies**

For Projects in which there is a documented risk of physical displacement of residential units affordable to lower-income households and/or businesses employing or owned by lower-income households, applicants will receive points as follows:

*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 **physical** displacement risk. Applicants which can demonstrate the proposed AHSC-funded project will NOT result in the physical displacement of lower-income households or businesses consistent with the requirements set forth in Section 106(a)(14)(C)(i) and 106(a)(15)(A) and (B) of these Program Guidelines will receive a full 2 points for the Physical Displacement portion of this criterion.*

Applicants will receive points as follows:

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

Examples of strategies include, but are not limited to:

- (A) 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.
- (B) 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.

(2) Economic Displacement Strategies

The following applies to all applications which include an AHSC-funded physical capital infrastructure improvement. **Projects** proposed within localities that have policies or programs to prevent economic displacement of lower-income households will be awarded points as follows:

2 points for identification and implementation of more than three (3) strategies

1.5 points for identification and implementation of 2 to 3 strategies

1 point for identification and implementation of at least one (1) strategy

Examples of strategies include, but are not limited to:

- Anti-Harassment Policies
- Condominium Conversion Restrictions
- Rent Stabilization Ordinances
- Just Cause Eviction Policies
- Community benefit/workforce agreements

(j) **Programs Need and Readiness – 3 Points Maximum**

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	YES

NOTE: Applications submitted without an AHSC funded Program eligible use will receive zero points for this criterion.

(1) Need and Benefit of Program Activities

Up to 2 points will be awarded for applicants that demonstrate the extent to which the proposed Program are addressing the needs of, and providing benefits to, those to be served by the program activity. To receive full points, applicants must describe all of the following:

- Targeted users for the program
- Issue or need the program is attempting to address
- Why the program will successfully address the identified issue or need
- Why AHSC funding is needed for this program

(2) Program Readiness and Sustainability

Up to 1 point will be awarded for applicants that demonstrate and describe both of the following:

- **Program Operator's** prior experience operating similar, successful programs
- How the **Program Operator** will sustain the program beyond the term of the AHSC standard agreement and funds

(j) **Implementation of Planning Efforts – 2 Points Maximum**

Criteria Applicability		
Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
YES	YES	YES

A maximum of 2 points will be awarded to **Projects** which implement local policies or programs that specifically reflect regions SCS/RTP outcomes and support the objectives of the AHSC Program, include specific climate and adaptation efforts as follows:

- (1) 1.0 point for **Projects** which are reflected in regional Transit Priority Areas, or the regional equivalent, pursuant to SB 375

- (2) 0.50 points for **Projects** which implement climate adaptation efforts as reflected in a current regional or local planning document
- (3) 0.25 points for a Project which directly implements a policy in one (1) of the following long range local plans. Examples include:
- 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
 - Climate Action Plan
 - Redevelopment Plan
 - Bicycle Master Plan
 - Disadvantaged Community Assessment (Government Code Section 65302)
 - Pedestrian Master Plan
 - Local Coastal Plan
 - Transit Plan
- (4) 0.25 points for any one (1) of the following project-specific plans as follows:
- 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.

Section 108. Criteria Applicability

Based on the application’s proposed **Project** as defined in Sections 102 and 103, Figure 12 below indicates the criteria which will be applied and the scored to determine an applicant’s final score.

**Figure 12
Criteria Applicability**

Guideline Reference Section 107	Physical Site <u>with</u> AHD/HRI	Physical Site <u>without</u> AHD/HRI	No Physical Site
GHG Quantification Methodology			
a Estimated GHG Emissions Reductions	X	X	X
Supplemental Strategies			
b Active Transportation Improvements	X	X	N/A
c Water, Energy and Greening	X	X	N/A
Policy Objectives			
d Depth and Level of Housing Affordability	X	N/A	N/A
e Housing and Transportation Collaboration	X	X	X
f Community Benefit and Engagement	X	X	X
g Access to Destinations	X	X	N/A
h Funds Leveraged	X	X	X
i Anti-Displacement Strategies	X	X	N/A
j Program Need and Readiness	X	X	X
k Implementation of Planning Efforts	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 Developments** 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

- (4) 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 13 TENTATIVE Performance Milestone Dates			
NOFA Date	Disbursement Deadline	Standard Agreement Executed	Disbursement Agreement Executed
January 2016	February 1, 2020	June 2017	June 2017

- (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 **or loan** 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	** Appendix D has been removed and is being updated ** Greenhouse Gas Quantification Methodology for the Strategic Growth Council's Affordable Housing and Sustainable Communities Program for Fiscal Year 2014-15
Appendix E	Community Benefits
Appendix F	Climate Resiliency

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 term is used and defined in Section 50053 of the Health & Safety Code;
 - (B) It is offered at an “affordable housing cost”, as that term 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 [Proposed Funding Guidelines](#).
- (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) **and tax-exempt bonds in connection with four (4) percent low-income housing tax credits**, 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) Funds for 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 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) “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. High Quality Transit systems may include various types of bus service, rail service, and Bus Rapid Transit (BRT) that meet these minimum requirements.
- (x) “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.
- (y) “Housing Development” means a residential development or the residential portion of a mixed-use development.
- (z) “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.
- (aa) “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.
- (bb) “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.
- (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) “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.
- (nn) “Program Operator” means the entity that administers the day-to-day operational responsibilities for the program for which the AHSC Program funding is sought.
- (oo) “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.

- (pp) “Project Area” means the area encompassing the Transit Station/Stop, housing and key destinations.
- (qq) “Public Agency” means a Locality, transit agency, public housing authority or redevelopment successor agency.
- (rr) “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.
- (ss) “Rail Service” means regularly scheduled public transit service running on rails or railways.
- (tt) “Recipient” means the eligible applicant receiving a commitment of Program funds.
- (uu) “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.
- (vv) “Rural Area” means the definition in [Health and Safety Code Section 50199.21](#)
- (ww) “Rural Innovation Project Area (RIPA)” means a Project Area located within a Rural Area which includes at least one (1) Transit Station/Stop with a combination of two or more eligible costs as defined in Section 103.
- (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) **“Sustainable Transportation Infrastructure” means capital project(s) that result in the improvement or addition of infrastructure to induce mode-shift from single occupancy vehicles by enhancing: 1) public transit service, 2) pedestrian networks, or 3) bicycle networks within the defined Project Area meeting the transit requirements detailed in Section 102 (c) or (d).**
- (aaa) “TCAC” means the California Tax Credit Allocation Committee.
- (bbb) “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 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.
- (ccc) “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.
- (ddd) “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.

- (eee) “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.

- (fff) “Transportation-Related Amenities” means capital improvements that are publicly accessible and provide supportive amenities to pedestrians, cyclists and transit riders (i.e. bike parking, bus shelter, benches, street trees, etc.) within the defined **Project Area** meeting the transit requirements detailed in Section 102 (c) or (d).

- (ggg) "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.

- (hhh) “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

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

- (jjj) “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.

Appendix B. Examples of Eligible Costs

Figure B-1
Examples of Eligible Costs

		Affordable Housing Developments and Housing-Related Infrastructure	Sustainable Transportation Infrastructure	Transportation-Related Amenities	Active Transportation Programs	Transit Ridership Programs	Criteria Air Pollutant Reduction Programs
Housing Construction							
	Construction, rehabilitation, demolition, relocation, preservation, acquisition or other physical improvement of affordable housing	X					
	Site Acquisition or preparation costs related to 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. benches, 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		X			
	Bike Sharing infrastructure	X		X			
	Bicycle carrying structures on public transit		X	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				
Green Infrastructure, Urban Greening and Element Beyond Title 24							
	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				
	Low Impact Design measures including: <ul style="list-style-type: none"> 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 integration with riparian buffers drought tolerant plants and tree species vegetative or permeable alternatives to turf 	X	X				
	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	X	X			
	Implementation of anti-displacement strategies						
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				X		
	Transit subsidy programs					X	
	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) (http://www.hcd.ca.gov/hpd/Default_2010census_update.pdf).

Appendix D

California Air Resources Board

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

**** pending revision ****

ARB is preparing updates to the quantification methodology to provide increased usability to applicants, incorporate feedback from the Lessons Learned workshops, and provide greater consistency with other quantification methodologies such as incorporating a “Well-to-Wheels” quantification approach (instead of the FY 2014-2015 “Tank-to-Wheels”) to estimate GHG reductions. The quantification methodology will be consistent with SGC’s Affordable Housing and Sustainable Communities Program (AHSC) Guidelines for FY 2015-2016. ARB anticipates the draft will be available for public comment at AHSC workshops in October 2015.

ARB prepared a methodology for quantifying the potential greenhouse gas emission reductions that would result from projects applying to the AHSC for FY 2014-2015. Frequently asked questions and examples were also provided at ARB’s website. Please see: <http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/sgcquantification.htm>.

Appendix E. Community Benefits

In order to maximize benefits to all communities served by the **AHSC Program**, all applicants are required to community benefits of the **Project**. The following resources should be used as a starting point for describing the community benefits of the **Project**. However, due to the nature of the AHSC Program's infrastructure investments, many of the benefits described below are inherently achieved through the funded components of AHSC applications. For the purposes of earning points in the Community Benefit and Engagement section of the scoring criteria, applicants will be required to demonstrate how the community benefits provided by their Projects go beyond the required infrastructure components of the AHSC Program. Some examples are below.

Example #1: Throughout the community engagement process, the community was concerned about the lack of healthy food options in the neighborhood. As a result, Project developers included ground floor level retail space including space designed for a small grocery store. Project developers have also designated space on the south side of the building for a small community education garden. Developers have been in initial conversations with a local non-profit that teaches youth gardening classes about using the site as a new teaching location.

Example #2: From the local needs assessment conducted by the local department of public health in partnership with the local hospital, improved pedestrian and bicycle infrastructure between the neighborhood where the Project is proposed, the local elementary school, and a nearby park were identified as a high need and barrier to increased physical activity for local children. As a result, Project developers partnered with the local public health department and the local planning office to conduct a walk audit with parents and students from the school along the likely routes for students between the three destinations (proposed Project, the school, and the park) to identify possible hazards for students as well as others in the neighborhood who might use the route. Through design charrette, a number of options to improve the infrastructure were proposed and the community was given the opportunity to provide comment and vote and their preferred design. Finally, the local department of public health who runs the Safe Routes to Schools Program for the County and the school have entered into a memorandum of understanding to provide educational services and non-infrastructure programming to help increase the rates of walking and biking of students to school.

Example #3: Throughout the community engagement process, access to jobs and job trainings were raised as a high priority. Through ongoing conversations between the community stakeholders and the Project developers, the agreed upon solution was to include a community room on the ground floor of the affordable housing that can be reserved in advance to host meetings, classes, celebrations, etc. This space would be designed as a multi-use room with furniture that can be reconfigured based on the need of the occupants. Project developers are working with a local job readiness and training program to offer evening and weekend classes for residents of the building and the community at large.

Example #4: One of the primary community concerns in the neighborhood his community safety and violence prevention. While the affordable housing development is within walking distance of a number of amenities, residents have expressed fear of violence as a barrier to

accesses these amenities and utilizing the built environment improvements originally proposed. Recognizing that many of the larger community safety concerns are outside the scope of influence of the developers, there are a number of concrete actions that can be taken to help improve safety. The Project developers, partnering with the community, local city planners, and the local police department, utilized a Crime Prevention Through Environmental Design (CPTED) framework to identify additional design features to integrate along some of the likely bike and pedestrian routes to key amenities.

ARB’s Interim Guidance on Disadvantaged Communities

Figure E-1 below is excerpted from ARB’s Interim Guidance on **Disadvantaged Communities** (Table 3, page 19)⁵ 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 Project⁶ and provides an additional set of potential community benefits that may be associated with a proposed project.

These tables should be used as a starting point in identifying potential community benefits of the proposed **Project**. The applicant should identify the estimated timeframe in which these community benefits will be provided.

Figure E-1 Illustrative Examples of Common Needs of Disadvantaged Communities (as identified by Community Advocates)
<p><u>Public Health and Safety Co-Benefits:</u></p> <ol style="list-style-type: none"> 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)
<p><u>Economic Co-Benefits:</u></p> <ol style="list-style-type: none"> 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.)

⁵ <http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm>

⁶ <http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx#HealthyCommFramwk>

<p>7. Improve transit service levels and reliability on systems/routes that have high use by low-income riders</p> <p>8. Bring jobs and housing closer together (e.g., affordable housing in transit-oriented development, and in healthy, high-opportunity neighborhoods)</p>
<p><u>Environmental Co-Benefits:</u></p> <p>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)</p> <p>2. Prioritize zero-emission vehicle projects for areas with high diesel air pollution</p>

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](#).

<p>Figure E-2</p> <p>Healthy Communities Framework</p>
<p>A Healthy Community provides for the following through all stages of life:</p> <p>▶ <u>Meets basic needs of all</u></p> <ul style="list-style-type: none"> • 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 <p>▶ <u>Quality and sustainability of environment</u></p> <ul style="list-style-type: none"> • 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 <p>▶ <u>Adequate levels of economic, social development</u></p> <ul style="list-style-type: none"> • 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 <p>▶ <u>Health and social equity</u></p> <p>▶ <u>Social relationships that are supportive and respectful</u></p> <ul style="list-style-type: none"> • Robust social and civic engagement • Socially cohesive and supportive relationships, families, homes and neighborhoods <p>▶ <u>Safe communities, free of crime and violence</u></p>

In addition to identifying the public health and safety, economic, and environmental community benefits, project applicants should also identify how the project and the community benefits it provides increase are resiliency 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 community benefits will be provided over the project life. For more information on Climate Resiliency, please see Appendix F.

The applicant should also 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 community benefits section of the application, the applicant should identify the **Disadvantaged Community, Vulnerable Population**, or other community benefits will be provided to.

The application should also outline how the community benefit addresses an identified need of the populations served by the **Project**. Ideally, **Projects** should result in community 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 community 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.”

The following tools are available to help an applicant identify the baseline conditions of a community receiving the project 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>

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. **Please also refer to [Executive Order B-30-15](#) for more information on state climate resiliency mandates.**

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
<p>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.</p> <ul style="list-style-type: none">▪ 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
<p>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.</p>
State of California Sea-Level Rise (SLR) Guidance Document http://www.opc.ca.gov/webmaster/ftp/pdf/docs/2013_SLR_Guidance_Update_FINAL1.pdf
<p>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.</p> <p>Additional Planning Considerations Concerning SLR include but are not limited to:</p> <ul style="list-style-type: none">▪ Storms and Extreme Events▪ Changing Shorelines▪ Changes in Tectonic Activity▪ Trends in Local Sea Level

<p>Cal-Adapt www.cal-adapt.org</p>
<p>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.</p>
<p>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</p>
<p>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.</p>
<p>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</p>
<p>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.</p>
<p>Other Resources related to Adaptation Planning and Implementation</p>
<ul style="list-style-type: none"> ▪ 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.