

October 16, 2020

Louise Bedsworth, Executive Director
California Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814

RE: Comments on AHSC Round 6 Draft Guidelines - Pilot Geographic Targets

Dear Executive Director Bedsworth:

Thank you for the opportunity to comment on the California Strategic Growth Council (SGC) Affordable Housing and Sustainable Communities Program (AHSC) Round 6 Draft Guidelines. While many of our organizations are submitting independent comment letters that address a variety of provisions in the Draft Guidelines, the below-signed organizations felt it was important to come together to respond directly to the Pilot Geographic Targets proposed in the Round 6 Draft Guidelines.

Geographic equity of AHSC investments has been a reoccurring challenge for the program since its inception. We know that transforming development patterns and supporting communities across the entirety of the state is central to the policy goals of the AHSC program, as well as the missions of our organizations. Because of this, we applaud the State for proposing Pilot Geographic Targets in the Round 6 Draft Guidelines. We believe that with the adjustments outlined below, the Pilot Geographic Targets will make a meaningful difference in how AHSC investments are equitably distributed across the State.

Geographic Regions by County

The proposed geographic regions in the Draft Guidelines are a strong start to thinking about regional equity. **We believe that by adjusting the distribution of Bay Area and Southern California counties, the regional distribution will be even more effective at achieving the goals of the program.** With respect to the former, San Francisco and Alameda counties would likely dominate a single Bay Area region, and splitting the Bay Area in two will ensure that other counties also achieve success. Second, having two Bay Area regions is appropriate given the three regions proposed for the greater Central Californian and North State and the three regions proposed for Southern California. With respect to the latter, Orange County is more similar in transit and land use to San Diego than to Los Angeles, and grouping Orange with San Diego reduces the population disparity among regions.

1. North State and Sierras (Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne)
2. Sacramento (Sacramento, Yolo, Sutter, Yuba, Placer, El Dorado)
3. San Joaquin Valley (Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare)
4. Central Coast (Santa Barbara, San Luis Obispo, Monterey, San Benito, Santa Cruz, Ventura)

5. San Francisco and Alameda (*adjustment from Draft Guidelines*)
6. Greater Bay Area (Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, Sonoma) (*adjustment from Draft Guidelines*)
7. Southern Coast (Orange, San Diego) (*adjustment from Draft Guidelines*)
8. Los Angeles (*adjustment from Draft Guidelines*)
9. Inland Empire (Riverside, San Bernardino, Imperial)

Discretionary Funding

The Draft Guidelines propose maintaining the 10 percent discretionary funds established in the Round 5 Guidelines. In order to best reach the Geographic Targets and the Disadvantaged Communities (DAC) requirement, as well as promoting ease and simplicity of the process, **we recommend adjusting the project-type and discretionary allocations as follows to allow for a 20 percent discretionary pool:**

- 30 percent TOD
- 40 percent ICP
- 10 percent RIPA
- 20 percent discretionary

With these allocations, we support an awards process similar to what we understand to be SGC's proposed approach:

- Project area target awards would follow past practice for the first 80 percent of funds allocated.
- If not funded through the project area type award process, Discretionary Funds should then first be used to fund a Tribal Community Project, if one is available. Unless the Tribal Community Project is identified for an award through the project area type process, we strongly recommend that SGC and HCD use Discretionary Funds for the Tribal Community Project; this process will help to ensure that the State makes a strong, stand-alone investments in American Indian tribal communities, without these investments coming at the detriment to other geographies or project area types.
- After funding an eligible tribal project, if one is available, the highest scoring project in any un-awarded geographic regions would then be funded through the remaining discretionary funds, until all geographic regions with eligible projects have been awarded at least one project.
- If the DAC requirement had not yet been met through the first 80 percent of funds awarded through the three project types, preference should also be given to projects in un-awarded geographic regions that are also located in DACs.
- In the case that the Geographic Targets and/or the Disadvantaged Communities requirement are not met through this process, staff would identify the next highest scoring project(s) that would fulfill these requirements, and substitute these projects for the lowest scoring, awarded project(s) in the same project type.

Minimum Score Requirements

The Round 6 Draft Guidelines propose a minimum GHG score requirement for all awarded projects. We believe this minimum score is too high and may preclude high-quality projects from being awarded. Moreover, it may undermine the regional equity SGC is working to achieve through the Pilot Geographic Targets. **We recommend that SGC decrease this point requirement from 10 to 6. Alternatively, SGC could institute a minimum GHG “raw score” reduction threshold based on Project Type and/or region.** This would also help potential applicants determine early on if the AHSC program is a good fit for their projects.

Thank you for your consideration. We look forward to continuing this discussion and partnership with SGC staff.

Respectfully,



California Coalition for Rural Housing
Alicia H Sebastian, Associate Director



Enterprise Community Partners
Justine Marcus, State and Local Policy Director



Non-Profit Housing Association of Northern California
Amie Fishman, Executive Director



Self-Help Enterprises
Tom Collishaw, President / CEO



Transform
Edie Irons, Communications Director



Center for Sustainable Neighborhoods
Tim Frank, Director



Leadership Council for Justice & Accountability
Grecia Elenes, Senior Policy Advocate