Meeting Date: **4/14/2015**

Report Type: Consent

Report ID: 2015-00333

City of SACRAMENTO 07

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Application for Affordable Housing and Sustainable Communities (AHSC) Grant for Rio Linda Boulevard/Main Avenue Pedestrian and Transit Improvements

Location: Rio Linda and Main Avenue, District 2

Recommendation: Pass a Resolution approving the submission of the Rio Linda and Main Avenue Pedestrian and Transit Improvements Project to the State for funding.

Contact: Lucinda Willcox, Program Manager (916) 808-5052; Nicholas Theocharides, Engineering Services Manager, (916) 808-5065, Department of Public Works

Presenter: None

Department: Public Works Department

Division: Engineering Services Admin

Dept ID: 15001111

Attachments:

1-Description/Analysis

2-Background

3-Resolution

4-Exhibit A (AHSC NOFA and Guidelines)

City Attorney Review

Approved as to Form
Gerald Hicks
4/7/2015 11:45:08 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 3/31/2015 8:36:59 AM

James Sanchez, City Attorney Shirley Concolino, City Clerk Russell Fehr, City Treasurer
John F. Shirey, City Manager

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Description/Analysis

Issue: In connection with the Rio Linda Boulevard/Main Avenue Bridge Replacement Project (T15095200), funding is also needed to realign and widen the intersection, add turn pockets, add bike lanes, sidewalks, and improve the bus stops and enhance pedestrian connectivity to transit facilities. After submission of a concept proposal, the City was invited to submit a full application for this project for the Affordable Housing and Sustainable Communities (AHSC) grant program.

Policy Considerations: The action requested supports the City's General Plan goals of achieving sustainability and enhancing livability. The improvements are consistent with City goals to provide better accessibility to public transportation.

Economic Impact: None. The economic impact of the project will be assessed at the time of the award of the construction contract.

Environmental Considerations:

California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA): The City adopted a Mitigated Negative Declaration (MND) for the project in compliance with CEQA on October 29, 2013.

The project is also funded by federal Highway Bridge Program funds and is therefore subject to NEPA requirements. On November 21, 2013, Caltrans approved a Categorical Exclusion for the project pursuant to NEPA.

Sustainability Considerations: The project is consistent with Sustainability Master Plan goals to enhance the pedestrian facilities in the public right-of-way, to improve access to transit station, and to encourage bicycle and pedestrian trips with increased connectivity to the Sacramento Northern Bike Trail.

Other: None

Commission/Committee Action: None

Rationale for Recommendation: The City has been invited to submit a full grant application for $674,240 in AHSC funding for this project. If successful, this will provide state funding for needed improvements.

Financial Considerations: The Rio Linda Boulevard/Main Avenue Bridge Replacement Project (T15095200) is currently funded to complete design and right-of-way acquisition activities. The project is currently programmed for federal funding for the construction of the bridge replacement. The total cost of the project, including costs not eligible for federal bridge replacement funds, is $4,461,380. If received, State AHSC funds in the amount of $674,240 (Fund 3704) will provide for full funding of the expanded project.

There are no General Funds planned or allocated for this project.

Local Business Enterprise (LBE): Due the federal bridge replacement funds, this is a federally-funded project which is required to follow federal Disadvantaged Business Enterprise (DBE) requirements and LBE rules will be held in abeyance.

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Background

AHSC Grant

The Strategic Growth Council (SGC) and Department of Housing and Community Development (HCD) announced approximately $120 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program for FY 2014/15.

The grant is intended to provide funding for capital and program costs for infrastructure that will result in reduced greenhouse gas emissions, particularly in areas that benefit disadvantaged communities, improve connectivity and mobility, increase transit ridership, and provide affordable housing.

The program has very specific grant requirements; the requirement that all environmental approvals must be in place by April 15, 2015, and that any entitlements needed for housing projects must be received, along with all funding obligations, limited the potential candidates that were ready for the first round of this grant program.

City staff evaluated potential project candidates, and identified the Rio Linda and Main Avenue transit improvements as a candidate for these grant funds, for the following reasons:

- The project is located in a disadvantaged community.
- It includes two bus stops which will be improved with the project.
- The project has received environmental clearance (both CEQA and NEPA approvals).
- The project meets mobility and connectivity criteria by adding sidewalks, improving access to existing transit stops, and enhancing safety by aligning and signalizing the intersection to include crosswalks.
- The project would supplement an existing federally-funded Highway Bridge Replacement project, thereby achieving economies of scale in construction.

On February 19, 2015, the City submitted a concept proposal to the State for the project. On March 18, 2015, the City was invited to submit a full proposal for the grant, with a deadline of April 20, 2015.

Rio Linda Boulevard/Main Avenue Bridge Replacement Project

The Rio Linda Boulevard Bridge is a two-lane, four span reinforced concrete slab bridge located just south of the intersection of Main Avenue and Rio Linda Boulevard. Constructed in 1937, the existing bridge is rated “functionally obsolete and structurally deficient” by Caltrans. The City applied and was programmed for federal Highway Bridge Replacement (HBP) funds and commenced with preliminary engineering and environmental assessment for the project.

As part of the analysis, staff also analyzed other safety, congestion, and access limitations surrounding the bridge. After consultation with Caltrans, these were determined not to be eligible for federal HBP funding. The City is requesting funding for these improvements with the AHSC grant.

These improvements would provide active transportation opportunities and encourage transit use by improving access to the intersection to and from the Route 19 bus stops which serve the Sacramento Northern Bike Trail, surrounding community, and neighborhood retail. The Rio Linda Boulevard/Main Avenue intersection has three legs with all-way stop control and single lanes on each approach, and no sidewalks. The improvements will enhance safety and operations by realigning Main Avenue within the City's existing right-of-way, constructing turn lanes, providing new sidewalks and crosswalks, paved access to the Northern Sacramento Bike Trail, and the installation of associated traffic signal improvements.

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RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING APPLICATION FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM FOR RIO LINDA BOULEVARD/MAIN AVENUE PEDESTRIAN AND TRANSIT IMPROVEMENTS

BACKGROUND

A. The State of California, the Strategic Growth Council (SGC), and the Department of Housing and Community Development (Department) have issued a Notice of Funding Availability dated January 30, 2015, and amended March 19, 2015, under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200.

B. The City of Sacramento desires to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program.

C. The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the Notice of Funding Availability (NOFA) Program Guidelines, Application Package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized and directed to apply for and submit to the Department the AHSC Program Application as detailed in the NOFA dated January 30, 2015, and amended as of March 19, 2015, for the 2014-15 Fiscal Year in an amount not to exceed $674,240. If the application is approved, the City Manager or designee is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in an amount not to exceed $674,240, and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the “AHSC Documents”).

Section 2. The City shall be subject to the terms and conditions and specified in the Standard Agreement. Funds are to be used for allowable capital asset expenditures to be identified in Exhibit A of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. The City hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

Section 3. The City Manager or his designee is authorized to execute in the name of Applicant the AHSC Program Application Package and the AHSC Program Documents as required by the Department for participation in the AHSC Program.

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Exhibit A: AHSC NOFA and Guidelines

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STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY EDMUND G. BROWN JR., *Governor*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
2020 W. El Camino Avenue, Suite 500, 95833
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov

January 30, 2015

MEMORANDUM FOR: **ALL POTENTIAL APPLICANTS**

FROM: Laura A. Whittall-Scherfee, Deputy Director
Division of Financial Assistance

SUBJECT: **NOTICE OF FUNDING AVAILABILITY - $120 MILLION AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM**

The Department of Housing and Community Development (HCD) is pleased to announce the availability of approximately $120 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program (Program). The AHSC Program furthers the purposes of AB 32 (Chapter 488, Statues 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.

A complete original concept proposal must be submitted to HCD using the Financial Assistance Application Submittal Tool (FAAST) system no later than **5:00 p.m. on Thursday, February 19, 2015.** Invited applicants must submit a complete original full application, plus one copy, to HCD no later than **5:00 p.m. on Wednesday, April 15, 2015.**

No facsimiles, late applications, incomplete applications, application revisions, electronically transmitted, <u>or walk in application packages</u> will be accepted.

The AHSC Program's full application forms, workshop details, and related program information, will be posted on its website at http://www.hcd.ca.gov/fa/ahsc. Questions may be directed to the AHSC Program at (916) 263-2771 or emailed to ahsc@hcd.ca.gov.

Attachment

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

FY 2014-15 FUNDING ROUND
Notice of Funding Availability

State of California
Governor Edmund G. Brown Jr.

Claudia Cappio, Director
Department of Housing and Community Development
Division of Financial Assistance
Laura A. Whittall-Scherfee, Deputy Director
Eugene Lee, Section Chief

P.O. Box 952054, Sacramento, CA 94254-2054
Phone: (916) 263-2771; Fax (916) 263-3394
Website: www.hcd.ca.gov/fa/ahsc
E-mail address: ahsc@hcd.ca.gov

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM
NOTICE OF FUNDING AVAILABILITY

PROGRAM DESCRIPTION

A. Introduction

The Strategic Growth Council (Council or SGC) and the Department of Housing and Community Development (HCD) are announcing the availability of approximately $120 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. 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 AHSC Program is administered by SGC. HCD will implement the transportation, housing and infrastructure component of the AHSC Program. SGC will coordinate efforts with HCD, working with the California Air Resources Board (ARB), to administer the broader AHSC Program, which includes the Sustainable Agricultural Land Conservation (SALC) Program.

B. Program Summary

The AHSC Program will assist Project Areas, as defined, by providing loans or grants, or any combination thereof, to projects that will achieve GHG emissions 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 trip length or mode shift from Single Occupancy Vehicle (SOV) use to transit, bicycling or walking. Two Project Area types have been identified to implement this strategy:

- Transit Oriented Development (TOD) Project Areas, or
- Integrated Connectivity Project (ICP) Project Areas.

Available funds are subject to the AHSC Program Guidelines issued by SGC and dated January 20, 2015 (Guidelines). These Guidelines include detailed information on eligibility requirements and application selection criteria, and may be accessed at http://www.hcd.ca.gov/fa/ahsc.

C. Eligible Applicants

Eligible applicant entities shall include any of the following:

1. 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.

2. A Developer or Program Operator.

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 co-applicant or otherwise include a commitment to enter into a contractual agreement to develop the Project, if it is awarded.

D. Loan and Grant Amounts

The assistance terms and limits are set forth in Section 104 of the Guidelines. They include, but are not limited to, the following requirements:

1. The maximum AHSC Program loan or grant award, or combination thereof, for a TOD Project Area is $15 million with a minimum award of at least $1 million.

2. The maximum AHSC Program award for an ICP Project Area is $8 million with a minimum award of at least $500,000.

3. The maximum AHSC Program award(s) within the geographic boundary of a Locality is limited to $15 million per NOFA funding cycle.

4. A single Developer may receive no more than $15 million per NOFA funding cycle.

The limitations set forth in (3) and (4) above may be waived by HCD if necessary to meet statutorily required Affordable Housing and Disadvantaged Community set-asides as detailed in Section 105(d)(3)(A) and (B).

AHSC Loan Summary

Loans for rental Affordable Housing Developments, or the rental portions of an Affordable Housing Development, are subject to the following terms:

1. AHSC Program funds will be provided as a loan for permanent financing by HCD to the owner of the Affordable Housing Development, with the same terms as HCD's Multifamily Housing (MHP) Program financing as set forth in 25 CCR 7308.

2. The base 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, and location according to the 2014 MHP HERA and non-HERA loan limits posted on the HCD website http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html.

3. For Affordable Housing Developments receiving 4% low-income housing tax credits, $30,000 per Restricted Unit may be added to the base amount for loan limit calculation purposes.

AHSC Grant Summary

1. 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 as defined in the Guidelines.

2. The total Transportation-Related Infrastructure Capital Project grant amount is based on the award limits set forth in Section 104(a) through (d).

3. 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.

4. 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.

5. The total grant amount for homeownership Affordable Housing Developments shall be calculated pursuant to the provisions of the BEGIN Guidelines dated April 21, 2009 located at http://www.hcd.ca.gov/fa/begin/2009_BEGIN_Guidelines.pdf.

E. Application Scoring

Applications shall be evaluated based on the criteria set forth in Sections 102 through 107 of the AHSC Program Guidelines.

Applications are ineligible if construction has commenced as of the application due date set forth in this NOFA.

Applicants invited to submit a full application must complete an AHSC Self-Scoring Worksheet and provide documentation acceptable to HCD that adequately supports the self-score provided. **Full applications that do not include a Self-Scoring Worksheet will not be considered for funding.** Self-Scoring Worksheets must be included within the application at the time of submittal to HCD. No additional information may be added to a full application after it has been submitted.

The highest scoring applications that meet all threshold requirements shall be recommended to the Council for funding. Applications will be funded in descending order. SGC may make adjustments in this procedure to meet the following distribution objectives specified in Section 105(d)(3):

1. At least fifty (50) percent of AHSC Program expenditure for Projects benefitting Disadvantaged Communities (Refer to Appendix E of the Program Guidelines for additional information).

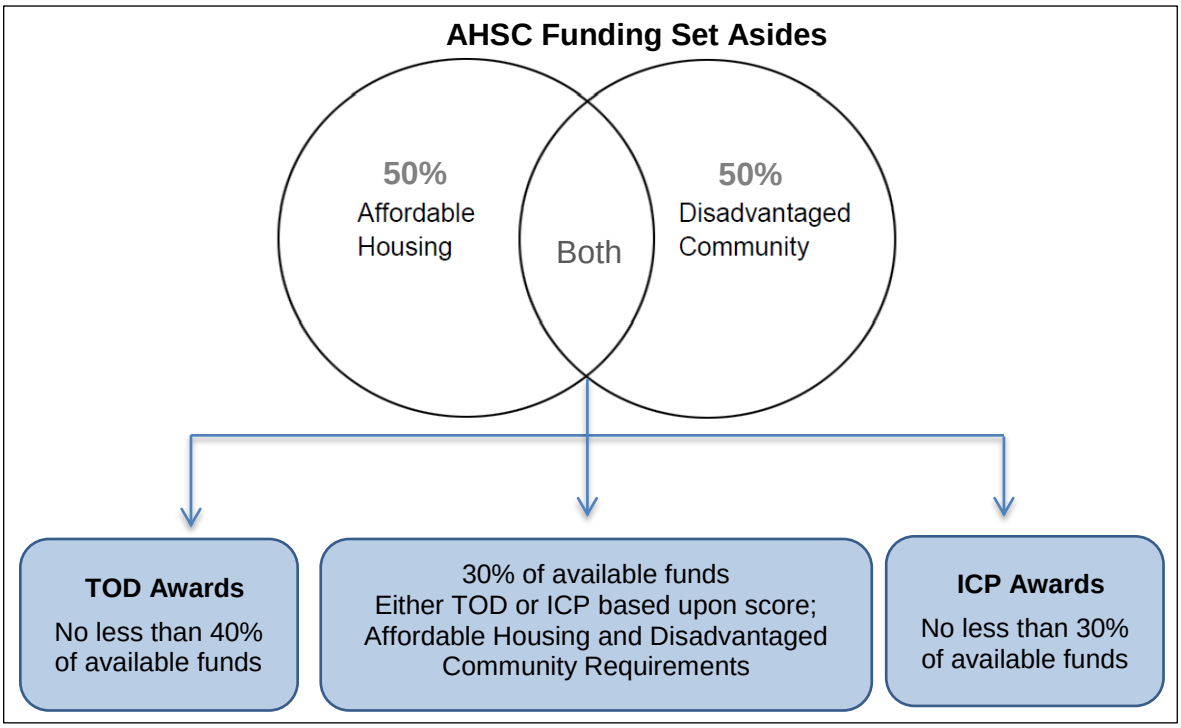
2. At least fifty (50) percent of the annual proceeds appropriated for the AHSC Program shall be expended for affordable housing.[1] For the purposes of this set-aside, expenditures

[1] *The requirements detailed in items 1 and 2 are not mutually exclusive.*

related to Affordable Housing Development and Housing-Related Infrastructure Capital Projects shall count toward this requirement.

3. No less than forty (40) percent of funds available as designated in the NOFA will be allocated to TOD Project Area applications.

4. No less than thirty (30) percent of funds available as designated in the NOFA will be allocated to ICP Project Area applications.



5. To the extent applications received are not sufficient to meet TOD Project Area or ICP Project Area set-aside detailed in (3) and (4) above, the SGC reserves the right to waive these requirements and recommend funding a greater percentage of applications in either of the two identified Project Area types.

Tie Breaker Criteria

In the event two or more applications have the same rating and ranking scores, the following bonus points will be awarded pursuant to Section 105 (d)(7) in this order of priority until there is no longer a tie:

(1) 5 bonus points will be awarded to the application with the highest value (rounded to three decimal places) resulting from the following formula:

$$\frac{\text{(Total Restricted Units/Total Residential Units)}}{\text{(Average AMI of the Total Restricted Units)}}$$

(2) 3 bonus points will be awarded to the application located within a Disadvantaged Community with the highest percentage range as represented in CalEnviroscreen 2.0.

(3) 1 bonus point will be awarded to the application with the highest score in Section 107(b) through (d).

APPLICATION PROCEDURES AND DEADLINE

A. Application Process

1. Concept Proposals

   All applicants must submit a concept proposal by no later than 5:00 p.m. on February 19, 2015 for review and evaluation by HCD which contains the required contents as stated in Figure 5 of Section 105(c) of the Guidelines. HCD will notify and invite applicants by no later than March 11, 2015 to submit a full application based on the ranking of concept proposals, the cumulative amount of requested funds from all applicants, and its consideration in satisfying the statutorily required Affordable Housing and Disadvantaged Community set-asides and TOD/ICP set-asides stated in Section 105(d)(3)(A) through (D) of the Guidelines.

2. Full Applications

   Applicants who have submitted a concept proposal and have been invited to submit a full application must submit a full and complete application by no later than 5:00 PM on April 15, 2015. HCD will evaluate competitive applications for compliance with all requirements in Sections 105 and 106 of the Guidelines, and will score eligible applications based on the criteria in Section 107. HCD will contact applicants recommended for funding.

   The full application will be released no later than March 11, 2015 and will be available on HCD's website.

The anticipated date of Program awards is no later than July 15, 2015.

The ultimate awarding of Program funds is subject to the approval of the Council. The decision of the Council is final.

B. Application Packaging and Submittal

1. Concept Proposals

Applicants must complete and submit the proposal using the Financial Assistance Application Submittal Tool (FAAST) system according to the following instructions:

- Access the FAAST online application tool at: https://faast.waterboards.ca.gov/User_Registration/SignUpOrgSearch.aspx.
- You will be prompted to develop a login name and password to use the FAAST tool. Application information will be entered into FAAST by typing information into text boxes, selecting choices from preset lists, and uploading attachments.

- Sign up for and explore the FAAST tool before beginning work on your application. Then prepare answers in an unformatted text document for editing. Finally, cut and paste information into the online application and ensure that your content is displaying correctly and responses are not cut off.
- Review Concept Proposal instructions to submit all required attachments and documentation.
- Be sure to save your work often. The FAAST tool starts a 90-minute timer each time a user logs into their account. The timer resets to 90 minutes each time a user saves their work to the system. When working in FAAST, you can save work-in-progress at any point, and you can then return to your application at another time.
- Use only basic formatting. Extra symbols or layout designs can interfere with completion of the online application.
- Concept Proposals must be submitted via the FAAST system by no later than 5:00 p.m. on February 19, 2015.

2. Full Applications

Unlike the Concept Proposals, HCD will only accept hard copy full applications through a mail carrier service such as U.S. Postal Service, UPS, Fed Ex or other carrier services that provide date stamp verification confirming delivery to HCD's offices at:

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM
Department of Housing and Community Development
Division of Financial Assistance
2020 W. El Camino Avenue, Suite 650
Sacramento, CA 95833

A complete original application, plus one copy, must be received by HCD no later than **5:00 p.m. on the April 15, 2015.**

Facsimiles, late applications, incomplete applications, application revisions, electronically transmitted, <u>or walk in application packages</u> will NOT be accepted.

Applications must meet all eligibility requirements upon submission. Applications having material internal inconsistencies will not be rated and ranked.

The AHSC Program will utilize an application with attachments. **The application forms and instructions will be available on HCD's website.** Modification of the application forms by the applicant is prohibited.

It is the applicant's responsibility to ensure that the application is clear, complete and accurate. After the application deadline, HCD staff may request clarifying information or inquire as to where in the application specific information is located provided that such information does not affect the competitive rating of the application. No information, whether written or oral, will be solicited or accepted if this information would result in a competitive

advantage to an applicant or a competitive disadvantage to other applicants. No applicant may appeal the evaluation of another applicant's application.

C. Application Workshop

To assist applicants in preparation of concept proposals, HCD will conduct Application Workshops. Detailed information regarding workshop dates and locations as well as an RSVP form will be available on SGC's website at http://www.sgc.ca.gov/s_ahscprogram.php. HCD may provide full application technical assistance upon request.

D. State Prevailing Wages

AHSC Program funds will be considered to be public funds pursuant to State Prevailing Wage Law: Chapter 1 of Part 7 of Division 2 of the Labor Code, commencing with Section 1720, unless exempt by the terms of that statute. See Labor Code Section 1720, subdivisions (c) and (d).

The nature and extent of prevailing wage obligations will depend on the financial structure of each project receiving or supported by AHSC Program assistance. Applicants are urged to seek professional advice as to how this law may affect their application.

E. Disclosure of Application

Information provided in the application will become a public record available for review by the public pursuant to the Public Records Act. As such, any materials provided will be disclosable to any person making a public records request. HCD cautions applicants to use discretion in providing information that is not specifically requested, including but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the disclosure of all submitted material upon request.

F. Other Information

The AHSC Program's application forms, workshop details, and related program information, will be posted on HCD's website at http://www.hcd.ca.gov/fa/ahsc.

Questions may be directed to the AHSC Program at (916) 263-2771 or ahsc@hcd.ca.gov.

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

PROGRAM GUIDELINES

FUNDED BY

GREENHOUSE GAS REDUCTION FUND

STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

ADOPTED
January 20, 2015

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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

APPENDIX E Co-Benefits

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

FIGURE E-2 Healthy Communities Framework

APPENDIX F Climate Resiliency

APPENDIX G GGRF Programs

FIGURE G-1 GGRF Programs

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, Statues 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. Two project prototypes have been identified to implement this strategy:

- Transit Oriented Development (TOD) Project Areas, or
- Integrated Connectivity Project (ICP) Project Areas.

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
Transit Requirements (All Project Areas) §102	▪ 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**).	
Project Area Specific Transit Requirements §102	▪ MUST be served by **Qualifying 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	▪ CANNOT be served by **Qualifying High Quality Transit**
Required Components §102	**Project Area** MUST include an **Affordable Housing Development** (funded either through **AHSC Program** funds or other sources). **AHSC Program** funds MUST be used for **Projects** which include an **Affordable Housing Development** OR **Housing-Related Infrastructure Capital Use** AND a **Transportation-Related Infrastructure Capital Project**	**AHSC Program** funds must be used for **Projects** which MUST include at least one (1) **Capital Project** combined with at least one (1) additional **Capital Project**, **Planning or Program Cost**
Eligible Uses §103	**Capital Projects**: ▪ **Affordable Housing Developments** ▪ **Housing-Related Infrastructure** ▪ **Transportation-Related Infrastructure** (includes Active Transportation and Transit-Related Infrastructure) **Planning and Program Costs**: ▪ Pre-Development Costs Related to Project Implementation ▪ Active Transportation Programs ▪ Transit Ridership Programs ▪ **Criteria Air Pollutant** Reduction Programs	
Affordable Housing Development Requirements §103	Affordable Housing Developments may be: ▪ 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	No less than 40 percent of available funds will be allocated to **TOD Project Areas**	No less than 30 percent of available funds will be allocated to **ICP Project Areas**
Project Awards §104	Minimum: $1 Million Maximum: $15 Million	Minimum: $500,000 Maximum: $8 Million
Statutory Funding Set-asides §106	▪ 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) *Note: A single project can address both set-asides above, and are not mutually exclusive.*	

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 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**; or

(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 two eligible **Project Area** types as defined below:

(1) Transit Oriented Development (TOD) **Project Areas**, and
(2) Integrated Connectivity Project (ICP) **Project Areas**.

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

Note: Refer to Figure 1 (page 6) for a summary of transit requirements applicable to all Project Areas and TOD or ICP Project Area specific requirements.

TOD and ICP Project Areas must meet the requirements below:

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

(1) include at least one (1) **Transit Station/Stop** served by **Qualifying High Quality Transit**;

(2) include an **Affordable Housing Development** located no further than one-half (½) mile from a **Transit Station/Stop** served by **Qualifying 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 two (2) **Capital Projects,** combined as one of the following:

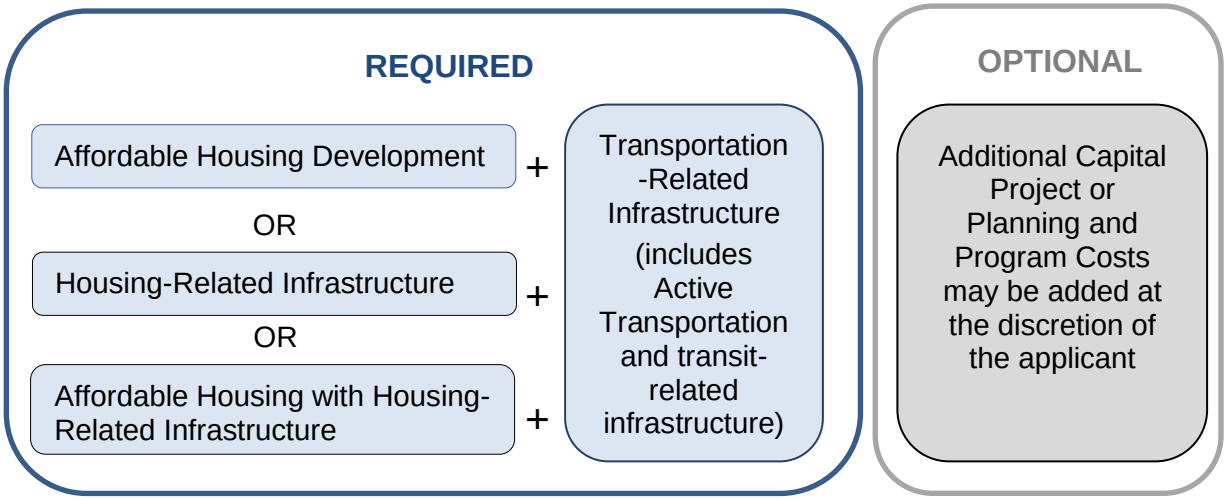
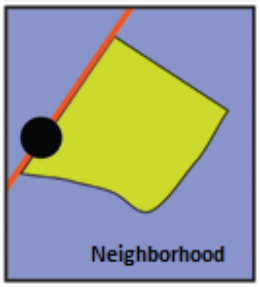
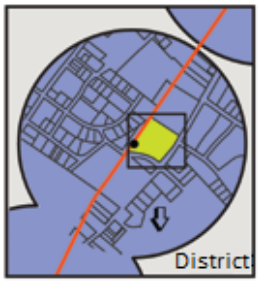
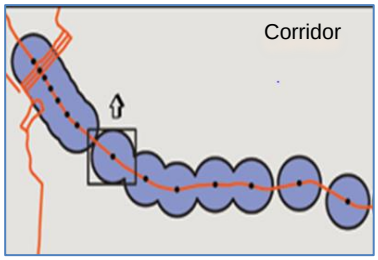


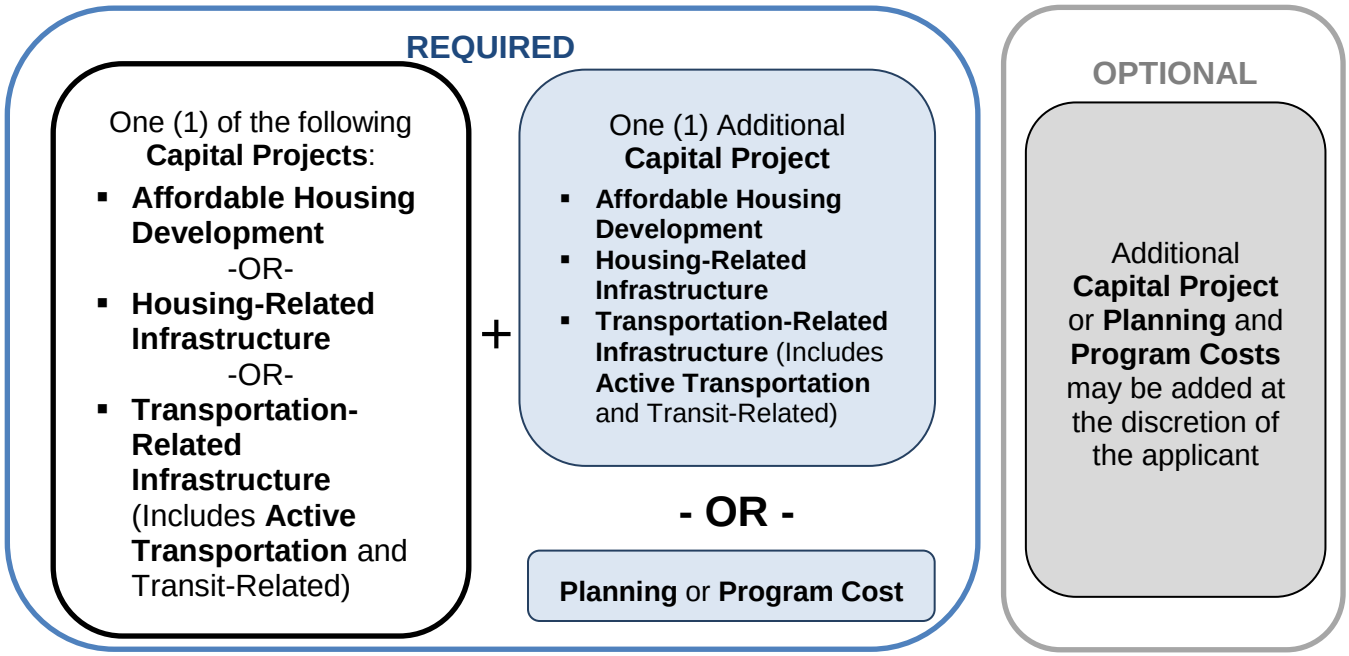
Figure 2 Examples of TODs		
TOD Neighborhood	**TOD District**	**Transit Corridor**
Focus on projects improving connectivity and accessibility of public transit, active transportation infrastructure and affordable housing and/or mixed-use areas. • Most likely to be located within a predominantly multifamily 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: ✓ 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. 	Could consist of similar types of improvements in a TOD Neighborhood of a metropolitan area, but impacting a larger geographic area. • 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 central business districts (CBDs) 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. 	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). • 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 **Qualifying High Quality Transit**; and

(3) Include **Capital Projects** or **Planning or Program Costs** as follows:



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.**

Section 103. Eligible Costs

The **AHSC Program** funds **Capital Projects** or eligible **Planning and Program Costs** within TOD or ICP **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**
▪ **Affordable Housing Development** ▪ **Housing-Related Infrastructure** ▪ **Transportation-Related Infrastructure** (including active transportation and transit-related)
Eligible **Planning and Program Costs***
▪ Pre-Development Costs Related to Project Implementation ▪ Active Transportation Programs ▪ Transit Ridership Programs ▪ **Criteria Air Pollutant** Reduction Programs

** Eligible planning and program costs must be combined with at least one identified Capital Project*

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 of 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

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

(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** or **Urban Greening** improvements.

(iii) Soft costs such as those incidentally but directly related to construction or acquisition, including, but not limited to, planning, engineering, construction management, architectural, and other design work, required mitigation expenses, appraisals, legal expenses, site acquisitions, and

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

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: [2]

(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** or **Urban Greening** improvements.

(iii) Soft costs such as those incidentally but directly related to construction or acquisition, 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, not to exceed one parking space per residential unit and not to exceed $40,000 per permitted space.

(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) **Transportation-Related Infrastructure Capital Projects** (including Active Transportation and Transit-Related)

(A) Eligible costs for **Transportation-Related Infrastructure Capital Projects** are limited to: [3]

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

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

(i) Capital improvements that result in the enhancement of any of the following: 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** 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 or acquisition, 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**.

(vi) 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 Project Area** is $15 million with a minimum award of at least $1 million.

(b) The maximum **AHSC Program** award for an **ICP Project Area** is $8 million with a minimum award of at least $500,000.

(c) The maximum **AHSC Program** award(s) within the geographic boundary of a **Locality** is limited to $15 million per **NOFA** funding cycle.

(d) A single **Developer** may receive no more than $15 million per **NOFA** funding cycle.

(e) The limitations set forth in (c) and (d) 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).

(f) 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.

(g) 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 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.

(h) 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 co-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**.

(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 <u>required</u> 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 5 below.

Figure 5 AHSC Concept Proposals Required Contents	
Project Overview	
1	Project Description defining each of the following: ▪ **Project Area** Type (TOD or ICP) ▪ Proposed Project Description ▪ Project Area (defined by vicinity map, service area, etc.) ▪ Eligibility for Statutory Set-Asides, if applicable ✓ Affordable Housing ✓ **Disadvantaged Community** Benefits (illustrate **Disadvantaged Community** census tract(s) within the **Project Area** map) ▪ Identification of **Project** Co-Benefits
2	**AHSC Program** funding amounts requested for: ▪ Grant funds ▪ Loan funds
3	Applicant Information: ▪ Identification of co-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** for construction period financing based on criteria as outlined in Section 107(c).
8	Sources and Uses of **Project** funds including identification of **Project** funding leveraged based on criteria outlined in Section 107(d)
9	Demonstration of **Project** readiness as appropriate: • **Site Control** (per Section 106(a)(7)) • All necessary NEPA and CEQA clearances demonstrated by any of the following (per Section 106(a)((4): NEPA: Authority to Use Grant Funds form CEQA: Notice of Exemption; Notice of Determination • 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))

(3) Concept proposals will be reviewed based on select **AHSC Program** elements as detailed in Figure 5 above and evaluated as follows:

(A) Satisfaction of threshold requirements; and

(B) Demonstration of the level of enforceable, committed financial leverage of project costs.

(4) Applicants will be notified whether or not they are invited to submit a full application based on ranking of concept proposals. In inviting full applications, consideration will be given to statutorily required Affordable Housing and **Disadvantaged Community** set-asides and TOD/ICP set-asides as stated in Section 105(d)(3)(A) through (D).

(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) An invitation to submit a full application does not guarantee project will compete successfully for funding.

(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 Appendix E for additional information).

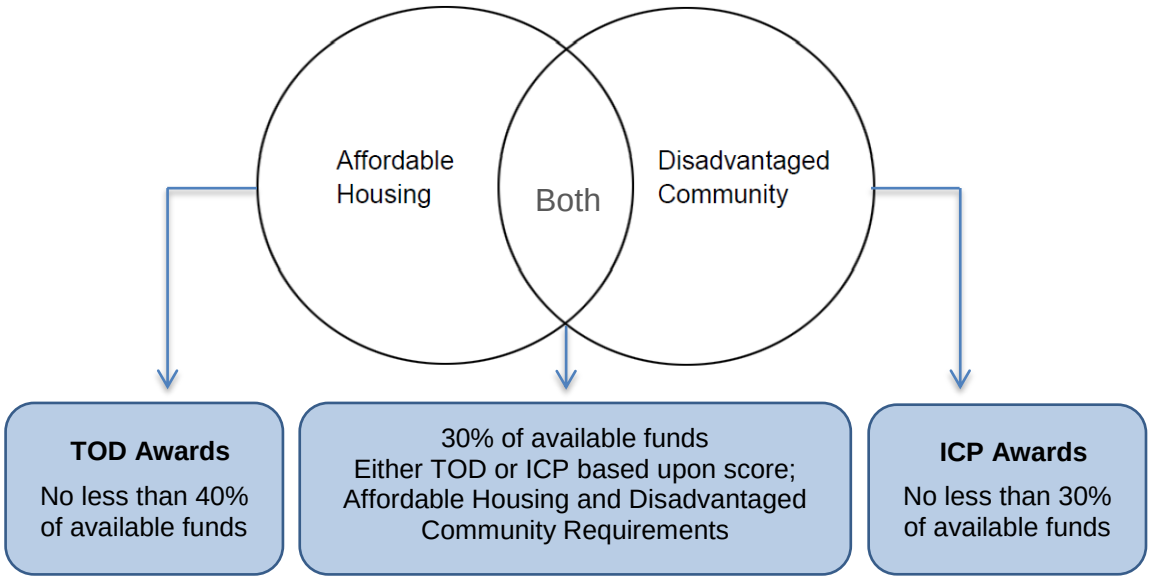
(B) At least fifty (50) percent of the annual proceeds appropriated for the **AHSC Program** shall be expended for affordable housing.[4] For the purposes of this set-aside, expenditures related to **Affordable Housing Development** and **Housing-Related Infrastructure Capital Projects** shall count toward this requirement.

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

(C) No less than forty (40) percent of funds available as designated in the **NOFA** will be allocated to **TOD Project Area** applications.

(D) No less than thirty (30) percent of funds available as designated in the **NOFA** will be allocated to **ICP Project Area** applications.

Figure 6: AHSC Funding Set Asides



(E) To the extent applications received are not sufficient to meet **TOD Project Area** or **ICP Project Area** set-aside detailed in (C) and (D) 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.

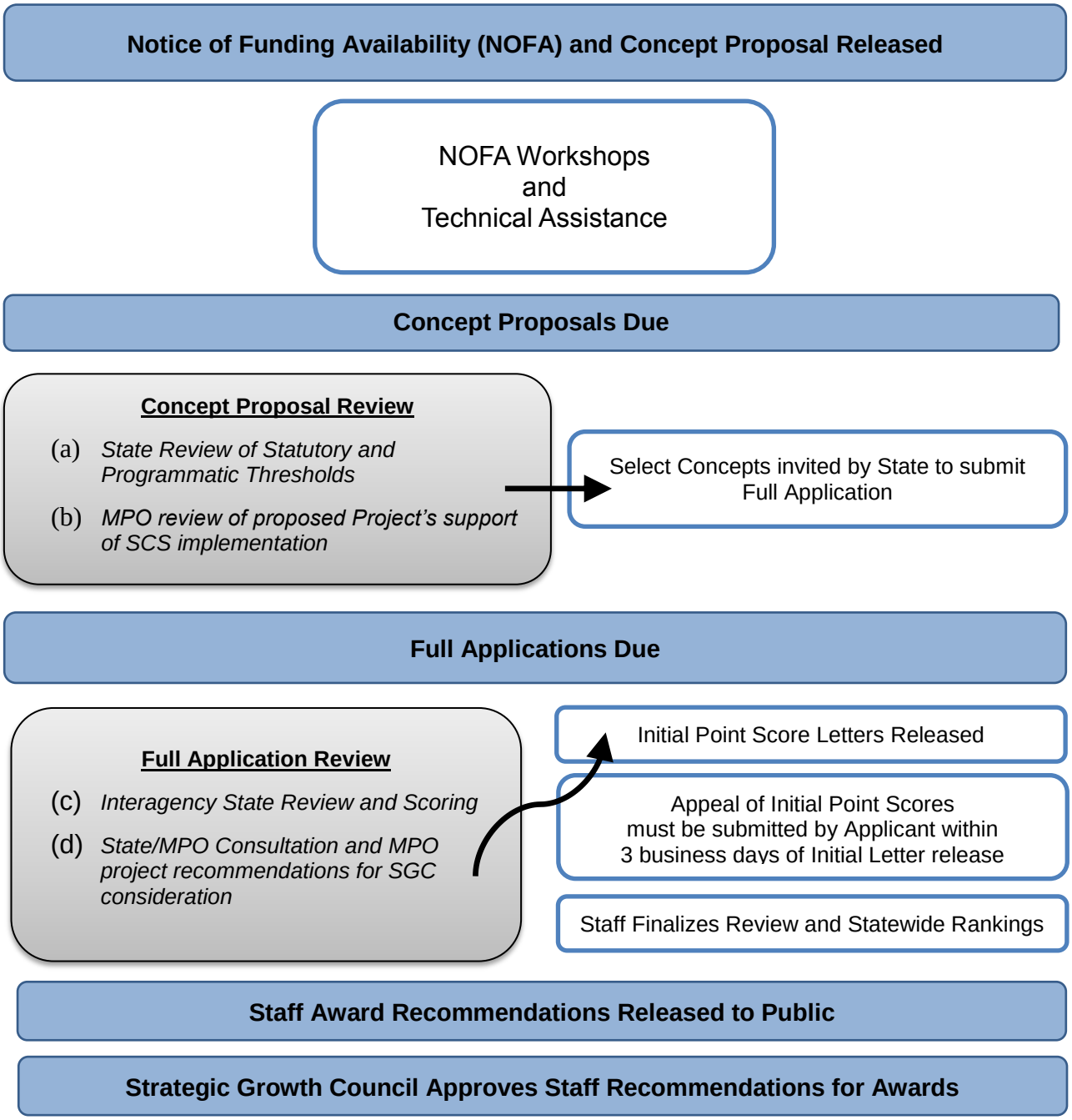
(5) As station area plans for High Speed Rail are implemented, the **Council** will consider prioritization of investments in these areas in future updates of the **AHSC Program** Guidelines.

(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



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.

(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) 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.

(9) 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.

(10) Construction of the **Project** has not commenced as of the application deadline set forth in the **NOFA**.

(11) **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.

(12) 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).

(13) 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.

(14) 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, 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.

(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**.

(15) Applications requesting AHSC Program funding for **Transportation-Related Infrastructure 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 **Transportation-Related Infrastructure Capital Project** is consistent with all applicable local rules, regulations, codes, policies and plans enforced or implemented by that entity.

(B) If the **Transportation-Related Infrastructure Capital Project** involves the demolition existing units affordable to lower-income households, the application must demonstrate the replacement of demolished units of equal or greater affordability and equal to or greater than the number of the demolished affordable units.

(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. In November 2014, ARB released interim Guidance that provides criteria to evaluate whether or not a **Project** provides 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**: ▪ 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**: ▪ **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

AHSC 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 Reduction
2. Feasibility and Readiness
3. Policy Objectives

Figure 9 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 12 scoring criteria have been identified, however, not all criteria will apply to each application. Only those criteria which are applicable to the application based use(s) of funds (i.e. **Capital Projects** and **Planning and Program Costs** consistent with the requirements of Section 102(c) and (d)) and outlined in Figure 10 (page 43) will be scored. For example, a **TOD Project Area** application requesting funds for an **Affordable Housing Development** and **Transportation-Related Infrastructure Capital Projects** (i.e. new sidewalks and street furniture) would be scored on the applicable criteria identified in the appropriate columns in Figure 10. Applications will be scored on the applicable criteria based upon the strength of the entire proposal for the **Project Area**, including those elements funded by other sources.

TOD and **ICP Project Area** applications will compete separately. Therefore, **TOD Project Area** applications will compete only against other **TOD Project Area** applications and **ICP Project Area** applications will compete only against other **ICP Project Area** applications. 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 87 points are possible and an application receives 83 points, that application's final score would be 95.4 percent.

Figure 9
AHSC Scoring Elements and Criteria

*Refer to Figure 10 for applicable criteria within each scoring element based on the proposed **Project***

GHG Reduction - 55% of total score

- Estimated GHG emissions reductions per GGRF dollar. GHG emissions reductions must be estimated using the GHG Quantification Methodology in Appendix D *(55 points)*

Feasibility and Readiness - 15% of total score

- **Captial Project** Past Performance *(2 points)*
- **Capital Project** Readiness & Program Readiness, Capacity, Need and Leverage *(8 points)*
- **Capital Project** Funds Leveraged *(4 points)*
- Implementation of Planning Efforts *(1 point)*

Policy Objectives - 30% of total score

- Accessibility to Qualified Employment Areas *(5.5 points)*
- Extent to which the **Project Area** Incorporates Walkable Corridors *(5.5 points)*
- Extent to which the **Project Area** Incorporates Features which Encourage Bicycling *(3 points)*
- Extent to which the Housing Development Serves Lower- and Moderate-Income Households *(6.5 points)*
- Extent to which the **Project** Addresses Co-Benefits *(6.5 points)*
- Anti-Displacement Strategies *(1 point)*
- Community Engagement *(2 points)*

Applicable scoring criteria for each application will be determined based on the proposed **Project.** 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 10 for a complete listing).

Affordable Housing Development	Housing - Related Infrastructure	Transportation/ Transit Related Infrastructure	Planning Implementation	Programs

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

GHG Reduction – 55% of total score

(a) Estimated GHG Emissions Reductions per GGRF Dollar – 55 Points Maximum

Affordable Housing Development	Housing- Related Infrastructure	Transportation- Related Infrastructure	Planning Implementation	Programs
X	X	X	X	X

For this section, applications will be scored based on the quantified GHG emission reductions of the project per GGRF dollar. GHG emission reductions must be quantified using the GHG Quantification Methodology in Appendix D.

Applications will be awarded points for project GHG reductions according to the following project ranking process:

(1) For each project, applicants calculate the following metric using the GHG Quantification Methodology in Appendix D:

$$\frac{\text{Metric tons of } CO_2\text{e emissions reduced over the project life}}{\text{Amount of GGRF dollars requested for the project}}$$

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 are ranked by the **Council** staff from highest to lowest, according to the ton per GGRF dollar metric.

(3) Once the applications are in rank order, the **Council** staff will divide the application list into six (6) bins, each containing 1/6th of the total number of ranked applications.

(4) Applications within each bin are then assigned a score for the GHG Reduction component of the total application score as follows:

- All applications in Bin 1 receive 55 points
- All applications in Bin 2 receive 44 points
- All applications in Bin 3 receive 33 points
- All applications in Bin 4 receive 22 points
- All applications in Bin 5 receive 11 points
- All applications in Bin 6 receive 0 points

Feasibility and Readiness – 15% of total score

(b) Capital Project Past Performance - 2 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

Applications will be scored based on past performance for construction of previously completed affordable housing and related infrastructure and transportation-related infrastructure capital projects that are similar in size and scope to the eligible **Capital Project(s)** proposed.

(1) 0.50 points will be awarded for each previously completed project similar in size and scope to the proposed **Capital Project** (up to a maximum of 2 points) as described above completed by the applicant during the five years preceding the application due date.

To receive points, **Affordable Housing Development Capital Projects** require experience of at least one applicant in developing housing of similar type and scale.

For **TOD Project Areas** or **ICP Project Areas** with more than one **Capital Project** (i.e. Affordable Housing and Transportation-Related Capital Projects) no more than

50 percent of total points obtained through this criterion may be from experience in the development of any one category of a **Capital Project**.

In the case of a **Capital Project** developed by multiple **Developers**, the score will be based on the most experienced **Developer**.

(c) Project and Program Readiness - 8 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		X

Points will be awarded for each AHSC funded **Capital Projects** and **Program Costs** proposed within the **Project Area** as follows:

(1) Affordable Housing Development and **Housing-Related Infrastructure Capital Projects**

A maximum of 3 points will be awarded for obtaining **Enforceable Funding Commitments** (public and private), less deferred costs, for construction period funding for the **Affordable Housing Development.**

Points will be allocated based on the percentage of **Enforceable Funding Commitments** obtained as follows:

1 point: 70 to 79 percent
2 points: 80 to 89 percent
3 points: ≥ 90 percent

(2) Transportation-Related Infrastructure Capital Projects

A maximum of 3 points will be awarded for **Transportation-Related Infrastructure Capital Projects** obtaining **Enforceable Funding Commitments**, less deferred costs, for construction period funding.

Points will be allocated based on the percentage of **Enforceable Funding Commitments** obtained as follows:

1 point: 70 to 79 percent
2 points: 80 to 89 percent
3 points: ≥ 90 percent

(3) Program readiness, capacity, need and leverage

(A) Program Readiness and Capacity

(i) 0.50 points will be awarded for a program description and structure for implementation (i.e. staffing needs, administrative structure, program objective(s) and deliverables/outcomes).

(ii) 0.25 points will be awarded for demonstration of commitments from key parties necessary to achieve program outcomes (e.g. letter of intent, memorandum of understanding)

(iii) 0.25 points will be awarded for **Program Operator** qualifications demonstrating three or more years of experience operating a similar type of program.

(B) Need and Benefit of Program Activities

0.50 points will be awarded for programs demonstrating the extent to which services are addressing the needs and providing benefits of those to be served by the program activity.

(C) Leveraging for Program Activities

Applications will receive points based on demonstration of the extent to which other funds are leveraged for the proposed **Program Costs**.

0.15 points: 10% to 30%
0.25 points: 31% to 50%
0.50 points: > 50%

(d) **Capital Project** Funds Leveraged – 4 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

A maximum of 4.0 points will be awarded for applications demonstrating enforceable permanent development funding. Applications will be scored based on the amount of enforceable permanent development funding commitments from sources other than the **AHSC Program**, as a percentage of the requested amount of **AHSC Program** funds. For each full 25 percent increment of the amount requested, 1.0 point will be awarded.

1.0 point: 25 to 49.9%
2.0 points: 50% to 74.9%
3.0 points: 75% to 100%
4.0 points: > 100%

In calculating the amount of other funds:

- Funds used for the **Project** will be counted;
- Deferred developer fees will not be counted as a source;
- Land donations will be counted and the value of the land;
- Donation will be the greater of either the original purchase price or the current appraised value supported by an independent third party appraisal prepared by an MAI-qualified appraiser within one year of the application deadline; and
- Local fee waivers will be counted so long as it is supported by written documentation from the local public agency.

(e) Implementation of Planning Efforts – 1 Point Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		X

A maximum of 1.0 point will be awarded to **Projects** which implement a policy or program of any the following applicable adopted plans in addition to the SCS/RTP and support the objectives of the **AHSC Program**:

(1) 0.50 points for any one (1) of the following long range plans

- 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
- Redevelopment Plan
- Bicycle Master Plan
- Disadvantaged Community Assessment (Government Code Section 65302)
- Pedestrian Master Plan
- Climate Action Plan
- Local Coastal Plan
- Transit Plan

(2) 0.50 points for any one (1) of the following **Project**-specific plans

- 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.

Policy Objectives – 30 % of total score

(f) Accessibility to Qualified Employment Areas – 5.5 Points Maximum

*Note: **Projects Areas** with **Flexible Transit Service** are exempt from this criterion*

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

A maximum of 5.5 points will be awarded based on the number of employees determined to be in a qualified employment area* defined for (1) and (2) below as follows:

(1) Within a half-mile (1/2 mile) radius from the identified **Transit Station/Stop**

Employment Density Within ½ mile of Transit Station/Stop		
NUMBER OF EMPLOYEES	TOD	ICP
>25,000	3.0	3.0
10,000-24,999	2.5	2.5
2,500-9,999	2.0	2.0
1,500-2,499		1.5
750-1,499		1.0

(2) Within a half-mile (1/2 mile) radius of a **Destination Transit Station/Stop** which is located no more than 30 minutes** from the **Transit Station/Stop** that serves the **Affordable Housing Development**, or from another transit station or stop not necessarily serving a specific **Affordable Housing Development**, via public transit and involves no more than one transfer point

Employment Density at Destination Transit Station/Stop		
NUMBER OF EMPLOYEES	TOD	ICP
>25,000	2.5	2.5
10,000-24,999	2.0	2.0
2,500-9,999	1.5	1.5
1,500-2,499		1.0
750-1,499		0.5

**A qualified employment area will be determined by utilizing the instructions provided in the application accessible through the following link: http://onthemap.ces.census.gov/*

***The transit time for accessibility to the qualified employment area from the **Transit Station/Stop** or from another transit station not serving a specific **Affordable Housing Development** to the **Destination Transit Station/Stop** must be demonstrated with the transit agency's schedule of regular service.*

(g) Extent to which the Project Area Incorporates Walkable Corridors – 5.5 Points Maximum

*Note: **ICP Project Areas** without a land use component or a physical site are exempt from this criteria*

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

Points will be awarded based on the extent to which the application demonstrates walkable corridors exist or will exist upon completion of the **Project**.

A maximum of 5.5 points will be awarded to **Project Areas** that provide a network of safe, accessible, and walkable corridors connecting the **Transit Station/Stop**, residential uses and **Key Destinations** to each other as follows:

5.5 points will be awarded to **Project Areas** that provide a safe, accessible walkable corridor between **Transit Station/Stop**, residential uses and at least two (2) **Key Destinations**

3.5 points will be awarded to **Project Areas** that provide a safe, accessible walkable corridor between **Transit Station/Stop** and residential uses

1.5 points will be awarded to **Project Areas** that provide a safe, accessible walkable corridor between **Transit Station/Stop** and at least one (1) **Key Destination**

A safe, accessible and walkable corridor is defined as a route that has:

- At least 75 percent of the street blocks are no more than 500 feet in length;
- Continuously-paved, ADA-compliant sidewalks with a minimum width of four feet;
- Marked pedestrian crossing of all arterials; and
- Attributes which contribute to comfort and safety including, but not limited to, adequate lighting or shade canopy.

(h) Extent to which the Project Area Incorporates Features which Encourage Bicycling – 3 Points Maximum

*Note: **ICP Project Areas** without a land use component or a physical site are exempt from this criteria.*

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

(1) 1.75 points will be given for the installation of new or expanded bikeways within the **Project Area** that provide separated right-of-way for cyclists through on-street striping (bike lanes), the creation of separated off-street paths (bike paths), or the creation of separated on-street paths (cycle tracks).

The applicant must include documentation of at least one safety or access issue currently on the route (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) and describe how the proposed infrastructure improvements will close bicycle network gaps and provide a safer and more comfortable bikeway than what previously existed.

(2) A maximum of 1.25 points will be awarded based on the extent to which the application demonstrates the following bicycle features exist, or will exist upon completion of the **Project**, within the **Project Area,** based on the following:

(A) 0.75 points for bicycle storage or parking

(i) 0.25 points where the **Affordable Housing Development** (**Projects** without housing are exempt) has bicycle access and provides secure overnight bicycle storage facilities that include protective coverings or shelters. The **Affordable Housing Development** must supply at least one spot for every two units to qualify for these points.

(ii) 0.50 points where the **Transit Station/Stop** has bicycle access and provides secure bicycle parking that include protective coverings or shelters.

(B) 0.25 points for bike sharing program available that serves at least half of the Project Area, including the **Transit Station/Stop** and the **Affordable Housing Development** (if applicable).

(C) 0.25 points for bike repair facilities or kiosks are available along the bicycle network.

(i) Extent to which the Affordable Housing Development Serves Lower- and Moderate-Income Households – 6.5 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X			

Note: This criterion will apply to all ***TOD Project Area*** *applications and* ***ICP Project Areas*** *applications with an* ***Affordable Housing Development*** *that is a* ***Capital Project****.*

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 0.216 to determine the final point score for this criterion not to exceed a maximum of 6.5 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).

(j) Extent to Which the Project Addresses Co-Benefits – 6.5 Points Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X	X	X

In order to maximize co-benefits to all communities served by the **AHSC Program**, all applicants are required to describe and quantify the co-benefits of the **Project**. Co-benefits should be considered both broadly for the entire community and for specific populations within the community such as residents within a **Disadvantaged Community** (if applying for **Disadvantaged Community** set-aside), lower-income households or a **Vulnerable Community**. Co-benefits must fit in one of three categories: public health and safety, economic, and environmental.

Applicants should identify the three (3) most impactful co-benefits from the **Project**. See Appendix E for co-benefits examples.

A maximum of 6.5 points will be awarded (2.16 points for each co-benefit up to a maximum of 3 co-benefits) that addresses all of the following:

(1) Identification of the co-benefit;
(2) Description of who will benefit;
(3) Description of how the co-benefit addresses an identified need of the populations served by the **Project**;
(4) Data that describes the baseline conditions on the co-benefit (i.e. to confirm that there is a need to be addressed);
(5) Citation and summary of the findings of the peer reviewed or government research (including date of publication) that demonstrates the strategy used will support the achievement of the co-benefit

(k) Anti-Displacement Strategies – 1 Point Maximum

Affordable Housing Development	Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X		

A maximum of 1 point will be provided for demonstration of policies, strategies or programs designed to avoid the displacement of low-income residents and businesses of the **Project Area** and community.

*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 displacement risk. Those applications will not be evaluated on the criterion and the points will not be factored into the overall score.*

Applicants will receive points as follows:

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

Examples of strategies include, but are not limited to:

(1) 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.

(2) 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.

(l) Community Engagement – 2 Points Maximum

Affordable Housing Development	Housing - Related Infrastructure	Transportation-Related Infrastructure	Planning Implementation	Programs
X	X	X	X	X

(1) A maximum of 2.0 points for applications which describe community outreach on proposed project, in addition to that required by the local government or other government body. The application must demonstrate how the outreach was designed to remove barriers to community participation and provided opportunities for engagement for community members, in particular lower-income households and **Disadvantaged Community** residents, which the project is proposed to benefit. The application should provide:

- Identification of key stakeholders and/or community organizations which have been engaged in community outreach or in supporting the project;
- Identification of dates, times and location of meetings scheduled to accommodate accessibility for households/community members lacking transportation (i.e. meeting sites accessible to transit or at a convenient location such as a school in or near **Project Area**) and with varying family and employment schedules (i.e. evening meetings, child care); and
- Description of how feedback received during the process was considered or addressed.

Section 108. Criteria Applicability

Based on the application's proposed **Project** comprised of **Capital Projects**, **Planning and Program Cost**s as defined in Sections 102 and 103, Figure 10 below indicates the criteria which will be applied and the scored to determine an applicant's final score.

Applications will be scored based upon the strength of the entire proposal for the **Project Area**, including those elements funded by other sources but which are applicable to connectivity between transit, housing and **Key Destinations** with particular emphasis on improving access to affordable housing opportunities.

Figure 10
Criteria Applicability Based on Proposed Project

Guideline Reference	* Both **TOD** and **ICP Project Areas** must include at least one **Capital Project** (Refer to Section 102 for further information on **TOD** and **ICP Project Area** requirements) ****Planning and Program Costs** may be combined with any eligible **Capital Project**	Housing Development	Housing-Related Infrastructure	Transportation Related Infrastructure	Planning Implementation	Programs – Active Transportation	Programs – Transit Ridership	Programs – **Criteria Air Pollutant**
		Capital Projects*			Planning and Program Costs**			
GHG Reduction – 55%								
a	Estimated GHG Reductions based on GHG Quantification Methodology	X	X	X		X	X	X
Readiness and Feasibility – 15%								
b	Capital Project Past Performance	X	X	X				
c	Capital Project Readiness & Program Readiness, Capacity, Need and Leverage	X	X	X		X	X	X
d	Capital Project Funds Leveraged	X	X	X				
e	Implementation of Planning Efforts	X	X	X		X	X	X
Policy Objectives – 30%								
f	Accessibility to Qualified Employment Areas	X	X	X				
g	Extent to which the Project Area incorporates Walkable Corridors	X	X	X				
h	Extent to which the Project Area incorporates features which Encourage Bicycling	X	X	X				
i	The Extent to which the Affordable Housing Development Serves Households at Lower- and Moderate-Income Levels	X	X					
j	Extent to which the Project addresses Co-Benefits	X	X	X	X	X	X	X
k	Anti-Displacement Strategies	X	X	X				
l	Community Engagement	X	X	X	X	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 Development**s 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

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 11
Performance Milestone Dates

NOFA Date	Disbursement Deadline	Standard Agreement Executed	Disbursement Agreement Executed
January 2015	February 1, 2019	June 2016	June 2016

(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 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	Greenhouse Gas Quantification Methodology for the Strategic Growth Council's Affordable Housing and Sustainable Communities Program for Fiscal Year 2014-15
Appendix E	Co-Benefits
Appendix F	Climate Resiliency
Appendix G	GGRF Programs

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 terms is used and defined in Section 50053 of the Health & Safety Code;

(B) It is offered at an "affordable housing cost", as that terms 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 Interim Guidance on Investments to Benefit Disadvantaged Communities.

(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), tax-exempt bonds, 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) 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 a way of 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) "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.

(x) "Housing Development" means a residential development or the residential portion of a mixed-use development.

(y) "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.

(z) "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.

(aa) "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.

(bb) "Key Destination" means one or more community amenities such as schools, community centers, employment centers, retail, services, parks and other destinations.

(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) "Planning Cost" means planning-related typically considered pre-development costs associated with the Capital Project.

(nn) "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.

(oo) "Program Operator" means the entity that administers the day-to-day operational responsibilities for the program for which the AHSC Program funding is sought.

(pp) "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.

(qq) "Project Area" means the area encompassing the Transit Station/Stop, housing and Key Destinations.

(rr) "Public Agency" means a Locality, transit agency, public housing authority or redevelopment successor agency.

(ss) "Qualifying 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, or contain at least two of the following characteristics:

- Use a High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lane
- Middle-of-the-road boarding alignment
- Off-board fare collection
- Intersection treatments that prohibit mixed-traffic from making turns across transit lane
- Use of limited-stop service including express service and skip-stopping
- Application of Intelligent Transportation Systems (ITS) technology such as signal priority, automatic vehicle location systems, system security, and customer information
- Platform level boarding

Qualifying High Quality Transit systems may include various types of Bus Service, Rail Service, and Bus Rapid Transit (BRT) that meet these minimum requirements.

(tt) "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.

(uu) "Rail Service" means regularly scheduled public transit service running on rails or railways.

(vv) "Recipient" means the eligible applicant receiving a commitment of Program funds.

(ww) "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.

(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) "TCAC" means the California Tax Credit Allocation Committee.

(aaa) "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 Qualifying 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.

(bbb) "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.

(ccc) 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.

(ddd) “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.

(eee) “Transportation-Related Infrastructure” means a Capital Project that results in the enhancement of any of the following: 1) public transit access, 2) pedestrian network, 3) bicycle network meeting specified AHSC Program transit requirements.

(fff) "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.

(ggg) “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

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

(iii) “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.

(jjj) “Walkable Corridor” means the primary walkable route most likely to be taken by pedestrians travelling between two Key Destinations.

Appendix B. Examples of Eligible Costs

Figure B-1
Examples of Eligible Costs

Note: This list is not exhaustive and provides only examples of eligible costs. Please verify eligibility of proposed uses with Program Staff.	Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:	Capital Projects		Planning and Programs Costs			
Housing Construction						
Construction, rehabilitation, demolition, relocation, preservation. acquisition or other physical improvement of affordable housing	X					
Site Acquisition or preparation costs related to a 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.enches, 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				

		Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:		Capital Projects		Planning and Programs Costs			
	Bike Sharing infrastructure	X	X				
	Bicycle carrying structures on public transit		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				
Energy Efficiency, Green Building, Low Impact Design, and Urban Greening							
	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				

		Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:		Capital Projects		Planning and Programs Costs			
	Low Impact Design measures including 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 and integration with riparian buffers						
	Tree Canopy and Shade trees along walkable and bikeable corridors						
	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			
	Implementation of anti-displacement strategies			X			
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						
	Transit subsidy programs					X	

		Affordable Housing Developments and Housing-Related Infrastructure	Transportation-Related Infrastructure	Planning	Active Transportation Programs	Transit Ridership Programs	**Criteria Air Pollutant** Reduction Programs
Eligible Use of Funds include, but are not limited to, the following:		Capital Projects		Planning and Programs Costs			
	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).