AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

PROGRAM GUIDELINES

FUNDED BY

GREENHOUSE GAS REDUCTION FUND

STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

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TABLE OF CONTENTS

			PAGE
ARTICLE I. General			
Section	100	Purpose and Scope	4
	101	ASHC Program Overview	5
ARTICLE II. AHSC Program Requirements			
Section	102	Eligible Projects	7
	103	Eligible Costs	11
	104	Assistance Terms and Limits	16
ARTICLE III. Application Procedures			
Section	105	Eligible Applicants and Application Process	19
	106	Application Threshold Requirements	24
	107	Application Selection Criteria	28
	108	Criteria Applicability Based on Application	43
ARTICLE IV. AHSC Program Operations			
Section	109	Legal Documents	44
	110	Reporting Requirements	49
	111	Performance Requirements	50
	112	Default and Cancellations	51
	113	Prevailing Wages	52
Figures			
Figure	1	AHSC Program Summary	6
Figure	2	TOD Project Area Categories	9
Figure	3	Eligible Capital Projects, Planning, and Program Costs	11
Figure	4	Minimum Net Density Requirements	12
Figure	5	AHSC Concept Proposal Required Contents	20
Figure	6	AHSC Program Funding Set Asides	22
Figure	7	AHSC Program Application Review Process	23
Figure	8	Disadvantaged Community Threshold Requirements	27
Figure	9	AHSC Scoring Elements and Criteria	29
Figure	10	AHSC Criteria Applicability Based on Project	43
Figure	11	AHSC Program Performance Milestones	50

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:

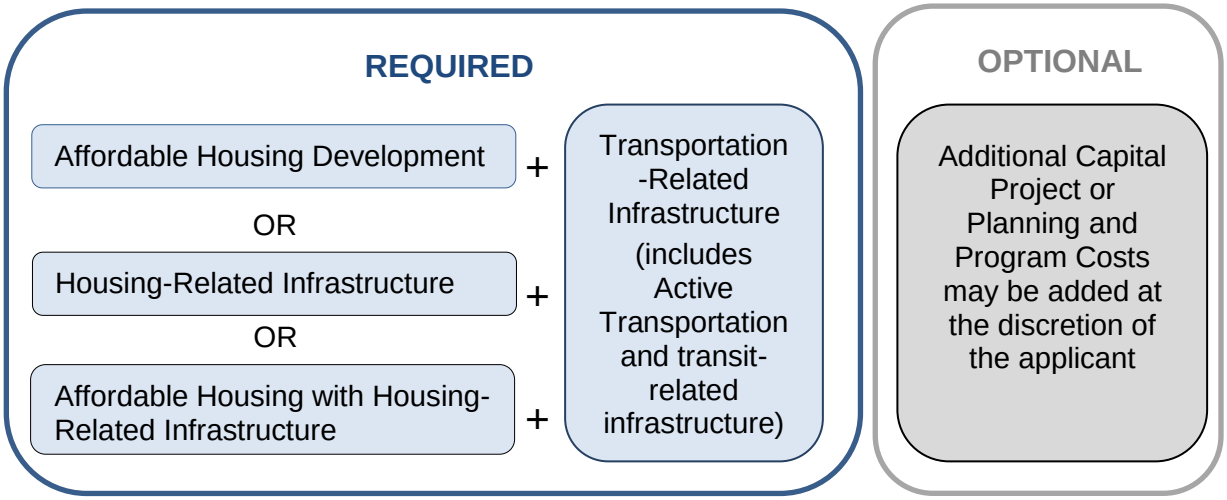
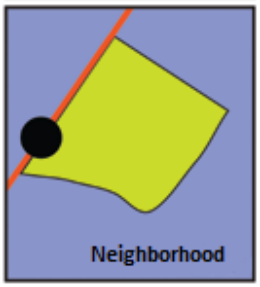
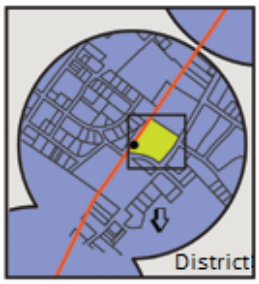
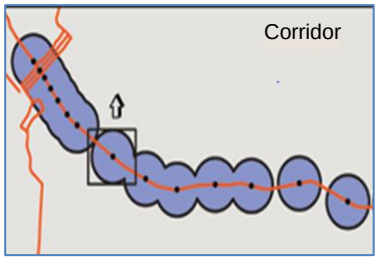


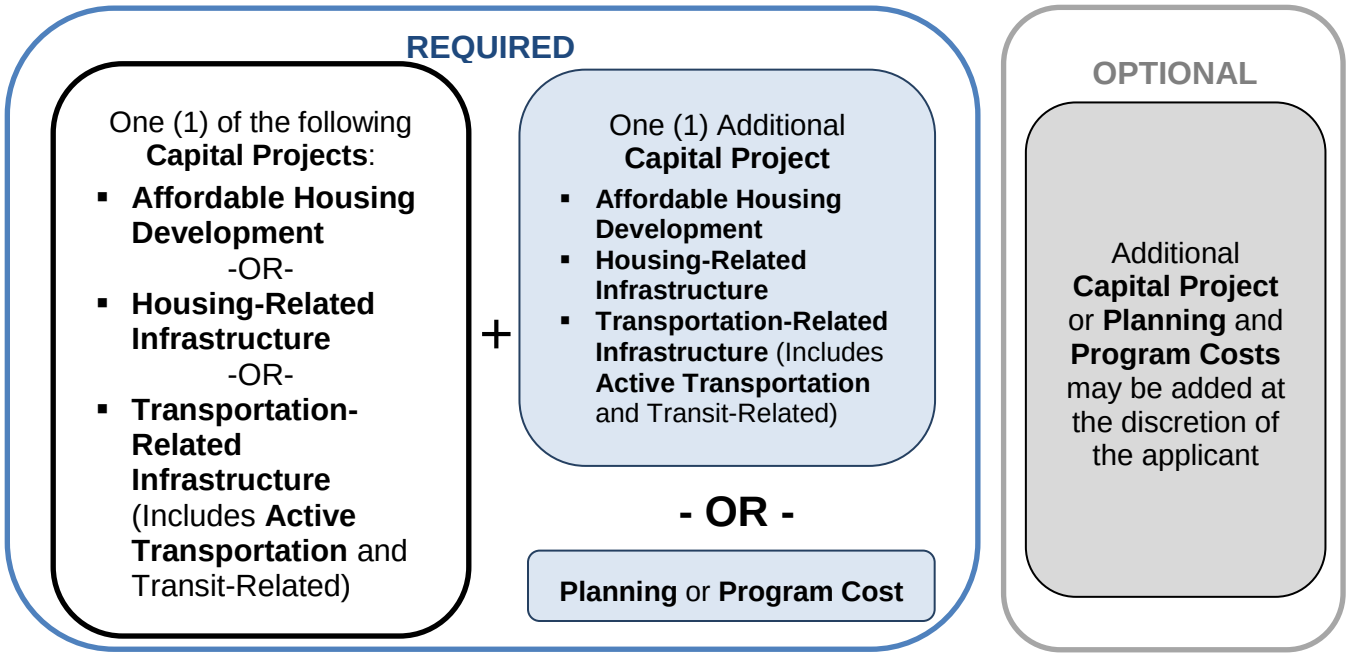
Figure 2 Examples of TODs		
TOD Neighborhood	**TOD District**	**Transit Corridor**
Focus on projects improving connectivity and accessibility of public transit, active transportation infrastructure and affordable housing and/or mixed-use areas. • Most likely to be located within a predominantly multifamily 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).

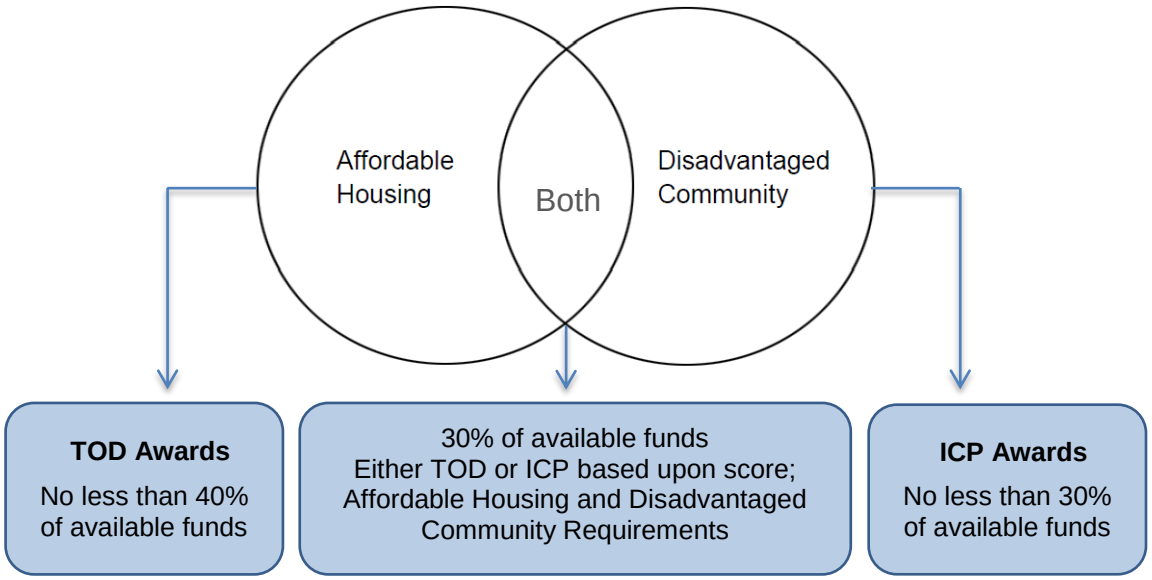
(B) At least fifty (50) percent of the annual proceeds appropriated for the **AHSC Program** shall be expended for affordable housing.[4] For the purposes of this set-aside, expenditures related to **Affordable Housing Development** and **Housing-Related Infrastructure Capital Projects** shall count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

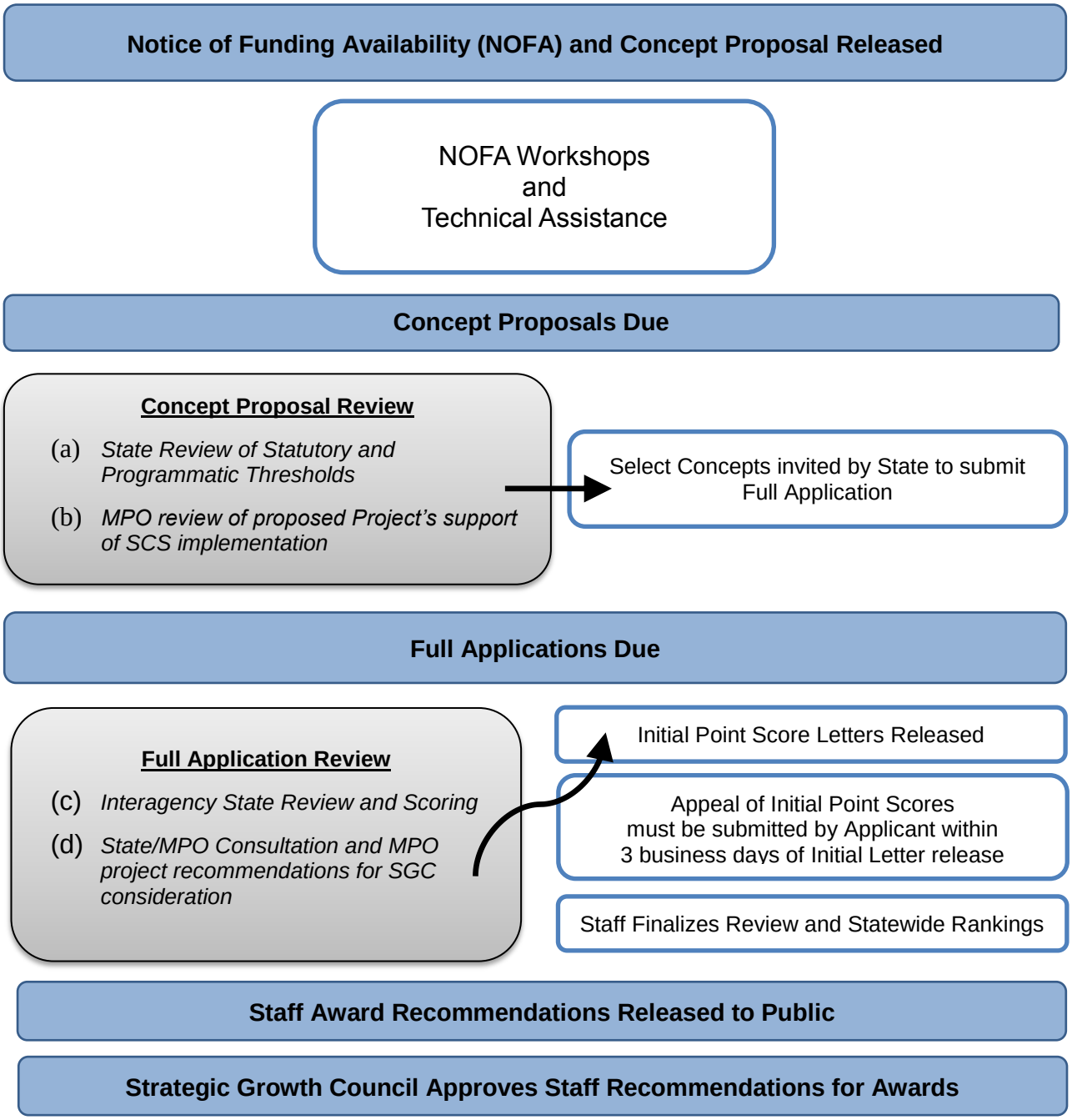
(5) As station area plans for High Speed Rail are implemented, the **Council** will consider prioritization of investments in these areas in future updates of the **AHSC Program** Guidelines.

(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).

California Air Resources Board

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

Version 2

Fiscal Year 2014-15

~~January 20~~March 17, 2015

Table of Contents

A. Introduction 1
B. Using CalEEMod ..... 4~~4~~
C. Transit and Connectivity Methods ..... 13~~13~~~~12~~
Operation of New Bus Service ..... 14~~14~~~~13~~
Vanpools and Shuttles ..... 16~~16~~~~15~~
Bicycle Paths or Lanes ..... 18~~18~~~~17~~
Pedestrian Facilities ..... 20~~20~~~~19~~
EMFAC2011 Emission Factors ..... 21~~21~~~~20~~
D. Reporting and Documentation ..... 23~~23~~~~22~~

A. Introduction

The California Air Resources Board (ARB) is responsible for providing the quantification methodology to estimate greenhouse gas (GHG) emission reductions from projects receiving monies from the Greenhouse Gas Reduction Fund (GGRF). For the Strategic Growth Council's (SGC) Affordable Housing and Sustainable Communities Program (AHSC), ARB staff developed this GHG emission reduction quantification methodology to be used by grant applicants to estimate proposed project GHG emission reductions for Fiscal Year (FY) 2014-15 funds.

This methodology uses currently available tools to estimate the changes in vehicle miles traveled (VMT) and GHG emission reductions based on specific land use and transportation characteristics of the proposed project. These tools include specific components of the "California Emissions Estimator Model" (CalEEMod) and calculation methodologies based on the "Methods to Find the Cost-Effectiveness of Funding Air Quality Projects for Evaluating Motor Vehicle Registration Fee Projects and Congestion Mitigation and Air Quality Improvement Projects" (CMAQ Methods).

Methodology Development

For the first year (FY 2014-15) of the AHSC Program, ARB and SGC staff followed a set of principles to guide the development of the quantification methodology.

These principles ensure that the methodology for AHSC projects would:

- Apply at the project-level.
- Align with the project types proposed for funding with the AHSC program.
- Provide uniform methods to be applied statewide, and be accessible by all applicants.
- Estimate GHG emission reductions from a discrete list of VMT reduction measures.
- Use existing and proven tools or methodologies where available.
- Reflect relationships between VMT and GHG reduction that are supported by empirical literature.

Both tools fit these objectives, and provide a uniform methodology to quantify VMT and GHG emission reductions from individual project proposals based on established modeling techniques.

Tools

Both CalEEMod and the CMAQ Methods are used statewide, publicly available, and are subject to regular updates to incorporate new information. The tools and documentation are free of charge and available to anyone with internet access. Both tools use on-road vehicle GHG emission factors from the ARB Mobile-Source Emission Factor model (EMFAC 2011), and provide an accurate method for quantifying air quality impacts from land use and transportation projects throughout California.

CalEEMod is a "state-of-the-practice" land use emissions calculator tool designed to quantify GHG emissions and criteria air pollutants associated with land use

development projects, including transit-oriented developments and mixed-used developments. It is used by municipal lead agencies to evaluate the GHG emissions and criteria air pollutants of land use development projects pursuant to California Environmental Quality Act (CEQA), National Environmental Protection Act (NEPA), and for compliance with local air quality rules and regulations. CalEEMod includes a suite of twenty-five VMT reduction measures. The emission reduction impacts of the measures were developed by and are detailed in a study titled "Quantifying Greenhouse Gas Mitigation Measures" (CAPCOA GHG Quantification Report) by the California Air Pollution Control Officers Association[1]. The CAPCOA GHG Quantification Report includes detailed fact sheets that describe the underlying research and the data used to develop the reduction impacts (also called effects or elasticities) and provide project level examples for each measure.

The CMAQ Methods were developed by ARB and the California Department of Transportation to evaluate the cost-effectiveness of certain types of transportation projects, including bicycle paths, vanpools, and new bus service, among others. They are used statewide by transportation agencies to evaluate criteria pollutant emission reductions from transportation projects competing for State motor vehicle fee and federal CMAQ funding.

AHSC Project Types and Quantification Tools

The AHSC Program will reduce GHG emissions through projects that implement land use, housing, and transportation strategies to support infill, compact, and affordable housing development. The AHSC Program identifies two project types: Transit Oriented Development (TOD) and Integrated Connectivity Projects (ICP). For GHG quantification purposes, the TOD projects and ICP projects that include affordable housing or housing related infrastructure will primarily use CalEEMod. The remaining ICP projects will use the methodologies from the CMAQ Methods. For this document, these are referred to as "Transit and Connectivity (TAC) Methods."

Table 1 lists the most common project types SGC expects to receive in the AHSC Program, and identifies which quantification method would likely be used. For some projects, it may be appropriate to use both.

[1] http://www.capcoa.org/wp-content/uploads/2010/11/CAPCOA-Quantification-Report-9-14-Final.pdf

Table 1: Example Project Types and Quantification Method

AHSC Project Type	CalEEMod	TAC Methods
Transit-oriented development	X	
Mixed use development	X	
Transit and commute improvements (e.g., transit subsidy) associated with housing or other land use development	X	
Regional transit projects (e.g., new bus service, vanpools) not associated with housing or other land use development		X
Bicycle paths or lanes		X
Pedestrian facilities		X

These methods require land use characteristics and VMT reduction strategies from the proposed project, which should be readily available in the project application.

GHG Emission Reductions

This methodology estimates the GHG emission reductions of a proposed AHSC project that are based on the reduction in VMT due to specific project characteristics (e.g. density) and project measures (e.g. new bus service). Both CalEEMod and the TAC Methods combine project specific data with default data to establish an initial case and a project case. The difference between the initial case and project case is the quantified GHG emission reductions from the VMT reduction measures identified in the proposed project.

Applicants will estimate the total GHG emission[2] reductions from the proposed project over the project life, as defined in the methodology.

For AHSC Program application scoring purposes, the applicant will report results as:

$$\frac{Metric\ tons\ (MT)\ of\ CO2\ over\ the\ project\ life}{GGRF\ Funds\ Requested\ (\$)}$$

The following sections describe the calculations needed to estimate the GHG emission reductions for proposed projects under the FY 2014-15 AHSC Program.

Technical Assistance

ARB staff will be available to provide technical assistance in using this quantification methodology for AHSC applications. ARB staff will also review the quantification portions of the project applications to ensure that the methods outlined in this document were properly applied to estimate the GHG emission reductions for the proposed project. For more information on ARB's efforts to support implementation of GGRF investments, see: www.arb.ca.gov/auctionproceeds. Questions on this document should be forwarded to GGRFProgram@arb.ca.gov. For frequently asked questions concerning the quantification methodology, see http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm

[2] This methodology results in estimated CO2 reductions only. For the purposes of this quantification methodology and the AHSC application, the applicant will report CO2 reductions as GHG reductions.

B. Using CalEEMod

The CalEEMod model, User's Guide, and other supporting documents can be downloaded, without charge, from www.caleemod.com.

Please Note: This FY 2014-15 quantification methodology for the AHSC Program focuses on the suite of twenty-five VMT reduction measures and project characteristics that are included within CalEEMod. This methodology **does not** use the CalEEMod input or output screens for calculating construction, energy, and water-related emissions.

AHSC Program applicants will follow these steps to estimate the GHG emission reductions for a proposed project using CalEEMod.

1. **Define the proposed project**: The applicant will use CalEEMod's "Project Characteristics" and "Land Use" screens to define the proposed project setting and land use characteristics.

2. **Identify and enter VMT reduction measures**: The applicant will identify the VMT reduction measures associated with the proposed project, and enter the applicable values using CalEEMod's "Mitigation-Traffic Mitigation-Land Use & Site Enhancement" and "Mitigation-Traffic Mitigation-Commute" screens.

3. **Generate a CalEEMod Report**: The applicant will use CalEEMod's "Reporting" screen to generate an output file that will automatically calculate the initial case and project case GHG emissions.

   The applicant will complete Steps 1-3 two times. First, applicants will use the first operational year of the project (e.g., 2017). Second, applicants will add 30 years (e.g., 2047). All CalEEMod projects must use a 30 year project life to complete this methodology.

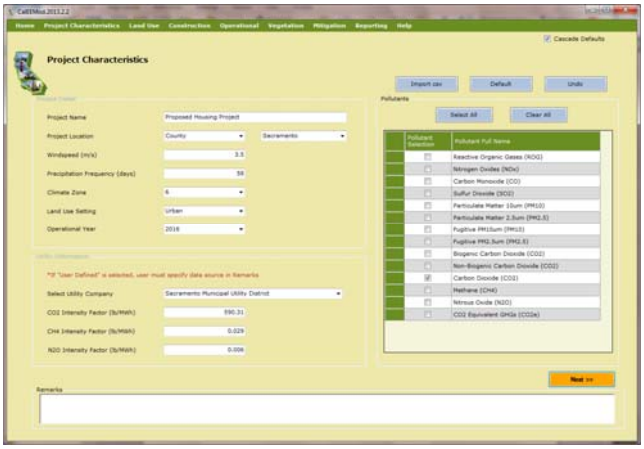
4. **Calculate additional benefits**: The applicant will calculate additional GHG benefits to correct for a known underestimation in CalEEMod of the GHG benefits for projects with densities over 7.6 dwelling units/acre, and for projects that are closer than 12 miles to a central business district or job center. Applicants will calculate additional GHG benefits for subsidized/discount transit passes for housing residents using the equations provided.

5. **ICP adjustment, if applicable**: This step applies only to ICP projects using CalEEMod and taking credit for increased transit accessibility (LUT-5).

6. **Calculate the GHG reductions over the project life**: The applicant will calculate the GHG reductions over the project life using results from Steps 1-5.

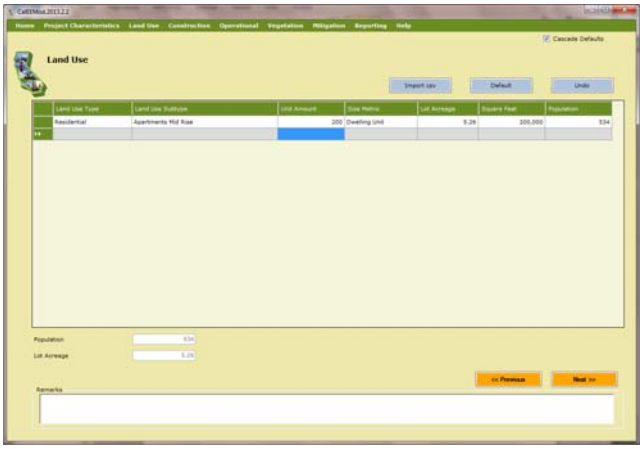
Step 1: Define the Proposed Project

Project Characteristics Screen



Cascade Defaults: Leave this box checked
Project Name: Enter project name
Project Location: Select the county
Climate Zone: Enter Climate Zone[3]
(Windspeed and Precipitation will "autofill")
Land Use Setting: Select "Urban" unless project is in a defined "Rural" Census Tract
Operational Year: First run, enter the first operational year of the project.
Second run, add 30 years to the first operational year of the project. 30 years is the required project life for AHSC CalEEMod runs.[4]
Select Utility Co.: Select the utility company serving the proposed project.[5]
(CO2, CH4, and N2O Intensity Factors will "autofill")
Pollutants: Leave only the box for "Carbon Dioxide (CO2)" checked

Land Use Screen



Cascade Defaults: Leave this box checked
Land Use Type: Select land use type[6]
Land Use Subtype: Select land use subtype
(multiple rows may be used to characterize the proposed project)
Unit Amount: Enter number of units
Size Metric: Select the size metric
Lot Acreage: *
Square Feet: *
Population: *

*Enter values if available in proposed project information. CalEEMod will use defaults if left blank.

Navigation Note - After entering project information on the "Land Use Screen," navigate to the "Mitigation" area of CalEEMod. The "Construction," "Operational," and "Vegetation" areas of CalEEMod should not be used for AHSC project quantification.

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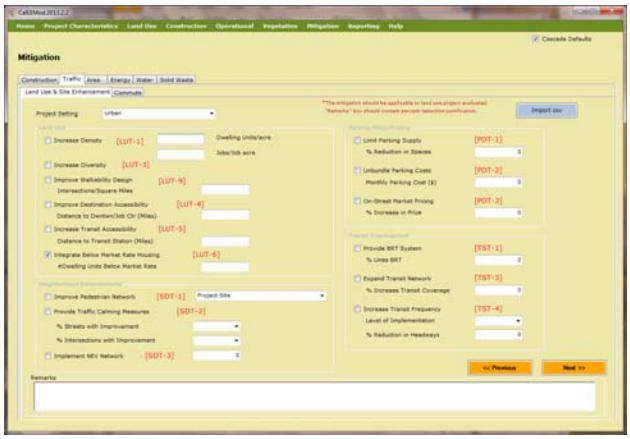
[3] The climate zone for a project can be looked up using CalEEMod's User's Guide Appendix F - Climate Zones Zip Code/Cities Lookup, Climate Zone Zip Code/Cities Lookup or the Climate Zone Map. If your ZIP code has multiple climate zones, use the Climate Zone Map to approximate within which zone the project is located. These files are available at: http://www.aqmd.gov/caleemod/user%27s-guide.
[4] If the project life extends past 2035, the applicant must use 2035 as a proxy for any final project year (YrF). 2035 is the latest available operational year in CalEEMod.
[5] If the utility serving the project is not listed, the applicant can select the user defined option and supply the CO2, CH4 and N20 intensity factors. If intensity factors are not known, select the statewide average.
[6] Definitions for all land use types and subtypes can be found in the CalEEMod User's Guide, pages 16-21 at the following link: http://www.aqmd.gov/docs/default-source/caleemod/usersguide.pdf?sfvrsn=2.

Step 2: Identify and Enter VMT Reduction Measures

Applicants identify which of the following VMT reduction measures and project characteristics apply to the proposed AHSC project, and enter the applicable project data into the "Land Use & Site Enhancement" or "Commute" screens.

Mitigation-Traffic, Land Use & Site Enhancement Screen



Project Setting: Select the one that best characterizes the existing surrounding land use pattern. See Table 2 below.

Select the VMT reduction measures: included in the proposed project and enter the required project specific data as identified in Table 3 below. *Do not select LUT-1 or LUT-4; instead, see Step 4.*

Table 2. Project Settings in the "Land Use & Site Enhancement" Screen

CalEEMod Project Setting Types[7]	Location Setting Description
Low Density Suburban	An area characterized by dispersed, low-density, single-use, automobile dependent land use patterns, usually outside of the central city (a suburb).
Suburban Center	An area that serves the population of the suburb with office, retail, and housing which is denser than the surrounding suburb.
Urban	An area which is located within the central city with higher density of land uses than would be found in the suburbs. It may be characterized by multi-family housing and located near office and retail.
Urban Center	An area within or contiguous with the central city. Examples may include redevelopment areas, abandoned sites, or underutilized older buildings/sites.

For "Rural" Projects: CalEEMod does not include a rural project setting due to the limited empirical studies regarding the relationship between VMT and GHG emission reductions in rural areas. For proposed AHSC projects that are in census tracts designated as "Rural", the "Low Density Suburban" land use setting can be used <u>if</u> the project meets the following requirements:

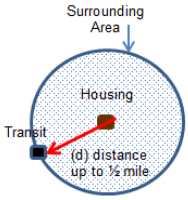
1. Project site is designated for development in an adopted general plan or zoning ordinance, <u>or</u>
2. Project site is within an existing urban services boundary or sphere of influence, <u>and</u>
3. Rural census track in which project site is located is adjacent to a census track with contiguous development on at least one side.

[7] CalEEMod project setting labels differ slightly than those listed in the CAPCOA GHG Quantification Report (CAPCOA 2010). Applicants should apply the definitions provided in these instructions.

Table 3. "Land Use & Site Enhancement" VMT Reduction Measures

ID[8]	VMT Reduction Measure	Description	Project Specific Data Inputs Required by CalEEMod
Land Use & Site Enhancement Measures			
LUT-1	Increase Density	Project more dense (housing or jobs) than typical developments	**Do not check LUT-1 box in CalEEMod, and See Step 4**
LUT-3	Increase Diversity	Different types of land uses are near each other	Project land use types
LUT-9	Improve Walkability Design	Walkable street network	Intersections per square mile[(a)]
LUT-4	Improve Destination Accessibility	Project close to regional employment or destination center	**Do not check LUT-4 box in CalEEMod, and See Step 4**
LUT-5	Increase Transit Accessibility	Project near high-quality transit	Distance to transit station (miles). **If ICP, See Step 5**
LUT-6	Integrate Below Market Rate Housing	Incorporates affordable housing	**CalEEMod: enter Percentage of units (not # of Units)** that are affordable as defined by AHSC Guidelines.
Neighborhood Enhancement Measures			
SDT-1	Improve Pedestrian Network	On-site pedestrian access network links project internally and externally	Designate if improvements are "Project Site" only or "Project Site and Connecting Off-Site"
SDT-2	Provide Traffic Calming Measures	Project's streets and intersections feature traffic calming features	% Streets with improvements and % intersections with improvements[(a)]
SDT-3	Implement NEV Network	Project provides viable neighborhood electric vehicle (NEV) network	Number of NEVs per household
Parking Policy/Pricing Measures			
PDT-1	Limit Parking Supply	Parking supply below Institute of Traffic Engineer (ITE) rates	% reduction in spaces
PDT-2	Unbundle Parking Costs	Parking and property costs separate	Monthly parking cost ($)
PDT-3	On-Street Market Pricing	On-street parking utilizes market-rate pricing (such as meters)	% increase in price[(a)]
Transit Improvement Measures			
TST-1	Provide BRT System	Establish a Bus Rapid Transit line with operational funding stream	% of lines serving project converting to BRT
TST-3	Expand Transit Network	Establishes or enhances bus line with operational funding stream	% increase transit coverage[(a)]
TST-4	Increase Transit Frequency	Reduces headways of existing transit	Level of implementation % reduction in headway

Note (a). These metrics should be evaluated for an area within the housing development and surrounding area which can extend a distance (d) from the housing development not to exceed one-half (½) mile.



[8] Measures listed in the order shown on the CalEEMod screens. IDs reference to the CAPCOA GHG Quantification Report.

Mitigation-Traffic, Commute Screen

Select the VMT reduction measures: included in the proposed project and enter the required project specific data as identified in Table 4 below.

These VMT reduction measures only apply to non-residential land use types.

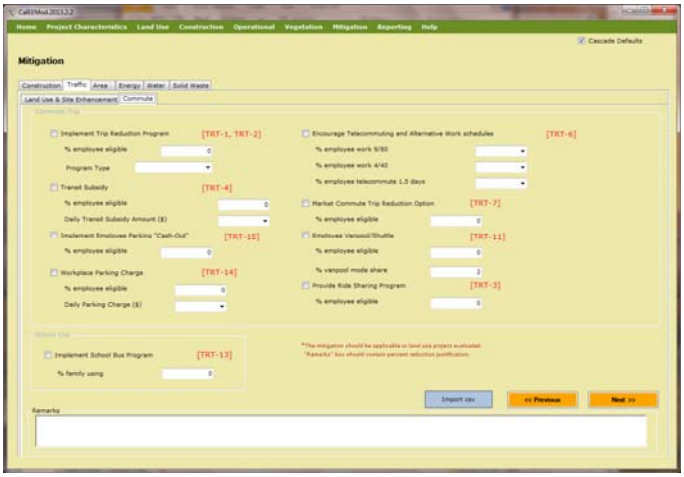


Table 4. "Commute" VMT Reduction Measures

ID[9]	VMT Reduction Measure	Description	Project Specific Data Inputs Required by CalEEMod
Commute Trip Measures			
TRT-1&2	Implement Trip Reduction Program	TMA membership or other comprehensive services	% employee eligible and program type
TRT-4	Transit Subsidy[10]	Proponent subsidizes sustainable modes of transportation	% employee eligible and daily transit subsidy amount ($)
TRT-15	Implement Employee Parking "Cash-Out"	Employer provides cash-value of a parking space to employees who do not use one	% employee eligible
TRT-14	Workplace Parking Charge	Charge employees for their parking	% employee eligible and daily parking charge ($)
TRT-6	Encourage Telecommuting and Alternative Work Schedules	Allow/require 9/80s, 4/10, and telecommuting	% employee work 9/80, % employee work 4/40, and % employee telecommute 1.5 days
TRT-7	Market Commute Trip Reduction Option	Market sustainable travel options	% employee eligible
TRT-11	Employee Vanpool/Shuttle	Provide employer-sponsored vanpool or shuttle program	% employee eligible and % vanpool mode share
TRT-3	Provide Ride Sharing Program	Establish a carpooling program with associated infrastructure	% employee eligible
School Trip Measures			
TRT-13	School Bus Program	Restore or expand school bus service	% families using

[9] Measures listed in the order shown on the CalEEMod screens. IDs reference to the CAPCOA GHG Quantification Report.

[10] TRT-4 is used for subsidized transit passes for employees. For subsidized transit passes for residents, see Step 4.

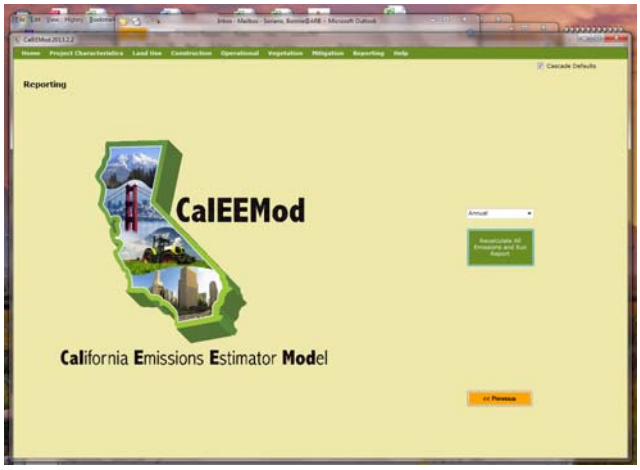
Step 3: Generate a CalEEMod Report

Reporting Screen

Select "Annual" emissions

Click "Recalculate Emissions and Run Report"

CalEEMod will generate a report that includes both the initial case, which is identified as "unmitigated" in the CalEEMod report, and the project case, identified as "mitigated".



The GHG emissions value for AHSC projects are found in the Total CO2 column in the "Mobile" Category of the "Overall Operational" results table. Figure 1 below provides an example of an unmitigated, initial case results table.

Figure 1. CalEEMod Report Section 2.2 Listing Overall Operational Mobile Unmitigated (i.e., Initial Case) GHG Emissions in MT/yr.

2.2 Overall Operational

Unmitigated Operational

Initial Case GHG Emissions

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area													24.6121			
Energy													682.8471			
Mobile													3,104.5474			
Waste													41.8324			
Water													73.9439			
Total													3,927.7828			

Complete Steps 1-3 two times. First, use the first operational year of the project (YR1). Second, add 30 years (Yr1 + 30) for the final project year used for quantification purposes (YrF).

Use the following Total CO2 emissions results in Steps 4-6 below:

- Yr1 Initial Case GHG Emissions
- Yr1 Project Case GHG Emissions
- YrF Initial Case GHG Emissions
- YrF Project Case GHG Emissions

Step 4: Calculate Additional Benefits

CalEEMod underestimates the GHG benefits for projects with densities over 7.6 dwelling units/acre (LUT-1: Increase Density), and for projects that are closer than 12 miles to a central business district or job center (LUT-4: Increase Destination Accessibility). In addition, the CalEEmod Transit Subsidy (TRT-4) only applies to employees. An adjustment has been provided to apply transit subsidies to residents.

Applicants can use the following equations to estimate reductions for these three measures.

To complete this step, **identify** the following project specific data:

- LUT-1: Project Dwelling Units per acre (**Project DU/acre**)
- LUT-4: Distance in miles to a central business district or job center (**Project Distance**)
- TRT-4: Annual transit subsidy/discount for housing residents **(Transit Subsidy, Percent Residents Eligible)**

Calculate the additional GHG reductions for each measure using the formulas below:

Increase Density (LUT-1)[11]

$$\%\,Density\ Increase = 100 * \frac{\boldsymbol{Project\ DU/acre} - 7.6}{7.6}$$

$$\%\,VMT\ Reduction = 0.07 * \%\,Density\ Increase \qquad \text{Eq. 1}$$

$$\%\,GHG\ Reduction = \%\,VMT\ Reduction \qquad \text{Eq. 2}$$

Increase Destination Accessibility (LUT-4)[12] Eq. 3

$$\%\,Distance\ Decrease = 100 * \frac{\boldsymbol{Project\ Distance} - 12}{12} \qquad \text{Eq. 4}$$

$$\%\,VMT\ Reduction = -0.20 * \%\,Distance\ Decrease \qquad \text{Eq. 5}$$

$$\%\,GHG\ Reduction = \%\,VMT\ Reduction \qquad \text{Eq. 6}$$

[11] The maximum % GHG Reduction an applicant can take credit for with this measure is 30%.
[12] The elasticity factor is the same for the distance to a job center or a central business district.

Transit Subsidy for Residents (TRT-4)

$$GHG\ Reduction\ Yr1 = A * B * Initial\ Case\ GHG\ Emissions\ Yr1 * (C/30) \quad \text{Eq. 7}$$

$$GHG\ Reduction\ YrF = A * B * Initial\ Case\ GHG\ Emissions\ YrF\ * (C/30) \quad \text{Eq. 8}$$

Where A is the percent VMT reduction per eligible resident shown in the following table:

Transit Subsidy or Discount per Year per Eligible Resident	A=Percent Reduction in Commute VMT per Eligible Resident		
	Low Density Suburban	Suburban Center	Urban and Urban Center
From $273.75 to $543.84	1.5	3.4	6.2
$543.85 to $1087.69	3.3	7.3	12.9
$1,087.70 to $2175.39	7.9	16.4	20.0
$2,175.40 or greater	20.0	20.0	20.0

B is the percent of residents eligible for the subsidized or discounted transit program.

C is the number of years that the subsidy/discount is funded or guaranteed under the proposed project or transit agency program.

Calculate the additional benefits for LUT-1, LUT-4 and TRT-4 as follows:

$$Yr1\ GHG\ Reduction\ = \%\ GHG\ Reduction * Yr1\ Initial\ Case\ GHG\ Emissions \quad \text{Eq. 9}$$

$$YrF\ GHG\ Reduction = \%\ GHG\ Reduction * YrF\ Initial\ Case\ GHG\ Emissions \quad \text{Eq. 10}$$

Use the following GHG reduction results from LUT-1, ~~and~~ LUT-4 and TRT-4 in Step 6 below:

- Yr1 LUT1 GHG Reduction
- YrF LUT1 GHG Reduction
- Yr1 LUT4 GHG Reduction
- YrF LUT4 GHG Reduction
- Yr1 TRT4 GHG Reduction
- YrF TRT4 GHG Reduction

Step 5: ICP Adjustment, If Applicable

The data supporting transit accessibility (LUT-5) in CalEEMod are based on high-quality transit service. Since ICP projects do not qualify for high-quality transit, an adjustment is needed for these projects. As such, this step only applies to ICP projects that are taking credit for LUT-5 in CalEEMod and have transit peak headways with frequencies less than 75 minutes.

For applicable ICP projects:

Complete Step 2 (run CalEEMod) with the transit accessibility (LUT-5) option ~~filled in~~checked.

Calculate the ICP GHG Adjustment[13] as follows:

$$Yr1\ ICP\ GHG\ Adjustment = 0.025 * Yr1\ Initial\ Case\ GHG\ Emissions \qquad \text{Eq. 11}$$

$$YrF\ ICP\ GHG\ Adjustment = 0.025 * YrF\ Initial\ Case\ GHG\ Emissions \qquad \text{Eq. 12}$$

Use the following ICP GHG adjustments in Step 6 below:

- Yr1 ICP GHG Adjustment
- YrF ICP GHG Adjustment

Step 6: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the results from Steps 1-5 and the following equations. Use the first two equations two times. First for Yr1, then for YrF.

$$\begin{aligned} \boldsymbol{Adj\ Project\ Case\ GHG\ Emissions} \\ &= Project\ Case\ GHG\ Emissions\ (Step\ 3) \\ &- LUT1\ GHG\ Reductions\ (Step\ 4) \\ &- LUT4\ GHG\ Reductions\ (Step\ 4) \\ &- TRT4\ GHG\ Reductions (Step\ 4) \\ &+ ICP\ GHG\ Adustment\ (Step\ 5) \end{aligned} \qquad \text{Eq. 13}$$

$$\begin{aligned} \boldsymbol{Total\ GHG\ Reductions} \\ &= Initial\ Case\ GHG\ Emissions - \boldsymbol{Adj\ Project\ Case\ GHG\ Emissions} \end{aligned} \qquad \text{Eq. 14}$$

$$\begin{aligned} Project\ Life\ GHG\ Reductions \\ &= \left(\frac{\boldsymbol{Yr1\ Total\ GHG\ Reductions} + \boldsymbol{YrF\ Total\ GHG\ Reductions}}{2}\right) * 30 \end{aligned} \qquad \text{Eq. 15}$$

The Project Life GHG Reductions will be used in Section D. Reporting.

[13] Based on documentation in the CAPCOA GHG Quantification Report for TST-4: Increase Transit Frequency/Speed

C. Transit and Connectivity Methods

AHSC Integrated Connectivity Project applicants will identify the applicable Transit and Connectivity (TAC) method based on the proposed project. These methods apply only to ICP projects that do not include mixed-used development, affordable housing, or housing-related infrastructure.

In consultation with SGC, quantification methods are provided for four project types not covered in CalEEMod. Table 5 describes these project types and defines the project life that will be used for quantification purposes.

Table 5. TAC Methods - For AHSC Projects

TAC Methods	Description	Project Life
Operation of New Bus Service	Extended and increased frequency routes with cleaner vehicles, new hours of service, and serve additional riders.	Number of years the new bus service is funded under the proposed project.
Vanpools and Shuttles	Commuter vanpools, shuttles, or rail feeder shuttles to work sites, homes, or schools. Emissions are reduced by replacing auto trips with higher occupancy vanpools or shuttles.	Number of years the vanpool or shuttle service is funded under the proposed project.
Bicycle Paths or Lanes	Bicycle paths (Class 1) or bicycle lanes (Class 2) that are targeted to reduce commute and other non-recreational auto travel. Emissions are reduced by replacing auto trips with bicycle trips.	Class 1 bicycle paths-20 yrs Class 2 bicycle lanes-15 yrs
Pedestrian Facilities	Pedestrian facilities reduce VMT by providing pedestrian access and replacing auto trips with walking trips.	Pedestrian Facilities-20 yrs

The following is a summary of the three steps AHSC Program applicants will follow to estimate the GHG emission reductions for a proposed project using the TAC methods; detailed instructions for each method are provided in the individual project instructions.

1. **Calculate VMT and trip reductions**: The applicant will calculate the VMT and trip reductions based on project specific data and calculation defaults.

2. **Calculate annual GHG emission reductions**: The applicant will use the VMT and trip data determined in Step 1, in conjunction with CO2 emission factors from EMFAC 2011, to calculate the initial year and final year GHG emission reductions. Detailed instructions for obtaining the EMFAC 2011 emission factors needed to estimate the GHG emissions are included on page ~~20~~21.

3. **Calculate the GHG reductions over the project life**: The applicant will calculate the GHG reductions over the project life using results from Steps 1 and 2, and the project life definitions in Table 5.

Operation of New Bus Service

Project Description: New, extended, and increased-frequency routes with cleaner vehicles provide new hours of bus service per year and serve additional people. These are fixed-route services implemented by transit agencies or school districts. Cleaner buses could be used in bus service expansions in order to achieve additional emission reductions from the project.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [1 - (\boldsymbol{AA})] \quad \text{Eq. 16}$$

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [(\boldsymbol{L}) - (\boldsymbol{AA}) * (\boldsymbol{LL})] \quad \text{Eq. 17}$$

Where:

D = Days of operation per year
Use:
260 days for weekday service
365 days for daily service
180 to 200 days for school bus services

R = Ridership in total bus trips per day
Use: expected ridership based on project data

A = Adjustment factor to account for transit dependency
Use: 0.5 for local bus service; 0.83 for long distance commuter service

L = Length of average auto trip reduced
Use: 10.8 miles

AA = Adjustment factor to account for auto trips used to access transit service
Use: 0.1 for local bus service; 0.8 for long distance commuter service

LL = Length of average trip for auto access to transit
Use: 2 miles for local bus service; 5 miles for long distance commuter service

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year = \frac{[(\boldsymbol{AutoTrips}) * (\boldsymbol{ATSEF}) + (\boldsymbol{AutoVMT}) * (\boldsymbol{AREF}) - (\boldsymbol{BusVMT}) * (\boldsymbol{BREF})]}{1{,}000{,}000} \quad \text{Eq. 18}$$

Where:

AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
BusVMT = Annual Bus VMT based on project data
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011
BREF = Bus Running Emission Factor in grams/mile from EMFAC2011

Reminder: this formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values

from EMFAC2011. Instructions for obtaining the ATSEF, AREF, and BREF values from EMFAC2011 are included on page ~~20~~21.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions} + \boldsymbol{YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life} \qquad \text{Eq. 19}$$

Where:

Project life = Number of years the new bus service is funded under the proposed project.

The Project Life GHG Reductions will be used in Section D. Reporting.

Vanpools and Shuttles

Project Description: Projects are commuter vanpools; tourist or shopping shuttles; or rail feeders to work sites, homes, or schools. Services are operated by transit agencies, local governments, transportation management associations (TMAs), private businesses, etc.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [1 - (\boldsymbol{AA})] \quad \text{Eq. 20}$$

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year = [(\boldsymbol{D}) * (\boldsymbol{R}) * (\boldsymbol{A})] * [(\boldsymbol{L}) - (\boldsymbol{AA}) * (\boldsymbol{LL})] \quad \text{Eq. 21}$$

Where:

D = Days of operation per year
Use:
250 days for weekday vanpools
260 days for weekday shuttles
365 days for daily service
180 to 200 days for school services

R = Ridership in total trips (one-way trips by riders or number of boardings) per day
Use: expected ridership based on project data

A = Adjustment factor to account for transit dependency
Use: 0.83 for long distance commuter service

L = Length of average auto trip reduced
Use: 35 miles for vanpools; 16 miles for shuttles; or documented value based on project data.

AA = Adjustment factor to account for auto trips used to access vanpool/shuttle
Use: 0.75

LL = Length of average trip for auto access to vanpool/shuttle
Use: 5 miles

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year = \frac{[(\boldsymbol{AutoTrips}) * (\boldsymbol{ATSEF}) + (\boldsymbol{AutoVMT}) * (\boldsymbol{AREF}) - (\boldsymbol{VanVMT}) * (\boldsymbol{VREF})]}{1{,}000{,}000} \quad \text{Eq. 22}$$

Where:

AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
VanVMT = Annual Van VMT based on project data
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011
VREF = Van Running Emission Factor in grams/mile from EMFAC2011

Reminder: this formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values

from EMFAC2011. Instructions for obtaining the ATSEF, AREF, and VREF values from EMFAC2011 are included on page ~~20~~21.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions} + \boldsymbol{YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life} \qquad \text{Eq. 23}$$

Where:

Project life = Number of years the vanpool or shuttle service is funded under the proposed project.

The Project Life GHG Reductions will be used in Section D. Reporting.

Bicycle Paths or Lanes

Project Description: Bicycle paths (Class 1) or bicycle lanes (Class 2) that are targeted to reduce commute and other non-recreational auto travel. Class 1 facilities are paths that are physically separated from motor vehicle traffic. Class 2 facilities are striped bicycle lanes giving preferential or exclusive use to bicycles. Bike lanes should meet Caltrans' full-width standard depending on street facility type.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year\ = -(\boldsymbol{D}) * (\boldsymbol{ADT}) * (\boldsymbol{A} + \boldsymbol{C})$$ Eq. 24

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year\ = -(\boldsymbol{Annual\ Auto\ Trips\ Reduced}) * (\boldsymbol{L})$$ Eq. 25

Where:

D = Days of use per year
Use: 200

ADT = Annual Average Daily Traffic (two-way traffic volume in trips/day on parallel road
Use applicable value from project data (MAXIMUM = 30,000)

A = Adjustment factor to account for bike use
Use applicable value from Table 6

C = Activity Center Credit near project
Use applicable value from Table 7

L = Length of bicycle trip
Use: 1.8 miles per trip in one direction

Table 6. Adjustment Factor Lookup Table

BIKE FACILITY CLASS	AVERAGE DAILY TRAFFIC (ADT)	LENGTH OF BIKE PROJECT (one direction)	ADJUSTMENT FACTORS FOR CITIES WITH POP. ≥ 250,000 and non-university towns < 250,000	ADJUSTMENT FACTORS FOR UNIVERSITY TOWNS WITH POP. < 250,000
Class 1 (bike path) & Class 2 (bike lane)	ADT ≤ 12,000 vehicles per day	≤ 1 mile	.0019	.0104
		>1 & ≤ 2 miles	.0029	.0155
		> 2 miles	.0038	.0207
Class 1 (bike path) & Class 2 (bike lane)	12,000< ADT ≤24,000 vehicles per day	≤ 1 mile	.0014	.0073
		>1 & ≤ 2 miles	.0020	.0109
		> 2 miles	.0027	.0145
Class 2 bike lane	24,000< ADT ≤30,000 vehicles per day Maximum is 30,000	≤ 1 mile	.0010	.0052
		>1 & ≤ 2 miles	.0014	.0078
		> 2 miles	.0019	.0104

Table 7. Activity Center Credit Lookup Table

Types of Activity Centers: *Bank, church, hospital or HMO, light rail station (park & ride), office park, post office, public library, shopping area or grocery store, university or junior college.*		
Count your activity centers. If there are…	**Credit (C) Within 1/2 mile**	**Credit (C) Within 1/4 mile**
3	.0005	.001
More than 3 but less than 7	.001	.002
7 or more	.0015	.003

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year = \frac{[(\mathbf{AutoTrips}) * (\mathbf{ATSEF}) + (\mathbf{AutoVMT}) * (\mathbf{AREF})]}{1{,}000{,}000} \qquad \text{Eq. 26}$$

Where:
AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011

Reminder: this formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values from EMFAC2011. Instructions for obtaining the ATSEF and AREF values from EMFAC2011 are included on page ~~20~~21.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions + YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life} \qquad \text{Eq. 27}$$

Where:
Project life = Class 1 bicycle paths = 20 yrs
Class 2 bicycle lanes = 15 yrs

The Project Life GHG Reductions will be used in Section D. Reporting.

Pedestrian Facilities

Project Description: Pedestrian facilities replace auto trips by providing or improving pedestrian access. An example is a pedestrian passageway over several lanes of heavy traffic providing safe walking access to adjacent activity centers.

Step 1: Calculate VMT and trip reductions

$$Annual\ Auto\ Trips\ Reduced\ in\ trips\ per\ year\ =\ (\boldsymbol{W}) * (\boldsymbol{T})$$ Eq. 28

$$Annual\ Auto\ VMT\ Reduced\ in\ miles\ per\ year\ =\ (\boldsymbol{W}) * (\boldsymbol{T}) * (\boldsymbol{L})$$ Eq. 29

Where:
W = Weeks of operation per year
Use: 52
T = Auto trips eliminated
Use: Total one-way trips per week based on project data
L = Length of auto trip eliminated
Use: Average distance to adjacent activity center (Default: 1.0)

Step 2: Calculate GHG emission reductions

$$GHG\ Reductions\ in\ MTCO2\ per\ year = \frac{[(AutoTrips) * (ATSEF) + (AutoVMT) * (AREF)]}{1{,}000{,}000}$$ Eq. 30

Where:
AutoTrips = Annual Auto Trips Reduced value from Step 1
AutoVMT = Annual Auto VMT Reduced value from Step 1
ATSEF = Auto Trip Start Emission Factor in grams/trip from EMFAC2011
AREF = Auto Running Emission Factor in grams/mile from EMFAC2011

Reminder: This formula must be used two times to calculate both Yr1 and YrF. The only difference between the two calculations will be the calendar year emission factor values from EMFAC2011. Instructions for obtaining the ATSEF and AREF values from EMFAC2011 are included on page 21.

Step 3: Calculate the GHG Reductions Over the Project Life

Calculate the "Project Life GHG Reductions" using the following equation.

$$Project\ Life\ GHG\ Reductions = \left(\frac{\boldsymbol{Yr1\ GHG\ Reductions} + \boldsymbol{YrF\ GHG\ Reductions}}{2}\right) * \boldsymbol{Project\ Life}$$ Eq. 31

Where:
Project life = 20 years for pedestrian facilities

The Project Life GHG Reductions will be used in Section D. Reporting.

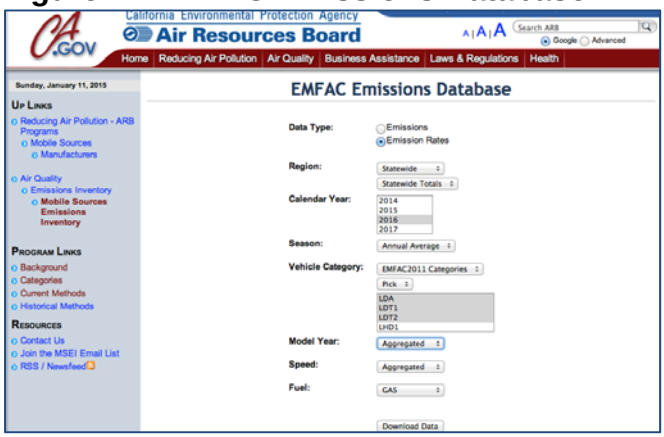
EMFAC2011 Emission Factors

CO2 emission factors must be obtained from EMFAC2011. ARB provides a web-based EMFAC2011 tool (available at http://www.arb.ca.gov/emfac/) to determine vehicle emission factors based on region, calendar year, season, vehicle category, model year, speed, and fuel. The tool provides specified emission factor data in a comma separated values (CSV) output file that can be opened in most spreadsheet software.

Complete the following steps for both calendar years: Yr1 and YrF.

Step 1. Generate the Output File

Figure 2. EMFAC Emissions Database



On the EMFAC Emissions Database screen, select the following parameters:

Data Type:	Emission Rates
Region:	County
Calendar year:	Obtain output files for both Yr1 and YrF
Season:	Annual Average
Vehicle category:	EMFAC2011 Categories Autos: LDA, LDT1, LDT2, and MDV Van: LHD1 or project specific vehicle category Bus: UBUS or project specific vehicle category
Model year:	Aggregated for autos, buses or vans Model year specific for new gas or diesel bus or van projects
Speed:	Aggregated
Fuel:	Gas for autos; Gas or Diesel for vans; Diesel for buses

For the remaining steps, you will only need the following columns from the output file:

- VMT
- CO2_RUNEX (Pavley I+LCFS)
- CO2_STREX (Pavley I+LCFS)

Step 2. Calculate VMT-weighted Auto Running and Trip Start Emission Factors

AREF: Auto fleet average Running Factor in grams/vehicle/day

$$= \frac{(\text{VMT} * \text{CO2_RUNEX(Pavley I + LCFS)})_{LDA} + (\text{VMT} * \text{CO2_RUNEX(Pavley I + LCFS)})_{LDT1} + (\text{VMT} * \text{CO2_RUNEX(Pavley I + LCFS)})_{LDT2} + (\text{VMT} * \text{CO2_RUNEX(Pavley I + LCFS)})_{MDV}}{Sum\ (VMT)}$$ Eq. 32

ATSEF: Auto fleet average Start Factor in grams/vehicle/day divided by trips per vehicle per day.

$$= \frac{(\text{VMT} * \text{CO2_STREX(Pavley I + LCFS)})_{LDA} + (\text{VMT} * \text{CO2_STREX(Pavley I + LCFS)})_{LDT1} + (\text{VMT} * \text{CO2_STREX(Pavley I + LCFS)})_{LDT2} + (\text{VMT} * \text{CO2_STREX(Pavley I + LCFS)})_{MDV}}{Sum\ (VMT)}$$ Eq. 33

The Auto Trip Start Factor in grams/trip is calculated by dividing the Auto Start Factor by 6 trips/vehicle/day[14] as follows:

$$Auto\ Trip\ Start\ Factor\ (\text{ATSEF}) = \left(\frac{Auto\ Start\ Factor}{6}\right)$$ Eq. 34

Step 3. Identify the Van or Bus Emission Factors

VREF or **BREF:** For each calendar year, the van or Running Factor can be taken directly from the CSV file:

$$Running\ Factor = \text{CO2_RUNEX(Pavley I + LCFS)}$$ Eq. 35

Step 4. Obtain Emission Factors for both Yr1 and YrF

Don't forget to get the emission factors for both the initial year and final year of the project![15]

[14] The number of trips per vehicle per day was estimated by dividing the average number of trips per day by the number of vehicles for each vehicle category (LDA, LDT1, LDT2, and MDV) from the EMFAC web-based tool.

[15] EMAC2011 emission factors are only available through 2035. Use 2035 as a proxy for any final year beyond 2035. This is consistent with CalEEMod.

D. Reporting and Documentation

The final step to complete this quantification methodology is to report the Total Project GHG Emission Reductions and provide documentation of the calculations.

The Total Project GHG Emission Reductions is equal to the sum total of each of the Project Life GHG Reductions calculated in Sections B and C, as follows:

$$\begin{aligned} Total\ Project\ GHG\ Emission\ Reductions\ in\ MTCO2 \\ &= Project\ Life\ GHG\ Reductions\ (from\ CalEEMod, Section\ B) \\ &+ Project\ Life\ GHG\ Reductions (from\ Bus, Section\ C) \\ &+ Project\ Life\ GHG\ Reductions\ (from\ Vanpools, Section\ C) \\ &+ Project\ Life\ GHG\ Reductions\ (from\ Bicycle, Section\ C) \\ &+ Project\ Life\ GHG\ Reductions\ (from\ Pedestrian, Section\ C) \end{aligned}$$ Eq. 36

For AHSC Program application scoring purposes, the applicant must report results as:

$$\frac{Total\ Project\ GHG\ Emission\ Reductions\ in\ Metric\ tons\ (MT)\ of\ CO2\ over\ the\ project\ life}{GGRF\ Funds\ Requested\ (\$)}$$ Eq. 37

Documentation

Applicants are required to provide electronic documentation that is complete, and sufficient enough to allow the quantification calculations to be reviewed and replicated. Paper copies of any materials must be available upon request by SGC or ARB staff.

Documentation will include such things as:

- Contact information for the person who can answer project specific questions from staff reviewers on the quantification calculations
- Project description, including excerpts or specific references to the location in the main AHSC application of the project information necessary to complete the applicable portions of the quantification methodology
- If applicable, electronic copies of the CalEEMod input and output files
    - A list of the VMT reduction measures used in the proposed project with clearly identified project specific input data used in Section B
    - Electronic documentation of calculations (spreadsheets, etc.) for all additional calculations
- If applicable, electronic copies of the TAC Methods used
    - Documentation of the project specific data used in Section C
    - Documentation of calculations (spreadsheets, EMFAC2011 reports, etc.)
    - Documentation for increased ridership estimates
- Summary page with, at minimum, the following information
    - GHG emissions estimates for Yr1 and YrF
    - GHG emission reductions for Yr1, YrF, and Total over the project life
    - GGRF funds requested for the project
    - Total Project GHG emission reductions per GGRF funds requested

Appendix E. Co-Benefits

In order to maximize public health and safety, economic, and environmental co-benefits to all communities served by the **AHSC Program**, all applicants are required to describe and quantify the co-benefits of the **Project** according to Section 107(j). The following resources should be used as a starting point for describing the co-benefits of the **Project**.

Identification of Co-Benefits

Figure E-1 below is excerpted from ARB's Interim Guidance on **Disadvantaged Communities** (Table 3, page 19)[16] and provides a list of commonly identified **Disadvantaged Community** needs. Figure E-2 below was developed by the California Health in All Policies Task Force as part of the Healthy Community Indicators Project[17] and provides an additional set of potential co-benefits that may be associated with a proposed project.

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

Figure E-1 **Illustrative Examples of Common Needs of Disadvantaged Communities (as identified by Community Advocates)**
Public Health and Safety Co-Benefits: 1. Reduce health harms (e.g., asthma) suffered disproportionately by low-income residents/communities due to air pollutants 2. Reduce health harms (e.g., obesity) suffered disproportionately by low-income residents/communities due to the built environment (e.g., by providing active transportation opportunities, parks) 3. Increase community safety 4. Reduce heat-related illnesses and increase thermal comfort (e.g., weatherization and solar energy can provide more efficient and affordable air conditioning; urban forestry can reduce heat-island effect)
Economic Co-Benefits: 1. Create quality jobs and increase family income (e.g., targeted hiring for living wage jobs that provide access to health insurance and retirement benefits with long-term job retention) 2. Increase job readiness and career opportunities (e.g., workforce development programs, on-the-job training, industry-recognized certifications) 3. Revitalize local economies (e.g., increased use of local businesses/small businesses) 4. Reduce housing costs (e.g., affordable housing) 5. Reduce transportation costs (e.g., free or reduced cost transit passes) and improve access to public transportation (e.g., new services in under-served urban and rural communities) 6. Reduce energy costs (e.g., weatherization, solar, etc.)

[16] http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm
[17] http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx#HealthyCommFramwk

7. Improve transit service levels and reliability on systems/routes that have high use by low-income riders 8. Bring jobs and housing closer together (e.g., affordable housing in transit-oriented development, and in healthy, high-opportunity neighborhoods)
Environmental Co-Benefits: 1. Reduce exposure to local toxic air contaminants (e.g., provide a buffer between bike/walk paths and corridors with high levels of transportation pollution) 2. Prioritize zero-emission vehicle projects for areas with high diesel air pollution

The Healthy Community Framework was developed through a consensus process between 19 State agencies, departments, and offices, with significant input from public stakeholders across California including local health departments, community organizations, academics, advocates, and residents. Each item on the framework is a potential co-benefit, and each is tied to specific indicators that are part of the SGC/CDPH Healthy Community Indicators Project.

Figure E-2
Healthy Communities Framework

A Healthy Community provides for the following through all stages of life:

►Meets basic needs of all

- Safe, sustainable, accessible and affordable transportation options
- Affordable, accessible and nutritious foods and safe drinkable water
- Affordable, high quality, socially integrated and location-efficient housing
- Affordable, accessible and high quality health care
- Complete and livable communities including quality schools, parks and recreational facilities, child care, libraries, financial services and other daily needs
- Access to affordable and safe opportunities for physical activity
- Able to adapt to changing environments, resilient, and prepared for emergencies
- Opportunities for engagement with arts, music and culture

►Quality and sustainability of environment

- Clean air, soil and water, and environments free of excessive noise
- Tobacco- and smoke-free
- Green and open spaces, including healthy tree canopy and agricultural lands
- Minimized toxics, greenhouse gas emissions and waste
- Affordable and sustainable energy use
- Aesthetically pleasing

►Adequate levels of economic, social development

- Living wage, safe and healthy job opportunities for all, and a thriving economy
- Support for healthy development of children and adolescents
- Opportunities for high quality and accessible education

►Health and social equity

►Social relationships that are supportive and respectful

- Robust social and civic engagement
- Socially cohesive and supportive relationships, families, homes and neighborhoods

►Safe communities, free of crime and violence

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In addition to identifying the public health and safety, economic, and environmental co-benefits, project applicants should also identify how the project and the co-benefits it provides are resilient to the effects of a changing climate and how the project makes the community better suited to deal with potential future risks, like sea-level rise, extreme heat, decreased water supply, and more intense and frequent floods and fires.

For example, project elements such as water conservation and recycling, use of natural infrastructure to address changing hydrological systems, and the integration of cooling materials and shade canopies should be identified with information on how the safeguarding potential of those co-benefits will be provided over the project life. For more information on Climate Resiliency, please see Appendix F.

Description of who will Benefit and how the Co-Benefit Addresses an Identified Need in the Project Area

The applicant should consider and identify the recipients who will directly benefit from the proposed project, such as specific **Disadvantaged Communities** as identified by CalEPA or the **Vulnerable Populations** served by the Project. When completing the co-benefits section of the application, the applicant should identify the **Disadvantaged Community**, **Vulnerable Population**, or other community the co-benefits will be provided to.

The application should also outline how the co-benefit addresses an identified need of the populations served by the **Project**. Ideally, **Projects** should result in co-benefits that either address an important need commonly identified by **Disadvantaged Community** residents (as mentioned above), address a key factor that caused the area(s) to be identified as a **Disadvantaged Community** (e.g., unemployment levels or poor air quality), provide co-benefits that improve a Healthy Communities Indicator, or provide a direct benefits to a **Vulnerable Population**.

For example, this can be accomplished by a project that directly addresses a key factor that caused an area to be identified as a disadvantaged community or vulnerable population– such as unemployment levels or poor air quality – in the first place.

Vulnerable Populations include, but are not limited to:

- Lower-Income Households*
- Children*
- Elderly*
- Unemployed Individuals*
- Individuals with low educational attainment*
- Individuals who are limited-English proficient**
- Individuals with chronic diseases***
- Individuals with physical or mental disabilities
- Immigrants and refugees

* *Included in the composite ranking of CalEnviroScreen 2.0*

** *Included in the composite ranking of CalEnviroScreen 2.0 as "Linguistic isolation"*

*** *Conditions related to specific chronic disease included in CalEnviroScreen 2.0, "Asthma emergency department visits" and "Low birth-weight infants."*

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Data that describes the baseline conditions on the co-benefit (i.e. to confirm that there is a need to be addressed)

The following tools are available to help an applicant identify the baseline conditions of a community receiving the project co-benefits:

- ***Disadvantaged Communities*** *and CalEnviroScreen* - Identification of **Disadvantaged Communities** is based on geographic, socioeconomic, public health, and environmental hazard criteria and utilizes the CalEnviroScreen tool, which includes "burden of pollution" indicators, such as exposures and environmental effects, and "population characteristics," such as sensitive population and socioeconomic factors.
  - ✓ http://oehha.ca.gov/ej/ces2.html
  - ✓ http://www.calepa.ca.gov/EnvJustice/GHGInvest/
  - ✓ http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm

- *Healthy Communities Data and Indicators Project (HCI)* - This framework was developed by the Health in All Policies Task Force with extensive public discussion and input from community stakeholders and public health organizations. The framework identifies 20 key attributes of a healthy communities and provides data, statistical measures, and for planning healthy communities and evaluating the impact of plans, projects, policy, and environmental changes on community health.
  - ✓ http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx#HealthyCommFramwk

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

SGC is reviewing resources that are publicly available to support co-benefits determination. Some preliminary resources include:

- ARB Sustainable Communities Research: http://www.arb.ca.gov/research/sustainable/sustainable.htm
- US EPA Smart Growth Portal: http://www.epa.gov/smartgrowth/

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Appendix F. Climate Resiliency

The State of California is dedicated to safeguarding public health and safety of its citizens, the economy, and the environment by increasing many measures of resiliency to climate change. The AHSC Program supports the goals of the Safeguarding California Plan and the State of California Sea-Level Rise Guidance document.

Technical resources for proposed projects to address climate resiliency measures can be found in the following documents:

Safeguarding California Plan http://resources.ca.gov/docs/climate/Final_Safeguarding_CA_Plan_July_31_2014.pdf
The Safeguarding California Plan provides policy guidance for state decision makers, and is part of continuing efforts to reduce impacts and prepare for climate risks. This plan, which updates the 2009 California Climate Adaptation Strategy, highlights climate risks in nine sectors in California, discusses progress to date, and makes realistic sector-specific and cross-sector recommendations. ▪ Agriculture ▪ Biodiversity and Habitat ▪ Emergency Management ▪ Energy ▪ Forestry ▪ Ocean and Coastal Ecosystems and Resources ▪ Public Health ▪ Transportation ▪ Water
California Adaptation Planning Guide: Planning for Adaptive Communities http://resources.ca.gov/docs/climate/01APG_Planning_for_Adaptive_Communities.pdf
This document presents the basis for climate change adaptation planning and introduces a step-by-step process for local and regional climate vulnerability assessment and adaptation strategy development. All communities seeking climate adaptation planning guidance should start with this document.
State of California Sea-Level Rise (SLR) Guidance Document http://www.opc.ca.gov/webmaster/ftp/pdf/docs/2013_SLR_Guidance_Update_FINAL1.pdf
The California Ocean Protection Council adopted a 2011 resolution stating that state agencies, as well as non-state entities implementing projects or programs funded by the state or on state property, should incorporate consideration of the risks posed by SLR into all decisions regarding areas or programs potentially affected by SLR. The resolution also states that state agencies should carefully invest public funds and incentivize SLR risk reduction by following the recommendations within this resolution when providing funding to non-state entities, to the extent permissible by law. This SLR Guidance Document provides guidance for incorporating sea-level rise (SLR) projections into planning and decision making for projects in California. Additional Planning Considerations Concerning SLR include but are not limited to: ▪ Storms and Extreme Events ▪ Changing Shorelines ▪ Changes in Tectonic Activity ▪ Trends in Local Sea Level

Cal-Adapt www.cal-adapt.org
Cal-Adapt is a web-based climate adaptation planning tool. Cal-Adapt allows the user to identify potential climate change risks in specific geographic areas throughout the state. Users can either query by location, or click on an interactive map to explore what climate impacts are projected to occur in their area of interest.
Addressing Climate Change Adaptation in Regional Transportation Plans http://www.dot.ca.gov/hq/tpp/offices/orip/climate_change/documents/FR3_CA_Climate_Change_Adaptation_Guide_2013-02-26_.pdf#zoom=65
This document provides a clear methodology for regional agencies to address climate change impacts through adaptation of transportation infrastructure. The purpose of this manual is to expand knowledge and develop tools that will assist California MPOs and RTPAs with incorporating climate change impacts into planning, design, engineering, and operational decisions.
Guidance for Incorporating Sea Level Rise in the Project Initiation Document Process http://www.dot.ca.gov/hq/tpp/offices/orip/climate_change/documents/guide_incorp_slr.pdf#zoom=65
The Caltrans has developed a guidance document for incorporating sea level rise into the transportation project planning process. The documents include technical guidance for the engineering design and a planning level document to determine what projects should consider sea level rise. This guidance begins to incorporate sea level rise into the planning and design of projects vulnerable to the effects of sea level rise. The guidance provides sea level rise assumptions for the state along with criteria for determining when sea level rise should be incorporated into projects.
Other Resources related to Adaptation Planning and Implementation
▪ Climate Action for Health: Integrating Public Health into Climate Action ▪ California Multi-Hazard Mitigation Plan 2013 ▪ Preparing California for Extreme Heat 2013 ▪ California Local Energy Assurance Planning (CaLEAP) Tool -The CaLEAP program is a California Energy Commission-sponsored project to assist local governments in preparing plans to ensure that key assets are resilient to disaster events that impact energy and help local governments develop Energy Assurance Plans (EAPs). ▪ CalEMA's MyPlan - MyPlan is a map service designed to be a simple interface to California natural hazard data products. ▪ CalEMA's MyHazards - a map service designed to identify hazards that exist in your area and learn how to reduce risks.

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Appendix G. FY 2014-2015 Greenhouse Gas Reduction Fund Programs

Figure G-1

Category	Department	Program	2014-15
Sustainable Communities and Clean Transportation	High-Speed Rail Authority	High-Speed Rail Project	$250 m
	State Control Office/ Caltrans	Low Carbon Transit Operations Program	$25 m
	Transportation Agency/ Caltrans	Transit and Intercity Rail Capital Program	$25 m
	Strategic Growth Council	***Affordable Housing and Sustainable Communities (AHSC) Program***	***$130 m***
	Air Resources Board	Low Carbon Transportation	$200 m
Energy Efficiency and Clean Energy	Dept. of Community Services and Development	Energy Efficiency Upgrades/Weatherization	$75 m
	Energy Commission	Energy Efficiency for Public Buildings	$20 m
	Dept. of Food and Agriculture	Agricultural Energy and Operational Efficiency	$15 m
Natural Resources and Waste Diversion	Dept. of Fish and Wildlife	Wetlands and Watershed Restoration	$25 m
	Dept. of Forestry and Fire Protection	Fire Prevention and Urban Forestry Projects	$42 m
	Cal Recycle	Waste Diversion	$25 m
		TOTAL	**$832 m**