



TRANSMITTED ELECTRONICALLY

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California Strategic Growth Council  
Attn: Marc Caswell, AHSC Program Manager  
1400 Tenth Street  
Sacramento, CA 95814  
AHSC@sgc.ca.gov

**RE: Draft Guidelines for Round 7 Affordable Housing and Sustainable Communities Grant Program**

Dear Program Manager Caswell,

Thank you for the opportunity to comment on the Round 7 Affordable Housing and Sustainable Communities (AHSC) Draft Guidelines. The California Association of Councils of Governments (CALCOG) is a non-profit organization formed to serve regional governments across the state. These include Councils of Governments (COGs), Metropolitan Planning Organizations (MPOs), Regional Transportation Planning Agencies (RTPAs), and County Transportation Commissions.

Many of these agencies are responsible for transportation planning and delivery across the state. The MPOs and COGs are additionally responsible for the region's Sustainable Communities Strategy and Regional Housing Needs Plan (respectively). They are also the primary regional entities receiving funds and implementing projects from the state's Regional Early Action Planning grants (REAP 1 and 2). The nexus between all these plans and programs aimed at reducing greenhouse gas emissions, supporting housing, and ultimately implementing the Sustainable Communities Strategies is the basis for our interest and comments in the AHSC program.

**Good Staff Engagement.** We appreciate the efforts of staff to engage with us throughout this process. They have been open to discussions, transparent, and an overall good partner. Our comments below are not a reflection on staff work but rather of the program design since its inception.



**Falls Short on the Statutory Requirement to Coordinate with MPOs.** The AHSC program is well-performing. Notwithstanding this, the program has a long-standing failure to implement the program in a way that “coordinates” with MPOs. Specifically, Section 75216(b) of the Public Resources Code requires the Council to “coordinate with MPOs and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the goals and objectives of this division”. To date, the program does not include a meaningful method of coordination that could be incorporated into the project scoring methodology. Although the current draft (and previous guidelines) states that an MPO or region may develop its own process to identify and recommend projects, it falls short for three reasons. First, there are no points awarded for this prioritization, meaning it will not affect SGCs final determination. Second, it’s unclear how SGC would use these recommendations in the context of the otherwise fully developed scoring process. Third, it suggests the regional agency develop a parallel process to recommend applications prior to the state’s application due date. In short, this would create a process that would have no specific effect on the outcome and would create significant extra work for the Council, regions, and the applicants.

We realize that it is late in the game to make a meaningful change for this round and the program as it is currently structured. Therefore, we are not suggesting changes to the role of regional agencies in this cycle of the program. Instead, we ask that the Council consider using the Resolution accompanying the adoption of these guidelines to include language that would commit the Council to work with MPOs and regions to identify a mechanism, either through a pilot project (described below) or some other meaningful methodology, to achieve the required coordination requirement.

### **Potential Pilot Solution**

After Round 7, we propose that SGC collaborate with MPOs and other regional agencies to develop a pilot program that would use a subset of funds from the next cycle of AHSC. The pilot should focus on project readiness and regional priority areas. Specifically, most MPOs know the areas where affordable housing development needs to be prioritized in order to achieve their regional greenhouse gas reduction targets in their Sustainable Communities Strategies. However, all too often these areas are infill areas faced with aging infrastructure. Improvements to water and/or sewer infrastructure are often not fully understood until a development project is proposed. And because it’s unknown when another development will be proposed, the first development is often faced with significant impact fees. These fees, along with all the other pre-development costs such as land, design, environmental, community engagement, etc., make it extremely expensive to get a project that is ready enough to compete for programs like AHSC (that are focused on providing the last dollar in for project construction). Collaborating with MPOs to design a pilot aimed at getting communities and/or projects AHSC ready will greatly support SCS implementation and the multiple state goals of increasing housing and reducing greenhouse gas emissions.

**Stronger Partnerships Needed.** It is also important to note that many MPOs and other regional agencies are acting as technical assistance providers to local agencies and/or developers throughout the application process. This includes but is not limited to identifying sites, developer outreach, local agency outreach, transit agency outreach, coordination, application assistance, data and analysis, and general project consultation. Although many MPOs face the same staffing and funding challenges that are currently overwhelming local agencies, they prioritize this work as they sincerely support SCS implementation and want to see successful projects in their region. We hope that SGC recognizes the value that regional partners add to this program and that we can develop stronger partnerships at the beginning of any future funding programs.

**Mirror SB 375 Flexibility to Allow for APS.** Per Senate Bill (SB) 375, MPOs are required to develop a Sustainable Communities Strategy (SCS) that achieves a greenhouse gas emissions reductions target set by the California Air Resources Board (ARB), **if feasible**. This is because SB 375 anticipates that in some instances, it may be “infeasible” for a fiscally constrained Regional Transportation Plan (that includes an SCS) to achieve the ARB assigned target. If the greenhouse gas reduction target cannot be feasibly achieved with the SCS, then the MPO shall submit to ARB an Alternative Planning Strategy (APS) that does achieve the target. ARB also retains authority to approve the APS.

The primary incentive benefit in SB 375 is CEQA streamlining for residential or mixed-use projects consistent with the SCS or APS. Importantly, this benefit can be accessed by a project with **whether the MPO has an approved SCS or APS**. In other words, the law treats an approved SCS or APS equally and gives the incentives to the plan that meets the target (SCS or APS). The AHSC program should do the same and reflect this intentional legislative flexibility. For this reason, in the draft guidelines, all references to “Sustainable Communities Strategy” and “SCS” should be edited to add reference to the potential for an “Alternative Planning Strategy” or “APS”. Specifically, the text throughout the document should read, “SCS (or applicable APS)”.

**Thank you again for your consideration of our comments.** We are happy to provide more detail on any of this as needed. Our desire is to be good partners in the state’s effort to increase housing and combat climate change. We look forward to continued engagement with SGC and other state partners.

Sincerely,



Jennifer Tendick  
CALCOG Director of Planning Policy