



July 20, 2020

California Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814

Subject: Recommendations for AHSC Round 6 Guidelines

Dear SGC Council Members,

On behalf of Circulate San Diego, whose mission is to create excellent mobility choices and vibrant, healthy neighborhoods, I am writing regarding Circulate's recommendations for the Strategic Growth Council's (SGC) Affordable Housing and Sustainable Communities (AHSC) Round 6 guidelines. The San Diego region received zero funding from the California SGC's AHSC grant for Round 5, and we feel the SGC board should revisit scoring criteria to ensure a regional balance in funding for projects throughout California during AHSC Round 6.

1. Regional Distribution of Resources

San Diego's housing and affordability crises requires increasing the region's affordable housing development, but the region cannot do so without the necessary funding. Data shows that San Diego's population growth has outpaced housing development by more than double.¹ Projections by the Housing Commission show that "the City will need between 150,000-220,000 new units by 2028 to meet local demand."² The City desperately needs AHSC funding to meet the growing housing demand³ and provide low income housing opportunities for the community.

Historically, San Diego has not received a population-proportionate amount of funding from AHSC. In the first four rounds of the program's existence, the program distributed over \$1 billion in funding.⁴ San Diego has received \$78 million, 7.3 percent of the total funding in the first four rounds, yet the region represents 8.5 percent of California's total population.⁵ For Round 4 San Diego received only five percent of the total AHSC funds⁶, and in Round 5 of the program, San Diego submitted five applications

¹ Councilmember Jennifer Campbell and Councilmember Chris Cate, "Amendment to San Diego Municipal Code 132.0505 Coastal Height Limit" Memorandum, City of San Diego, February 27, 2020, <https://onbase.sandiego.gov/OnBaseAgendaOnline/Documents/ViewDocument/Sub-item%20A%20-%20Consideration%20of%20ballot%20measure%20proposal%20by%20CM%20Campbel%20and%20CM.pdf?meetingId=4004&documentType=Agenda&itemId=189473&publishId=377871&isSection=false>.

² Id.

³ Id.

⁴ Circulate San Diego, Fair Share, (January 27, 2020), available at <http://www.circulatesd.org/fairshare>.

⁵ Id.

⁶ Id.

but none were recommended for the AHSC grant.⁷ It is critical that regional equity is prioritized in Round 6 of AHSC, and that San Diego receives its fair share of AHSC funding to ensure geographical fairness in the distribution of AHSC funding.

The SGC has a strong interest and opportunity to use AHSC funding to encourage local governments to make policy changes to address California's climate and housing crises. The possibility of AHSC funding helped spur the San Diego region to rise to the occasion for this AHSC round, and numerous San Diego agencies committed an unprecedented amount of public resources and political will to create competitive proposals. If the San Diego region continues to receive less than its fair share of AHSC funds, the State risks losing its leverage to encourage local governments to make the changes California needs to address climate and housing crises.

1. Greenhouse Gas (GHG) Emission Reductions Scoring

In January 2020, Circulate San Diego published a report outlining the ways in which the San Diego region can address the disproportionate lack of funding received by AHSC.⁸ Upon analysis of various cities that received substantial funding through AHSC, Circulate found that to increase San Diego's share of AHSC, San Diego should develop its interagency AHSC coordination, create a pipeline of AHSC eligible transportation and transit projects, and prioritize limited local affordable housing funds to maximize the ability to leverage other funding streams.⁹ Although San Diego began to implement Circulate's recommended actions before submitting their Round 5 applications, the scoring system used by AHSC inherently favors cities with larger, better funded transit systems with more local affordable housing fund sources.

To promote geographic fairness within AHSC and to maintain an incentive for regions to commit to the transit and active transportation improvements that are within their power to create, the scoring system must be updated to reflect the different potential for impact.¹⁰ Transit improvements that significantly increase frequency and service, possible in regions with local transit funding streams and strong preexisting transit networks, show higher GHG reduction scoring compared to smaller and more localized transportation improvements like station improvements or pedestrian improvements.¹¹ Without the large transit infrastructure and funding like that of Los Angeles and the Bay Area, San Diego simply cannot compete with other large regions for AHSC grant funding and the gap in resources between San Diego and the other regions will continue to widen.

Without changing the ASHC Round 6 scoring system San Diego will continue to miss out on its fair share of desperately needed affordable housing funding due to insurmountable scoring requirements. Moreover, if scoring rules make funding for regions like San Diego virtually impossible, the SGC will lose its opportunity to entice local governments to change their priorities.

⁷ California Strategic Growth Council, Round 5 Affordable Housing and Sustainable Communities Program: FY 2018-2019 Recommended Awards, (June 15, 2020), available at https://www.sgc.ca.gov/meetings/council/2020/docs/20200625-Item6c_AHSC_Staff_Report.pdf.

⁸ Circulate San Diego, Fair Share, (January 27, 2020), available at <http://www.circulatesd.org/Fairshare>.

⁹ Id.

¹⁰ California Strategic Growth Council, Affordable Housing and Sustainable Communities Program Round 5 FY 2018-2019 Program Guidelines, (October 31, 2019), available at https://sgc.ca.gov/programs/ahsc/docs/20191209-FINAL_AHSC_Round_5_FY18-19_Guidelines_Amended_12.9.19.pdf.

¹¹ Circulate San Diego, Fair Share, (January 27, 2020), available at <http://www.circulatesd.org/Fairshare>.

Please reconsider the AHSC Round 6 scoring system to promote geographic fairness in affordable housing funding distribution so San Diego can address its growing housing crisis and so that the SGC can continue to use funding to entice change.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MR', with a long horizontal stroke extending to the right.

Maya Rosas
Director of Policy