

California's
Cap and Trade Auction Proceeds
Investment Strategy
&
Affordable Housing & Sustainable
Communities Program

Allison Joe

Strategic Growth Council

LA THRIVES – October 15, 2014

SGC Composition & Support

- California Business, Consumer Services & Housing Agency
- California Environmental Protection Agency
- California Health & Human Services Agency
- California Department of Food & Agriculture
- California Natural Resources Agency
- California State Transportation Agency
- Governor's Office of Planning & Research
- Public Member Appointed by the Governor
- Public Member Appointed by the Speaker of the Assembly
- Public Member Appointed by Senate Rules Committee

SGC Member
Key Staff

SGC Staff

SGC Programs:
Administering
Departments/
Agencies

Other Technical Staff

State Planning Priorities

In 2002, Governor Davis signed AB 857 (Wiggins) establishing the state's planning priorities.

- To **promote infill development and equity;**
- To **protect open space, agricultural, and other natural land resources;** and
- To **ensure that new development that is not infill uses land efficiently** and is adjacent to other developed areas.

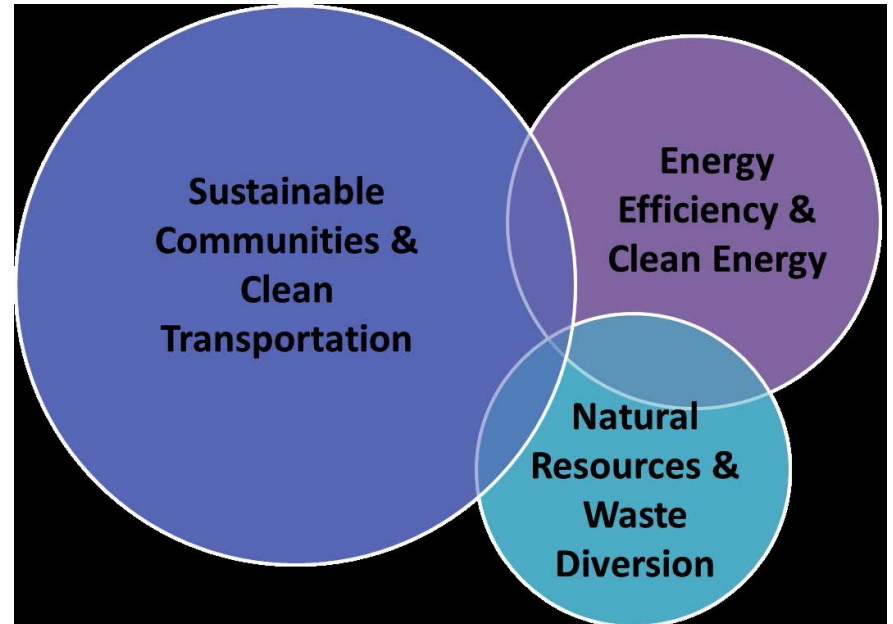
California
Strategic Growth Council

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

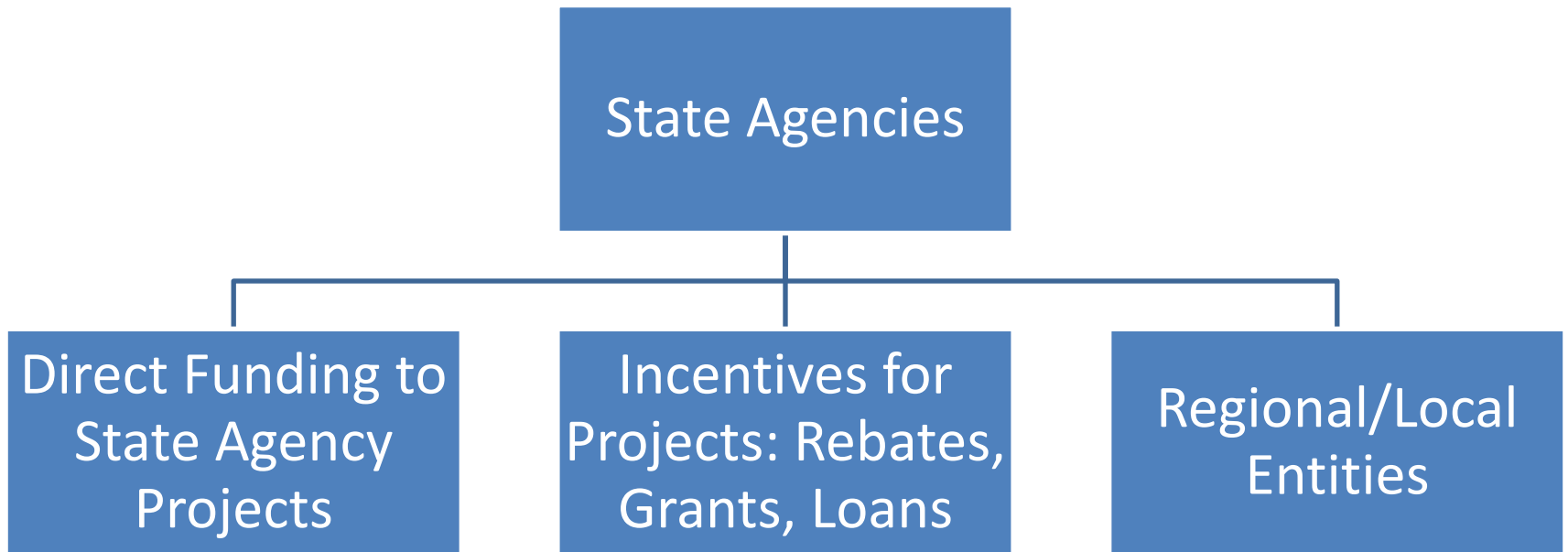
2006	AB 32	California Global Warming Solutions Act
2008	SB 375	Sustainable Communities and Climate Protection Act
2012	SB 535	Requires auction proceeds benefit and invest in Disadvantaged Communities
2012	AB 1532	Establishes public process and directs funds to reduce GHGs and achieve co-benefits
2012	SB 1018	Established the Greenhouse Gas Reduction Fund and accountability requirements
2014	SB 862	Created the Affordable Housing and Sustainable Communities Program

Auction Proceeds: Investment Plan

- Three-year investment plan completed in May 2013
- Covers FY2013-14, FY2014-15, FY2015-16
- Focus on enhancing or expanding existing programs



Expenditure of Auction Proceeds



Category	Department	Program	2014-15
Sustainable Communities and Clean Transportation	High-Speed Rail Authority	High-Speed Rail Project	\$250 m
	State Transit Assistance	Low Carbon Transit Operations Program	\$25 m
	Caltrans	Transit and Intercity Rail Capital Program	\$25 m
	<i>Strategic Growth Council</i>	<i>Affordable Housing and Sustainable Communities Program</i>	<i>\$130 m</i>
	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

Structure of SGC-led Cap and Trade Proceed Investments

Greenhouse Gas Reduction Fund Investments

Air Resources Board

GHG Reductions

Co-Benefits

Disadvantaged
Communities



Strategic Growth Council

Resources Agency

Department of Housing and
Community Development



Ag Lands Conservation

Affordable Housing and
Sustainable Communities

Purpose of the AHSC Program

- Increases accessibility of housing, employment centers and key destinations via low-carbon transportation options (walking, biking and transit), resulting in fewer vehicle miles travelled (VMT) and mode shift.
- Provides grants and affordable housing loans for infill and compact transit-oriented development and related infrastructure and program activities.

Key Program Thresholds

- Reduce GHG primarily through reduced VMT, including mode shift from single occupancy vehicles
- Consistent with Sustainable Communities Strategy, or similar planning document*
- Consistent with the State planning priorities per 65041.1 of the Government Code

**SB 862: "If a Sustainable Communities Strategy is not required for a region by law, a regional plan that includes policies and programs to reduce greenhouse gas emissions" will meet this requirement.*

Projects must demonstrate GHG reductions that focus on VMT reductions.

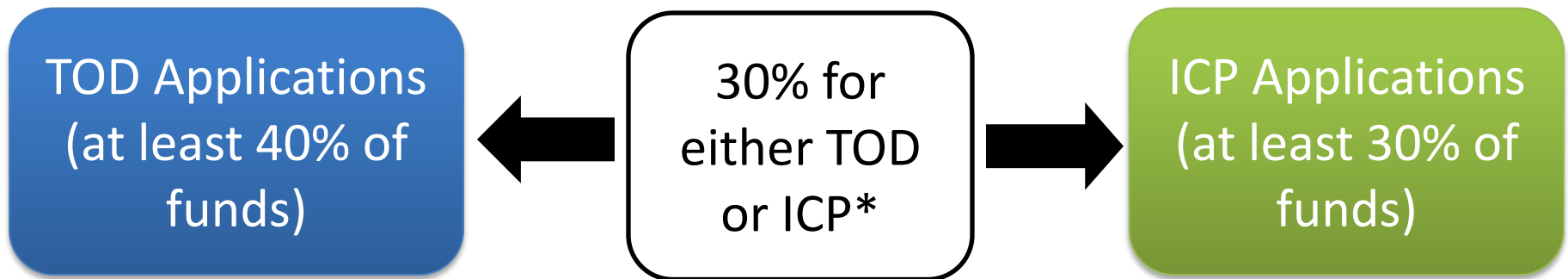
Projects may also demonstrate ancillary GHG reductions through:

- Improved energy efficiency
- Net GHG sequestration
- Other GHG reductions or emissions avoidance

Demonstration of reduced GHG emissions will be subject to methodologies and reporting requirements established by the California Air Resources Board.

Eligible Project Types

- Transit-Oriented Development (TOD) Corridors, Districts & Neighborhoods
- Integrated Connectivity Projects (ICP)



**Based upon score and meeting AH and DAC Requirements*

TOD & ICP Project Type Summaries

	TOD Project Categories (Corridor, District or Neighborhood)	Integrated Connectivity Projects (ICP)
	Qualifying High Quality Transit Areas	Areas with Potential to Improve Transit
Transit Requirements	Project Area must include a Major Transit Stop within a ½ mile catchment area with service by at least one of the following: <ul style="list-style-type: none"> ▪ High Speed Rail ▪ Heavy/ light rail ▪ Bus Rapid Transit (BRT) ▪ Express Bus 	Project Area must include at least one (1) Transit Station or stop with service by at least one of the following: <ul style="list-style-type: none"> ▪ High Speed Rail ▪ Heavy/light Rail ▪ Bus Rapid Transit (BRT) ▪ Express Bus ▪ Bus ▪ Vanpool/shuttle
Eligible Projects	Eligible projects MUST include an affordable housing development (residential or mixed-use) <p style="text-align: center;">AND</p> at least one Infrastructure-Related Capital Use(s).	Projects MUST include at least <u>TWO</u> Eligible Uses. At least one (1) of the Eligible Uses must include an Infrastructure-Related Capital Use.

ELIGIBLE CAPITAL USES

- Housing Developments*
- Housing-Related Infrastructure*
- Transportation or Transit-Related Infrastructure (includes Active Transportation)*
- Green Infrastructure*
- Planning Implementation

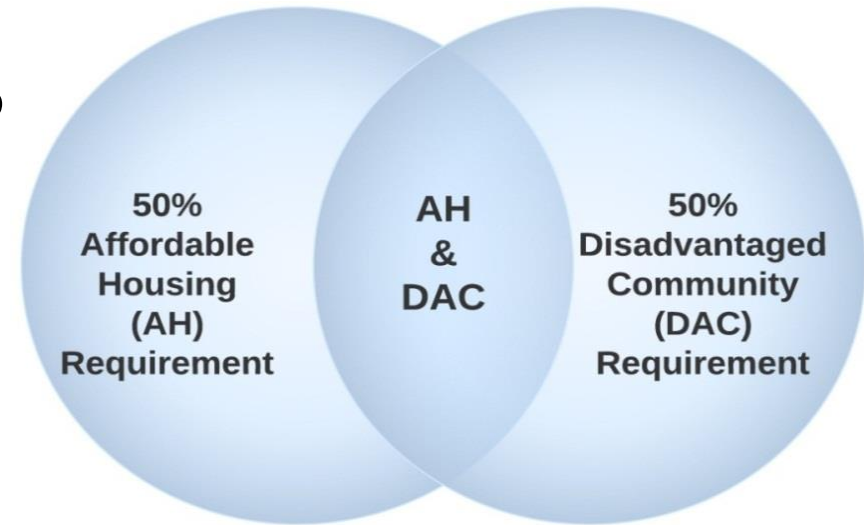
ELIGIBLE PROGRAM USES

- Active Transportation
- Transit Ridership
- Criteria Pollutant Reduction

* *Infrastructure-Related Capital Uses.*

Funding Set-Asides

- At least 50% of annual proceeds appropriated for affordable housing*
- At least 50% of funding to benefit disadvantaged communities*
- These two requirements may occur in one project. (e.g. construction of affordable housing in a disadvantaged community)



*SB 862

Eligible Applicants

A Public Agency* that has jurisdiction over the Project Area is a required applicant either alone or jointly with any of the following:

- **Joint Powers Authorities**
- **Public Housing Authorities**
- **Developers (profit or non-profit)**
- **Transit Agencies/Operators**
- **School District**
- **Facilities or other special district**

TOD

\$1-\$15 million

ICP

\$500,000-\$8 million

- Maximum award of \$15 million per funding cycle per city, city/county, or unincorporated county
- Only one award per **Project Area**
- A single developer may receive no more than \$15 million per funding cycle

Proposed Application Process

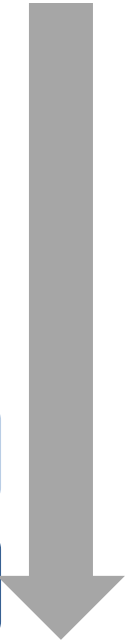
Concept Submittal and Review

Approved Concepts Invited to Submit Full Application

Full Application Submittal and Review

Potential Project Site Visits

Funding Recommendations to SGC



Estimated Timeline

✓	AUGUST 2014	Three Public Workshops on Guideline Development
✓	SEPTEMBER 2014	Release Draft Guidelines
	OCTOBER 2014	Four Public Workshops on Draft Guidelines
	DECEMBER 1, 2014	Release Draft Final Guidelines
	DECEMBER 11, 2014	Final Guidelines presented to Council for Approval
	JANUARY 2015	Funding Solicitation Released
	FEBRUARY 2015	Concepts Due
	APRIL 2015	Full Applications Due
	TBD	Potential Site Visits
	June 2015	Awards Announced

Comments on the draft guidelines can
be submitted to the following link:

[http://sgc.ca.gov/s_ahscwebcommentfo
rm.php](http://sgc.ca.gov/s_ahscwebcommentform.php)

Questions may be directed to:

AHSC@sgc.ca.gov