



October 30, 2015

Via Email: AHSC@sgc.ca.gov

The Honorable Ken Alex  
Strategic Growth Council  
1400–10<sup>th</sup> Street  
Sacramento, CA 95814

Re: SGC Affordable Housing & Sustainable Communities (AHSC) Program Draft Guidelines

Dear Chairman Alex and members of the Strategic Growth Council:

I am writing on behalf of the Council of Infill Builders, a statewide organization of developers and other real estate professionals committed to improving California through infill development. Some of our members have applied for and received funding under the Affordable Housing and Sustainable Communities (AHSC) grant program, and we now welcome the opportunity to submit these comments on the revised draft guidelines.

First, we thank the Strategic Growth Council and Department of Housing and Community Development for listening to and incorporating feedback into this second round of guidelines. We are pleased that this version incorporates many of the comments we offered during the first round of comments on the initial guidelines. We recognize that this program is new, complex, and subject to tremendous scrutiny, as well as high expectations, and we appreciate your efforts to maintain a truly public process.

A number of our board members have transit-oriented infill projects in the San Joaquin Valley. We believe that land use patterns in this economically challenged part of the state will have the biggest future impact on the state's ability to reduce greenhouse gas emissions. As a result, we commend the Strategic Growth Council for its efforts to include a ten percent rural carve-out for funding, which will greatly help many parts in this crucial region of the state to be competitive with already-developed centers for funding. AHSC funding in the San Joaquin Valley has the potential to jumpstart investment in "pioneer" or "catalytic" projects that will lead to significant greenhouse gas reductions in California's fastest-growing and most environmentally at-risk region.

In terms of improvements to the guidelines, we respectfully suggest the following:

Ensure that funding for the Transit Oriented Development (TOD) Project Area types allow transformative suburban projects to be competitive. The current guidelines are likely to privilege projects in large urban centers under the current CalEEMod calculations, while suburban projects that could be transformative in their regions for stimulating low-carbon development will be at a

disadvantage. As one possible remedy, points could be awarded based on total greenhouse gas reduction relative to project's total cost.

Ensure that projects in disadvantaged communities can be more competitive for Integrated Connectivity Project (ICP) Areas and TOD Project Area funding. Projects in these disadvantaged areas lack many of the factors that allow for high scoring in these categories, such as job centers and transit infrastructure. In order to address this structural disadvantage, projects located in these areas could receive additional points in both project area categories.

Clarify the transit threshold for eligible ICP and Rural Innovation Project Areas (RIPA). Many rural and ICP areas around the state are currently underserved by transit and would have difficulty meeting the current 0.5 mile proximity to transit with 15-minute peak headways. For this program to help rural areas secure sustainable transit, the guidelines should clarify that eligible transit investments can help the area eventually reach the required distance of 0.5 miles and that these projects have greater flexibility for meeting the per-hour peak headway requirements through other qualifying transit.

Revise the dates for applications. To help developers respond to these new guidelines and improve their project designs accordingly, we recommend that concept applications be due later, such as in March 2016. Project proponents could then be invited to submit a full application in August, with awards announced in December 2016.

Finally, as a general matter, we note that the guidelines are complex, lengthy and challenging to decipher, due to their prescriptive nature. We recommend that the Strategic Growth Council take every opportunity to simplify these guidelines, using a few key metrics that reflect statutory requirements and that would better stimulate the kind of low-carbon innovation in housing and transportation that California will need from the private sector to meet the state's long-term climate goals.

In conclusion, the members of the Council of Infill Builders greatly appreciate the Strategic Growth Council's efforts to refine this program and look forward to staying engaged as constructive partners in this process going forward.

Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Curt Johansen", with a long horizontal flourish extending to the right.

Curt Johansen  
Chairman, Council of Infill Builders