



October 15, 2020

Louise Bedsworth
Executive Director
California Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814
Submitted via email: ahsc@sgc.ca.gov

Re: Round 6 AHSC Program Draft Guidelines

Dear Executive Director Bedsworth:

On behalf of the San Diego Housing Federation, I am writing to submit comments on the Affordable Housing and Sustainable Communities (AHSC) Round 6 Draft Program Guidelines. We are very grateful for the time that you, your staff, and the Council have taken to hear feedback and recommendations from our members for the Round 6 draft guidelines. Our comments on the draft guidelines are outlined below.

Section 107 – GHG Scoring

We support the proposed change to calculate GHG emissions reduction from the project only and not from transit. As described in our July 23, 2020 letter, inconsistency in methodologies used to calculate GHG reductions associated with transit projects can impact discrepancies in how proposals are scored, potentially leading to incorrect lower scores. We appreciate that these comments were taken into consideration with these changes.

Section 108 – Geographic Targets

We are very pleased to see geographic targets included in the draft guidelines for Round 6. The most recent funding round put on display how the existing program guidelines have favored certain parts of the state over others. Reducing greenhouse gases through this program is a statewide goal and resource distribution should demonstrate that. **We strongly support the geographic targets and the minimum scoring threshold as written in the draft guidelines.**

We would add that regional population should be a consideration for the geographic targets, similar to Tax Credit Allocation Committee (TCAC) geographic apportionments. This helps to ensure that program funding is being maximized by being directed based on population need.

Section 108 – Disadvantaged Communities

Regarding the requirement that 50 percent of program funds be expended in Disadvantaged Communities, we recognize the intent requiring that be met based on the location of the AHSC funded affordable housing; however, we would like to raise the challenge that this may create in pairing AHSC funds with other state and federal affordable housing dollars.

In recent years, the Tax Credit Allocation Committee (TCAC) has adopted new program guidelines intended to help the state advance Affirmatively Furthering Fair Housing (AFFH) requirements as now required by state law created by passage of 2017's AB 686 as well as comply with the Supreme Court's disparate impact ruling. These program changes, affecting the 9 percent tax credit program, encourage awarding tax credits to developments located in high- and highest-resources areas of the state, providing the benefit of good schools, access to quality amenities, and access to good jobs to residents of affordable housing. As the state's 4 percent tax credit program becomes competitive, the California Debt Limit Allocation Committee (CDLAC) is considering similar program requirements.

We are supportive of affordable housing being built in all communities throughout California – in both Disadvantaged Communities that have historically received less than their fair share of state investment and in high-resource neighborhoods that have histories of exclusionary practices that have made those communities inaccessible to low-income Californians. The challenge for the state and the agencies charged with administering and expending state affordable housing funds is finding a balance between addressing inequitable distribution of state resources and overcoming historical patterns of segregation.

We recommend that the Strategic Growth Council work with the California Department of Housing and Community Development, the Tax Credit Allocation Committee, and the California Debt Limit Allocation Committee on strategies that these agencies can adopt through program guidelines and alignment of criteria to be effective in addressing both needs while ensuring that program funds go strong projects.

We thank you for consideration of these comments and for your leadership on addressing the program's challenges, in particular for serving the San Diego region. We look forward to continuing to work with you to help the state meet its climate change and affordable housing goals.

Sincerely,



Laura Nunn
Chief of Policy & Education