



July 23, 2020

California Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814

Re: Round 6 AHSC Guidelines

Dear Members of the Strategic Growth Council:

On behalf of the San Diego Housing Federation, I am writing to share our feedback for the upcoming Affordable Housing and Sustainable Communities (AHSC) Round 6 Guidelines. Founded in 1990, the San Diego Housing Federation (SDHF) serves as the collective voice of those who support, build, and finance affordable homes in the San Diego region. Our comments are outlined below.

Create a system that more fairly distributes program funds statewide

As you know, the San Diego region did not receive a single award in the last funding round, despite having five strong applications. Unfortunately, this round continued a trend in San Diego receiving far less than our fair share of funding from the AHSC program. According to a January 2020 report prepared by Circulate San Diego, the San Diego region has received \$78 million from the AHSC program, approximately 7 percent of the total funding in the first four rounds, yet the San Diego region represents 8.5 percent of the state's total population. Once the latest round of funding is included, the percentage of total funds the region has received from the AHSC program drops to less than 5 percent. If the goal of this program is to reduce greenhouse gas emissions throughout California, the AHSC program guidelines and scoring system must be balanced to more equitably distribute funds statewide.

To achieve this goal, we recommend that the SGC explore a geographic set-aside similar to the TCAC program. This system allows for projects to compete regionally with access to the same or similar transit systems. If the goal of the AHSC program is to reduce greenhouse gas emissions statewide, such a set-aside will be necessary to achieve that goal. Regions should not be left behind from a program intended to improve air quality and combat climate change simply because they have newer and still growing transit infrastructure. Additionally, there are already set-asides for rural and tribal applications, so there exists a precedent that acknowledges the need for such carve outs.

Adopt consistency in GHG reductions scoring

The GHG emissions reduction scoring component of this program is a critical part of successful applications, yet, the approach to certain components of the scoring contain inconsistencies that could artificially lead to projects receiving a lower score in one area of the state than they would in another part of the state.

The performance measures of a project can be impacted by differences in how the measures are calculated. For example, ridership analysis and projections can be impacted by the methodologies used by different transit agencies throughout California and staff capacity for such analysis. We recommend that SGC use an input based on a fixed standard to be used by agencies throughout the state.

Investing in disadvantaged communities and avoiding concentrations of poverty

A significant challenge for this program, as with many other state funding programs, is to bring state investments to communities that have historically been excluded from government and private investment while also attempting to address historical patterns of segregation by building affordable housing in high opportunity areas. Both investments are needed and necessary, but a closer look must be taken in how we balance these priorities.

It is our understanding that one of the reasons San Diego did not receive an award for the last round was related to this particular challenge. This is unfortunate as there are neighborhoods in San Diego that would benefit from state investment from the AHSC program but do not appear on CalEnviroScreen due to the methodology of the mapping for communities like City Heights and San Ysidro that should be among the highest scoring census tracts. While, on the other hand, there were applications for projects in high opportunity census tracts that did not qualify in part because the 50 percent set-aside for disadvantaged communities had not been met by the highest scoring projects from other parts of the state. These projects would have delivered hundreds of units of affordable housing in neighborhoods that would provide residents with access to high quality schools, good paying jobs, and other community amenities while contributing to transit ridership in those neighborhoods.

We recommend that the SGC explore why impacted communities do not appear as higher scoring on the CalEnviroScreen tool and consider improvements to the mapping methodology to better reflect those census tracts. We also recommend that SCG explore how projects in high opportunity census tracts contribute to public policy goals related to desegregation and how those projects might be considered, either through point scoring or some other criteria.

We thank you for consideration of these comments and recommendations. The San Diego Housing Federation shares the Strategic Growth Council's goals for the AHSC program to build affordable housing near transit to reduce greenhouse gas emissions. We believe that to achieve these goals statewide, some adjustments to the program are necessary to equitably and fairly distribute AHSC funds throughout the state.

Sincerely,



Laura Nunn
Director of Policy & Programs