

PUBLIC COMMENT LETTERS

FOR JULY 10, 2014
SGC COUNCIL MEETING



Bay Area Regional Health Inequities Initiative

Alameda County | City of Berkeley | Contra Costa County | Marin County | Napa County | City and County of San Francisco | San Mateo County | Santa Clara County | Santa Cruz County | Solano County | Sonoma County

July 9, 2014

Ken Alex, Chair
Strategic Growth Council (SGC)
1400 Tenth Street Sacramento, CA 95814
Ken.Alex@gov.ca.gov

Re: Recommendations for the SGC guidelines of the Affordable Housing and Sustainable Communities (AHSC) Program of the 2014-15 Cap-and-Trade Expenditure Plan

Esteemed Council Members:

The mission of the Bay Area Regional Health Inequities Initiative (BARHII), a collaborative of eleven local public health departments in the San Francisco Bay Area, is to eliminate health inequities – unjust differences in health status and life expectancy – between different socio-economic, racial, and ethnic groups in our region. We know that in order for all residents to have equal opportunities for health and longevity, they need access to good jobs and quality schools, viable transportation choices and affordable housing in neighborhoods that support those choices, healthy environments and safe streets and communities.

As the SGC develops and implements the Affordable Housing and Sustainable Communities (AHSC) Program, BARHII member health departments would like to urge the council to incorporate the following elements into the expenditure plan criteria and grant guidelines:

- **Healthy, equitable investment in disadvantaged communities**
 - Define disadvantaged communities as a priority beyond income and environmental toxins to also include factors such as morbidity/mortality rates, social, educational and economic opportunities and climate change vulnerability
 - All grant programs – not just the set-aside grants – have a prioritized consideration for disadvantaged communities
 - SGC coordinates training and technical assistance for communities that need grant-writing support in order to increase funding success
 - Planning and investment occurs with early, frequent, and empowered participation from local residents – including proactive training of community members and meetings that accommodate work hours, childcare and appropriate languages
 - Current low-income residents – who have the most to gain from healthy transit-oriented development (TOD) – are able to stay in their neighborhoods as

investment occurs. Effective mechanisms, such as these four elements, are a precondition for new investment in low-income communities:

- Preservation of existing subsidized and unsubsidized (de-facto or market) housing affordable to low and very-low income residents
Examples include: No Net Loss and Condo Conversion policies
- Community stabilization measures to keep residents in their homes
Examples include: Just Cause Eviction, Rent Control, Emergency Rental or Mortgage Assistance, Proactive Code Enforcement, Targeted Repair and Retrofit, Relocation Assistance, and Right to Return policies and programs
- New development prioritizes producing units for very-low-income households
Examples include: setting clear income targets and Inclusionary Zoning policies
- Protecting housing stock from speculative investment
Examples include: Land Trusts and Limited Equity Housing Cooperatives

- **Safe and adequate infrastructure to support increased Active Transportation**

- Prioritize first and last mile connections
- Increase transit capacity to accommodate bike transport and storage
- Require that design plans and implementation ensure safe, continuous walking paths and bicycle lanes that prioritize safety, accessibility, ease of use and inclusion of collision risks reduction strategies (e.g. speed reduction and enforcement)
- Target transit connections to employment centers and access to healthy options
- Optimize health and climate change co-benefits (e.g. reduction in diseases caused by physical activity of active transport, etc.)
- Require ongoing active transportation modal counts to provide data for evaluation and improvements

- **Routine incorporation of open, green space**

- Open space should be of adequate size to support play, exercise, gardening, and/or community socializing opportunities
- Research shows that there are both physical and mental health benefits of open, green space: Create high density, healthy communities that offer these healthy benefits
- Mitigate heat island effects with open, green space
- Develop upfront standards that identify targets for open, green space per unit area, including incorporation of healthy tree canopies and water conservation

- **Planning and design that promote health and mitigate the negative health impacts of population density**

- Plan for health: New infill housing is sited to minimize the air quality health risks from freeways, freight facilities and other transportation lines, including incentives for development outside of “hot zones” with cancer and PM 2.5 risks above health protective thresholds

- Design for health
 - When locating new TOD outside of hot zones is not feasible, set clear guidance for appropriate mitigations in conjunction with the state health department, Air Resources Board and the Department of Housing and Community Development (potentially through the State Housing Siting and Air Quality Task Workgroup). For example, see mitigation measures identified as part of the Bay Area Sustainable Communities Strategy, or under development by the Bay Area Air Quality Management District (Healthy Infill Guidelines, to be released late summer 2014).
 - Use green infrastructure; green materials; low or no volatile organic compounds (VOC) products; LEED certified design; active design guidelines; cool and permeable pavement; green roofs; cool roofs; low asthma trigger materials; sound mitigation; communal space for social cohesion; opportunities for gardening; infrastructure to safely secure bikes; and community input throughout development processes to adequately address residents' needs.

- **Ensure robust, upfront community input and opportunities for public comment and written input**

- **Form an Advisory Committee that provides recommendations to SGC staff.**
 Include representation from public health that includes CDPH, local health departments and/or regional public health department collaboratives.

Thank you very much for the work that you are doing to make California healthier and more sustainable. We look forward to future communication and collaboration in these efforts.



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Lifting Up What Works®



July 9, 2014

Ken Alex, Chair
Strategic Growth Council
Sacramento, CA 95814
Via Email: sgc.info@sgc.ca.gov

Re: Initial Recommendations for Affordable Housing and Sustainable Communities Program

Dear Director Alex:

On behalf of the undersigned organizations working to advance health and equity, we are writing to provide initial recommendations for you, your staff, and the Council to consider as you develop the Affordable Housing and Sustainable Communities program.

Background

We understand that the overarching goal of the grant program is the reduction of Greenhouse Gas Emissions (GHGs) and that AB 32 is the statutory framework that will be used to develop the grant guidelines. We would like to take this opportunity to highlight sections of AB 32 which underscore the importance of public health and protecting low-income communities.

- “Global warming poses a serious threat to the economic well-being, *public health*, natural resources, and the environment of California.”ⁱ
- “Ensure that activities undertaken to comply with the regulations do not disproportionately impact low-income communities.”ⁱⁱ
- “Consider overall societal benefits, including reductions in other air pollutants, diversification of energy sources and other benefits to the economy, environment, and *public health*.”ⁱⁱⁱ

Recommendations for the Grant Review Process

In light of these provisions, below are several recommendations for consideration. The first few recommendations focus on the grant review process overall. The second set of recommendations address specific aspects of the grant criteria or program.

- **The SGC should ensure a robust and open public review process.** It is critical that communities have the opportunity to provide timely, thoughtful public comment on the development, implementation, and evaluation of the program. The SGC should engage local communities in this process in a way that is meaningful and deliberate. In order to provide for greater public input, the SGC should hold meetings in easily accessible locations such as near public transportation, at times when community members can attend (such as after hours and on weekends), and using interpreters and notices in languages other than English.
- **The SGC should seek input from other key agencies and departments.** While we understand the urgency to begin moving this process forward, it is important that other key state departments and agencies that have expertise in health and transportation such the California Department of Public Health and the Health in All Policies Taskforce should review and provide input into the development, implementation, and evaluation of the program.
- **The SGC should identify funds to provide technical assistance to under-resourced applicants to develop high quality grant proposals.** Many of the communities most in need of these grant funds will not be able to access the program due to lack of resources to prepare and develop a high quality grant proposal. In the past, state grant programs have set aside resources for technical assistance to these communities. Given the importance of the projects for communities that would benefit the most from the grants, the SGC should set aside dollars for technical assistance or work with advocates to seek foundation or other private funding to help communities develop strong, competitive applications.

Recommendations for the Grant Program/Criteria

- **Grant funds should prioritize projects that support health and connect residents to economic and social opportunities and services through increased mobility options.** To ensure projects both reduce GHG and directly benefit disadvantaged communities, projects should aim to maximize the achievement of multiple goals and promote health. For example, affordable housing projects should also seek to incorporate safe, complete active transportation, connections between housing projects that are adjacent to transit, schools and other key locations, include green space, and improve opportunities for physical activity.
- **Projects should provide one or more type of benefit to disadvantaged communities.** Disadvantaged communities often have multiple needs and priorities. Projects funded to address the needs of these communities must address at least one but ideally multiple needs. For example, projects should seek to provide affordable housing as well as reduce health disparities and lower household costs of housing, transportation or energy.
- **The grant criteria should consider the specific needs of rural communities.** GHG emission reduction strategies in less urban communities – rural communities and small cities and towns – will differ from programs and projects designed to reduce GHG emissions in an urban context. Therefore, grant criteria should ensure that programs and projects that are more appropriate in these communities reduce GHG over the longer term and further co-benefits outlined above are eligible and competitive for the grant program.

- **All affordable housing projects should include provisions that seek to prevent displacement, especially within disadvantaged communities.** Affordable housing projects should prevent displacement while also increasing the availability of housing for low-income communities and residents.
- **Projects must avoid substantial burdens or harm.** Grant funds should not be awarded to projects that will expose a community to adverse health or environmental impacts. For example, a project should not expose a community to toxics or lead to a net loss of affordable housing. The SGC and administering agencies should monitor and evaluate the impact of projects to ensure communities are not being exposed to additional harm.
- **The SGC should conduct a thorough review of project evaluation and impact before setting guidelines for future projects.** Again, we understand that the projects need to move forward this year; however, we hope to work more closely with the SGC and partner agencies to shape future guidelines.

Thank you for considering these recommendations. We look forward to working with you, the SGC staff, and the Council on the AHSC grant program. For questions or comments, please contact Sarah de Guia at sdeguia@cpehn.org or (916) 447-1299.

Sincerely,
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 California Pan-Ethnic Health Network

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 Center for Climate Change and Health
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ⁱ California Health and Safety Code Section 38501(a).

ⁱⁱ Id. at §38562(b)(2).

ⁱⁱⁱ Id. at §38562(b)(6).



July 9, 2014

Mr. Ken Alex
Chairman, Strategic Growth Council
1400 Tenth Street
Sacramento, CA 95814

Re: Administration of the Affordable Housing and Sustainable Communities Program

Dear Chairman Alex and Members of the Strategic Growth Council:

On behalf of the California Coalition for Rural Housing, California Rural Legal Assistance Foundation, and Leadership Counsel for Justice & Accountability, we write in support of the proposed Affordable Housing and Sustainable Communities (AHSC) Program of the 2014-2015 Cap-and-Trade Expenditure Plan. As advocates for rural and non-urban regions, we are proud to see language in the Plan that allows for investment in frequently overlooked areas of California and look forward to working with the Council and Staff to develop an effective, fair and equitable program over the following months.

We urge your support of the following recommendations:

1. SUPPORT the broad implementation of ALL Eligible Uses of SB 862 and related investments that further the goals of AB 32.

Senate Bill 862 outlines broad potential uses of Cap-and-Trade revenue to support affordable housing and sustainable communities, including affordable housing projects designed to reduce greenhouse gas emissions and other criteria air pollutants by reducing vehicle miles traveled and increasing access to goods, services and employment opportunities, active transportation projects, complete streets and transit capital investments. Though not specified in SB 862, housing that reduces reliance on fossil fuels through energy efficiency and basic infrastructure investments that support infill development align with the goals of AB 32, and should be eligible for significant investment. Ensuring that these eligible uses receive their fair share of investment will allow the less urban communities of our state to compete for and benefit from these critical funds. Their participation is fundamental to implementing an equitable and effective Cap-and-Trade Expenditure Plan.

2. SUPPORT collaboration with State Agencies and Departments with the expertise necessary to implement the housing, transportation and infrastructure components of this program.

As noted in the SGC's staff report, effective implementation will require the Strategic Growth Council to leverage and rely on the expertise of state agencies, including the Department of Housing and

Community Development, which has decades of experience in creating and implementing the state's housing priorities. This expertise will be critical in the development of program guidelines. The Council should also seek guidance from state agencies with demonstrated expertise in administering effective active transportation programs and relevant infrastructure investment programs.

We look forward to working with you to ensure the effective and equitable implementation of this program and are happy to meet with you or your staff at any time to discuss the ideas above. We thank you for your work and leadership on this very important issue.

Sincerely,

Rob Wiener & Monica Palmeira, California Coalition for Rural Housing
Phoebe Seaton & Veronica Garibay, Leadership Counsel for Justice & Accountability
Tyrone Buckley, California Rural Legal Assistance Foundation

C: Mike McCoy, Executive Director, Strategic Growth Council
Adrienne Orilla, Executive Assistant, Strategic Growth Council



H A Y W A R D A R E A P L A N N I N G A S S O C I A T I O N

Cap & Trade Funds for Sustainable Communities

Statute and Guidelines

SB 862 Section 1 (a)(7) states “Programs included in the Cap-and-Trade Expenditure Plan include ... (D) The Affordable Housing and Sustainable Communities Program, ... authorizes the Strategic Growth Council to fund land-use, housing, transportation, and land preservation projects to support infill and compact development that reduces greenhouse gas emissions. These projects, which were described in the AB 32 Scoping Plan, facilitate the reduction of the emissions of greenhouse gases by improving mobility options and increasing infill development, which decrease vehicle miles traveled and associated greenhouse gas and other emissions...” The Cap-and-Trade Expenditure Plan is funded by the Greenhouse Gas Reduction Fund. See also Health and Safety Code §39719(b)(C) and Public Resources Code §75210.

Starting in July, 2014, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (HCD) will develop Guidelines and Selection Criteria to implement the Program. They will involve local governments, regional agencies, other stakeholders, disadvantaged communities, and the public by publishing the draft guidelines and selection criteria on the web, two workshops, and taking comments. Public Resources Code §75215.

A New Neighborhoods Account

De minimis “consistent with” hurdle vs. a “better than” competition for excellence

Advocates for smart growth push for funding anything that is consistent with minimal definitions of smart growth. The two leading definitions are the HCD TOD Housing Program Guidelines and the SB 375 High Quality Transit Areas. These definitions are better than nothing; they are politically necessary to help all localities feel they can get a piece of the cap/trade pie.

We should also have some funds for a competition for excellence going beyond conventional smart growth. Localities would compete for funds for developing new neighborhoods based on the concepts discussed below.

The Hayward Area Planning Association requests that the draft guidelines include a pilot project for a New Neighborhoods Account. If people know about it, they can comment, but if not included, it is not the kind of thing people would come up with on their own and an opportunity to achieve state goals would be lost.

The SGC, HCD, and the Controller would establish a New Neighborhoods Account within the Greenhouse Gas Reduction Fund. The New Neighborhoods Account would use a portion of \$130 million in the state budget for 2014-2015 for the Affordable Housing and Sustainable Communities Program. The Account would support innovative large neighborhood

development that could demonstrate the market viability of economies of scale and cutting-edge ideas.

The funds would be awarded to local governments by the SGC based on a competition run by HCD. HCD should consult with developers to structure the local competition so it makes sense to them. Developers do not usually invest in high-risk projects. What will it take to get them to invest? Charles McKeag, Vice President, Northern California, The New Home Co., is willing to meet with state staff to discuss some draft proposal of how this process might work from a developer's perspective. He is available in late July or early August, and possibly other times. He has great expertise and his time is valuable.

Local government could use the funds for project planning, land acquisition, a write down of land cost, entitlement, and underwriting of development of a large new neighborhood meeting AB 32 goals. The funding should be enough to get developers to respond to a Request for Proposals (RFP) by a locality which has won New Neighborhoods funding. To reduce risk without reducing the incentive to succeed, underwriting could support a low side return based on a negotiated pro forma. The underwriting would exempt uncontrolled costs like fuel and basic building supplies. The development should have a reasonable chance of not requiring use of underwriting funds, but also would have more risk than private lending is willing to assume. The underwriting would prevent losses while preserving an incentive for the developer to get a good absorption rate for a better return.

The RFP would provide a transparent interface between public subsidy on one side and private market risk on the other. From the public side, the Account subsidizes private development. From the developer side, the competition to win the RFP creates some risk.

The gap between policies and projects

Policy makers and developers live in very different worlds. Policy makers are trying to nudge an uninterested and skeptical public into accepting denser housing close to transit and to discourage developers from building what the public would buy if it could—subsidized housing on open space reached by subsidized roads using subsidized personal vehicles. The public and developers still operate within a culture that is not really economic or sustainable.

From their point of view, developers will invest when there is enough promise of return and reduction of risk. Redevelopment agencies were once able to help; now we need something new. Policy makers need developers to be successful.

The gap between smart growth and sustainability

We need something better than smart growth so far. More bundled parking under a platform or built into a townhouse results in more non-market parking after redevelopment than before. To exaggerate a little, smart growth just jams suburbia into a smaller area, increases costs, and denies many consumers the ability to avoid paying for parking they don't want and don't need.

Can we demonstrate market viability for a smarter kind of smart growth?

The “affordable housing” bait and switch: include the middle class or fail

Technically, affordable housing goes up to 120 percent of median income, and many inclusionary housing requirements use that criteria. The problem is when “affordable” is used

to sugar coat the pill of “low income,” that is, when the details turn out to really mean low income. The cap/trade guidelines must support moderate income housing, or they will fail for two reasons.

One reason is that we as a culture don’t know how to make pedestrian neighborhood systems work. We get confused with high rise, density, and being against the car. We need a few large new neighborhoods, designed physically and socially from the ground up, to get experience in making a new system work, and work well.

The second reason is that the cap/trade funds available are negligible compared to the size of the problem. It is the demonstration effect that matters: demonstration to developers and to the middle class. Only that can bend urban history away from the suburban detour.

A Competition for Excellence in Neighborhood Development

The competition funded by the New Neighborhoods Account should be transparent, which has to be managed carefully with developers. They use secret, proprietary financial analyses which add bells and whistles to basic pro formas. Government lacks experience with these pro formas, but needs to use a basic pro forma that is public. The developer can keep in-house their own pro forma; their tweaks are not important for the demonstration effect.

The pilot project should have qualifying criteria to compete, and criteria for evaluation of which proposal competes best.

Criteria to compete

A New Neighborhood has to be big enough to have the economies of scale which support on-site amenities and a shuttle service to urban rail. A pedestrian neighborhood is a system; it must have enough people at enough density to support short walking distances and to finance its own rapid shuttle to urban rail. HCD and SGC should consult with experts to establish minimum criteria to compete. The criteria should probably be a minimum area of 25 acres, a minimum build-out population of 1,500 persons, a minimum density of 60 persons per gross residential acre, walking streets, a rapid shuttle, and access to urban rail. Commercial use within an area is less important than the ability to get to work and to do errands in an acceptable travel time.

Criteria for evaluation

Statutory Criteria

Statutory criteria for a New Neighborhood are mandatory, but leave ample scope for design. Terms like “promote” or “support” leave the degree of compliance to interpretation. The statute has a number criteria and much repetition, with these main, over-lapping, points:

- Reducing greenhouse gas emissions
- Reducing criteria air pollutants
- Improving public health
- Reducing vehicle trips and vehicle miles traveled
- Increasing low carbon transportation
- Increasing alternatives to personal vehicles
- Increasing walking, bicycling, and transit ridership

- Improving intermodal connectivity, complete streets, and access to jobs, housing, and services
- Supporting transit-oriented infill and compact development
- Developing affordable housing
- Developing affordable housing for lower income households
- Improving conditions in disadvantaged communities
- Supporting implementation of a regional sustainable communities strategy
- Supporting economic growth, lower service costs, more civic and stakeholder engagement, and integration with existing housing, transportation, and land use

See Public Resources Code §75210 to 75214

Thematic Criteria

Six essential criteria for a New Neighborhood each contribute to the success of the whole: Affordability, Sustainability, Green Mobility, Health and Safety, Good Design, and Community. The following illustrates only one approach, but helps define the criteria. Nothing below would be required, but the evaluation would look at the proposal as a whole considering all the criteria. Warning and apology: I go into too much detail here.

Affordability

A New Neighborhood should be able to achieve affordability of 50% or more units to incomes at 120 percent of median using cost-effective building techniques and minimal cross-subsidy.

Affordability is usually accomplished by subsidies, but a project can achieve it by better design. Limiting parking to a parking area on one side, with spaces for only a minority of the units, allows great reductions in pavement area for travel lanes, street parking, and on-lot parking, reduces costs of structure for vehicles, and allows more units on the same land area. Cost savings also accrue from three-story row houses and flats, which optimize between living space and cost, and still provide enough roof area for solar energy.

Uniform building specifications, repeated design elements, and modular foundation and floor dimensions across product types reduces design, materials purchase, and construction costs. Modular foundation design allows reuse of modular concrete forms for PT slabs or stem wall foundations.

Where construction techniques are close in cost, and technology is changing, the most cost effective construction can be obtained by bidding among stick-built in the field, factory built wall units and other building units, and factory built large modules. If some building can take place off-site during site preparation, faster completion can save on loan costs. Modular building should be more efficient, better planned, and less wasteful than stick-built, but stick-built can be competitive.

These savings come to about 20% per square foot below traditional car-dependent housing, but some expenses occur for HOA (Home Owner Association) amenities, such as a shuttle bus, a café, a community center, and little parks, for a net savings of about 10 to 15 percent. Owners also save with lower utility bills and by not having to own and operate a car.

Affordability is desirable in itself, and also important to motivate buyers to want to learn about energy costs and green mobility (buyer education). Affordability should be based on a cost-based housing price, not what the market will bear, so that buyers will have strong economic incentive to consider green mobility.

Sustainability

Sustainability comes from green energy, green mobility, water, biodiversity, and land conservation. Green energy comes from energy-efficient buildings, natural insulation based on row housing and three-story construction, energy efficient lights and appliances, and a PV-thermal solar system. The energy system can provide net zero on the grid (except for natural gas for cooking and clothes drying), all hot water, all space heat, most air cooling, fresh air, clean air, and user controls. Sustainable housing is based on sustainable forestry, Hardie boards, and other supplies that are sustainable and support clean air. Water use can be reduced through drought-resistant native landscaping, on-site storm water retention, stored rainwater, grey water, flow restrictors, low-flush toilets, and composting toilets. The landscaping and water systems support native biodiversity. Land conservation occurs by occupying eight percent of the area otherwise needed by suburbia, plus gains in reduced resource consumption.

Marketing of units separates the cost of the house from the cost of active solar systems, so the buyer can understand how the cost of solar relates to a conventional utility bill.

Green Mobility

Green mobility is the most innovative aspect of New Neighborhoods and at odds with our car culture. The mobility system will work for some and not others. Some potential buyers will have car travel needs the project cannot meet. The potential market needs to be big enough to have buyers for whom the project will work. Then, for those buyers, there needs to be “mobility education” to help them understand how green mobility would work for them; they then can make a pragmatic decision.

Parking

Green mobility comes from unbundled, market-based leases for parking, limited on-site parking, and off-site parking. Parking would be limited to one on-site space for only half the units—or fewer. The market rate would be based on periodic bidding. Off-site leased parking would be available.

Initial parking on-site, if wanted, helps sell units to those who might not otherwise buy, and then deparking policies help residents transition to reduced personal car use and less car ownership use over time. Deparking policies are financial incentives and attractive alternatives to reduce car use, to use less expensive off-site parking, and to reduce car ownership. Residents thus increase their income for other purposes. In a phased development, reduced on-site parking allows more units to be built. An extra effort would be needed to make green mobility work for residents. The HOA would have some dues income to support personalized, innovative efforts to meet specific travel needs of residents with less car use.

Smart Shuttle

A fast, free, frequent shuttle bus on a short corridor would reach major locations like a downtown, an urban rail station, or a major institution.

Fast means an ability to go as fast as a personal vehicle, including stops, which requires rapid bus technology. Ideal rapid shuttle features: Low floor bus, raised sidewalk stops, guided close docking, no step entry, proof of purchase/no fare collection, right turn lane used by through bus with signal control, signal preference, dual mode motor with potential for biodiesel or all-electric motor or other advanced motor, strong hill-climbing power and regenerative braking if operating on hills, 30 foot or smaller size for speed and maneuverability, a balance between fewer stops to get speed with enough stops to support corridor development.

Free means all residents in the project ride free, and, if possible, others as well, such as college students, patrons of business on the route, people from other projects along the route, and even anybody.

Frequent requires a minimum headway of 10 minutes, but with potential from subsequent development to add shuttles to reach a four-minute headway. Once a bus bridge exists, the need for car travel within the corridor would almost disappear and cars and parking would no longer be needed. In fact, the land and right of way become too valuable to waste on inefficient cars.

Short corridor means an artery of about 2.5 miles or less going to an urban rail station. In a short corridor, only one or two buses are required. Subsequent New Neighborhoods along the route can make shuttle service more frequent and reinforce walking access to businesses. The short corridor concept greatly expands the potential for smart growth beyond a station area and beyond the car-emphasis of current smart growth. Planning focuses now too much on transit centers, and not enough on transit corridors serving and strengthening them.

Just as the new neighborhood needs functional density through economies of scale, the short corridor becomes more functional with increasing density. The new neighborhood and related corridor development also increase vitality in the centers at one or both ends of the corridor and increase ridership on the urban rail. The pattern is similar to suburbanization, but more concentrated and with more walk and transit mode use.

Land-based finance of shuttle capital and operating expenses is needed. The sale price of units would include some portion for capital cost. HOA dues or parking charges would pay for operating costs. Ownership by the HOA, city, or institution, and management (directly or using an RFP for an operator) are needed for cost control. Similar services are commonly provided by retirement communities and large employers.

Car Share, Car Rental, Taxis, Village Van

Reduced dependence on cars would be supported by limited taxi vouchers provided for important trips not well-served by transit, such as for health care. Guaranteed ride home is a taxi voucher for a trip home from urban rail when the shuttle is not running. Car share and car rental would make car use easy for the trips when a car works best. An HOA van could provide for taking kids to school and for group trips. An HOA electrocart could provide for on-site freight movement.

Most trips can be made without a personal car. Trip time for all home round trips for work, shopping, personal business, socializing, recreation, education, and so on can be made with a comparable or shorter travel time than in suburbia.

Walking

Some destinations within the neighborhood community (such as a café, community center, fitness center, local parks, trail heads) must be on-site and walkable. The longest walk time, front door to the center, should be about five minutes, and the average, three minutes.

Health and Safety

New Neighborhoods increase walking over suburbia by moving the car a little farther away from the front door. Residents also walk to the bus, the community center, and neighborhood amenities. They walk to local parks, trailheads, and nearby field. The design reduces the risk of auto accidents and pollution by moving cars out of the main living area. Pleasant, car-free walking streets would be quieter, and landscaping freshens and renews the air and moderates the weather. Walking lends itself to health, now threatened by sedentary, car-based lifestyles.

Less traffic, more walking, and defensible design support community social networks that prevent crime and create a sense of security. Residents reinforce security in the process of creating community, as people meet face to face, not bumper to bumper. The HOA management would keep an eye on things, assisted by walkway cameras, lighting, a cell phone app, and knowing who belongs. Such a neighborhood would appeal to families because children can play without fear of traffic. Women can walk at night without fear.

Good Design

Good design is subjective and yet often consensual, in the sense that each person has their own taste, yet there are large overlaps of preferences, as revealed in visual preference surveys. For New Neighborhoods, architects and designers would develop a variety of good design ideas in consultation with people from target markets. The people likely to live there have a sense of what they want. Good design is helped by adequate setbacks between buildings and low building height creating a spacious streetscape. Building facades gain visual appeal from off-sets, bay windows, facade elements breaking up flat surfaces, and color variations. Varied sight lines, landscaping and parks also help create visual appeal.

Community

Community develops from informal, unstructured meetings, with ability to engage and disengage easily. To support community within a New Neighborhood, there needs to be a central place, a Village Square of some kind. Community would also be supported by small parks, a community center, stores, a cafe, walkable streets, and bus stops on a busway. Community center amenities could include mailboxes, an ATM, HOA offices, a fitness center and meeting spaces. The HOA would need to have some funds and policies to enhance community, with rotating members to involve all residents at least a little over time. Activities would have to be carefully balanced with the fact that many people don't need or want much social interaction and enjoy their privacy within a small circle.

While California is highly focused on reducing greenhouse emissions, a sustainable communities program that focuses too narrowly on that goal will fail to create a place where people want to live. The specific goal should be approached holistically. We need a Head Start for New Neighborhoods.

Where these ideas came from

These ideas flow from a highly detailed proposal for a large Caltrans parcel near Cal State Hayward, including many public, very detailed, pro formas. However, the concepts behind the specifics are important for developing sustainable neighborhoods of all kinds. Bayview is just one example of ideas that could work. We need more research on how dense neighborhoods work, redevelopment to improve function of existing neighborhoods, and development of new neighborhoods. See www.bayviewvillage.us or contact me.

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July 7, 2014



ERIC GARCETTI
MAYOR

July 10, 2014

Mr. Mike McCoy
Executive Director
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Sacramento, CA 95814

Re: Affordable Housing and Sustainable Communities Program of the 2014-15 Cap-and-Trade Expenditure Plan

Dear Mr. McCoy:

Thank you for your leadership in the implementation of AB 32. Thanks to your work, California continues to lead the way in tackling climate change and is preparing to make record investments in reducing its carbon footprint.

Los Angeles is prepared to do its part, and has taken dramatic steps to reduce greenhouse gas emissions (GHG). Los Angeles is on track to exceed state-imposed mandates and, with state assistance to fund key projects, is on pace to reduce GHG emissions to 35% below 1990 levels by 2030.

The Affordable Housing and Sustainable Communities (AHSC) portion of the Cap-and-Trade Expenditure Plan is critical in ensuring that both Los Angeles and California continue to effectively combat climate change. As you plan for the implementation of AHSC and coordinate with relevant state agencies and planning organizations, I urge you to consider the following provisions.

AHSC funded programs and projects should have a strong greenhouse gas reduction nexus, as is required by AB 32, and beyond a baseline set by AB 375's Sustainable Communities Strategies. Programs and projects that serve low-income communities should also be given priority, per the requirements of SB 535.

Mr. Mike McCoy

July 10, 2014

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Funding should be prioritized to support transportation infrastructure, such as bike sharing programs, that complements existing transit options in dense urban environments by providing effective first/last mile solutions, such as those outlined in MTA's First/Last Mile Strategic Plan.

Funding should also be directed to street infrastructure and improvement projects along key commercial corridors, like those identified in my Great Streets Initiative, that improve access and mobility, increase local economic activity, improve environmental resilience, enhance neighborhood character, and create safer communities by implementing complete street and sustainable infrastructure elements.

Finally, funding should also be directed to the production and preservation of affordable housing near and adjacent to transit and for the weatherization and energy retrofitting of existing affordable housing units.

A cap-and-trade plan that makes these key investments will better help California reduce its carbon footprint and fight the effects of climate change.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Garcetti".

ERIC GARCETTI

Mayor

July 9, 2014

Ken Alex, Chair
Strategic Growth Council (SGC)
1400 Tenth Street Sacramento, CA 95814

Ken.Alex@gov.ca.gov

Re: Recommendations for the SGC guidelines of the Affordable Housing and Sustainable Communities (AHSC) Program of the 2014-15 Cap-and-Trade Expenditure Plan

Dear Mr. Alex and Members and Staff of the Strategic Growth Council:

The Center for Climate Change and Health at the Public Health Institute works to promote healthy and climate resilient communities through strategies that effectively address climate mitigation and adaptation while generating health and equity co-benefits. We are writing to offer our recommendations for your consideration as you develop guidelines for the implementation of the Affordable Housing and Sustainable Communities (AHSC) program. We also request that the SGC establish metrics and conduct on-going evaluation of the AHSC, with a thorough annual review to adjust the guidelines if appropriate.

AB32 requires that the primary goal of the AHSC be the reduction of greenhouse gas emissions; we remain in complete support of this goal, given that climate change itself is the greatest global health threat of this century. AB 32 also requires that implementation activities do not disproportionately impact low-income communities, and that societal benefits including public health be considered.

Consistent with these provisions, we recommend that the SGC:

- **Ensure a robust public participation process** that allows ample opportunity for public input throughout the development, implementation, and evaluation of AHSC.
- **Ensure that the various elements of the program are integrated**, rather than siloed; we believe this will require continued and strong involvement and oversight by the SGC.
- **Provide formal and informal mechanisms for substantive input from government and non-governmental organizations with expertise in health, health equity, healthy communities, climate and health co-benefits, and environmental justice**; include the California Department of Public Health and the California Conference of Local Health Officers

- **Provide technical assistance for applicants** who may lack the resources to develop a competitive grant proposal without such assistance; we understand this may require identification of additional external resources.
- **Prioritize healthy, equitable investment in disadvantaged communities**
 - Prioritize grants to low-income communities, beyond those identified as disadvantaged using CalEnviroScreen
- **Require that investments in affordable housing, infill, and transit-oriented development incorporate key health and equity considerations, e.g.**
 - Provisions to prevent the displacement of current low-income residents
 - Safe and adequate infrastructure and design to promote increased active transportation
 - Routine incorporation of open, green space to support exercise, urban agriculture, and social coherence
 - Siting to minimize air quality and other exposures risks including noise
 - Healthy buildings that use green and healthy materials and are designed for health
 - Community input to address residents' needs
- **Assure that grants are used to promote climate resilience** in anticipation of projected temperature rise, precipitation changes, and other climate impacts, e.g.
 - Provisions for mitigation of heat island effects
 - Green infrastructure, design for water and energy efficiency, permeable pavements, etc.
- **Integrate farmland conservation and open-space preservation** with housing, transit, and compact development guidelines, to promote local sustainable food systems that provide access to health affordable food for all.

We deeply appreciate the work that the Strategic Council is doing to promote a healthy, equitable, and sustainable California, and look forward to continued collaboration toward those goals.



Linda Rudolph, MD, MPH
Center for Climate Change and Health
Public Health Institute

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SENATOR
DARRELL STEINBERG
PRESIDENT PRO TEMPORE
SIXTH SENATE DISTRICT

STANDING COMMITTEES:
SENATE RULES
CHAIR
APPROPRIATIONS
PUBLIC SAFETY



July 10, 2014

Ken Alex, Chair
Strategic Growth Council
c/o Governor's Office of Planning and Research
1400 10th Street
Sacramento, California 95814

VIA FAX/EMAIL

Re: AGENDA ITEM #3: Strategic Growth Council Guidelines for Expenditure of Cap and Trade Funds for SB 375/Affordable Housing and Sustainable Communities (AHSC) Program

Dear Ken:

I am writing about the item referenced above that is scheduled to be heard at today's meeting of the Strategic Growth Council (SGC).

I congratulate you and your colleagues for starting the important work to implement the state budget cap and trade expenditures for sustainable communities. At the same time, I have several concerns about the staff report and recommendations I would like to share with you and your fellow council members. I request that the Council take these concerns into consideration and make appropriate adjustments as needed.

My concerns are as follows:

1. SGC should be lead agency in ranking of projects and distribution of funds. The budget and trailer bill legislation very deliberately designated the SGC as lead agency for this program due to its diverse and multi-disciplinary expertise in transportation, housing, infrastructure and the environment. Using this expertise is essential for a successful and fully integrated program. With great respect for the good work they do, delegating key functions to single purpose housing or transportation agencies as suggested in the staff report would contravene the legislative intent in allocating funds and legal authority with the SGC. To be sure, there is a limited role for those agencies to play within the program as, for example, fiscal agents of the SGC. However, the SGC itself, with its expertise in GHG reductions, sustainable community planning, transportation, and infrastructure investment, is the appropriate lead agency for the program.



2. COG's should play more formal role in fund distribution process where feasible. Regional Councils of Governments have become the front line agencies in implementing SB 375 and sustainable communities strategies more generally. For example, SACOG, my own regional agency here in the Sacramento area, has spent an extensive amount of time via the SCS process to work with its local and regional partners to identify key regional investments that further GHG reductions and meet other objectives. Putting to use the knowledge and expertise of the COGs such as my own regional agency SACOG, which have a key role in SB 375 implementation, is crucial to the success of this program.
3. Set up program with recognition that additional modifications may be made going forward. Establishment of, and permanent funding for, the AHSC program was a key priority of mine and of others in the 2014-2015 Budget. However, it was recognized when the budget was adopted that there would be program refinements going forward. Many of the budget actions taken this year were one-time in nature and will be revisited in future budget years. Others, such as the AHSC program, do not being to receive permanent funding until 2015. It is important to set up this program to preserve flexibility to make adjustments after the initial year. Agreements such as the one recommended with HCD should be able to be revisited after the first year in order to allow time to sort out the various state and regional agency roles to ensure smooth implementation.
4. Primary emphasis must be made on GHG reductions in order to ensure proper nexus with climate laws and the state constitution. I'm sure it does not need additional emphasis, but it bears repeating that all expenditures of funds made under this and the other programs established in the 2014-2015 Budget must meet the statutory and constitutional tests applicable to the expenditure of cap and trade funds. In addition to the explicit requirements of law, it would be most useful—and of course most beneficial to the environment—if expenditures were made via a competitive process that ranked projects based on their GHG benefits first, along with other considerations.

Thank you and your colleagues for allowing me to share my thoughts on this important program and for taking them into consideration as you begin the task of implementation.

Sincerely,



DARRELL STEINBERG
President pro Tempore
Sixth Senate District

cc. Nancy McFadden
Gareth Elliott
SGC Members