November 27, 2018

Subject: October 2018 Strategic Growth Council Meeting Minutes

Reporting Period: October 2018 – November 2018

Staff Lead: Ulisses Arzola, Strategic Growth Council

Recommended Action:

Approval of the October 29, 2018 Strategic Growth Council Meeting Minutes.
Strategic Growth Council
November 27, 2018
Draft Meeting Minutes

Council Members and Representatives Present:
Ken Alex, Chair, Governor's Office of Planning and Research (OPR);
Bob Fisher, Vice-Chair, Public Member;
Michael Flad, Public Member,
Nicole Capretz, Public Member;
Undersecretary Deborah Hoffman, Business Consumer Services and Housing Agency (BCSH);
Associate Secretary Jim Suennen, California Health and Human Services Agency (CHHS);
Secretary John Laird, California Natural Resources Agency (CNRA);
Secretary Brian Annis, California State Transportation Agency (CalSTA);
Secretary Karen Ross, California Department of Food and Agriculture (CDFA);
Secretary Matthew Rodriguez, California Environmental Protection Agency (CalEPA)

Agenda Item #1: Call to Order
Chair Alex called the meeting to order at 1:06 pm.

Agenda Item #2: Roll Call
The Council introduced themselves.

Agenda Item #3: ACTION: Approval of Minutes
Secretary Laird made the motion to approve the September 25, 2018 Meeting Minutes,
Secretary Annis seconded. Motion passes 7-0-3*.

*Chair Alex and Undersecretary Hoffman abstained as they were not present at the last
meeting. Secretary Ross had not yet arrived before the vote.

The September 25, 2018 Meeting Minutes can be found here.

Agenda Item #4: Council Members Update
Public member Capretz thanked SGC staff on the Transformative Climate Communities Program (TCC) and the Affordable Housing and Sustainable Communities (AHSC) Program Workshop held in San Diego.

Secretary Annis thanked Deputy Secretary Kate White for all her work and wished her well as she is leaving the Transportation Agency.

**Agenda Item #5: Executive Director’s Report**

*Louise Bedsworth, SGC*

Executive Director Bedsworth briefly updated the Council on the Executive Director’s report including an update to the TCC Program, the Climate Change Research Program and gave an overview of the LAFCo Paper. She also introduced SGC’s new Deputy Director [Jessica Buendia](#).

The Executive Director’s Report presentation can be found [here](#).

**Agenda Item #6: ACTION: Affordable Housing and Sustainable Communities Program**

*Ryan Silber, SGC*

Silber gave an overview presentation on the FY 2017-2018 Round 4 Final Draft AHSC Guidelines.

Discussion:

Laird wanted to know about the appeals process and how that would affect the annual process.

Silber commented that they could still have an open appeals period to the CEQA/NEPA determination, but it must end within 30 days of the application period – any longer might hold up the application review period. Want to have this in place for project readiness.
Laird said that all it would take is someone filing a lawsuit and it bumps someone out of the round. Staff should see how it comes up and whether it knocks projects out of consideration. Might be good for the Council to revisit this issue.

   Bedsworth said they are trying to strike a balance - as right now, the projects would not be eligible at all. If it goes longer, it would impact how the scoring is done. The other risk is that money would get tied up in a project that cannot move forward.

Rodriquez would like to have the option to grant the money anyway, regardless of how the court process plays out.

Alex clarified that under the current rules, unless the project has CEQA/NEPA approval, it cannot get funded. This would make it a little easier to get the funding. The other point is that bank funding is usually not available until the CEQA process is completed.

Capretz wanted some clarification for the Green Building Scoring.

   Silber clarified that it is more focused on more on the structure itself while the rating systems focus more on a holistic approach. The guidelines try to further incentivize beyond the building code. Additionally, the building code systems may be updated to match the continually improving building codes.

Capretz also wanted clarification on points to determine if they are consistent with community strategy.

   Silber said the threshold is the same, but it must be aligned with sustainable communities’ strategy. The difference in points in previous rounds was how well they were able to prove that in their writing and their grant writing ability.

Fisher pointed out that the size this round is 400M vs 257M for the third round, 300M for the second round and 100M for first round. One of the concerns, given the size of the round is that there is a great desire to get the money out, but worries the projects may not be good enough. There is no threshold on which projects have to rise, it is possible we have fewer projects than
we have money for. Talks about perhaps thinking about a minimum score for a project. Would rather hold the money back for a better project.

Silber responded that they see a pretty tight spread between the applications. Does not think that issue will occur but it could be a possibility and staff could consider a minimum score for projects.

Alex responded that there may not be enough information to determine that issue. Wants to know the lowest point score that was awarded a grant and what were the GHGs reductions. May need to do some research on the projects that were already awarded and what we already have.

Bedsworth responded we can look at previous applicants and bring that back to the Council in November.

Fisher asked about the air pollution education piece in the guidelines. Asked if they considered doing climate change education as well.

Silber responded that it was not considered, viewed the air pollution education as more related to the investments as to the impact to individuals.

Alex commented that the program is obviously climate change, greenhouse gas related. Last year there was an issue that came up as to location of infill near roadways and we were not evaluating potential pollution from roadways. It is an education in part for the developers. Being in this program at all means they are sensitive to climate change issues.

Fisher brought up that we are still discussing the Metropolitan Planning Organization (MPO) role. It has been an issue since this program has started. We need to figure this out.

Alex said that he knows the MPOs are ready to make a push for what they would like to see which is - some of the money in the form of a block grant. Have not come up with a way to do that that is satisfactory so far.
Bedsworth agreed and said they have been thinking SCS consistency, how to put something more meaningful around that. Talked about piloting some regionally customized approaches. Eager to see if they can come up with some pathway forward.

Alex suggested for staff to have an initial discussion with the MPOs.

Rodriquez agreed that they have been through this many times before and anticipates that the issue will never go away as the MPOs will continue to look at this as a potential source of funding.

Secretary Laird made the motion to adopt the FY2017-18 Round 4 Final Draft AHSC guidelines, Secretary Rodriquez seconded. Motion passes 10-0.

Public Comment on AHSC:
Alicia Sebastian, California Coalition for Rural Housing
Tyrone Butler, Housing California
Hamid Taeb, Habitat for Humanity

The full staff report on the Affordable Housing and Sustainable Communities Program can be found here. The guidelines can be found here. The presentation can be found here.

**Agenda Item #7: General Public Comment**

Carrie Lutjens, Satellite Affordable Housing

**Agenda Item #8: Meeting Adjourned**

Chair Alex adjourned the meeting at 2:26pm.

The full video of the October 29, 2018 Strategic Growth Council Meeting can be found here.