

Metropolitan Transportation Commission Programming and Allocations Committee

April 10, 2019

Agenda Item 3a

Regional Cap and Trade Priorities: Affordable Housing and Sustainable Communities

Subject: Regional Priorities for Round 4 of the Affordable Housing and Sustainable Communities Program

Background: The Affordable Housing and Sustainable Communities Program is a statewide competitive program to provide grants and loans for affordable housing, infill and compact transit-oriented development, and infrastructure connecting these projects to transit. The state Strategic Growth Council (SGC) is responsible for the overall administration of the program, including project evaluation and the approval of funding awards. Round four of the program was announced with a funding availability of approximately \$395 million. Applications were due in February, and SGC will announce awards in June. Table 1 summarizes the region's applications.

Table 1: Affordable Housing and Sustainable Communities Applications

	Bay Area Applications	Statewide Program Requirements
Number of applications	15	
Total \$ requested	\$254 million	
Total affordable units proposed	1,452	
% funds in Disadvantaged Communities	49%	50% min. required
% funds for Affordable Housing	63%	50% min. required
% funds in Transit Oriented Development (TOD)	65%	35% min. set-aside
% funds in Integrated Connectivity Projects (ICP)	35%	35% min. set-aside
% funds in Rural Innovation Project Area (RIPA)	0	10% min. set-aside

Applications from the Region

The AHSC program has set-asides for both Transit-Oriented Development (TOD) and Integrated Connectivity Project (ICP) project types. Statewide, both project categories will receive at minimum 35% of the overall pot (\$138 million). There are strong applications from the region from both project types, though weighted toward the TOD category. Overall, several projects in the region are likely to be funded as part of these set-asides, based on their scores relative to the AHSC guidelines. A summary of Bay Area applications is located in Attachment A, and further project detail is provided in Attachment B.

All 15 applications from the region include affordable housing and invest in Priority Development Areas and Communities of Concern. Seven are located in state-designated Disadvantaged Communities. Together, the housing developments would result in 1,651 new housing units, 1,452 of them affordable, and 2,215 new bedrooms. The average affordable unit would be restricted to 43% of Area Median Income. Applications come from five Bay Area counties, with concentrations in Alameda County (three in Oakland), San Francisco, and San Jose.

In total, the transportation components of the proposed projects would fund the purchase of 16 new zero-emission buses, construct many miles of sidewalks and bicycle facilities including safety improvements at dozens of intersections, help fund rapid bus corridor improvements, improve access to rail stations, and increase capacity on BART. Projects would also fund related amenities such transit stop enhancements, street lighting and safety, wayfinding, urban greening, and bike racks and lockers. Affordable housing developments would implement a variety of programs, including free transit passes and bicycle education classes.

Regional Endorsement

Following awards made from the project category set-asides comprising 80% of the program, the remaining 20% of the program is considered discretionary. The state's AHSC Steering Committee and SGC's Council will take factors including geographic balance and MPO prioritization into account when proposing and voting on awards from the discretionary amount. The regional criteria adopted by the Commission in November 2017 (Attachment C) recommend prioritizing applications for roughly 60% of the overall program funding (which would be \$237 million of the \$395 million available), with an award target of at least 40% (\$158 million), based on the region's performance in previous funding rounds. The region's funding requests totaling \$254 million align fairly well with the 60% target, and the applications from the Bay Area adhere strongly to the regional criteria.

Therefore, for the state's consideration of projects for the 20% of discretionary funds, staff recommends that the Commission endorse all projects as worthy of funding to the AHSC Steering Committee and Strategic Growth Council.

Attachment D presents evaluation issues and highlights relative to the regional criteria, including that several proposed affordable housing developments are proximate to very high capacity transit stations, both existing and under construction, and are in a strong position to reduce vehicle miles traveled while enhancing access to opportunity. Staff also assessed housing "bang for the buck": to account for the variety of housing needs in the region and reflect the regional criteria's emphasis on both number and size of affordable units, a "Housing Score" metric was calculated for each application, which averages the number of affordable units and the number of bedrooms.

Issues:

Overall number of applications from the region: As the AHSC program matures, we are seeing fewer applications from the region. However, compared to the previous round, there are more applications in this round, representing a larger portion of the statewide pot. The complexity of the program may still be a barrier for applicants, but applications now tend to be well-rounded and designed to meet the various program requirements. To continue a strong volume and quality of Bay Area applications, staff will continue to work with local jurisdictions to create AHSC contacts in public works/transportation departments, and to investigate approaches to expand and expedite the Bay Area affordable housing pipeline. Additionally, MTC could continue to consider developing a gap funding source to help meet the program's match requirement. Staff will continue conversations with program participants on these factors, submit comments to SGC as appropriate, and update the Commission on any new strategic regional approaches.

Encouragement of applications from throughout the region: While applications in Alameda and San Francisco counties continue to have a strong presence, it is also encouraging to see several applications in both San Mateo and Santa Clara counties and one in Napa County. Staff believes it would be beneficial to continue increasing the spread of applications throughout the region, and will continue to work with partners to encourage this.

North Bay fire recovery: Staff was also in contact with Sonoma County and the City of Santa Rosa regarding any potential applications from those areas most affected by the 2017 North Bay fires. There were potential projects under development, but it was decided that the projects would be better suited to applying in a future round. Additionally, MTC staff have initiated discussion with SGC staff to explore options that could better assist these communities, such as targeted pilots, rather than competitive programs. SGC has already been providing technical assistance to vulnerable areas throughout the state, including Santa Rosa.

State scoring process: State scoring panels are currently reviewing applications against various threshold requirements, and it is possible that not all applications will pass the thresholds and move on to further scoring where MPO input is considered.

Recommendation: Refer regional endorsement to the Commission for approval, and direct MTC staff to submit list to SGC.

Attachments: Attachment A: AHSC Project Summary Table
Attachment B: AHSC Project Descriptions
Attachment C: Regional Criteria for Prioritizing Final Applications under the Affordable
Housing and Sustainable Communities Program
Attachment D: Evaluation Issues and Highlights

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Project Title	City	County	Project Type	DAC/ CoC	AHSC Funds Requested	Total Project Cost	Funding Leverage	GHG Reduction (MT CO2)*	Total Units	Total Restricted Affordable Units	Afford- able Unit Avg. AMI	Total Affordable Bedrooms				
Alameda Point Family	Alameda	Alameda	ICP	N/Y	\$ 14,449,970	\$ 60,033,155	315%	9,731	70	69	41%	143	106	\$ 136,320		
2012 Berkeley Way	Berkeley	Alameda	TOD	N/Y	\$ 19,591,610	\$ 115,994,458	492%	26,793	142	141	39%	160	151	\$ 130,177		Downtown Berkeley BART
Fruitvale Transit Village Phase IIB	Oakland	Alameda	TOD	Y/Y	\$ 20,000,000	\$ 148,476,775	642%	23,207	181	169	47%	270	220	\$ 91,116		Fruitvale BART
International Boulevard Affordable Housing Walkability Project	Oakland	Alameda	ICP	Y/Y	\$ 15,402,208	\$ 42,916,231	179%	5,426	55	54	42%	96	75	\$ 205,363		East Bay BRT West Oakland BART
Mandela Station	Oakland	Alameda	TOD	Y/Y	\$ 20,327,951	\$ 128,405,828	532%	57,415	238	158	38%	223	191	\$ 106,708		
Manzanita Family Apartments	Napa	Napa	ICP	N/Y	\$ 8,150,000	\$ 37,331,838	358%	10,965	51	50	47%	87	69	\$ 118,978		
500 Turk Street, TOD Partnership	San Francisco	San Francisco	TOD	N/Y	\$ 20,000,000	\$ 132,236,499	561%	39,088	108	96	49%	165	131	\$ 153,257		Civic Center BART/MUNI
Balboa Park Upper Yard	San Francisco	San Francisco	TOD	N/Y	\$ 19,907,520	\$ 126,145,124	534%	19,755	131	112	47%	193	153	\$ 130,541		Balboa Park BART/MUNI
Treasure Island Parcel C3.1, Ferry Terminal, and Bay Bridge Connection	San Francisco	San Francisco	ICP	Y/Y	\$ 20,000,000	\$ 107,727,905	439%	34,654	135	81	34%	193	137	\$ 145,985		
Light Tree	East Palo Alto	San Mateo	ICP	Y/Y	\$ 20,000,000	\$ 101,215,754	406%	35,476	128	126	46%	190	158	\$ 126,582		
Gateway at Millbrae, 6A TOD	Millbrae	San Mateo	TOD	N/Y	\$ 18,042,459	\$ 62,599,065	247%	48,870	80	79	50%	79	79	\$ 228,386		Millbrae BART/Caltrain
Downtown South City: TOD Affordable Housing and Transportation Project	South San Francisco	San Mateo	TOD	Y/Y	\$ 15,400,000	\$ 74,228,452	382%	6,369	83	81	40%	119	100	\$ 154,000		South San Francisco Caltrain
Page Street	San Jose	Santa Clara	ICP	N/Y	\$ 10,846,509	\$ 58,178,343	436%	5,606	82	81	40%	81	81	\$ 133,908		
Roosevelt Park Apartments	San Jose	Santa Clara	TOD	Y/Y	\$ 12,637,770	\$ 75,503,682	497%	25,099	80	69	40%	117	93	\$ 135,890		VTA Alum Rock BRT
San Jose Market-Almaden TOD	San Jose	Santa Clara	TOD	N/Y	\$ 18,908,818	\$ 61,460,067	225%	37,382	87	86	49%	99	93	\$ 204,420		VTA Light Rail
Total					\$ 253,664,815	\$ 1,332,453,176		385,834	1,651	1,452	43%	2,215				

*GHG reduction amounts are subject to verification by Strategic Growth Council/California Air Resources Board.
**Housing score is calculated as the average of the number of affordable units and the total number of bedrooms. This is an MTC calculation and not part of the state AHSC scoring process.

Affordable Housing and Sustainable Communities Program -- Summary of Bay Area Applications

(sorted alphabetically by County, City, Project Title)

Project Title	Applicant Organization(s)	City	County	Total AHSC Funds Requested	
Alameda Point Family	Eden Housing, AC Transit	Alameda	Alameda	\$	14,449,970
Affordable Housing:	Alameda Point Family: 70-unit affordable development ranging from one- to three-bedrooms, at corner of West Trident Avenue and Orion Street at former Alameda Naval Air Station.			\$	9,799,920
Housing-Related Infrastructure:	n/a			\$	-
Sustainable Transportation Infrastructure:	AC Transit Line 96: Extend to planned Seaplane Lagoon ferry terminal, increase frequency to every 20 min., fund one zero-emission bus and charging infrastructure. Walking/biking: replace and upgrade multi-use pathway connecting planned Central Ave lanes and under-construction infrastructure on West Atlantic/Ralph Appenzato Mem. Parkway; upgrade two intersections along Main Street for bike/ped safety.			\$	3,663,000
Transportation-Related Amenities:	Light Fixtures along Cross Alameda Trail, Bus Shelter upgrades at Main Street/West Atlantic.			\$	944,500
Programs:	AC Transit passes for each household, Bike Education workshops at the housing development.			\$	42,550
2012 Berkeley Way	BRIDGE Housing Corporation, Berkeley Food and Housing Project, AC Transit	Berkeley	Alameda	\$	19,591,610
Affordable Housing:	BRIDGE Berkeley Way Affordable: 89-unit affordable development ranging from studios to two-bedrooms. Berkeley Food and Housing Project Hope Center Permanent Supportive: 53-unit affordable development of Permanent Supportive housing, all studios, restricted to max 15% AMI. Both are in Downtown Berkeley.			\$	13,517,642
Housing-Related Infrastructure:	n/a			\$	-
Sustainable Transportation Infrastructure:	AC Transit Line F: Increase frequency to every 15 min., fund one zero-emission bus and charging infrastructure. Walking/biking: separated two-way cycle tracks, curb ramps, pedestrian lighting; pedestrian crossing improvements and separated bikeway on Milvia St.; create Bicycle Boulevard on Addison St.			\$	5,000,000
Transportation-Related Amenities:	Secure bicycle parking at North Berkeley BART, Bus Stop far-side moves and upgrades at University Ave/Grant St and University Ave/Sacramento St.			\$	1,000,000
Programs:	AC Transit passes for housing residents.			\$	73,968
Fruitvale Transit Village Phase IIB	BRIDGE Housing Corporation, City of Oakland, AC Transit	Oakland	Alameda	\$	20,000,000
Affordable Housing:	Fruitvale Transit Village Phase IIB: 181-unit affordable development ranging from studios to three-bedrooms, near Fruitvale BART station.			\$	13,500,000
Housing-Related Infrastructure:	n/a			\$	-
Sustainable Transportation Infrastructure:	Walking/biking: Fruitvale Alive! Gap Closure project - cycle tracks along Fruitvale Ave.; East 12th St. Bikeway project - continuous bikeway across six miles; Fruitvale BART station sidewalk improvements. AC Transit Lines 20 & 21: Transit signal priority and queue jump lanes along Fruitvale Ave.			\$	4,947,227
Transportation-Related Amenities:	Lighting, landscaping, signage, bus shelters as part of Fruitvale Alive! Gap Closure project.			\$	1,096,000
Programs:	Clipper card value at discounted prices for housing residents (first three years); AC Transit passes for following years.			\$	456,773

Affordable Housing and Sustainable Communities Program -- Summary of Bay Area Applications
 (sorted alphabetically by County, City, Project Title)

Project Title	Applicant Organization(s)	City	County	Total AHSC Funds Requested
International Boulevard Affordable Housing Walkability Project	City of Oakland, Related Companies of California, Acts Community Development Corporation	Oakland	Alameda	\$ 15,402,208
Affordable Housing:	95th and International Affordable Housing: 55-unit affordable development ranging from studios to two-bedrooms, on International Boulevard adjacent to under-construction AC Transit BRT station.			\$ 9,086,743
Housing-Related Infrastructure:	Enviromental remediation, water and electrical utility connections, street trees.			\$ 990,000
Sustainable Transportation Infrastructure:	Walking/biking: six miles of bike boulevards, retrofitting curb ramps, sidewalk gap closures, improved pedestrian access over UPRR.			\$ 4,300,000
Transportation-Related Amenities:	Lighting, signage, enhanced street crossings along International Blvd.			\$ 857,000
Programs:	Free transit passes and reloadable transit cards for each unit.			\$ 168,465
Mandela Station	Strategic Urban Development Alliance	Oakland	Alameda	\$ 20,327,951
Affordable Housing:	West Oakland BART TOD Affordable Housing: 240-unit development, 158 restricted affordable at 30% or 50% AMI, ranging from one- to three-bedrooms, part of a larger master planned development at West Oakland BART station.			\$ 9,000,000
Housing-Related Infrastructure:	Capital improvements required as a condition of approval of the affordable housing development.			\$ 5,178,588
Sustainable Transportation Infrastructure:	Walking/biking: new cycle tracks on 7th St. and Mandela Parkway, sidewalk and crosswalk improvements; dedicated bicycle signal phases at two intersections.			\$ 5,149,363
Transportation-Related Amenities:	Bike station and repair facility, new bus stops, benches and awnings, loading zones.			\$ 1,000,000
Programs:	One discounted AC Transit pass per unit (non-AHSC funded).			\$ -
Manzanita Family Apartments	Satellite Affordable Housing Associates	Napa	Napa	\$ 8,150,000
Affordable Housing:	Manzanita Family Apartments: 51-unit affordable development, ranging from one- to three-bedrooms, in city of Napa.			\$ 4,400,000
Housing-Related Infrastructure:	n/a			\$ -
Sustainable Transportation Infrastructure:	NVTA Routes 10-Express & 11-Express: two electric buses to expand service through creation of two express lines; Walking/biking: crossing improvements at cross streets along Vine Trail, Pueblo Ave., and Soscol Ave.			\$ 3,300,000
Transportation-Related Amenities:	Bus shelters; improved ADA accessibility; new EV charging stations at Redwood Park and Ride.			\$ 300,000
Programs:	Transit passes for residents, bicycle training.			\$ 150,000

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(sorted alphabetically by County, City, Project Title)

Project Title	Applicant Organization(s)	City	County	Total AHSC Funds Requested	
500 Turk Street TOD Partnership	Tenderloin Neighborhood Development Corporation, City and County of San Francisco	San Francisco	San Francisco	\$	20,000,000
Affordable Housing:	500 Turk Street: 108-unit affordable development, ranging from studios to three-bedrooms, in Civic Center/Tenderloin.			\$	13,700,000
Housing-Related Infrastructure:	n/a			\$	-
Sustainable Transportation Infrastructure:	SFMTA Geary Rapid Project Market-Van Ness Segment: transit speed and reliability improvements, including transit-only lanes. Walking/biking: 6th St. pedestrian safety project; 5th St. bicycle facilities and crosswalk improvements.			\$	5,000,000
Transportation-Related Amenities:	Canopy at Civic Center BART/MUNI station entrance.			\$	1,000,000
Programs:	Safe Passage program - add four "corner captains" to Turk & Larkin intersection; Muni passes for each resident.			\$	300,000
Balboa Park Upper Yard	Related Companies of California, Mission Development Housing Corporation, City and County of San Francisco	San Francisco	San Francisco	\$	19,907,520
Affordable Housing:	Balboa Park Upper Yard: 131-unit development, 112 restricted affordable at 30% to 60% AMI, ranging from studios to three-bedrooms, near Balboa Park BART station.			\$	13,500,000
Housing-Related Infrastructure:	n/a			\$	-
Sustainable Transportation Infrastructure:	Walking/biking: Ocean Ave separated bikeways, Monterey St. bike facilities, Geneva Ave pedestrian enhancements. Balboa Park BART pedestrian and passenger drop-off reconfiguration.			\$	5,000,000
Transportation-Related Amenities:	Lighting, urban greening, seating enhancements on San Jose Avenue.			\$	1,000,000
Programs:	Bicycle short-term loans, safety and education clinics through PODER; Muni passes for each unit.			\$	407,520
Treasure Island Parcel C3.1, Ferry Terminal, and Bay Bridge Connection	Mercy Housing California, Treasure Island Development Authority	San Francisco	San Francisco	\$	20,000,000
Affordable Housing:	Treasure Island Parcel C3.1: 135-unit affordable development, 81 restricted affordable at 30-50% AMI, ranging from one- to four-bedrooms, on Treasure Island near planned ferry terminal.			\$	13,753,000
Housing-Related Infrastructure:	n/a			\$	-
Sustainable Transportation Infrastructure:	Walking/biking: linkage from Treasure Island to Bay Bridge/Bay Trail along Yerba Buena Island, including grading, paving, and drainage along Macalla Road, Treasure Island Road, and Southgate Road. AC Transit Transbay Service: procure five electric buses for new line connecting Downtown Oakland with Treasure Island.			\$	5,017,460
Transportation-Related Amenities:	Ferry Plaza: connecting new ferry terminal to Treasure Island, including connections to Muni and AC Transit buses.			\$	1,000,000
Programs:	Muni passes for each unit; Bicycle safety education classes by SF Bike Coalition.			\$	229,540

Affordable Housing and Sustainable Communities Program -- Summary of Bay Area Applications
(sorted alphabetically by County, City, Project Title)

Project Title	Applicant Organization(s)	City	County	Total AHSC Funds Requested
Light Tree	Eden Housing, East Palo Alto Community Alliance & Neighborhood Development Organization, City of East Palo Alto	East Palo Alto	San Mateo	\$ 20,000,000
Affordable Housing:	Light Tree Apartments: 128-unit affordable development, ranging from studios to three-bedrooms in East Palo Alto adjacent to the Light Tree Rehabilitation project.			\$ 13,651,295
Housing-Related Infrastructure:	n/a			\$ -
Sustainable Transportation Infrastructure:	Walking/biking: citywide bikeway improvements connecting to existing trails and bikeways, pedestrian improvements along Addison Ave. and Clarke Ave. SamTrans new Express Route: new limited-stop express route between East Palo Alto and San Bruno, including acquisition of three electric buses.			\$ 5,000,000
Transportation-Related Amenities:	Bus Stops replacement and improvement throughout city.			\$ 1,000,000
Programs:	SamTrans transit passes, on-site transportation coordinator, bicycle safety education programs and clinics, subsidized resident bicycle and equipment purchasing program.			\$ 348,705
Gateway at Millbrae, 6A TOD	Core Affordable Housing	Millbrae	San Mateo	\$ 18,042,459
Affordable Housing:	Gateway at Millbrae, 6A: 80-unit affordable development, studios and one-bedrooms, at Millbrae BART/Caltrain.			\$11,809,959
Housing-Related Infrastructure:	n/a			\$0
Sustainable Transportation Infrastructure:	Millbrae BART Tail Tracks Extension: extend existing tail tracks to accommodate 10-car BART train on all three tracks, allowing BART to increase number of serviceable trains on SF/Millbrae to Richmond line. Walking/biking: 101 overcrossing improvements at East Millbrae Ave.; Taylor Middle School Safe Routes to School and Green Infrastructure Project.			\$5,000,000
Transportation-Related Amenities:	Millbrae Station Safety and Security Enhancements: security cameras added to station			\$1,000,000
Programs:	Bike Ambassador program - Silicon Valley Bicycle Coalition; SamTrans transit passes for residents.			\$232,500
Downtown South City: TOD Affordable Housing and Transportation Project	City of South San Francisco, ROEM Development Corporation	South San Francisco	San Mateo	\$ 15,400,000
Affordable Housing:	Two affordable buildings in downtown South San Francisco, ranging from studios to three-bedrooms: 201 Grand Ave , a 46-unit affordable development, and 418 Linden Ave , a 37-unit affordable development.			\$ 9,000,000
Housing-Related Infrastructure:	n/a			\$ -
Sustainable Transportation Infrastructure:	South San Francisco Caltrain Station Improvement Project: improvements to the west plaza, pedestrian and bike underpass, and additional shuttle stop. Walking/biking: gap closure of bikeway and path from Caltrain station to E Grand Ave. bike lane project.			\$ 6,400,000
Transportation-Related Amenities:	n/a			\$ -
Programs:	n/a			\$ -

Affordable Housing and Sustainable Communities Program -- Summary of Bay Area Applications
(sorted alphabetically by County, City, Project Title)

Project Title	Applicant Organization(s)	City	County	Total AHSC Funds Requested	
Page Street	Charities Housing Development Corporation of Santa Clara County, City of San Jose	San Jose	Santa Clara	\$	10,846,509
Affordable Housing:	Page Street Apartments: 82-unit affordable development, studio apartments, in San Jose.			\$	4,434,560
Housing-Related Infrastructure:	Site preparation work, shared public/private paseo, parking lifts, storm drainage.			\$	2,905,393
Sustainable Transportation Infrastructure:	Walking/biking: elements including new signals, curb extensions, bike lanes, bike ramps, and traffic calming at several locations including Douglas St., O'Conner Park, Scott St., and Shasta Ave.			\$	3,417,971
Transportation-Related Amenities:	n/a			\$	-
Programs:	Bike programs: workshops, clinics, Bike Ambassadors - Silicon Valley Bicycle Coalition; VTA transit passes for apartment residents.			\$	88,585
Roosevelt Park Apartments	First Community Housing, City of San Jose	San Jose	Santa Clara	\$	12,637,770
Affordable Housing:	Roosevelt Park Apartments: 80-unit affordable development, 69 units restricted from 30-60% AMI, ranging from studios to three-bedrooms, at Roosevelt Park in San Jose.			\$	8,623,532
Housing-Related Infrastructure:	n/a			\$	-
Sustainable Transportation Infrastructure:	Walking/biking: protected bike lanes along Las Plumas Ave. and Lenfest Rd., bike lanes along E. Julian St., 18th St., and 19th St. Intersection safety improvements, access ramp upgrades at several sites. VTA Route 77: two new electric buses to serve on the route and increase frequencies.			\$	3,180,142
Transportation-Related Amenities:	Bikeway urban greening along San Antonio Street corridor.			\$	820,846
Programs:	VTA transit passes for apartment residents.			\$	13,250
San Jose Market-Almaden TOD	Satellite Affordable Housing Associates, City of San Jose	San Jose	Santa Clara	\$	18,908,818
Affordable Housing:	226 Balbach: 87-unit affordable development, ranging from studios to two-bedrooms, in San Jose.				\$12,777,880
Housing-Related Infrastructure:	n/a				\$0
Sustainable Transportation Infrastructure:	Walking/biking: protected bike lanes along Woz Way and S. Almaden Blvd., bike lanes along Auzerai Ave, trail access to Guadalupe River Trail. Intersection safety improvements at several sites. VTA Route 66: two new electric buses to serve on the route and increase frequencies.				\$4,995,262
Transportation-Related Amenities:	Bikeway access ramps, lighting enhancements, urban greening, wayfinding.				\$975,176
Programs:	VTA transit passes for apartment residents, Ford GoBike passes for each unit, mural installations through Viva CalleSJ.				\$160,500

Regional Criteria for Prioritizing Applications under the Affordable Housing and Sustainable Communities Program (Adopted November 15, 2017 by MTC Commission)Overview

The Affordable Housing and Sustainable Communities (AHSC) final guidelines provide regional agencies an opportunity to advise on AHSC project selection. After an initial screening of applications for Plan Bay Area 2040 supportive elements, MTC staff will review applications and make project recommendations to the Commission for approval and transmittal to the Strategic Growth Council (SGC). The role for regional agencies in this process is advisory, meaning that SGC has the ultimate project selection authority.

Regional Bid Target

Based on program results thus far, MTC proposes a regional program target of 40%, and will prioritize applications for up to 60% of the available funding.

Project Prioritization Process

MTC staff proposes to conduct a **project prioritization process** to provide SGC with a set of regional priority projects, based on the following principles. Although these criteria are not “thresholds” that must be achieved, staff will look most favorably on applications achieving most to all of the following elements, which are listed here roughly in rank order of importance:

1. **Significant Greenhouse Gas Reduction (GHG).** Prioritize projects that demonstrate significant GHG reduction. While the SGC will employ a statewide methodology in the final applications for quantifying GHG benefits, MTC staff also reserves the right to conduct additional GHG analysis as needed using a regional methodology.
2. **Support Plan Bay Area 2040’s Focused Growth Investment Strategies.** Develop priorities for each of the three project area types: Transit Oriented Development (TOD), Integrated Connectivity Project (ICP), and Rural Innovation Project Area (RIPA). Prioritize projects including affordable housing developments. Where applicable, prioritize ready-to go projects within Priority Development Areas (PDAs) in high growth jurisdictions and corridors that provide access to jobs and services. Prioritize projects providing both a greater share and total number of affordable units, while also considering unit size, to address concerns about community stability and displacement. When applicable, also prioritize projects that provide funds for active Transit Oriented Affordable Housing (TOAH) projects, all of which have a strong nexus to transit and PDAs and have ownership of land for development. Projects that meet the criteria for TOAH and are at the same state of readiness will also be considered favorably.

3. **Level of Housing Affordability.** For proposals including an affordable housing development as a capital project, prioritize projects in a manner consistent with the Strategic Growth Council's AHSC scoring criteria, which places the highest priority on rental restricted units for households at lower percentages of Area Median Income.
4. **Communities of Concern/Disadvantaged Communities.** Prioritize projects located in or providing benefits to the region's Communities of Concern as well as CalEPA's defined Disadvantaged Communities. Prioritize projects that provide affordable housing in High Opportunity Areas.
5. **Support for the Region's Adopted Transit Priorities.** Prioritize projects that support the Commission's adopted transit priorities. These include the Regional Transit Expansion program of projects (Resolution 3434), Plan Bay Area 2040's regional transit funding priorities, projects under the Core Capacity Challenge Grant program, projects that support the implementation of the Transit Sustainability Project, and recommendations of the Coordinated Public Transit-Human Services Plan.
6. **Funding Leverage/Cost Effectiveness.** Prioritize projects leveraging other funding sources for local match, and projects providing greater amounts of housing at lower costs.
7. **OBAG Policy.** When applicable, OBAG's policy requirements should be applied to help determine a project's alignment with the SCS. These requirements include adherence with state and regional Complete Streets policies, General Plan Housing Element adoption and certification, and Surplus Land requirement. These policies should be applied based on the jurisdiction of where the project is located (rather than whether the local jurisdiction is listed as co-applicant).

Agenda Item 3a – Attachment D

Affordable Housing and Sustainable Communities Program Round 3 Evaluation Issues and Highlights

- *Significant Greenhouse Gas Reduction:* The emissions reduction results reported by applicants total over 385,000 metric tons of CO₂ equivalent. Results have not yet been verified by Air Resources Board and are subject to correction. GHG reductions are calculated through three methods, the first based primarily on anticipated reductions as a result of housing units provided, the second based primarily on transportation improvements funded through the application, and the third (new this year) based on solar power. Several proposed housing developments are located near very high capacity rail stations (including BART and Caltrain stations) and have the opportunity to reduce vehicle miles traveled and increase opportunity in a way that is not fully captured in the program's greenhouse gas reduction analysis. Another housing development would leverage a high-capacity transit project scheduled to open by the time housing is constructed (AC Transit East Bay BRT). These transit stations are noted in the right-most column of Attachment A, "Transit Station Emphasis".
- *Supporting Plan Bay Area's Focused Growth Investment Strategies:* All projects provide affordable housing and invest within Priority Development Areas (PDAs). Thirteen of fifteen proposed housing sites are within PDAs, and the remaining two projects provide direct transit links to and direct transportation enhancements within PDAs. MTC's regional criteria states that additional priority may be given to projects providing a higher total number of affordable units, including consideration of unit size – this is displayed through staff's calculation of a "housing score" that averages the number of affordable units for a project and the number of bedrooms in those units. This metric and a further calculation comparing housing score to AHSC funds requested, in keeping with the region's criteria to prioritize projects providing greater amounts of housing at lower costs, are shown in Attachment A.
- *Level of Housing Affordability:* In general, the region's applications would increase the accessibility and affordability of housing. In total, Bay Area projects would help construct 1,452 units of restricted affordable housing, at an average of 43% of Area Median Income. The units range from studios to three-bedroom units. All are rental units.
- *Communities of Concern/Disadvantaged Communities:* The program has a 50% set-aside for projects located in and benefitting Disadvantaged Communities. Seven Bay Area projects totaling 49% of the region's funding request are located in Disadvantaged Communities, while all applications benefit Communities of Concern through the location of affordable housing development, transportation improvements, or both. In considering applications, staff gave equal weight to projects benefitting Disadvantaged Communities, Communities of Concern, and/or providing affordable housing.
- *Support for the Region's Adopted Transit Priorities:* In general, the region's applications support the region's priorities (Regional Transit Expansion program of projects, Plan Bay Area's Next Generation Transit program, etc.)
- *Funding Leverage/Cost Effectiveness:* Funding leverage for this program is calculated by dividing the total non-AHSC project costs (as submitted by the applicant) by the AHSC request amount. Applications in the region have a funding leverage range of 179%-642%. Cost effectiveness may be considered by assessing housing "bang for the buck" – amount of AHSC dollars requested compared to provision of housing, calculated as the average of affordable units and number of bedrooms.
- *OBAG Policy:* All projects are located in jurisdictions that adhere with state and regional Complete Streets policies, General Plan Housing Element adoption and certification, and Surplus Land requirement.