

Recommended Changes for the Affordable Housing and Sustainable Communities Guidelines

Section/Issue	Recommendation	Rationale
Sec. 102: Eligible Projects	Every application for the ICP pathway should dedicate some funding to development of new affordable homes or be linked to such a development.	The ICP pathway requires nearby transit, jobs, and services, which makes the site an ideal location to build and preserve homes for lower income households in order to achieve VMT reductions and increase transit ridership as transit services improve. If the program improves transit in the ICP areas, but does not add or preserve affordable homes, it is likely we will see lower transit ridership. Further, as land values increase, it will be more difficult to develop affordable homes later, and harder for low-income households to stay in the area.
102 (a) (3): TOD requirements	The current TOD pathway prioritizes rail. The guidelines should provide flexibility around the type of transit mode, as long as the transit has frequent service and multiple lines with connections to key destinations. For example, bus hubs should count as a Major Transit Stop.	Allowing only high speed or express transit services to qualify does not meet the needs of low income residents. Express buses often just provide access to a central city at commute hours and have infrequent service on weekends. Low income residents have more- complex transit needs that are better served by the local buses that go to schools and community colleges, local job centers, and shopping.
103 (a)(1)(D)(i): Minimum number of units	See recommendation #1 in the body of the letter	

Recommended Changes for the Affordable Housing and Sustainable Communities Guidelines

Section/Issue	Recommendation	Rationale
103 (a)(1)(D)(iii): Minimum number of below-market-rate homes	Set the minimum at 50%, with a minimum of 10% for extremely low-income households. Also, the income limit should be reduced to 60% AMI for rental homes.	Requiring only 20% of the home to be affordable controverts research documented a direct correlation between lower incomes and lower VMT and GHG generation in proximity to transit and job centers. The low threshold also increases the risk of displacing the highest-propensity transit riders.
103 (a) (1) (D) (iv): Net Density Definition in Appendix A (xx)	Change the definition of Net Density to match the Infill Infrastructure Grant Program: total number of dwelling units per acre “excluding permanent streets, required drainage facilities, sidewalks, parks, public rights of way, easements, encroachments and dedicated open space.” The IIG definition also accounts for bedroom size.	The draft guidelines’ definition includes land required for mitigations, which clearly can’t be built on.
104 (d) (1&2): Subsidy Limits	The base subsidy should be 50% more than MHP-A levels for 4% projects.	This change will encourage use of the 4% tax credits, which are a potentially unlimited federal resource. The loss of redevelopment caused a dramatic drop in use. The AHSC program has the potential to leverage hundreds of millions in additional federal dollars.
104 (f) (1): Infrastructure Grants Amounts	Decrease the market-rate infrastructure grant to \$25,000 per unit and increase the restricted infrastructure grant to \$60,000.	The profitability of market-rate TOD and infill projects has increased in recent years, suggesting that a lower market rate subsidy is needed to incentivize these forms of development.

Recommended Changes for the Affordable Housing and Sustainable Communities Guidelines

Section/Issue	Recommendation	Rationale
105 (a) (1) (A): Applicants	See recommendation #5 in the body of the letter	
105(a)(3): Applicants	Where a housing developer would like to provide its residents with free or discounted passes funded by this program, but neither a transit agency nor a nonprofit is willing to partner in such a program, allow the developer to serve as the program administrator.	This will further the AHSC program goals of increasing transit ridership and draw on the developer's existing relationship with residents to build residents' comfort level with using the transit system.
105(b): Concept Proposal	At the concept proposal stage, require only the project description and evidence of meeting threshold requirements.	Currently the requirements are comparable to what would be needed for an application.
107 Chart 2: Scoring Criteria Categories	See recommendation #3 in the body of the letter	
107 (e) (1): Leveraging Points	Assign a relatively small number of points to this criterion.	Redevelopment's demise eliminated \$1.2 billion annually for housing development.
107(m): Affordability Points	See recommendation #2 in the body of the letter	
107 (n): Location Affordability Index	Eliminate this scoring criterion.	Using the LAI would direct AHSC housing to inappropriate places, given the program's GHG reduction goals. A site with inexpensive housing and poor transit would have the same score as a site with expensive housing and high quality transit.