

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

858



SUBMITTAL DATE:  
May 5, 2015

FROM: Executive Office

SUBJECT: Application for Affordable Housing and Sustainable Communities Program

RECOMMENDED MOTION:

That Riverside County joins the Southern California Associations of Governments in petitioning the Governor and Legislature on AB 32 funding equity.

BACKGROUND:

Summary

With the passage of AB 32 in 2006, funding was established to provide for carbon emission offsets. AB 32 requires California to reduce its greenhouse gas emissions to 1990 levels by 2020. The Air Resources Board must adopt regulations to maximize reductions in ways that are both technologically feasible and cost-effective.

  
Brian Nestande  
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$	\$	\$	\$	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS:

Budget Adjustment:

For Fiscal Year:

C.E.O. RECOMMENDATION:

APPROVE

BY:

  
George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- ☐ A-30  
☐ 4/5 Vote  
☐ Positions Added  
☐ Change Order

Prev. Agn. Ref.:

District:

Agenda Number:

3-45

**BACKGROUND:**

**Summary (continued)**

The Strategic Growth Council (SGC) was created by the 2014/15 budget trailer bill SB 862 to establish criteria for the distribution of AB32 funds.

In a letter to the council on March 19, 2015, the Southern California Association of Governments (SCAG) expressed serious concerns regarding applications for the Affordable Housing and Sustainable Communities grant within the AB 32 pool of money. SCAG states that of the 50 projects submitted to the SGC, only 12 were deemed acceptable to proceed to the second qualifying round. However, statewide 147 applications were accepted. Taking statewide numbers into account, SCAG projects represented 18 % of projects accepted throughout California even though SCAG represents approximately 60% of the state's population.

Riverside County communities submitted 9 projects for considerations but only 1 was accepted to proceed to the second round.

Furthermore the SCAG letter states SB 862, passed in 2014, identifies two goals for the SGC to prioritize in evaluating the applications: 1) funding projects that improve air quality 2) projects that improve living conditions in state and federally defined disadvantaged communities. The SCAG region includes 67 % of the state's disadvantaged communities yet only 18 % of the projects accepted

The SCAG letter also noted that the authorizing legislation directed the SGC to coordinate with metropolitan planning organizations, such as SCAG, to identify and recommend projects within their jurisdictions. SCAG reports that the SGC failed to coordinate in any meaningful way and, by doing so, failed to comply with the intent of the legislation.

Riverside County's state legislature delegation has also sent a letter to the SGC asking for their leadership to meet with the delegation and discuss three specific issues:

1. That SGC fund 100% of the remaining projects from the SCAG region.
2. That SGC provide more transparency in the grant selection process and involve the MPO's in the selection process.
3. Include a revision to the guidelines to ensure regional equity.

The Executive Office recommends the Board join SCAG and petition the Legislature and Governor to make the changes necessary to ensure equality in the distribution of AB 32 funds.

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Support for Transportation Legislation**

**DATE: May 5, 2015**

**PAGE: 3 of 3**

**Impact on Residents and Businesses**

If Riverside County projects gain approval from the SGC millions of dollars will be available for development of housing and infrastructure.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

**Contract History and Price Reasonableness**



March 19, 2015

Mr. Ken Alex  
Chair, Strategic Growth Council (SGC)  
State of California  
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Sacramento, CA 95814

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**RE: Reconsideration of Invited AHSC Grant Applications Due April 20<sup>th</sup>**

Dear Ken:

This letter is sent on behalf of the Southern California Association of Governments (SCAG) Regional Council concerning the Affordable Housing and Sustainable Communities (AHSC) invited grant applications due April 20<sup>th</sup> for the \$120 million available in FY 14-15. We are gravely concerned and very disappointed that only 12 projects of 147 submitted statewide were invited from the SCAG region to proceed to full application submittal. This means 38 of 50 grant applications submitted from the SCAG region were not invited to submit full applications by April 20<sup>th</sup>. It is unclear how the process for selection on the next step is reasonable or consistent with the legislative intent of the authorizing legislation. SB 862 of 2014 identifies the first two goals of the AHSC program as funding of projects that reduce air pollution and improving conditions in disadvantaged communities. With the SCAG region having some of the worst air quality challenges in the state and containing over 67% of the disadvantaged communities in the state, only selecting 12 projects representing just 18% of the total number of statewide projects invited does not represent the intent of the legislature.

Additionally, the authorizing legislation recognizes the important role that Metropolitan Planning Organizations play in developing Sustainable Communities Strategies by directing the Strategic Growth Council (SGC) to coordinate with MPOs to identify and recommend projects recommended within their jurisdiction. In our opinion, SGC's lack of coordination with MPOs, has failed to fulfill the intent of the legislation.

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Carl Morehouse, San Buenaventura  
  
First Vice President  
Cheryl Viegas-Walker, El Centro  
  
Second Vice President  
Michele Martinez, Santa Ana  
  
Immediate Past President  
Greg Pettis, Cathedral City  
  
**Executive/Administration  
Committee Chair**  
Carl Morehouse, San Buenaventura  
  
**Policy Committee Chairs**  
Community, Economic and  
Human Development  
Margaret Finlay, Duarte  
  
Energy & Environment  
Deborah Robertson, Rialto  
  
Transportation  
Alan Wapner, San Bernardino  
Associated Governments

The Regional Council consists of 86 elected officials representing 191 cities, six counties, six County Transportation Commissions, one representative from the Transportation Corridor Agencies, one Tribal Government representative and one representative for the Air Districts within Southern California.

For the following reasons, we ask the SGC to increase the number of grant applications from the SCAG region invited to submit full grant applications by the April 20<sup>th</sup> due date to be consistent with the SCAG region's share of disadvantaged communities:

- Only 18% of the projects invited to proceed for full grant application are from the SCAG region when 67% of the statewide disadvantaged communities are in the SCAG region;
- SCAG region has a higher per capita greenhouse gas emission than statewide;
- SCAG region has a higher unemployment rate than statewide;
- Adopted SGC goals for these scarce \$120 million discretionary funds were intended to be distributed to communities with highest disadvantaged communities (67% of the communities in the state are in the SCAG region) and greenhouse gas emissions;
- We believe that SCAG submitted projects have the highest cost effectiveness--dollar per project or average \$5 million per project, which is much lower than those in other large regions of the state;
- 2 of 5 counties that submitted concepts within SCAG region did not receive SGC initial invitation for any submitted grants to proceed to next phase of review (San Bernardino and Ventura);
- AHSC grant funds should not be approved based upon politics but rather where the projects will have the biggest benefit for the State and early achievement of the goals adopted by the SGC; and
- Criteria does not appear to be applied in a transparent and consistent manner.

SCAG appreciates the longstanding partnership with SGC. We do not believe that the initial invitation by SGC for only 12 AHSC grant applications within SCAG region truly reflects the needs in the SCAG region (38 community applications not approved to move to full grant application review process due April 20<sup>th</sup>). Given SCAG's commitment to the goals of this program and our local commitment of \$24 million, we strongly urge SGC to reconsider expanding the AHSC full grant application list due April 20<sup>th</sup> to more accurately reflect the SCAG region grant needs.

Please feel free to contact Hasan Ikhata, SCAG Executive Director, or me at (213) 236-1944 should you have any questions or comments.

Sincerely,



Hon. Carl Morehouse  
President, SCAG  
Ventura City Councilmember

cc: Regional Council  
Governor Jerry Brown  
Strategic Growth Council Members  
Southern California Legislative Delegation  
Southern California City Managers and County CEOs  
CEOs, County Transportation Commissions

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41391 KALMIA STREET, SUITE 220  
MURRIETA, CA 92562  
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FAX (951) 894-5053

# Assembly California Legislature



**MELISSA A. MELENDEZ**  
ASSEMBLYWOMAN, SIXTY-SEVENTH DISTRICT

COMMITTEES  
VICE CHAIR: BUDGET  
VICE CHAIR: PUBLIC SAFETY  
TRANSPORTATION

SUBCOMMITTEE  
BUDGET SUBCOMMITTEE NO. 6 ON  
BUDGET PROCESS OVERSIGHT  
AND PROGRAM EVALUATION

April 27, 2015

Mr. Ken Alex, Chair  
Strategic Growth Council  
C/O Governor's Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044

Re: AH/SC Funding for Riverside County

Dear Mr. Alex,

As you are aware, the Inland Empire contains some of the highest ranked disadvantaged communities according to CalEPA's CalEnviroScreen tool. At an informational hearing conducted at Riverside City Hall on January 31, 2015, legislators from Riverside County specifically asked Administration staff members (including from the Strategic Growth Council (SGC)) about the Inland Empire's competitiveness for cap and trade programs. Optimism was expressed by staff that the region would compete well due to its CalEnviroScreen rankings and the need to expand Inland transit infrastructure to the level found today in other parts of the state. Legislators in attendance publicly expressed strong desire that the Inland Empire be equitably represented in cap and trade funding decisions.

However, to our dismay, the recently released Affordable Housing/Sustainable Communities (AH/SC) project list includes only one project in the two-county Inland Empire region of more than 4.5 million people. For instance, a review of grant concept submittals from communities within Riverside County alone indicates that 9 projects seeking a total of \$27 million were submitted for consideration by SGC. It is perplexing that such a large, growing, and economically delicate region of California could be nearly shut out of funding that is designed to encourage smarter growth and provide relief to disadvantaged populations.

More troubling is that we understand from our local governments that there is no publicly available information regarding the evaluation process employed by SGC as the agency made its decisions on which AH/SC concept applications would move forward. We also have heard that SGC has resisted public disclosure of concept applications that were submitted from across the state. Yet, with serious questions lingering about this year's funding cycle, discussions are beginning on how the second round of AH/SC will be administered.

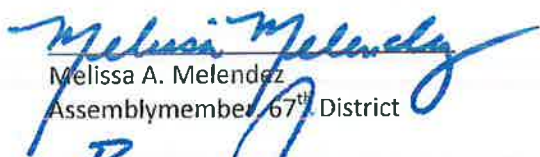
These issues raise significant doubts in our minds regarding the appropriateness of SGC continuing to administer the AH/SC program unless: (1) more transparent guidelines and assessment procedures are developed and utilized, and (2) geographic fairness is achieved. Funds that the Legislature has directed to the AH/SC program are needed for our regional governments to successfully meet the greenhouse gas reduction mandates the state has imposed upon them by AB 32 and SB 375.

We request that you and the SGC leadership meet with the Riverside County Legislative Delegation jointly as soon as possible to discuss these following specific issues:

1. That SGC fund 100% of the 12 remaining projects from the SCAG region, including the eligible project in Riverside County that remain in the review process.
2. That SGC provide more transparency in the grant selection process and involve the MPO in the selection process.
3. Finally, as the SGC develops next year's guidelines, that a key element will include a revision to ensure regional equity.

Thank you for your attention to this matter.

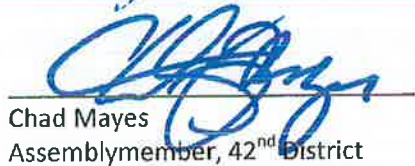
Sincerely,



Melissa A. Melendez  
Assemblymember, 67<sup>th</sup> District



Brian Jones  
Assemblymember, 71<sup>st</sup> District



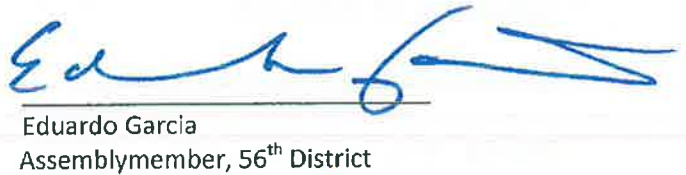
Chad Mayes  
Assemblymember, 42<sup>nd</sup> District



Mike Morrell  
Senator, 23<sup>rd</sup> District



Jeff Stone  
Senator, 28<sup>th</sup> District



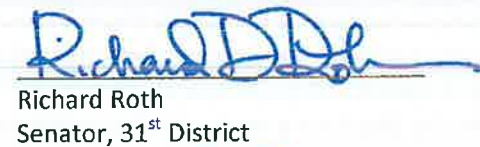
Eduardo Garcia  
Assemblymember, 56<sup>th</sup> District



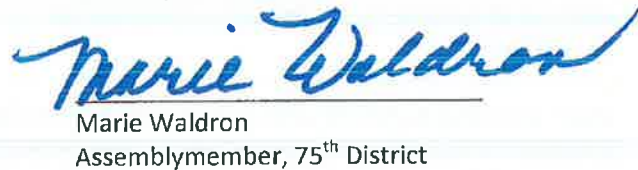
Eric Linder  
Assemblymember, 60<sup>th</sup> District



Jose Medina  
Assemblymember, 61<sup>st</sup> District



Richard Roth  
Senator, 31<sup>st</sup> District



Marie Waldron  
Assemblymember, 75<sup>th</sup> District