



## **The Affordable Housing and Sustainable Communities Program:** Collaborative Investments to Reduce Greenhouse Gases and Strengthen Disadvantaged Communities



### **CALIFORNIA HOUSING PARTNERSHIP CORPORATION | [www.chpc.net](http://www.chpc.net)**

The State created the California Housing Partnership Corporation (CHPC) in 1988 as a private nonprofit organization with a public mission: to help preserve California's existing supply of affordable homes and to provide leadership on affordable housing policy and resource issues. CHPC is unique in combining on-the-ground technical assistance with advocacy leadership at the state and national level to increase the supply of affordable homes. Since 1988, CHPC has partnered with hundreds of nonprofit and government housing agencies statewide to leverage more than \$12 billion in public and private financing that resulted in the creation or preservation of more than 60,000 homes affordable to low-income Californians.

CHPC has provided financial consulting assistance to AHSC applicants since the program was formed. CHPC was part of the initial advocacy for the creation of the program – both in joint research previously published with TransForm, and as part of Sustainable Communities for All, a cross-sector coalition that supports equitable approaches to State action on climate change.

### **ENTERPRISE COMMUNITY PARTNERS | [www.enterprisecommunity.org](http://www.enterprisecommunity.org)**

Enterprise is a proven and powerful nonprofit that improves communities and people's lives by making well-designed homes affordable. We bring together the nationwide know-how, partners, policy leadership and investments to multiply the impact of local affordable housing development. Over 35 years, Enterprise has created nearly 470,000 homes, invested \$28.9 billion and touched millions of lives. In California, Enterprise has invested over \$2 billion through Low-Income Housing Tax Credits, grants and loans to nonprofit and for profit developers of affordable housing and other community development projects.

Enterprise is one of the leading technical assistance providers for the AHSC program. After advocating for the creation of the program, Enterprise launched its AHSC practice in 2014 and has grown its practice to provide comprehensive technical assistance to AHSC applicant teams statewide. Enterprise provided technical assistance to 15 out of 25 of the 2015-2016 awarded applicants.

### **TRANSFORM | [www.transformca.org](http://www.transformca.org)**

TransForm promotes walkable communities with excellent transportation choices to connect people of all incomes to opportunity, keep California affordable and help solve our climate crisis. With diverse partners we engage communities in planning, run innovative programs and win policy change at the local, regional and state levels. For 20 years, TransForm has been working to integrate land use, housing, and transportation for the environmental benefits and the improvements possible for affordability and social justice through smart planning and policy.

TransForm has provided research, advocacy, technical assistance, and policy support to the AHSC program since its inception, and is also part of the Sustainable Communities for All coalition.





## EXECUTIVE SUMMARY

### **The Affordable Housing and Sustainable Communities (AHSC) program provides substantial benefits to underserved Californians while improving our climate.**

Established in 2014, the AHSC program invests in affordable homes and transit infrastructure developments – primarily in disadvantaged communities – that improve economic well-being and physical health for underserved Californians while also reducing greenhouse gas (GHGs) emissions.

The AHSC program is central to achieving the statewide goals established by AB 32 and SB 375. The program also successfully targets additional policy goals including but not limited to: reducing air pollution; improving conditions in disadvantaged communities; improving public health; improving connectivity and accessibility to jobs, housing, and services; increasing transit ridership; and preserving and developing affordable housing for lower income households.

Program accomplishments include:

- The AHSC program selected 58 developments across the state (out of 236 applications) to invest \$443 million statewide.
- The awarded developments will reduce 1.1 million metric tons of CO<sub>2</sub> over the course of their operating lives. Each year, these investments will remove 8,000 cars from the road and reduce car travel in California by 93 million miles—the distance from the earth to the sun.
- By reducing passenger vehicle use, the AHSC program will not only reduce GHGs but will also improve the air quality and health of Californians, especially those in disadvantaged communities.
- The AHSC program has provided critical funding for 4,500 high-quality, affordable homes for low-income Californians, with most of these homes targeted to families earning less than 50 percent of area median income.
- Eighty-two percent of total AHSC funds will be located within or will directly benefit disadvantaged communities identified as having the highest pollution burdens in the state.
- Ninety-four percent of AHSC-funded homes will be affordable to low-income households for 55 years, providing a critical anti-displacement strategy for residents in disadvantaged communities.
- During construction, the housing components of AHSC-funded developments are projected to support over 10,000 jobs, create over \$850 million in wages and business income, and generate over \$325 million in revenue for State and local government.

**The AHSC program is a critical investment in California's health and wellbeing.** The AHSC program is funded by the Greenhouse Gas Reduction Fund (GGRF), which collects proceeds from the quarterly cap-and-trade auctions.

**Elected officials should make a long-term commitment to provide continuous and stable levels of funding to the AHSC program beyond 2020.**

# INTRODUCTION

Across the state, a diverse range of stakeholders – including affordable housing developers, transit agencies, local governments, and community members – are preparing to engage in the third application round of the Affordable Housing and Sustainable Communities (AHSC) program. The highly-competitive application process for affordable housing and transit infrastructure funding is expected to begin this fall. However, the motions to establish the program that we know today actually began over a decade ago when the State of California took steps to address climate change.

In 2006, California solidified itself as a leader on climate change by passing AB 32, the California Global Warming Solutions Act. AB 32 enabled the California Air Resources Board (ARB) to use market mechanisms to support reductions in greenhouse gas emissions (GHGs). Proceeds from a quarterly auction of greenhouse gas pollution allowances are dedicated to the Greenhouse Gas Reduction Fund (GGRF), which in turn funds other programs that further reduce GHGs.

Recognizing that transportation-related GHGs accounted for 37 percent of California's total GHGs, the legislature also passed SB 375 in 2008. The primary aim of this law is to reduce the amount people drive and the associated GHGs by requiring coordination between transportation, housing, and land use planning at a regional scale.

The State of California created the AHSC program in 2014 to invest in affordable homes and transit infrastructure developments—primarily in disadvantaged communities—to improve economic well-being and physical health for underserved Californians while also reducing GHGs. Funded through the GGRF, the program is administered by the Strategic Growth Council (SGC) in partnership with the Department of Housing and Community Development (HCD) and the ARB.

In addition to furthering the goals of AB 32 and SB 375, the program also targets these additional policy goals:

1. Reduce air pollution;
2. Improve conditions in disadvantaged communities;
3. Improve public health;
4. Improve connectivity and accessibility to jobs, housing, and services;
5. Increase options for mobility;
6. Increase transit ridership;
7. Preserve and develop affordable housing for lower income households; and
8. Protect agricultural lands to support infill development.

## ABOUT DISADVANTAGED COMMUNITIES (DACs)

Disadvantaged communities (DACs) in California are specifically targeted for investment of proceeds from the State's cap-and-trade program. In order to identify DACs, CalEPA relies on the California Communities Environmental Health Screening Tool (CalEnviroScreen), a tool that assesses all census tracts in California to identify the areas disproportionately burdened by and vulnerable to multiple sources of pollution.

Achieving these goals requires deep partnerships and cooperation among affordable housing developers, transit agencies, local government, and community members. In just two years, the AHSC program has inspired numerous partnerships across the state, and has ensured that funded developments benefit low-income people and disadvantaged communities (DACs). To this end, the program is required to direct at least 50 percent of its funds to developing affordable housing, and at least 50 percent of funded developments must also benefit or be located within DACs. AHSC has far exceeded both requirements in its first two funding rounds.

AHSC awards are also extremely competitive, demonstrating the high demand for State investments in coordinated affordable housing and transit developments, as well as the high standard that applicants must meet to receive funds. In the 2014-2015 initial and supplemental funding round, SGC awarded \$154 million to 33 developments from an initial pool of 106 eligible applications. In the 2015-2016 round, SGC awarded \$289 million to 25 developments from an initial pool of 130 applications.

Since AHSC is a new program and awarded developments are just beginning to break ground, it is not yet possible to evaluate the program's long-term impact. However, it is possible to project AHSC's public benefits based on the characteristics of developments that have received awards. Taking this approach, the authors of this report collaborated to assess how the program is performing in achieving its goals after two funding rounds using detailed application data available through public sources for both awarded and non-awarded developments.

In this policy brief, we present our findings on AHSC's projected impact, both at the state and local level. We find that the program is generating substantial statewide environmental, health, housing, and other socioeconomic public benefits—particularly in disadvantaged communities. The program is also catalyzing innovative cross-sector collaboration at the local level, which will help deliver multifaceted benefits to California's most vulnerable people.





## ACHIEVING STATEWIDE GOALS

The AHSC program is successfully supporting California's climate change goals by reducing GHGs, while at the same time reducing air pollution and improving the health of underserved Californians. The AHSC program is also building critical affordable housing and doing so in connectivity with transit investments that will help residents access jobs and further the economic mobility of low-income Californians.

### ADDRESSING IMMEDIATE HEALTH RISKS AND LONG-TERM CLIMATE CHANGE THREATS

Through two funding rounds, AHSC-funded developments are projected to generate substantial GHG reductions—primarily by reducing the need for driving by residents of location-efficient affordable homes, and also through investments in transit infrastructure, bicycle, and pedestrian facilities, and new active transportation choices.

To date, the 58 developments that received awards are projected to reduce 1.1 million metric tons of CO<sub>2</sub> over the next 30 years. Each year, these investments will remove 8,000 cars from the road and reduce car travel in California by 93 million miles—the distance from the earth to the sun.

The AHSC program is already making a significant contribution toward the State's GHG reduction goals. California has taken groundbreaking steps to reduce its GHG emissions, using policies that will provide long-term benefits in addressing climate change. However, there are also urgent community health risks that the AHSC program is addressing in the immediate future.

By reducing passenger vehicles through transit and transit-oriented housing investments, the AHSC program provides a critical benefit to the health of Californians, especially those in disadvantaged communities. The Office of Environmental Health Hazard Assessment (OEHHA), on behalf of the California Environmental Protection Agency (CalEPA), has identified disadvantaged communities as California communities that are disproportionately burdened by multiple sources of pollution.

Passenger vehicles produce a significant amount of nitrogen oxides, carbon monoxide, and other pollution. In 2013, transportation contributed more than half of the carbon monoxide and nitrogen oxides, and almost a quarter of the hydrocarbons emitted into our air. Residents within the immediate vicinity of dense traffic are exposed to dangerous exhaust pollutants. According to the Union of Concerned Scientists, detrimental air pollution "increases respiratory ailments like asthma and bronchitis, heightens the risk of life-threatening conditions like cancer, and burdens our health care system with substantial medical costs. Particulate matter is singlehandedly responsible for up to 30,000 premature deaths each year."<sup>1</sup>

Such a substantial reduction in local car trips through the AHSC program will improve local air quality, bringing relief to residents of disadvantaged communities with high pollution burdens.

# A CLOSER LOOK AT THE MOST RECENT AHSC INVESTMENTS

The AHSC program released its second round of awards in October 2016. Like most programs, the program guidelines were significantly improved following its first round of awards in response to community, public partner, and other stakeholder input.

So, how is the AHSC program reducing GHGs and achieving all the added benefits to transit and transit-oriented affordable housing development?

The AHSC program is driving this change by:

- Developing affordable housing near public transit;
- Investing in new and added bike and pedestrian improvements;
- Investing in new and improved public transit services;
- Funding affordable transit passes; and
- Incentivizing reduced parking ratios.

Here is a closer look at the projected outcomes from the second round of awards (2015-2016).

***Transit-oriented affordable housing.*** The AHSC program finances affordable housing within a ½ mile of a transit stop. Studies show that by reducing household driving, benefits of transit-oriented development include: less traffic congestion, reduced air pollution and GHG emissions; more walkable communities; improved access to career and economic opportunities; expanded mobility options; reduced transportation costs; and increased disposable income. This round will result in 2,246 new affordable housing units. We will further discuss the benefits to these affordable housing investments in the next section of the brief.

***Increasing options for mobility.*** Through the second round of awards, the AHSC program will result in approximately 20,297 new active transportation trips per year through added bike improvements, and approximately 158,440 total auto trips being eliminated over the course of 20 years through added pedestrian improvements. Examples of pedestrian improvements include new or improved crosswalks, intersections, sidewalks, crossing signals, and park trails. (These calculations were self-reported using a calculator provided by the ARB.)

***New and improved public transit services.*** One way the AHSC program increases transit ridership is through new and improved public transit services. Significant facility improvements are being made to make transit more appealing, safe, and accessible. Examples include new or improved lighting, accessible faregates, signage and wayfinding, street furniture, and bicycle carrying structures on public transit. Furthermore, AHSC funds will add a total of 11 new buses, vans, or shuttles for public transit. SGC estimates these investments will increase ridership by 2,847 people per day for 20 years. According to ARB, these new public transit services will result in more than 13 million fewer vehicle miles traveled per year.

***Affordable transit passes.*** The AHSC program also increases transit ridership by funding affordable transit passes. Through the second round of awards, the AHSC program will fund a total of 2,878 transit passes (self-reported). Ten out of the 25 awarded developments included transit passes for affordable housing residents from one to 30 years. Although yet to be finalized, the SGC-released draft guidelines for the third round of AHSC awards included a requirement for transit passes for at least three years (using AHSC funds) for all AHSC-funded affordable housing developments.

***Reduced parking ratios.*** Lastly, the AHSC program increases transit ridership by incentivizing reduced parking per unit for housing developments. Less parking changes commuter behavior by making driving less appealing and incentivizing other options including public transit, biking, or walking. In the second round of awards, 13 developments significantly cut on-site parking for their housing developments by at least 29 percent (based off their respective Institute of Transportation Engineers Required Spaces), and two developments opted to eliminate all parking. In the draft guidelines for the third round of awards, parking is no longer an eligible cost for AHSC funds—another way SGC is signaling for jurisdictions to reduce parking requirements.

## ADDRESSING THE HOUSING AFFORDABILITY CRISIS

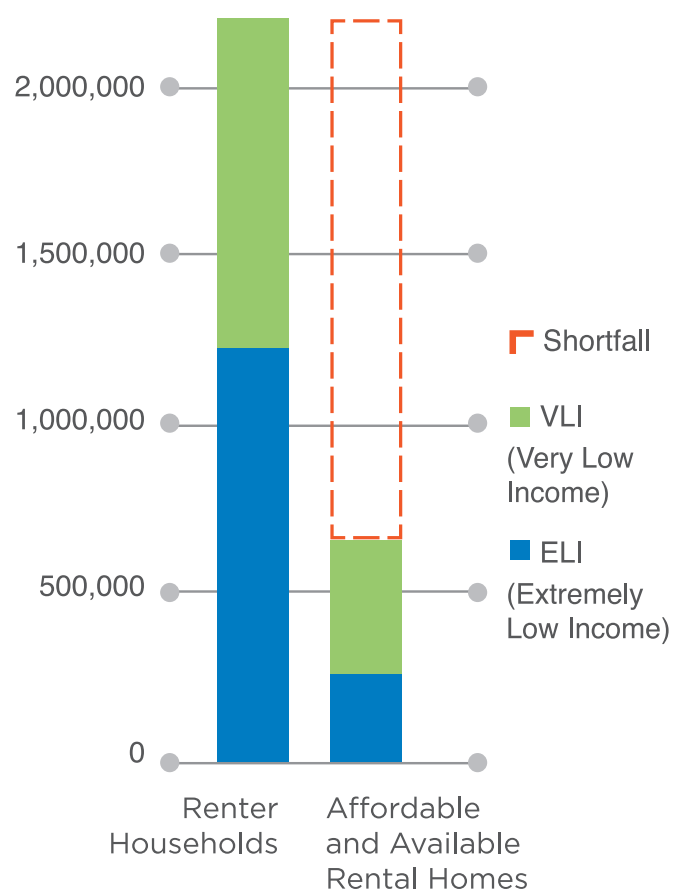
Since 2008, California has lost 66 percent—\$1.7 billion dollars—of annual funding for the development and preservation of affordable homes, and the affordability crisis for low-income renters has worsened during this period. Today, California needs more than 1.5 million new affordable rental homes to meet the needs of its lowest income renters, most of whom are forced to spend more than half of their income on rent.<sup>2</sup>

AHSC has provided critical funding for 4,500 high-quality, affordable homes for low-income Californians, most whom earn less than 50 percent of the area median income. By alleviating the housing cost burdens residents would otherwise face with local market rents, residents of AHSC-funded developments will save an average of \$783 per household, per month—or approximately \$2.2 billion in total household savings across all AHSC-funded developments over the program’s 55-year affordability terms.<sup>3</sup>

In the face of continued scarcity and even lower federal and state funding for affordable housing, the AHSC program is more critical than ever to address the housing affordability crisis in California. With a projected state population increase and an already dramatically inadequate supply of affordable housing, the AHSC program should not only be protected, but expanded. AHSC is a particularly critical tool for the State to leverage 4% Low-Income Housing Tax Credits (LIHTCs), which are a virtually uncapped federal resource for developing and preserving affordable homes. Expanding AHSC could enable developers in California to leverage additional untapped 4% Tax Credits.

Furthermore, voters statewide demonstrated that affordable housing is a key voting issue, recently passing \$2 billion in locally-generated funding for affordable housing in the San Francisco Bay Area and more than \$1 billion in the LA region. Funding from AHSC can also be stacked with local and regional affordable housing funds, creating more return on taxpayers’ investments without any additional costs to taxpayers.

### CALIFORNIA NEEDS 1.54 MILLION MORE AFFORDABLE RENTAL HOMES



Source: NLIHC analysis of 2014 PUMS data.

A decent, stable, and affordable home is the foundation to healthy living and upward mobility. The lowest income households face the greatest rate of housing cost burdens, housing insecurity, eviction, and the risk of becoming homeless. The AHSC program is providing a unique state-level investment into affordable housing for low-income families. These affordable homes will help families avoid painful tradeoffs between rent and essentials like food and health care, and enable them to experience other benefits associated with stable and affordable housing such as improved health and higher educational attainment for children.<sup>4</sup> In disadvantaged communities, these new affordable homes will help historically marginalized communities overcome decades of disinvestment and socioeconomic inequities.





## HEALTHIER AND MORE AFFORDABLE COMMUNITIES

While the AHSC program is achieving statewide goals, its benefits will be most immediately felt at the local level. The AHSC program incentivizes new investments into disadvantaged communities that respond to community needs and improve transit and mobility options, while preventing displacement of low-income people.

### **SERVING THE ACUTE NEEDS OF LOW-INCOME AND DISADVANTAGED COMMUNITIES**

The AHSC program functions as a direct investment in improving the economic prospects, health, and wellbeing of California's most vulnerable people and neighborhoods.

Over the first two funding rounds, 46 of 58 (81 percent) of funded affordable housing developments – accounting for 82 percent of total awarded funds – will either be located within or will directly benefit DACs with the highest pollution burdens in the state.<sup>5</sup> This level of investment far exceeds the program's 50 percent minimum requirement.

Designed to provide community benefits, the AHSC program rewards a strong community engagement process and requires intense cross-sector collaboration that results in local customization of developments and benefits while being responsive to input from local community members.

As a result, the AHSC program has catalyzed applicants across California to link their transit and housing needs and adapt developments to address specific community needs. For example, in the first funding round, California Vanpool Authority worked across eight counties to organize vanpool services between work and home for rural farmworker communities. These residents lacked reliable transportation (neither public transit nor personal vehicles) and/or driver's licenses. The AHSC program allows for uniquely-tailored transportation and housing improvements to meet actual, on-the-ground needs and create meaningful improvements in residents' lives.

Another example of program elements tailored to meet specific community needs is in the town of Lindsay (Tulare County), where residents felt unsafe walking near Jefferson Elementary School. AHSC funds paid for the installation of school-crossing signage, new sidewalk construction, and bike lanes that connect directly to a nearby affordable housing development.



In addition to the new affordable housing and transit investments, which are significant in historically disinvested neighborhoods, the AHSC program further incentivizes developments to provide additional community benefits that respond to specific needs identified through a community engagement process. Every awarded development located in or benefiting a DAC is required to provide examples of the community benefits in the application process. Most developments referenced public health and economic benefits associated with transit and affordable housing investments. Benefits to DACs also included improved connectivity to jobs and employment centers, and other key destinations. Further, the Strategic Growth Council has demonstrated an ongoing commitment to strengthening the community engagement and additional community benefits components of the program.

Without the AHSC program, this level of cross-sector partnership and locally-driven outcomes are unlikely to happen. Program applicants from all regions of the state have used the AHSC program to create sustainable and efficient housing and transit investments that are tailored to local needs.

## **FIGHTING DISPLACEMENT AND PRESERVING ACCESS TO JOBS AND TRANSIT FOR LOW-INCOME PEOPLE**

Low-income households face the threat of displacement from their neighborhoods because regions must comply with SB 375 through new transit investment and related infill development. The Urban Displacement Project at UC Berkeley explains, “While the implementation of these strategies has the potential for environmental and economic benefits, rising housing costs and changing neighborhood conditions may compel low-income residents and households to move out of transit-oriented neighborhoods.” In a 2017 study, the Urban Displacement Project found that transit proximity is associated with changes in the stability of the surrounding neighborhood, such as increases in housing costs and the loss of low-income households.<sup>6</sup>

AHSC’s strategy of coupling transit investments with permanent, affordable housing enables low-income families to avoid displacement and maintain access to regionally-serving transit just as new amenities and investments are coming into their neighborhoods. Therefore, the AHSC program is designed to simultaneously invest in communities while protecting low-income residents from displacement. The program further requires that developments located within a DAC must be designed to avoid displacement of local businesses and achieve “no



net loss,” meaning an equal or greater quantity of units at equal or greater rates of affordability. The program also incentivizes further anti-displacement strategies that can be locally coordinated or achieved through local government such as just cause eviction ordinances and targeted marketing strategies.




Affordable housing for low-income residents is a key and irreplaceable anti-displacement strategy. According to the Urban Displacement Project, subsidized housing has over double the anti-displacement impact of market-rate units.<sup>7</sup> Ninety-four percent of AHSC-funded units are subsidized, affordable housing for low-income households.

As such, AHSC helps vulnerable populations maintain access to regional job centers connected by transit, and helps them maintain good health—even lose weight<sup>8</sup>—by avoiding driving and taking more trips by foot.

## **JOB CREATION AND ECONOMIC IMPACT**

AHSC’s economic benefits will extend beyond the residents of the affordable homes it will help create, and into surrounding communities and regions where funded developments are located. During construction, the housing components of AHSC-funded developments alone are projected to support over 10,000 jobs, create over \$850 million in wages and business income, and generate over \$325 million in revenue for State and local government. Each year after construction, these developments will support nearly 3,000 jobs, create over \$200 million in wages and business income, and over \$59 million in annual revenue for State and local government.<sup>9</sup>

# SPOTLIGHT: AHSC DEVELOPMENTS

			
<b>DEVELOPMENT</b>	<b>PATH Metro Villas</b>	<b>Lakehouse Connections</b>	<b>Hunter Street Housing</b>
<b>LOCATION</b>	Los Angeles, CA	Oakland, CA	Stockton, CA (San Joaquin County)
<b>PARTNERS*</b>	PATH Ventures, City of Los Angeles, Local Initiative Support Corporation, John Wesley Community Health, Gateway Mental Health, VA Greater Los Angeles Healthcare System	East Bay Asian Local Development Corporation (EBALDC), City of Oakland, AC Transit, BART, UrbanCore, Motivate	Visionary Home Builders of CA, Inc., Catholic Charities of the Diocese of Stockton
<b>INNOVATIVE HIGHLIGHTS</b>	PATH Metro Villas will provide permanent supportive housing for 187 formerly homeless individuals and families. Residents will also have access to on-site job training and health services. This development will help address a well-documented need in the LA area: providing permanent supportive housing for individuals and veterans who are chronically homeless and living with multiple chronic health conditions.	Lakehouse Connections is an integrated transit-oriented development that is a result of cross-sector collaboration. AHSC funding will result in 91 units of affordable housing, four sustainable transportation improvement components, and a robust collection of active transportation amenities and programs. The transportation components include a new hybrid bus that will enhance connectivity to regional multimodal hubs.	The Hunter Street Housing development will provide affordable housing to veteran households with onsite services that connects veterans and their families to health care, financial planning, transportation, legal and child care services. By locating service providers on-site residents will have easy, constant access to the services they need. The development is also situated next to a planned road diet that includes the installation of bicycle lanes and ADA improvements to adjacent sidewalks, and will transform a vacant commercial structure that attracted vandalism and theft into a promising infill development.
<b>AFFORDABLE HOUSING DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• New construction</li> <li>• 122-units</li> <li>• Available for residents earning 30% to 60% of area median income</li> </ul>	<ul style="list-style-type: none"> <li>• New construction</li> <li>• 91-units</li> <li>• Available for residents earning 30% to 60% of area median income</li> </ul>	<ul style="list-style-type: none"> <li>• New construction</li> <li>• 74-units</li> <li>• Available for residents earning 30% to 60% of area median income</li> </ul>
<b>TESTIMONIES</b>	<p>"This new PATH Metro Villas, we believe is a model that's intended to address and end homelessness in the city of Los Angeles and the county of Los Angeles." – Joel Roberts, CEO of PATH.</p> <p><i>KPCC news article, April 20, 2017, <a href="http://www.scpa.org/news/2017/04/20/70964/construction-begins-on-la-project-that-will-be-a-m/">www.scpa.org/news/2017/04/20/70964/construction-begins-on-la-project-that-will-be-a-m/</a></i></p>	<p>"Affordable housing is one of the most critical needs in the Bay Area. These projects in Oakland will add vital housing for families who struggle with paying rent while putting food on the table." – Assemblymember Rob Bonta (D-Oakland)</p> <p><i>Press release, October 12, 2016, <a href="https://a18.asmdc.org/press-release/oakland-awarded-49-million-new-affordable-housing-projects-using-cap-trade-funds">https://a18.asmdc.org/press-release/oakland-awarded-49-million-new-affordable-housing-projects-using-cap-trade-funds</a></i></p>	<p>"To have a place that welcomes all veterans, that's going to treat all veterans, that's going to have mental-health services available to all veterans and their families.. This is really going to be a cutting-edge model of wraparound services for veterans and their families." – Susan Feighery, director of veterans' services for Catholic Charities</p> <p><i>Stockton Record news article, June 14, 2015 <a href="http://www.recordnet.com/article/20150614/NEWS/150619798?start=2">www.recordnet.com/article/20150614/NEWS/150619798?start=2</a></i></p>

\*AHSC developments bring together many partners beyond those listed here.

# CONCLUSION

Through just two funding rounds, the AHSC program will help build 4,500 high-quality, transit-adjacent affordable homes for low-income Californians, along with critical transit infrastructure and amenities such as buses, bike lanes, station area improvements, and transit passes. Access to these affordable homes will help underserved families and individuals save money on rent so that they can pay for food and other essentials, and will ensure that they avoid displacement just as new amenities and transit investments are coming into their neighborhoods. By connecting affordable housing to high-quality transit and investing in new and improved transit options, the AHSC program provides low-income families with more convenient, safe, and affordable transit options and improved access to regional job centers.

The AHSC program's investments will also improve local air quality by taking 8,000 cars off the road per year. More than three-quarters of developments will either be located within or will directly benefit DACs with the highest pollution burdens in California. Further, these developments are projected to reduce GHGs by 1.1 million metric tons of CO<sub>2</sub>, helping California meet its goals to combat climate change. Finally, the AHSC program will create jobs and economic activity that will generate thousands of construction-period and permanent jobs, along with hundreds of millions of dollars of wages, business income, and local and State tax revenue.

The state agencies administering the AHSC program should be largely credited with the success of the program, in particular the Strategic Growth Council (SGC). The SGC has demonstrated responsiveness to the program's beneficiaries, applicants, and stakeholders. The AHSC program ambitiously targets multiple policy goals; its success in delivering the outcomes we have described in this brief would not be possible without the detailed and thoughtful program design and implementation of the dedicated SGC staff. The authors of this report are technical assistance providers and can echo the appreciation for the improved predictability of the program expressed by applicants.

The AHSC program is a critical investment in California's health and wellbeing, and is meeting its goals to reduce GHGs while providing a range of additional environmental, health, housing, and other socioeconomic benefits for DACs. Considering the totality of the program's benefits, **we recommend that California make a long-term commitment to provide continuous and stable levels of funding to the AHSC program beyond 2020.**

Considering the high demand for this program, we further recommend increasing funding levels so that more Californians can benefit from the program's demonstrated impact.

## ENDNOTES

<sup>1</sup> Union of Concerned Scientists. "Vehicles, Air Pollution, and Human Health." Website: <http://www.ucsusa.org/clean-vehicles/vehicles-air-pollution-and-human-health#.WSxD0YjyuDI>

<sup>2</sup> California Housing Partnership, 2016. *Confronting California's Rent and Poverty Crisis: A Call for State Reinvestment in Affordable Homes*. April. Website: <http://1p08d91kd0c03rlxhmhtydpr.wpengine.netdna-cdn.com/wp-content/uploads/2016/04/State-Housing-Need-2016.pdf>

<sup>3</sup> Household savings is calculated as the difference between the restricted rents in AHSC developments and the Small Area Fair Market Rents (SAFMR) for the zip code where the development is located, as provided by the U.S. Department of Housing and Urban Development (HUD). Website: <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html>

<sup>4</sup> See, for example: MacArthur Foundation: How Housing Matters Research Briefs. Website: <https://www.macfound.org/press/article/how-housing-matters-research-briefs/>

<sup>5</sup> As identified by the California Environmental Protection Agency's (CalEPA) CalEnviroScreen; Office of Environmental Health Hazard Assessment, California Environmental Protection Agency. Website: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

<sup>6</sup> Chapple, Karen and Anastasia Loukaitou-Sideris. 2017. *Developing a New methodology for Analyzing Potential Displacement*. April. Website: [https://www.arb.ca.gov/research/single-project.php?row\\_id=65188](https://www.arb.ca.gov/research/single-project.php?row_id=65188)

<sup>7</sup> Zuk, Miriam and Karen Chapple. 2016. *Housing Production, Filtering and Displacement: Untangling the Relationships*. Institute of Governmental Studies, University of California, Berkeley. May.

<sup>8</sup> After a new transit line in Charlotte, North Carolina, was introduced, commuters who switched from driving to taking transit lost an average of more than six pounds. Source: MacDonald, John M. et al. 2010. *The Effect of Light Rail Transit on Body Mass Index and Physical Activity*. American Journal of Preventive Medicine, Volume 39, Issue 2, 105 – 112.

<sup>9</sup> National Association of Home Builders, 2016. *The Economic Impact of Home Building in California: Income Jobs, and Taxes Generated*. July. Estimates based on multipliers derived from wages, taxes, and jobs generated by construction of multifamily homes.

## PHOTO CREDITS

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**Page 4** (from left to right): Noah Berger; Ken Gutmaker

**Page 7**: Abode Communities

**Page 8**: Rockwell Creative



# The Affordable Housing and Sustainable Communities Program:

## Collaborative Investments to Reduce Greenhouse Gases and Strengthen Disadvantaged Communities

Through just two funding rounds, the AHSC program will help build 4,500 high-quality, transit-adjacent affordable homes for low-income Californians, along with critical transit infrastructure and amenities such as buses, bike lanes, station area improvements, and transit passes. Access to these affordable homes will help underserved families and individuals save money on rent so that they can pay for food and other essentials, and will ensure that they avoid displacement just as new amenities and transit investments are coming into their neighborhoods. By connecting affordable housing to high-quality transit and investing in new and improved transit options, the AHSC program provides low-income families with more convenient, safe, and affordable transit options and improved access to regional job centers.

### FOR MORE INFORMATION

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To learn more about the AHSC program, visit the **Strategic Growth Council's** website at:  
[www.sgc.ca.gov/Grant-Programs/AHSC-Program.html](http://www.sgc.ca.gov/Grant-Programs/AHSC-Program.html)

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