



## Green Means Go Funding Program Guidelines

Consent

**Prepared by:** Garrett Ballard-Rosa

**Attachments:** Yes

**Approved by:** James Corless

**Referring Committee:** Land Use & Natural Resources

### **1. Issue:**

SACOG has prepared a revised set of guidelines for the new 2022 Green Means Go funding program. Green Means Go aims to catalyze infill residential development and improve housing affordability in locally-adopted Green Zones through non-transportation infrastructure investments and planning activities. The revised guidelines incorporate comments received from a wide range of stakeholders.

### **2. Recommendation:**

The Land Use and Natural Resources committee unanimously recommends the SACOG board adopt the 2022 Green Means Go funding program guidelines.

### **3. Background/Analysis:**

Green Means Go is SACOG's newest funding program. A collective effort by the six-county region in support of Green Means Go has resulted in SACOG receiving approximately \$34 million in one-time state funding. The SACOG board has directed this one-time revenue to the new Green Means Go funding program, and tasked staff to develop the program's guidelines.

Staff presented a draft set of program guidelines to the May LUNR committee. In tandem with the May committee item release, staff shared the Green Means Go draft program guidelines with a broad set of relevant stakeholders including member agencies, the housing and development community, and, new to this program, a community-based organizations working group.

SACOG received multiple comments through the various outreach efforts. Staff appreciates the time, effort, and engagement in responding to the draft Green Means Go guidelines. Program staff compiled the comments received and prepared an updated set of program guidelines. Generally, staff found comments to be in alignment with the objectives of Green Means Go and made the corresponding suggested change. At times, staff felt the draft guidelines already covered the comment, the comment conflicted with others received, or did not align with the requirements of either the overseeing state agencies or the specific objectives of Green Means Go. The discussion section below gives a top-level summary of the comments received and changes made to the draft guidelines, while **Attachment C** gives a point-by-point description of stakeholder comments.

#### 4. Discussion/Analysis:

The broader Green Means Go effort, including the past two years of stakeholder engagement and board direction, provides the policy foundation for the new Green Means Go program. Staff also coordinated with the state agency funding partners' guidelines to match the proposed Green Means Go program activities with the state's eligibility, performance, and other criteria. Finally, staff incorporated the substantial feedback compiled as part of the program-specific engagement into a set of revised program guidelines.

Green Means Go is funded primarily through the statewide [REAP 2.0](#) program. The state agencies overseeing REAP 2.0 have yet to approve SACOG's pre-application (the pre-application describes the proposed uses for the REAP funds administered at the regional level). Further, the state agencies have not finalized the program guidelines for the overarching REAP 2.0 program. Both present risks to the Green Means Go regional timeline. The final section of this staff report gives more detail on these risks and how staff are tracking.

#### Green Means Program Objectives

The 2022 Green Means Go funding program will competitively award \$34,300,000 to projects in locally-adopted Green Zones within the six-county SACOG region. The program has five objectives, listed below. Program staff received several comments that the objectives summarized in the draft guidelines needed to better recognize the goal of improving housing affordability (staff added this change to objective #1) and to affirmatively further fair housing (change added to objective #3), both requirements of the statewide funds.

##### *Green Means Go Program Objectives*

- Accelerate infill residential development that improves housing affordability and economic recovery
- Reduce vehicle miles traveled
- Foster inclusive communities and affirmatively further fair housing
- Deliver cost effective projects
- Leverage partnerships and policy match

Staff updated the program's eligibility requirements in response to the revised objectives. New eligibility requirements include a mandatory letter of support from a community-based organization, reaffirming the program's alignment to the SACOG board's statement on racial equity and inclusion, and updated reporting requirements to track the changes referenced in the application.

To meet these five program objectives, staff has developed a Green Means Go round of three distinct categories:



Staff did not receive any comments on the overarching structure of the three categories, but did receive comments requesting a clearer way to distinguish between the categories (in response, staff created a new infographic, **Attachment D**, and made clarifying edits in the guidelines).

### **Early Activation Projects (Category A)**

The \$3 million Early Activation category is the most flexible of the three Green Means Go categories. The category will fund either planning or implementation activities that accelerate infill housing that improves housing affordability in the immediate near-term, including site-specific activities (the other two categories focus on corridor-level investments). Staff made minor clarifying edits to this section in the revised guidelines based on stakeholder comments to emphasize eligible uses and the site/development-specific nature of this category compared to the corridor-wide emphasis of the other two categories.

The \$3 million in available funding comes from a Strategic Growth Council grant, which allows for more flexible uses compared to the other two categories, but a faster timeline in spending down the awards.

### **Planning Projects (Category B)**

Both the Planning and Capital categories of Green Means Go are funded through REAP 2.0 statewide funds, which have different eligibility and use criteria compared to the funds supporting the Early Activation category. The overarching state guidelines for REAP 2.0 establish eligible uses in the Planning category:

- Rezoning and updating planning documents and zoning ordinances, including community and specific plans, that lead to infill housing that improves housing affordability
- Eliminating the need for project-specific review for infill development through program level environmental clearance
- Conducting infrastructure plans and studies, such as for upgrading sewer, water, and dry utility systems in Green Zones
- Revamping local planning processes through other efforts that accelerate infill development that facilitates housing affordability, choice and supply.

The Planning category will award at least \$5 million, and up to \$10 million, based on working group assessment of submitted applications in this and the Capital category. Projects within the Planning category have a \$650,000 cap per funding request (raised from the \$500,000 in the draft guidelines based on comments received).

Staff made other minor edits to this section of the guidelines based on comments received, to call attention to how the planning efforts should relate to housing affordability.

### **Capital Projects (Category C)**

The largest category (between \$21 and \$26 million) will fund non-transportation infrastructure that accelerates infill housing. The category aims to fund corridor-level 'backbone' infrastructure investments that help unlock an area for increasing infill residential development. Staff did not make substantive edits to this portion of the guidelines, except to build out the connection to housing affordability.

	Category A Early Activation Projects 	Category B Planning Projects 	Category C Capital Projects 
<b>Description</b>	Flexible category for site-specific projects that accelerate infill in near term	Corridor-wide rezoning, environmental and infrastructure planning	Corridor-wide non-transportation infrastructure
<b>Funding Available</b> (\$34.3 million total)	\$3 million	\$5 to \$10 million	\$21.3 to \$26.3 million
<b>Deadline to Submit Application</b>	Aug. 15, 2022	Oct. 27, 2022	
<b>Deadline to Expend Funding</b>	Oct. 23, 2023	Obligate by June 2024 Spend by June 2026	
<b>Underlying Revenue Source</b>	SGC Grant (state revenue)	REAP 2.0 (federal and state revenues)	REAP 2.0 (federal revenue)

### Green Zones

Regardless of category, projects to the 2022 Green Means Go program must fall within an adopted [Green Zone](#). To date, 25 of the 28 jurisdictions in the SACOG region have nominated or adopted Green Zones. Sponsors can revise (or adopt, for those that haven't yet) their Green Zones as part of the preapplication phase.

The final guidelines include a streamlined process for the 2022 round, where sponsors can update their Green Zone through a letter agreement (instead of a local resolution). Any proposed revision would need to adhere to the same criteria as set in the original Green Zone application.

Staff received comments that the Green Zone effort should better coordinate with and leverage other community/neighborhood designations. Staff is working on a mapping layer that overlays Green Zones with other state and federal designations (e.g., Opportunity zone, environmental justice community, etc.). The layer will be completed as part of the application materials.

### Evaluation Criteria

Green Means Go will assess submitted projects on the five program objectives. Many of the comments on the draft guidelines centered on these evaluation criteria.

SACOG reworked each of the five criteria in the revised guidelines based on comments received. The largest

changes came in the ‘accelerate infill’ and ‘foster inclusive communities’ criteria. In each, staff worked to expand the focus of how Green Means Go awards will address housing affordability, a focus of stakeholder comments. Program staff received comments that the program should focus on affordable housing, while also receiving comments that market rate and mixed income housing projects should not be discouraged or disadvantaged in the application process, in that market rate is vital to program goals and does not have access to resources available to affordable projects. The revised guidelines stress housing affordability as a central program goal, which aligns with the objective of the underlying statewide funds. The revised guidelines note that housing affordability can be met through a variety of strategies, but that projects should not rely on an increase in supply as the sole means to meet this objective.

Many other comments centered on what metrics and indicators the program should use to assess submitted projects across the five evaluation criteria. Staff clarified that the purpose of the guidelines is to lay out the evaluation criteria, and that staff is in the process of creating an evaluation guidance document as a companion piece (in other words, the revised guidelines do not include the metrics by each criteria, as this work is still under development in the separate guidance document). Staff committed to reconvening the review working group to go through a complete draft of the guidance document.

**WEIGHTS OF EVALUATION CRITERIA, BY PROGRAM CATEGORY**

<b>Evaluation Criteria</b>	<b>Category A: Early Activation</b>	<b>Category B: Planning</b>	<b>Category C: Capital</b>
Accelerate Infill that Improves Affordability	30	30	30
Reduce VMT	20	20	20
Inclusive Communities	20	20	20
Deliverability/Cost Effectiveness	10	-	10
Leverage	20	-	20

The draft guidelines proposed each objective to be weighted equally, save that the Planning Category only use the three performance outcome criteria (as part of the planning work would be to determine project deliverability, costing, and/or partnerships). Based on comments received, staff updated the criteria weights in the revised guidelines. The final guidelines increased the weight of criteria #1 (accelerate infill residential development that increases housing affordability), maintained those for criteria #2,3 and 5 (reduce VMT, foster inclusive communities, and leverage) and lowered the weight for deliverability/cost effectiveness (criteria #4) compared to the draft guidelines. Staff also changed the evaluation scale from 50 to 100 to better highlight these changes.

## **Next Steps and Tracking Risk**

Once guidelines are adopted, staff will turn to finalizing the companion evaluation guidance document and developing the program application materials. Several comments on the draft guidelines have resulted in changes to these materials. For example, in response to stakeholder comments, program staff has reworked the deliverability and cost effectiveness objective to include a recognition of life-cycle costs, yet does not yet have a way to measure this in the application. Staff will be working to release a Task Order for technical support on the delivery and cost effectiveness elements, drawing on the resources prequalified as part of the program budget.

Next, SACOG has yet to receive approval on its advanced application to the statewide program supporting Green Means Go. As such, there is a risk that Green Means Go's schedule would be impacted if the state review leads to major revisions. Further, the state has not yet released the final guidelines for the broader REAP 2.0 program, while SACOG will also need to submit the final Green Means Go guidelines and application materials for state agency review.

SACOG staff continues to track and coordinate with the state agencies overseeing the statewide REAP effort, participated in reviewing and commenting on the draft statewide guidelines, and feel confident that Green Means Go aligns with the statewide REAP 2.0 objectives. As mentioned in prior staff presentations however, a delay/change to the statewide REAP 2.0 program could lead to a delay in deploying the Green Means Go regional funding program. Staff feel the advantages of demonstrating progress in Green Means Go continue to outweigh the downsides that would result from adopting regional guidelines but then delaying the program.

## **Description of Attachments**

- **Attachment A** is the revised program guidelines.
- **Attachment B** is a track change version of the changes made to the initial guidelines. Minor language or reorganization changes were not track changed to help call attention to substantive changes.
- **Attachment C** gives a point-by-point description of comments received on the draft guidelines, and SACOG's response.

**Attachment D** is a new infographic created in response to stakeholder comments about better differentiating program categories.

**5. Fiscal Impact/Grant Information:**

The 2022 Green Means Go program (including staff development costs) is funded through the statewide REAP 2.0 program and a grant direct to SACOG

**6. This staff report aligns with the following SACOG Work Plan Objectives:**

**Goal 3 : Vibrant Places**

**Objective 1:** Develop tools and funding to help revitalize older commercial and retail corridors throughout the region.

**Objective 2:** Identify incentives and help remove barriers to infill and affordable housing in cities, suburbs, and towns throughout the region.

**Objective 3:** Encourage development patterns that promote walkable neighborhoods.