



Green Means Go funding recommendations

Action

**Prepared by:** Garrett Ballard-Rosa

**Attachments:** Yes

**Approved by:** James Corless

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

**1. Issue:**

Staff has prepared a recommendation for project funding awards in the Planning and Capital categories of the Green Means Go funding round. Funding awards are contingent on the California Department of Housing and Community Development's approval of SACOG's Green Means Go methodology.

**2. Recommendation:**

The Land Use and Natural Resources Committee recommends the SACOG board approve the Green Means Go Planning and Capital categories funding recommendation. The recommendation includes three related actions:

- (1) Approve the updated category budgets
- (2) Approve the programming recommendations, which consist of project scopes, funding amounts, and conditions
- (3) Authorize the SACOG executive director to execute any necessary memoranda of understanding with project sponsors and partners, and delegate authority to the executive director to program any residual balance in the program. First use of any Capital category residual funds would be toward fully funding that category's partial award (Highway 49 Wastewater Capacity Improvement Project).

Even with a funding action by the SACOG board, the Green Means Go program methodology still needs to be approved by the California Department of Housing and Community Development (HCD) prior to awards being finalized.

**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 adopted the program's [funding guidelines](#).

The Green Means Go funding program aims to catalyze infill residential development and improve housing affordability in locally-adopted Green Zones through investments in non-transportation infrastructure and planning activities. To meet these objectives the inaugural Green Means Go funding round has moved forward with three related categories: **Early Activation, Planning and Capital**.

### *Green Means Go Funding Program Categories*



The SACOG board acted in November 2022, on the first category, \$3.2 million in awards in Early Activation. The SACOG board will now consider funding awards in the \$31.3 million available through the Planning and Capital categories.

#### **4. Discussion/Analysis:**

##### Review Process

Drawing on the revisions and lessons learned from the 2021 transportation funding round, SACOG held a pre-application consultation period for the Green Means Go funding round. Through these pre-application meetings project sponsors discussed their needs, objectives, priorities, Green Zones, and proposed projects for the upcoming funding cycle. SACOG staff weighed in on those projects' alignment within the board-adopted objectives for Green Means Go, as well as which of the program's three categories would be best suited based on the information provided.

After the pre-application period SACOG released an open call for projects for the Planning and Capital categories and convened an evaluation review working group to assess each submitted project.

Following an orientation meeting, each member of the evaluation working group independently reviewed and assessed applications based on their merit within the program's evaluation criteria (projects in the Planning category only used the first three criteria, projects in the Capital category used all five criteria):

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

The working group then convened to discuss and evaluate submitted projects in a review that considered the various inputs of the performance evaluation, including both qualitative and quantitative indicators. SACOG management staff compiled the working group findings into a final recommendation within funding availability.

##### Revised category budget

At the onset of the Green Means Go funding round, the SACOG board adopted a funding range for both the Planning and Capital categories. The lower target for the Planning funding range was \$5 million. Based on the submitted applications and working group review, staff recommends \$4,865,000 in awards for the Planning category (or just under the original \$5 million target). The board needs to approve the updated funding levels for each category: \$4,865,000 for the Planning category and \$26,435,000 for the Capital category.

## Staff Recommendation

Staff recommends funding awards totaling \$31.3 million through the combined Planning and Capital categories of the Green Means Go funding round. **Attachment A** is the summary table of the recommended awards. The attachment table also includes the awards from the Early Activation category, which the board adopted in November (in other words, the Early Activation awards are already final. Staff included them in the summary table to show the combined Green Means Go program: Early Activation, Planning and Capital). **Attachment B** provides a summary of the working group's review of the submitted Planning and Capital applications, as well as lists project scope and conditions. The staff recommendation includes one partial funding award, the Highway 49 Wastewater Capacity Improvement Project. Staff recommends the board authorize the SACOG executive director to program any residual funds in the Capital category to meet that project's category funding gap, before any other program use. Finally, **Attachment C** is the board-adopted guidelines for the full Green Means Go funding round (including Early Activation as well as the Planning and Capital categories). **Attachment D** is the comments received on the staff Green Means Go funding recommendation.

## State review of Green Means Go methodology

Awards in the Planning and Capital category of Green Means Go are funded by SACOG's allocation from the statewide REAP 2.0 program. While SACOG is guaranteed a funding allocation from the REAP 2.0 program, the agency's application, proposed use, and methodology need to be approved by the state (with HCD as the administering agency).

SACOG submitted its REAP 2.0 application to the state at the end of 2022 and is awaiting approval. As such, Planning and Capital awards in Green Means Go cannot be finalized until SACOG's REAP 2.0 application is approved. In other words, the state's review of the REAP 2.0 application could potentially alter Green Means Go funding awards, even after the SACOG board has endorsed awards in the Planning and Capital categories (awards through the Early Activation category, adopted by the SACOG board in November 2022, come from a different funding source so do not face the same issue). While staff does not expect such a scenario, there is the possibility of the state review resulting in staff needing to present an updated funding recommendation for SACOG board consideration.

Staff has coordinated closely with HCD on the status of our application. Our understanding is that the SACOG application is in the final stages of review by the REAP 2.0 partnership (HCD, Governor's Office of Planning and Research, Strategic Growth Council, and California Air Resources Board). Based on our conversations with the statewide partnership, we believe any remaining edits to the application would be minor. Should the statewide review result in any changes to the Green Means Go methodology or proposed use, staff would then present an updated Green Means Go funding recommendation for SACOG board consideration.

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

Awards in the Planning and Capital categories of Green Mean Go are funded by SACOG's application to the statewide REAP 2.0 program.