

**Appendix C.**  
**Affordable Housing as VMT Mitigation**  
**Discussion Summary**

# memo

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To: Matt Goyne, Principal Fehr & Peers  
Kim Springer, San Mateo County City County Association of Governments

From: Ann Cheng, CEO – Strategic Advisor: Equity, VMT analysis, stakeholder interviews

Date: September 17, 2024

Re: **Recommendations for Funding, Administering and Implementing Affordable Housing and Transit Passes as VMT Mitigation Strategies**

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*Task 5 – Memo Deliverable*

## Table of Contents

- I. **Overview: Success** defined for the role of this Memo in support of developing meaningful VMT mitigation strategies that advance equity; **Purpose** and **Outcomes** of the memo are summarized. An overview of the **Process** to develop the Memo; Integration of lessons learned from conducting four interviews with affordable housing experts, recommendations and next steps are also summarized.
- II. **Recommendations** for allocating VMT mitigation to Affordable Housing, Transit Passes, and Other Transportation Demand Management (TDM) measures through affordable housing. In addition to affordable housing itself, Transit Passes are a primary type of TDM measure of focus because they are currently well used (for over a decade) TDM strategy by local affordable housing developers in the County.

TDM measures usually encompass a wide variety of single occupancy vehicle traffic reduction strategies. This memo defines, “Other TDM measures” narrowly to focus on *Engagement and Outreach* activities, services that significantly improve the use of transit passes. As such these services are recommended to be required and funded as part of implementing Transit Passes as affordable housing.

### **Affordable Housing**

- San Mateo County Department of Housing (SMC DOH) – Tracks and maintains a pipeline of development projects ready to deliver and build as part of their regular bi-annual funding cycles. The SMC DOH maintained lists of pipeline, eligible projects are an excellent source of perpetually, prescreened projects that are most suitable for receiving fees from this program.
- Continuously educate, engage decision-makers and stakeholders on the jobs, affordable housing, parking supply, pricing, VMT connection. Provide easy to review videos and handouts on program websites.

### **Transit Passes**

- Transit Passes – Affordable Housing Administration Opportunities and Challenges are covered in this section. Make it easy to distribute and educate pass holders about how to use them. Provide added support to users new to transit.
- Track regional pass pilot programs to collaborate with and build on.

### **Other TDM Measures**

- Focus on Engagement and Outreach for Transit Passes – These refer to socially engaging, culturally competent programs providing opportunities to learn about new mobility services, tech and infrastructure.
- Supportive Engagement and Outreach Services includes, at least, annual mobility workshops, festivals, training and tours to shopping, health or recreation spots accessible without car ownership.
- TDM measures usually refer generally to a wide range of infrastructure or services, that can be shared, or anything that supports one to not drive as the sole single occupant of a multi-occupant vehicle. This memo is very focused only on “Other TDM measures” that support use of free and discounted transit passes.

### **Suggested metrics of success:**

- Longevity of investment: number of years of equitable VMT mitigation impact and ideally benefit.
- Degree of procedural equity that promotes program transparency, effectiveness and inclusion in shaping the program as it changes and evolves.
- Clarity of program – it easy to explain and understand how it works for a range of audiences.

## III. [Reflection Discussion Resulting from Interviews with Housing Experts](#)

- IV. [Housing as VMT Mitigation](#) – Technical Advisory Task Force Meeting #4 (TATF4) PPT Presentation. Key points to guide inclusive, accessible public dialog about eligible and prioritized mitigation strategies.
- V. [Suggested Next Steps](#)
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## I. OVERVIEW

**Success:** “*Recommendations for Funding, Administering and Implementing Affordable Housing and Transit Passes as VMT Mitigation Strategies*,” summarizes: recommendations resulting from a series of interviews with housing industry experts on getting VMT mitigation funds matched to expedite building and financing of eligible affordable housing projects in the “approved but lacking local funds” pipeline; ways to provide transit passes and Other Outreach and Engagement related TDM measures that increase use of and provision of transit passes at existing or planned affordable housing; discussion and reflections from interviews, suggested next steps.

**Purpose:** Provide recommendations to guide program development that supports VMT mitigation fees going to efficiently fund affordable housing and/or transit-passes at affordable housing.

**Outcome:** A reference document memo for program stakeholders: affordable housing developers, city staff, government officials, Community Based Organizations (CBOs), and the SMC DOH, to anticipate ways to collaborate with cities that may want to direct VMT mitigation funds to (approved and ready to build) affordable housing or affordable transportation services like transit passes.

**Process:** This memo provides recommendations and a discussion summarizing findings from four interviews led by Ann Cheng Consulting and Fehr & Peers with leaders of affordable housing in San Mateo County. We interviewed the SMC DOH, a local expert developer of large amounts of affordable housing developments, Enterprise Community Partners, and the California Housing Partnership Corporation (CHPC).

The goal is to set up programs to most efficiently and defensibly fund affordable housing and equitable (beneficial and measurable) VMT

reduction infrastructure and services focusing on transit passes and necessary supportive outreach and engagement with transit pass users. Recommendations to structure the Countywide and Local Model VMT mitigation program and the full range of mitigation actions beyond housing and TDMs for housing will be produced in the fall and revised with feedback collected through the end of 2024.

## II. RECOMMENDATIONS

All the TDM measures are annualized to 30 years to account for the horizon build out, except for affordable housing which is 55 years.

### Affordable Housing

- Lead agencies that use this Program should work with the SMC DOH to coordinate processes and understanding of how best to disburse VMT mitigation funds to affordable housing. According to the DOH dashboard annually about \$40 million in affordable housing is funded by Measure K. Annual gap is about \$80 million for ready to build projects that are eligible but limited due to funding.  
<https://www.smcgov.org/housing/doh-dashboards>
- Lead agencies that use this Program can contribute additional money to the County's program for distribution via the existing biannual application process. The DOH has existing reporting mechanisms and agreements that guarantee the projects will be built and maintained as affordable housing for 55 years. Projects that apply for money from the VMT mitigation program would need to meet the location requirements for VMT-efficient locations.
- California's Affordable Housing and Sustainable Communities Program (AHSC) is a similar statewide funding source that is used for GHG, and by extension, VMT reduction. However, AHSC is very competitive because it is a statewide program and has an onerous application that can limit applications. This Program should aim to be easy to use and approachable for San Mateo County affordable housing developers by leverage existing countywide processes and limiting the creation of new restrictions to those that are necessary to demonstrate a VMT reduction, such as limiting them to VMT-efficient locations.
  - AHSC requires 3 years of transit passes and other infrastructure investments focused on reducing costs and improving convenience of walking, bicycling, or riding transit, which is an example of providing both housing and transportation amenities that this program can seek to emulate.
- Housing is hard to implement and has large upfront costs. However, funding affordable housing is effectively a "forever" strategy (at a

- minimum for the 55 years of deed restrictions) and does not require substantive mitigation reporting and, therefore, administration costs. Over decades, affordable housing can be a very equitable and cost effective VMT mitigation. Once a transportation infrastructure project or a large development that generates significant VMT impacts are identified, affordable housing becomes a viable, legally defensible, proportionally and temporally matched, and efficient use of VMT mitigation funds.
- Review interview notes again after initial local city program elements have been developed or launched. There are lots of details in the interview notes that serve as a useful resource when housing details of the program are being developed.

### **Transportation Demand Management (TDMs), focus on Transit Passes**

- When approaching affordable housing developers, generally expect weariness of new transportation requirements that create new costs or effort to administer. Not all affordable housing developments have onsite resident coordinators.
- Expect that projects in places with less transit will have both lower VMT reduction potential as well as lower interest in transit passes. While transit passes can be beneficial to some households that are already transit literate, potential users, in more suburban places with less transit and familiarity with navigating transit systems are less likely to use them.
- Coordinate with MTC's teams that are running regional pass programs like Clipper Bay Pass and Clipper Direct. These are regional MTC funded pilot programs with tens of thousands of participants and reports on pass use. Depending on the pass, transit is 100% free to 50% discounted across all agencies in the region. Clipper Bay Pass is a likely TDM measure that current major employers will enrolling in and eventually future developments may be able to plan for this transit pass option that allows bulk rates for volume sales of hundreds to thousands of passes annually.
- MidPen Housing is currently participating in the pilot Clipper Direct program for residents of affordable housing that provides 50% discounts on all transit rides. Work with MidPen and other local affordable housing developers to determine if the cost of passes can be extended supported with projects requiring lower VMT mitigation levels. Affordable housing providers welcome local funding for transit passes going to residents.
- In addition to provision of free or 50% discounted local and regional transit passes, it is also very important to fund and support any onsite

resident services coordinators to introduce and regularly promote using passes to residents. Repeating the benefits and ways to use the network and passes ensure passes are used and could document deeper VMT reductions than initially predicted if transit pass use is particularly effective.

- At the minimum fund 5% of a full-time employee FTE (\$5,000 a year) to cover the cost of Resident Services Coordinator to be the onsite contact for the program.
- It is very challenging to offer transit passes new potential riders without onsite support. One person at 5% FTE can support about 80-120 pass holders per year.
- Most effort is required when households sign-up for passes, usually at the time of move-in.
- Stable tenancy with less turnover requires less outreach, pass distribution and administrative work.
- Ensure cities and stakeholders are aware of the growing and changing parameters of the Regional Clipper BayPass program, that is now expanding beyond the initial pilot phase. Pass holders are thrilled because it allows free transit on all modes across the Bay including ferries. In addition to commutes, pass holders are increasingly accessing regional open spaces and parks.
  - 150 passes are required to meet the minimum eligibility threshold. MTC is currently signing up large employers, educational institutions and housing developers. Passes are available at cost to institutions looking to provide free passes to employees, students, or residents as a benefit.
- Work with MTC/Clipper to evaluate existing examples of transit data dashboards. These reports could be customized for the purpose of monitoring annual transit pass use after data is depersonalized to protect user privacy. Develop a protocol or sample data report to show how VMT reduction can be monitored using built-in data tracking systems using the Clipper Card and or similar technologies.
- For lower VMT mitigation levels and projects that can't afford the higher cost of a regional transit pass, provide a clear understanding of the SamTrans bulk bus pass program: \$40 per pass payment requirement for all eligible pass holders (everyone over 5 years old) or \$2,400 per year at a minimum; the equivalent of paying for 60 annual bus passes per year. This includes high frequency buses to San Francisco.

## **Suggested Vision and Metrics of Success**

The following, if satisfied, are indicators of successful engagement:

- Longevity and full life cycle costs of housing and all TDM mitigations are easily and clearly measured and explained.
- A clear easy to read website describes the process to create the VMT mitigation program and changes; updated frequently with major updates, funding and priority changes. It also would list ways to provide input and stay informed about the program as it evolves. Update stakeholders on lessons learned to support implementation and how adjustments have been made.
- Provide a clear, short description or table of how stakeholders are involved with informing the program design. Describe the decision space (this can change but committing it to a description builds trust and transparency), which is needed for new funding sources/entities collecting new fees:
  - Which committees/councils/boards/staff have final decision-making authority on the criteria used to fund projects to result from either a local or countywide VMT mitigation fund/exchange program?
  - Which groups must input be requested from?
  - Which groups must agree with the recommendation?
  - A list of equity regional groups and interested members of the public are informed of program updates using an email list.
  - How much total funding has been collected and allocated to date. Provide an easy-to-understand map-based dashboard like the one currently maintained by the SMC DOH.
- EFA's and EPC and populations who have the greatest need are involved with providing feedback on the utility of the program to meaningfully reduce VMT without compromising access to opportunity. Metrics showing improved quality of life versus prevention of worsening quality of life is best. Experts with lived experience are provided equitable compensation for providing input and engagement fatigue is not a challenge.
- Provide a short 2–3-minute video explaining the purpose of the program and how it works so that total views can be easily tracked over time as a proxy for building public awareness.
- Most CBOs representing EPC's and EFA's are comfortable reaching out to C/CAG and city staff to schedule a phone call or meeting to engage with or shape the program.

### **III. DISCUSSION – HOUSING LEADER INTERVIEWS**

Below are a series of observations and key themes arising after leading and participating in highly informative interview sessions with housing



leaders. These don't fit completely within the recommendations or next steps.

- There is a lot of enthusiasm and support by CBO's and the affordable housing community for this (potential, likely) new local transportation mitigation fee and funding source, where affordable housing especially and transportation services at housing are eligible for funding. Conversations with the SMC DOH to shape the housing part of VMT mitigation program(s) are starting and will likely continue.
- This fund could support displacement prevention as a VMT mitigation strategy. Further case studies on effective approaches can be gathered as a next step.
- Many displacement prevention strategies and cost effective equitable VMT mitigations need funding to be studied at the statewide level. Look into Mineta Transportation Institute or Institute for Transportation Studies at local UC's. Two topics need further study: What are the most cost-effective ways that reduce VMT and advance equity, of bringing back (rehousing) previously displaced individuals, households and families through affordable housing priority programs?
  - There is a need to focus studies on households that are already frequently traveling inter-regionally as part of social and health support networks. What are the easiest ways to demonstrate VMT and equity cost effectiveness of providing transportation subsidies to displaced populations: current students, workers of the County but not residents of the County?
- Look for ways to pilot and partner with new and existing organizations and businesses that can help scale up cost effective, innovative VMT reduction strategies emerging from new tech and neuro-behavioral scientific studies of all types (i.e. [Mineta Transportation Institute](#), [Digital Nest](#), [Tech Equity](#), [Housing Leadership Council](#), [Ride Report](#) are some entities that could be convened for this purpose). Numerous recent innovations and discoveries in neuroplasticity and behavioral change using social and nano-economics and big data are accelerating and available at local universities but untapped. The county hosts numerous hubs of social technology, science and innovation; Consider developing a tech equity advisory council, to help promote and identify opportunities for interdisciplinary research collaborations. Start building the social infrastructure needed to continuously identify, adjust and develop successful, adaptable, cost effective, strategies in perpetuity.
- This program focuses on providing additional funding to existing affordable housing programs, many other types of affordable or "Missing Middle" housing types that do not qualify for traditional

affordable housing funding mechanisms can also be used to address countywide housing affordability issues and mitigate VMT by adding housing to job-rich and VMT-efficient communities. More research is needed to illuminate VMT reduction of rental versus ownership subsidies or entities like community land trusts, where affordability doesn't expire after 55 years. VMT estimation tools currently do not quantify these other even longer-term affordability housing types and are "blind" to potential/expected benefits.

- Look for MTC reports to come out soon on the status of the large-scale transit pass pilot programs like Clipper BayPass (FREE for employees or students, purchased annually by employers like UCSF and universities) and START (50% discount). These pilots will be publishing survey results and latest findings on ways to best support card "sign-ups" and getting them used by the end of the year. These best practices will be useful for eventual implementation provision, funding and deployment of transit passes in a variety of contexts.

#### IV. HOUSING AS VMT MITIGATION

The premise of housing as a legally defensible, CEQA ready, VMT reduction strategy is supported by the Caltrans SB743 Implementation PlayBook, State of California Executive Order N-2-24<sup>1</sup>, and by the fact that housing once built remains effectively into 'perpetuity' (55 years) in comparison to other measures.

All the administrative tools for funding and building deed restricted affordable housing, ensuring it is serving those who are eligible for it and verifying incomes on an annual basis, exists and is working well in San Mateo County as a function of the Housing Department.

Ann Cheng Consulting provided a brief overview of why affordable housing is considered a strong, highly supported VMT Mitigation strategy as part of the **TATF #4 – July 16, 2024 – Presentation**. The connection between housing and VMT generation or prevention, especially in places where 12-24 more jobs than homes have been built, can result in mega-regional VMT consequences, requires frequent repeating and education. While it is common knowledge to regional transportation and housing planners, community stakeholders, new to housing development review, require frequent reminders of regional context and numbers benchmarked to time specific time ranges.

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<sup>1</sup> [Housing Infill EO\\_N-2-24.pdf \(ca.gov\)](#)

Included were examples of where affordable housing is providing transit passes and findings from a study of keys to supporting successful implementation of transit passes.

## **V. NEXT STEPS**

### **Estimates and Quantification of Potential funding**

- Provide easy to understand case studies and/or use cases for how a project generates VMT and then how to mitigate it with housing projects.
- List scale and size of projects that would match with appropriate (proportional and scaled) mitigations of different affordable housing project types.
- Develop a meaningful easy to understand per capita metric to measure VMT reduction effectiveness and durability. List the full maintenance and replacement costs for every 10 years of 10,000 VMT reduced annually.
- Parking Benefit Districts – There is great potential for developing and promoting these to advance equitable local transportation funding sources to achieve economic and climate benefits. Setting these up enables deeper VMT reductions by future projects in an entire district. Need to ensure these are explained and communicated clearly with easy-to-understand examples.
- MTC is funding many communities to update parking related zoning requirements. There are also increasingly statewide regulations removing minimum parking requirements. As access to parking declines more technical assistance and technical tools for managing access to remaining parking (with permitting and pricing tools) will eventually be embraced and needed beyond the larger cities that are already charging for parking like the City of San Mateo.
- The emergence of equitable VMT mitigation combined with the changing parking policy context creates a great opportunity to plan for and pilot innovative approaches to expanding regional and countywide transit and mobility wallet programs.
- Need research on getting new transit riders or methods to support forgoing or delaying personal vehicle ownership and use, in lieu of access to a variety of options located in mobility hubs emerging and planned throughout the region.

## **Provide case studies/examples in short easy to ready formats (1 page/slide)**

- Show the VMT mitigation needs of different project types across the full range of expected projects, through the life of the program, including examples of land use and transportation projects. Provide short examples and case studies from other cities across the state.

### **San Mateo County Department of Housing (SMC DOH)**

- Request list of projects that were not awarded funds. Review and map the running list of projects with funding gaps. This is maintained and typically reported at the conclusion of the Measure K NOFA process.
- Review the NOFA come up with follow up questions.
- Request and review redacted MOUs between SMC and other funding agencies passing funding through.

### **Affordable Housing Developers**

- Housing Leadership Council of San Mateo County, SV@Home, Housing California
- City of San Jose Developer Council, Urban Land Institute, Northern California APA, AIA, Build It Green
- Talk to smaller scale developers
- Enterprise: What is the state of VMT analysis and research? What is being used to quantify VMT currently? What is working well? What improvements are needed? There are large research gaps in displacement prevention, land trusts, social housing, ownership vs. rental.
- Key is a formula/tool/model that is easy to use and gets housing rated for VMT reduction potential, needs to be variable by various attributes of location and provision of TDMs.

### **Cities**

- Continue reaching out to small, medium, large cities – participation and support will vary. Staffing turn-over and change in staff and cities with small staff – require easy to use, short shareable educational videos. Include links to Caltrans' extensive communication and video resources listed here:
  - Eventually when there is a web page to host information about this program and its development; These Caltrans videos can easily serve as the community audience oriented "building lobby/entry hall" to explain the purpose of SB743 and why VMT is the new metric of gauging transportation

success. These videos are ideal for city council, commissioners, new staff, partner orgs and agencies, etc.

- <https://dot.ca.gov/programs/esta/sb-743/resources>
- A common misconception is that a reduction in VMT will remove access to destinations. Our short video series, "SB 743: Rethinking How We Build So Californians Can Drive Less", helps to dispel these misconceptions and clarifies how we are thinking about this new paradigm.
  - The Need for SB 743 (4:03)
  - Benefits of SB 743 (3:49)
  - Changes for Development Projects (3:23)
  - Changes for Transportation Projects (4:07)
- Provide planning department staff, commissions and council access to easy VMT analysis and training tools. Start with Connect.GreenTRIP.org because it is designed to be easy to use for all stakeholders, community leaders and stakeholders, especially for those without extensive technical training but are local community experts and stakeholders. Connect (recommended for use by OPR and by Caltrans) gets stakeholders and professionals ready to review analysis from more complicated spreadsheet models.
- MTC will soon be publishing a Quick-Guide to using Connect to evaluate VMT reduction from housing in and of itself to a variety of TDMs from transit passes, parking supply reduction and pricing to provision of micro-mobility and quantification of location, project density and affordability.

### **Caltrans and other Agencies Funding Research**

- Request state agencies (CARB, Caltrans, HCD, SGC etc) to fund more research to quantify displacement prevention and host of equity interventions that hold high potential for VMT reductions in the very long term. There is a big area of overlap between VMT reduction, equity and cost-effective equity benefits.
- Prioritize local, recently displaced students or workers of San Mateo County (or at risk) residents for new AH, particularly those who are registered on an affordable housing availability (displacement at-risk) notification list.
- Fund long term (multi-decade and multi-generational) cost benefit model analysis for community land trusts, social housing, micro-ownership and prioritization of housing for residents with existing social ties and care networks (i.e. intergenerational care giving of elders, ill relatives, children etc.).

## Reach out to CBOs, NGOs, Philanthropy and Major Employers

- Create awareness of programs coming with Silicon Valley Community Foundation, major local philanthropic foundations and major employers.
- Engage the Housing Leadership Council SMC to raise awareness and conduct outreach to local housing developers.
- Offer training to and engagement with local community groups in evaluating and shaping local development using GreenTRIP Connect or similar free, easy to use VMT analysis tools.

## APPENDIX - INTERVIEW NOTES

### 6/4/24 - Affordable Housing Developer

- This interviewee responded to many questions in succinct detail about how transit passes are administered at various affordable housing properties throughout the County in addition to participating in an interview. This is an extensive and detailed account of transit pass funding and provision logistics to reference later as needed.
- Overall transit passes are expensive to provide. They have been provided since 2010 and increasingly at a fraction of sites 10 out 120 properties throughout northern California. Cost of transit passes are a minimum of \$40 per eligible person (everyone 5 years and older) or \$2,500 minimum annual purchase amount to access bulk discount rate. This works out to a minimum of 63 passes.
- AHSC requires 3 years of transit pass provision so those are just included.
- Very exciting that there is now a Clipper BayPass program MTC/BART have offered 50% off of transit costs on multiple agencies for low income individuals (200% of federal poverty line) or residents of 13 properties for 2 years, hopefully more years will be covered. Key sites located near transit were prioritized for getting BayPasses. Get data from MTC on usage.
- Free transit passes are well used. Several quotes and use cases for how households share one car and high level of appreciation for the passes by those who use them.
- Frequently there are two main groups of pass users: 1) super-users and 2) those who use it once or never
- Up until recently only had WaytoGo for SamTrans bus only not including Caltrain. Thanks to BayPass Caltrain, BART and Ferry are now available also for free. Residents are thrilled. It is seen as a huge

benefit allowing extensive recreation in public parks in SF to Angel Island. Costs currently covered by MTC.

- Reduced parking is challenging for sites without adequate frequent transit. When parking supply is low this is a hardship for households who are car dependent. Need to make transportation options and subsidies flexible, equitable, useful. If transit frequency is low mobility wallets, Lyft/Uber credit with shared scooters, bikes or other micro or mobility library vehicles like electric cargo bikes or accessible tricycle arm pedaled bikes.
- This affordable housing developer has a lot of experience with transit passes but this is not common.
- SamTrans has increased flexibility of the program to make it easier for everyone to access and use. Most recently this included removing the need for a photo on the card. Instead cards just list tenancy eligibility or in this case it matches the move-in and expected move-out or lease expiration date.
- Really important to make sure all communication materials are written at a third-grade level. This makes translation much easier.
- Always provide translation for materials.
- VTA also requires 3 years of transit passes at their TOC sites.
- Highly recommended talking with the San Mateo County Housing Department to coordinate spending with their Measure K funds \$20/30 million NOFA.
- Generally, prefer fewer requirements overall including for TDM not because don't support the idea but b/c it costs money to support information and distribution of free resources.
- 676 Passes purchased annually for about \$20,000 about 12 sites for bus passes.
- Clipper Bay Pass now offers 50% off rides on all systems across the region. MTC reimburses transit agency that ride is taken on.
- Any funding to support covering the cost of transit passes is welcomed. There is very little funding available to cover this specific cost, while it is being increasingly required of new development.

### **6/10/24 - San Mateo County Department of Housing**

- Measure K (1/2 cent sales tax) Funded projects starting in 2012 (\$300 million awarded to date, 4,000 units), roughly \$40 million/year twice a year in spring and summer NOFA's; 6-week application window.  
<https://www.smcgov.org/housing/doh-dashboards>
  - \$125M requested in 15 applications (1,081 units)/projects, pretty typical pool; 7 projects awarded funds; 4 additional projects ideally would have been awarded funds because

they met criteria. 4 projects face a crucial final local funding gap and weren't funded due only to lack of funding.

- 6/11/24 – Staff Recommendations to Board of Supervisors Meeting: Link to Board Item, memo, resolution details on what projects funded or not by Affordable Housing Fund 12.0 (12<sup>th</sup> cycle/year of funding):  
<https://sanmateocounty.legistar.com/LegislationDetail.aspx?ID=6719389&GUID=0D6FD809-D116-4F08-8D19-E98D92EDFC01&Options=&Search=>
- HUGE interest and support of the concept of VMT funds for affordable housing and VMTs. Lots of suggestions on ways to coordinate needs.
- Sending examples of agreements between agencies to guarantee funding and purpose allocation.
- Lots of parallels between how Measure K is gathered (countywide sales tax, spent competitively according to criteria that change slightly year to year depending on the funding mix. Comparable also because funds are spent in a way that is not geographically proportional to where they are collected.
- There are implicit but not explicit location efficiency criteria (close to high quality transit/jobs/opportunity or will be) can easily add more VMT reduction criteria.
- Currently administer a variety and mix of funds at all scales, regional, state and federal. Can easily add this new fund to the mix. Again see accountability and transparency dashboard and map of past project funded.
- Funding gaps covered by Tax Credits, local city, AHSC, Other state source, FHL Bank, or CHPC.
- For projects awarded funds, typically 10-15% of an affordable housing project's total budget are covered by Measure K.
- Measure K funding has not gone to transit passes.
- Prefer fewer restrictions, requirements and costs
- Welcome additional funding support ALWAYS!
- All projects in the county usually get some county funds and they are usually required to have city funds to win county funds.
- Smaller cities have much less to no funding dedicated to affordable housing, leaving big local funding gaps in small cities.
- Smaller cities also have fewer staff, simply less capacity.
- AHSC Funding links VMT reduction and affordable housing and is very competitive and lengthy application process.

## 6/17/24 - Enterprise Community Partners – Enterprise



- Enterprise provides funding, and technical assistance to affordable housing developers across the country with an office in Northern California.
- Enterprise current provides technical assistance to affordable housing developers across the state seeking AHSC funds. They coach developers in planning for TDMs and transportation infrastructure for multi-mobility that are quantifiable by CARB models.
- There are a range of affordable housing developers. A handful are very large like BRIDGE, MidPen that have onsite resident service coordinators who are resident and site experts who are essential for successful deployment of TDMs like transit passes. Small developers and smaller developments frequently can't afford onsite services beyond provision of housing and housing related amenities.

### **Enterprise Recommendations:**

- Build up capacity for all sizes of affordable housing providers and housing developers.
- Leverage AHSC TA for education.
- All items of CCAG TDM policy are AHSC eligible
- Good to fund both infrastructure “bricks and sticks” and service educational/programmatic/incentive programmatic non-infrastructure behavioral change social TDMs.
- AHSC funding application and process is very complicated. Avoid making interfacing with it. Application is enormous.
  - A lot of TDMs get lost, transit passes required for first 3 years. Biek parking required 1 spot indoor per 2 units. Required. Parking lots optional, equity of parking access.
- This program could extend transit passes beyond 3 years of AHSC. Look for lists here.
- Local funding is typically critically lacking. SMC has funds to leverage. Start there. County Housing Department has an excellent reputation for being really great to work with. Flexible, supportive vs regulatory
- Predevelopment funding GAP - type of funds that are scarce and needed. Lots of agreement!
- Developers are not super excited about transit passes, hard to know if they are used, anecdotally they are not used.
- Key to avoid double dipping, i.e. credit for one project taken by two funding sources.
- How to equitably encourage less VMT car ownership without penalizing those who must drive and are also low income?

- How to avoid causing low-income people to be experimented with in terms of less or no parking.
- Avoid harm to those who don't have options to use alternatives to driving.
- Support AHSC approach: encourage great examples in a variety of place types of contexts. Use context sensitive approaches, iterate and adjust based on feedback.
- Can use AHSC to fund up to 30 years of passes most just do 3 year minimum. AHSC pays for full cost of passes, in places where there is discounts, much cheaper, if not then costly. IE AC Transit with bulk 90% discount annually is super low cost. BART however can add up to millions of dollars.
- Coordinate funding with ATP, TCC, REAP 2.0
- Noticed Wayfinding is not listed in CCAGs TDM policy. Missed opportunity is impactful but missing. It is an effective, low hanging fruit.
- Follow where the money is flowing. Right now, cities are trying to leverage IRA funds to free up general funds.
- Flag challenge of federal tax credits not allowing unbundled parking. This needs to change at the federal level to be in line with zoning changes to encourage unbundling.

### **6/20/24 - California Housing Partnership Corporation (CHPC)**

- CHPC website – is a statewide organization created by an act of legislature to support developers of affordable housing with technical assistance and training in affordable housing finance. CHPC tracks statewide affordable housing developments and the duration of their affordability status through the usual 55 year income restriction requirements that typically come with government funding sources.
- The San Mateo County Housing Department is well regarded as an effective and good partner. Use them as the entity for fund distribution. They've done a great job with Measure K, they are really easy to work with; an ideal partner for this effort.
- There is a ton of need for local affordable housing funds. \$40 million awarded recently but \$120 million in eligible projects. Currently there is a local affordable housing funding gap of \$80 million, for projects that are ready to build, but for this final gap/hurdle.
- AHSC provides a classic soft loan 55 years, 3% residual receipts, get payment on loan via cash loan on the project that is due upon refinancing. It is permanent money allowing projects to get and

minimize size and duration of construction loans which are very costly. AHSC loans are large.

- Recommend: No required fees “above the line”
- Allow funds to cover administration fees, make it as flexible as possible
- Add VMT program needs into County Housing RFP
- To cover the cost of transit passes for 3 years as required by AHSC, Typically developers will capitalize a fund in their development budget and count it as a project expense. Some put it into their operation budget, but dissuade against this because operating budgets are very volatile with varying insurance and labor costs, COVID caused major spikes in operation costs.
- Ideally share project selection criteria with SMC DOH.
- Make it easy for projects to provide the right things by making zoning codes and funding programs consistent and coordinated.
- Lots of variation in TDMs. Are they becoming a standard condition of minimum project requirements or will they be considered as a mitigation, strategy that is brought on after a project has been designed?
- Projects stay affordable for 55 years, essentially forever.
- Make sure housing projects are aligned for the right types of VMT generating projects including office or freeway congestion pricing related efforts.
- Small scale housing projects also need support. More small projects. Fewer large projects.