



# VTA's Affordable Housing and Sustainable Communities (AHSC) Program Developer Guide

This guide provides best practices and resources for housing developers interested in partnering with the Santa Clara Valley Transportation Authority (VTA) on an [Affordable Housing and Sustainable Communities \(AHSC\) Program](#) application.

The AHSC Program, administered by the California Strategic Growth Council (SGC), provides funding for affordable housing development and sustainable transportation improvement projects. The strongest applications involve partnerships between developers, transit agencies, and local jurisdictions.

This guide is intended for affordable housing developers seeking to partner with VTA on an AHSC application in Santa Clara County.

## Table of Contents

1. VTA Overview.....	1
2. AHSC Overview .....	1
3. Developer Responsibilities .....	4
4. VTA Responsibilities.....	5
5. Schedule.....	6
6. Scoring Criteria.....	6
7. Strategy and Recommendations .....	11
8. Developer Next Steps.....	12



## 1. VTA Overview

As the transit agency for Santa Clara County, VTA operates a countywide bus and light rail system that connects residents, workers, and visitors to key destinations. VTA also serves as the Congestion Management Agency (CMA) for the County, playing a critical role in aligning land use and transportation planning. By coordinating closely with developers, local jurisdictions, and other stakeholders, VTA supports policies and projects that advance mobility, equity, and sustainability.

VTA's transit network includes three light rail lines and a well-connected bus network that together form the backbone of [transit service](#) in Santa Clara County. These corridors provide essential connections to regional rail, employment centers, schools, and community destinations. Complementing its transit services, VTA also manages a portfolio of [transit-oriented development](#) (TOD) sites, many of which are positioned for affordable housing, retail, and mixed-use projects.

VTA envisions vibrant, well-connected communities where transportation, housing, jobs, and services for everyday needs are seamlessly integrated. Through the AHSC Program, VTA seeks to be a catalyst for transit-oriented development throughout Santa Clara County, fostering safe, accessible, and sustainable mobility options while advancing housing opportunities near transit. By collaborating with public and private partners, VTA aims to secure maximum AHSC funding to deliver integrated projects that reduce greenhouse gas (GHG) emissions, improve connectivity, and create thriving, equitable communities.

For projects located on VTA-owned land, AHSC collaboration is streamlined through VTA's TOD program. For projects on non-VTA land, developers interested in pursuing a partnership with VTA must complete the VTA AHSC Intake Form for consideration.

## 2. AHSC Overview

AHSC is one of California's Cap-and-Invest (formerly Cap-and-Trade) revenue funded programs, also known as the California Climate Investment Programs. These programs receive revenue from quarterly carbon credit auctions, where pollution allowances are purchased. The revenue generated from those allowances is funneled into a variety of programs, including AHSC.

At its core, the AHSC Program is a GHG reduction program. The program funds capital projects aimed at reducing GHG emissions primarily by decreasing the driving of personal cars (vehicle miles traveled or VMT).

### 2.1 Eligible Cost Categories

The AHSC Program funds may be used on a variety of housing and transportation elements, as detailed below and shown in Table 1.



1. Housing funds are divided into two categories: Affordable Housing Development (AHD) and Housing-Related Infrastructure (HRI) costs. Developers typically define the scope and budget for AHD and HRI.
2. The program also funds Sustainable Transportation Infrastructure (STI), which includes both active transportation and public transit improvements that facilitate mode shift. STI scoping items are most often located in the public right-of-way and are typically managed by a public agency.
3. Additionally, the Program (PGM) covers operating expenses for up to three years, up to \$600,000, supporting anti-displacement initiatives, workforce development, and other eligible programs.

In recent rounds when combined, AHSC can provide up to \$50 million per application, helping transform individual projects into connected, sustainable communities.

*Table 1: AHSC Eligible Cost Categories*

Eligible Cost Categories	Examples	Lead	Funding Type	Funding Limit
AHD – Affordable Housing Development	New construction, homeownership, etc.	Housing Developer	Loan (Rental) Grant (Homeownership)	At least 50% of the total AHSC request must go toward housing development (AHD + HRI).
HRI – Housing-Related Infrastructure	Any costs required as a condition of approval for the AHD development by a public agency, as well as deposits and payments for Factory-Built AHD components.	Housing Developer	Grant	A maximum of \$35 million can be requested (AHD + HRI).
STI – Sustainable Transportation Infrastructure	New and improved bikeways and walkways, traffic calming measures, transit vehicles to expand or increase transit services, urban greening, station/stop improvements, etc.	Public Agency	Grant	Competitive applications typically dedicate at least \$9 million or 30% of the total request (whichever is lower) toward STI projects.
PGM – Program	Encompasses multiple scoring elements: <ul style="list-style-type: none"> <li>• Anti-displacement (\$150,000 minimum to maximize points)</li> <li>• Workforce Development</li> <li>• Transit Passes*</li> <li>• Wi-Fi/Broadband*</li> </ul> <small>*Required threshold item</small>	Developer/ Public Agency/ CBO/ nonprofit	Grant	PGM is capped at \$600,000, not counting transit pass costs.  A maximum of \$15 million can be requested (STI + PGM).



To be eligible, an AHD must be within a one-half mile walking distance of a Qualifying Transit Stop<sup>1</sup> along an existing or planned Pedestrian Access Route<sup>2</sup>, which must be completed before the AHD receives its Certificate of Occupancy.

In addition, the developer must confirm that the AHD meets the state's threshold and readiness requirements, including affordability levels, land use approvals, previous experience with projects of a similar scale, completion of environmental clearance, AB 680 Workforce Standards<sup>3</sup>, and other key threshold items and mandatory requirements outlined in the program's guidelines.

**Developers should confirm that these requirements can be met before completing the VTA intake form.**

## 2.2 Project Area Types

AHSC applications compete within three distinct Project Area Types, based on proximity to qualifying transit or rural designation:

1. Transit-Oriented Developments (TODs) are AHDs located within one-half mile of a High Quality Transit Stop<sup>4</sup>, which generally includes VTA light rail and regional rail stations such as BART and Caltrain. The project area is defined as a one-mile radius around the AHD.
2. Integrated Connectivity Projects (ICPs) are AHDs not located within one-half mile of a High Quality Transit Stop and are not in state designated rural areas. These projects must still be located within one-half mile of a Qualifying Transit Stop; most VTA bus stops meet this definition. The project area is defined as a one-mile radius around the AHD.
3. Rural Innovation Project Area (RIPAs) are AHDs located in state designated rural areas and include a Qualifying Transit Stop within one-half mile. RIPA projects are rare in Santa Clara County. The project area is defined as a two-mile radius around the AHD.

As of Round 9, at least 35% of AHSC funds are reserved statewide for TODs, at least 35% for ICPs, at least 10% of AHSC for RIPAs.

## 2.3 Disadvantaged Communities

AHSC has a statutory requirement that at least 50% of funding must be allocated to projects with AHDs located in state designated Disadvantaged Communities (DACs). DAC locations can be viewed on the [Priority Populations Map](#).

<sup>1</sup> Defined in the AHSC Guidelines.

<sup>2</sup> As defined in the AHSC Guidelines.

<sup>3</sup> Projects must comply with AB 680 Project Standards, unless the Project meets an exception listed in Section 115 of the AHSC Guidelines.

<sup>4</sup> See AHSC Guidelines for a definition.



Santa Clara County only has 22 Census Tracts designated as State DACs. AHDs located outside of DACs can still be competitive, but they need to score highly across all categories to be successful.

### 3. Developer Responsibilities

Housing developers play a leading role in AHSC applications and are generally the primary applicant on the application. The housing development team usually begins the application process by engaging with the transit agency and local jurisdiction's active transportation staff to scope potential improvements within the project area.

VTA strongly recommends that developers hire a Technical Assistance provider (TA) to assist VTA and the local jurisdiction to confirm project eligibility, develop a competitive scope, and prepare application materials.

Primary responsibilities of the housing development team, including their TA provider, include (but are not limited to):

#### Pre-Application

1. Ensure compliance with all housing-related key requirements and thresholds.
2. Complete VTA AHSC Intake Form.
3. Engage with local jurisdictions' active transportation departments early to assess partnership and scope opportunities.

#### Application Phase

1. Prepare housing budgets and all other housing development sections of the application.
2. Actively manage the AHSC scope development and complete the final AHSC application. This includes active engagement with VTA and local jurisdiction staff for STI projects.
3. Develop partnerships and scope for the PGM components of the application, including anti-displacement and workforce development strategies.
4. Regularly self-score to ensure that the application is earning the maximum possible points.
5. Draft, collect, and finalize all necessary application materials for upload to the application portal.

#### Post-Application Submission

1. Lead any necessary appeal submittals.
2. If awarded, lead biannual or quarterly meetings with VTA and local jurisdiction staff to ensure projects are meeting milestones and will be completed on time.



## 4. VTA Responsibilities

As the transit agency and CMA for Santa Clara County, VTA holds specific roles in AHSC applications, which vary depending on which entity leads the GHG reduction transit project.

- **VTA-led transit projects:** When an application includes a transit project for which VTA leads implementation, typically projects on VTA right-of-way (e.g., light rail improvements), VTA will serve as the official non-applicant partner. VTA will complete the transit-related workbook portions of the application, prepare transportation-related attachment materials, and provide inputs and supporting documentation for the transit GHG reduction calculations.
- **Non-VTA right-of-way projects impacting VTA service:** When an application includes a transit project not located on VTA right-of-way but affects VTA service (such as bus-only lanes), the local jurisdiction typically serves as the co-applicant or non-applicant partner. In these cases, VTA will support the local jurisdiction in preparing the transportation-related application materials.
- **Projects led by other transit agencies:** When an application includes a transit project led by another transit agency (such as Caltrain or BART), that agency leads the transportation-related application materials. VTA may support the application with the quantitative scoring components, as applicable.

The following outlines VTA's role in VTA-led transit projects:

### Pre-Application

1. Identify and scope transit capital projects that strengthen the GHG reduction score.
2. Identify and scope potential VTA active transportation capital projects that strengthen the quantitative policy points.

### Application Phase

1. Collaborate with the local jurisdiction to identify local bus improvements for quantitative policy points.
2. Answer questions about transit passes, which are a threshold requirement of the program.
3. Provide guidance and input on community benefit and narrative sections.
4. Support application development including preparing STI budgets and attachments.
5. Collaborate on application legal agreements as needed, including resolution(s) and memoranda of understanding (MOUs).



## Post-Application Submission

1. Contribute to any necessary appeal responses.

## Agreements Between Parties

VTA participates in AHSC applications as a non-applicant partner. As part of the AHSC application submittal, applicants must include a commitment from non-applicant transportation partners to deliver their project portions if AHSC funding is awarded. VTA can provide a sample of this letter/agreement if the AHD is selected for partnership.

## 5. Schedule

The AHSC Program does not have a regular annual application schedule. Application due dates and other key milestones vary from year to year. Developers should submit the general AHSC interest form as soon as possible. The general interest form is open year-round. VTA appreciates advance notice for potential future AHSC partnerships, even those several years out. The intake form for upcoming rounds is open for a limited period each year. This form is the formal way for developers to request a partnership with VTA.

Check [VTA's AHSC webpage](#) for more information on key dates and deadlines.

Significant changes may occur between AHSC program rounds or between draft and final guidelines. It is essential for the developer to keep track of updates and adjust the AHSC scope accordingly. Full assessment of AHSC project threshold eligibility and competitiveness will require further evaluation by the housing developer, public partners, and technical assistance providers once the final guidelines are adopted. VTA reserves the right to reassess AHSC partnerships as necessary to reflect changes in program guidelines, project readiness, or resource availability.

## 6. Scoring Criteria

The AHSC Program scoring is divided into three distinct categories:

1. GHG Quantification
2. Quantitative Policy
3. Narrative Based Policy

Below is a breakdown of the three categories as they stood in Round 9 of the program. Refer to the most recent guidelines for more information.



## 6.1 GHG Reductions Scoring (30 points)

The **GHG Reductions Scoring** section is worth 30 of the 100 total points within an AHSC application. Projects are evaluated based on two key factors: the total emissions reduction achieved by each project component and the reduction in GHG emissions per AHSC dollar.

1. **GHG Transit and Shared Mobility (5 points):** Includes transit, carshare, carpool, and on-demand transit. GHG reductions from the public transit scope tend to be the largest share of the total GHG reductions in the application, so partnership with the transit provider is essential.
2. **GHG Project Area (10 points):** Includes the affordable housing, active transportation, and/or grid-connected solar photovoltaic (PV) project components. Housing-related GHG reductions, including solar PV above code, tend to be the second highest generator of GHG reductions. The GHG reductions from active transportation tend to be relatively minimal but are necessary for the Quantitative Policy Scoring.
3. **GHG Efficiency (15 points):** Calculated by dividing the total GHG emissions reductions in the application by the total funding request.

GHG reductions are scored on a ‘binning’ system, which creates an artificial spread of points (similar to grading on a curve). Applications that do not include any GHG transit reductions will receive zero points in the Transit and Shared Mobility GHG category, which also affects the GHG cost efficiency score and STI budget allocation points in the Quantitative Policy Scoring.

## 6.2 Quantitative Policy Scoring (50 Points)

The Quantitative Policy Scoring section represents the largest proportion of points in the application, worth 50 out of the 100 total points. Below is a breakdown of each scoring category.

### 6.2a Sustainable Transportation Infrastructure (20 points)

The majority of the points will come from the application’s STI improvements. The STI category evaluates projects based on three main criteria: bike infrastructure improvements, pedestrian infrastructure improvements, and upgrades to local bus services. Most successful applications receive the maximum available points in this category.

#### 1. **Bike Infrastructure Improvements (6 points)**

- a. Four points are available for the construction of two lane-miles of Context Sensitive Bikeways<sup>5</sup>. Separate bikeway segments may be combined to meet this point threshold.

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<sup>5</sup> As defined in [Caltrans Contextual Guidance for Preferred Bicycle Facilities](#).



- b. Two points are available if the new Context Sensitive Bikeway directly intersects an existing bikeway. However, the existing bikeway is not required to be a Context Sensitive.

## **2. Pedestrian Infrastructure Improvements (5 points)**

- a. Three points are available for repairing or constructing sections of sidewalks, walkways, or ramps that create more than 2,000 feet of continuous Safe and Accessible Walkways<sup>6</sup>.
- b. Two points are available for the construction of 1,000 continuous linear feet of new pedestrian facilities, such as sidewalks, where none currently exist. The new facilities must meet the definition of Safe and Accessible Walkways.

## **3. Upgrades to Local Bus Services (4 points)**

A total of four points are available for local bus improvements. While these improvements support transit, they are typically located within a local jurisdiction's public right-of-way and require collaboration between VTA and the local jurisdiction.

- a. Four points are awarded for completing any two of the following:
  - i. 1 lane-mile of consecutive bus only lane
  - ii. 5 bus bulb-outs
  - iii. 5 transit boarding islands
  - iv. 1 consecutive mile of transit signal priority (hardware and software)
  - v. 5 bus shelters where no shelters currently exist

The minimum threshold for one strategy can be doubled for the full four points (e.g. 10 bus shelters receive 4 points).

## **4. STI Funds Requested (5 points)**

A total of five points are available for applications that dedicate a minimum amount of AHSC funds toward STIs. The required minimum can be met by either a dollar amount or a percentage of the total AHSC funding request, whichever is lower as detailed below:

- a. Five points for at least \$9 million or 30% of total funding request, or
- b. Two points for at least \$6 million or 20% of total funding request

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<sup>6</sup> Safe and Accessible Walkways are pedestrian corridors that meet or exceed the most recent [Caltrans Pedestrian Accessibility Guidelines for Highway Projects](#).



## **6.2b Location Efficiency and Local Context (14 points)**

The AHD project's location can earn valuable additional points in the application. However, applicants have limited control in this section, as many of the points are determined solely by the project's location.

1. **Up to 3 points:** An AHD located within a one-half mile radius of nine key destination categories, including grocery stores, licensed childcare facilities, and public parks, can earn additional points.
2. **3 points:** An AHD located within a one-mile radius of an environmentally cleared high-speed rail station or an AHD on surplus or exempt surplus land (e.g., excess or underutilized land owned by any agency of the state or any local agency, such as VTA land, that has been designated by that agency as surplus), can earn additional points.
3. **Up to 3 points:** An AHD located in a jurisdiction that has HCD compliant adopted Housing Element and/or a pro-housing designation can earn additional points.
4. **Up to 5 points:** An AHD located in a state designated disadvantaged or low-income community, as identified by the [CCI Priority Populations Mapping tool](#), can earn additional points.

## **6.2c Housing Affordability and Funds Committed (9 points)**

Applications may earn points by incorporating specific levels of housing affordability within the AHD project. Additional points are awarded if the project includes a designated number of larger units restricted to Extremely Low-Income (ELI) or Very Low-Income (VLI) households.

The possible points are detailed below based on the Draft Round 10 guidelines.

### **For Rental AHDs**

1. **Up to 3 points** will be awarded based on the percent of total units restricted to ELI households as follows:
  - a. 15 to 19.9% of total units = 1 point
  - b. 20.0 to 24.9% of total units = 2 points
  - c. 25% or more of total units = 3 points
2. **Up to 2 points** will be awarded based on the percent of total units that are three-bedroom or larger and are restricted to ELI or VLI households as follows:
  - a. 10 to 19.9% of total units = 1 point
  - b. 20% or more of total units = 2 points



### For Homeownership AHDs

1. **Up to 5 points** will be awarded for applications which restrict a percentage of units to Low-Income (LI) households, as follows:
  - a. 20 to 29.9% of total units = 2 points
  - b. 30 to 39.9% of total units = 3 points
  - c. 40 to 49.9% of total units = 4 points
  - d. 50% or more of total units = 5 points

Additionally, points are awarded for demonstrating that 100% of the AHSC project costs have committed funding, ensuring that financial resources are secured for the project. This commitment must be substantiated by letters of intent from financial institutions, grant awards, or other documentation that verify the availability of funds. The amount requested from the AHSC Program, allocations of tax-exempt bonds, and 4% or 9% tax credits are excluded from this calculation.

### **6.2d Anti-Displacement and Workforce Development (7 points)**

The application may include partnerships with a non-profit organization or local government to implement anti-displacement initiatives to earn additional points. These activities are designed to mitigate the risk of displacement for residents near the affordable housing development. Housing developers must select an anti-displacement activity supported either by the State's [anti-displacement tool](#) or by referencing the local jurisdiction's housing element, other research, community feedback, or existing documents.

AHSC applications may also include funding for local workforce development initiatives to earn additional points. This can include partnerships with workforce development boards or organizations dedicated to skills training and employment opportunities. Developers may receive further points if their project adheres to a skilled labor requirement or if it is located in a jurisdiction with a local hire ordinance.

### **6.3 Narrative-Based Policy (20 Points)**

Narrative-Based Policy Scoring accounts for 20 points out of the 100 total points. The narrative must cover the following four areas:

1. Collaboration and planning
2. Community benefits and engagement
3. Climate adaptation and community resiliency
4. Advances in equity and community transformation

AHSC-funded transit and active transportation projects contribute to these areas of the narrative. Applicants should collaborate with VTA and the local jurisdiction to fully understand how all aspects of the project impact the community.



Sufficient time should be allocated to prepare a thorough, well-supported narrative. Narratives are primarily scored based on the quantity of compelling facts, details, and evidence.

## 7. Strategy and Recommendations

### 7.1 Affordable Housing

Successful applications focus on maximizing points in the quantitative section. Developers should:

1. Ensure all funding for the AHD and HRI is fully committed
2. Maximize housing affordability and include larger bedroom units
3. Meet all points for anti-displacement and workforce development

### 7.2 STI Projects

STI projects include transit improvements, active transportation, and local bus improvements. Transit projects are scored in the GHG Reductions Scoring, while active transportation and local bus improvements are scored under Quantitative Policy Scoring. All STI projects require coordination with the local jurisdiction and transit agencies.

#### 7.2a Transit Project

Competitive transit projects must clearly demonstrate increased ridership and reduced vehicle miles traveled. Simply being located near a VTA bus stop does not guarantee a strong AHSC transit project. While VTA operates countywide bus and light rail service, opportunities for VTA transit projects are limited if the project area does not include a light rail station.

Developers should engage all transit providers within the project area, including Caltrain, ACE, Amtrak, BART, local shuttles, and any other relevant services for potential AHSC partnership.

#### 7.2b Overall STI Project Considerations

When planning STI projects, developers should keep the following considerations in mind:

1. For TODs and ICPs, the project area is defined as a one-mile radius from any point within the AHD site and must be used consistently throughout all application materials. The center of this radius should be strategically selected based on transit proximity, key destinations, and STI improvements to maximize scoring.
2. Some project areas may cross multiple local jurisdictions, including unincorporated areas of the county. All local jurisdictions should be engaged to maximize potential active transportation and local bus improvement points.



3. Local jurisdictions typically lead the active transportation and local bus improvement projects. In some cases, developers may lead these projects in coordination with the local jurisdiction, subject to discussion and review, and provided they demonstrate previous experience of completing two similar projects within the past ten years, consistent with AHSC program guidelines.<sup>7</sup>
4. STI projects can be located anywhere within the project area. No additional points are awarded for proximity to the AHD.
5. STI projects (e.g., bus-only lanes, Transit Signal Priority, bikeways, or sidewalks) may extend beyond the project area boundaries, but they must originate within it. If extended beyond the project area, the STI project must have a pedestrian entrance within the project area. For fixed-route transit improvements, a transit station or stop of that route must be within the project area.
6. The total STI budget depends on the housing request, as at least 50% of the application must be allocated toward the AHD and HRI. STI funds cover transit, active transportation, and local bus improvements. Local jurisdictions and transit agencies should collaborate with the developer and their TA provider to allocate funding strategically for maximum scoring.
7. STI projects must not begin construction before the AHSC grant application deadline and must be completed and operational within five years after the award date.
8. STI project environmental clearances are not required at the time of application but are required at the time of grant disbursement.

## 8. Developer Next Steps

1. Confirm that the AHD meets the state's eligibility thresholds and readiness requirements, detailed in the most recent guidelines.
2. Confirm that the developer has demonstrated previous experience delivering projects of similar scale, detailed in the most recent guidelines.
3. Consult the State of California's Strategic Growth Council [AHSC webpage](#) for guidelines, application materials, and deadlines.
4. Check [VTA's AHSC webpage](#) for updates and deadlines related to potential VTA partnership.
5. Complete the general AHSC interest form, open year-round, to indicate interest in partnering with VTA.
6. If available, complete the VTA AHSC Intake Form to formally request partnership for the next AHSC round.

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<sup>7</sup> AHSC Guidelines Section 103(f)(1).