

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****OFFICE OF THE DIRECTOR**

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November 1, 2018

**MEMORANDUM FOR:** All Potential Applicants

**FROM:** Lisa Bates, Deputy Director  
Division of Financial Assistance

**SUBJECT:** **Notice of Funding Availability  
Affordable Housing and Sustainable  
Communities Program**

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$395 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC Program furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006) and [SB 375](#) (Chapter 728, Statutes of 2008). The purpose of the AHSC Program is to reduce greenhouse gas (GHG) emissions through projects implementing land-use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and supporting related and coordinated public policy objectives. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

The AHSC Program is part of California Climate Investments (CCI), a statewide program funded through the GGRF that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities.

The AHSC Program application forms, workshop details, and related program information is available at <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml>. To receive information on workshops and other updates, please [subscribe](#) to the Department's listserv for the AHSC Program. Questions may be directed to the AHSC Program at [ahsc@hcd.ca.gov](mailto:ahsc@hcd.ca.gov)

Attachment

# AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

## Round 4 FY 2017-2018 Notice of Funding Availability

November 1, 2018



CALIFORNIA STRATEGIC  
GROWTH COUNCIL



**Edmund G. Brown Jr., Governor  
State of California**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Ben Metcalf, Director  
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## **I. Overview**

### **A. Notice of Funding Availability**

The Strategic Growth Council (SGC) and California Department of Housing and Community Development (Department) hereby announce the availability of approximately \$395 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC Program is administered by SGC and implemented by the Department. The California Air Resources Board (CARB) provides the quantification methodology for determining the greenhouse gas (GHG) emissions reductions for the AHSC Program.

These AHSC Program funds will be used for loans or grants, or a combination thereof, to projects that will achieve GHG emissions reductions to benefit all California communities, particularly through increasing accessibility to affordable housing, and key destinations via low-carbon transportation resulting in fewer vehicle miles traveled (VMT) through shortened or reduced trip length or mode shift from Single Occupancy Vehicle (SOV) use to transit, bicycling or walking.

### **B. Timeline**

NOFA Release	November 1, 2018
Application Due Date	February 11, 2019
Award Announcements	Summer 2019

### **C. What's New**

- 1) Appeals Process – the Department has modified the NOFA appeals process as described in Section III D.

### **D. Authorizing Legislation**

The AHSC Program furthers the purposes of AB 32 (Chapter 488, Statutes of 2006) and SB 375 (Chapter 728, Statutes of 2008). Available funds are subject to the AHSC Program Guidelines issued by SGC dated October 29, 2018, or as amended (Guidelines). The Guidelines include detailed information on eligibility requirements, application selection criteria, established terms, conditions, and procedures for funds awarded under AHSC. The Guidelines are available at <http://www.sgc.ca.gov/programs/ahsc/resources/>.

Applicants are responsible for complying with the AHSC Program requirements set forth in the Guidelines. Applicants are urged to carefully review the Guidelines and information contained in this NOFA before submitting applications.

## II. Program Requirements

The following is provided as a summary and is not to be considered a complete representation of the entirety of the eligibility, threshold, or other requirements or terms and conditions of the AHSC Program. Please note that capitalized words may be defined terms and can be found in the program Guidelines. Please refer to the Guidelines for complete information.

### A. Eligible Applicants

Applicants must be eligible pursuant to Guidelines Section 105, Eligible Applicants.

Please note: A special purpose entity which is formed and controlled by the Developer, and which will serve as the ultimate borrower of AHSC loan funds, is not an Eligible Applicant, but may be named in the portion of the application that requests the name of the ultimate borrower.

### B. Eligible Projects

Proposed projects must be eligible pursuant to Guidelines Section 102, Eligible Projects. Eligible Projects must fall into one of the following three eligible Project Area types:

- Transit Oriented Development Project Area type (TOD)
- Integrated Connectivity Project Area type (ICP), or
- Rural Innovation Project Area type (RIPA).

### C. Eligible Costs

The AHSC Program funds Capital Projects and eligible Program Costs within TOD, ICP and RIPA Project Areas. For a detailed list of all eligible costs please refer to Guidelines Section 103, Eligible Cost.

### D. Program Threshold Requirements

In addition to meeting the requirements of the Guidelines as described in paragraphs A, B, and C above, applicants and projects are also required to meet the Program threshold requirements found in Section 106 of the Guidelines.

### E. Program Funding Amounts and Terms

1. **AHSC Program Funding Award Maximum:** The maximum AHSC Program loan or grant award, or combination thereof is \$20 million with a minimum award of at least \$1 million for each of the three Project Area types.
2. **AHSC Program Funding Developer Maximum:** A single Developer may receive no more than \$40 million per NOFA funding cycle. This limitation may be waived by SGC if necessary to meet statutorily requirements referenced in Guidelines Section 108(d)(6).

3. **Terms of Assistance:** Assistance terms and limits are set forth in Guidelines Section 104, Assistance Terms and Limits. Loans for rental Affordable Housing Developments are subject to requirements set forth in Guidelines Section 104(b). Grants are subject to the terms and requirements set forth in Guidelines Section 104(c).

## **F. Application Scoring**

Applications will be scored according to Guidelines Section 107, Scoring Criteria. AHSC Program funds will be allocated through a competitive process, based on the merits of the application.

## **III. Application, Review, Workshops, and Appeals**

Applications must meet eligibility requirements upon submission. Modification of the application forms by the applicant is prohibited. It is the applicant's responsibility to ensure the application is clear, complete and accurate. After the application deadline, Department staff may request clarifying information, provided such information does not affect the competitive rating of the application. No information, whether written or oral, will be solicited or accepted if this information would result in a competitive advantage to an applicant or a disadvantage to other applicants. No applicant may appeal the evaluation of another applicant's application.

The AHSC Program application forms, workshop details, and related Program information is available at <http://www.hcd.ca.gov/grants-funding/nofas.shtml>. To receive information on workshops and other updates, please subscribe to the Department's listserv for the AHSC Program. Questions may be directed to the AHSC Program at [ahsc@hcd.ca.gov](mailto:ahsc@hcd.ca.gov)

## **A. Financial Assistance Application Submittal Tool (FAAST) Application Components**

Complete applications must include the following components:

1. AHSC Application Workbook

All applicants must complete the AHSC Application Workbook.

2. Universal Application Workbook (UA)

The UA must be completed for projects seeking funds for Affordable Housing Development (AHD) or Housing Related Infrastructure (HRI).

3. Electronic FAAST Submission

Requirements for uploading the Application Workbook, UA workbook and required supporting documentation, including naming conventions, are described in the application instructions available on the Department's AHSC webpage at <http://www.hcd.ca.gov/grants-funding/nofas.shtml>. Applicants must upload all application materials to the FAAST system no later than **11:59 p.m. Pacific Standard Time on February 11, 2019.**

## **B. Hardcopy Application Submittal**

Applicants must submit hardcopies of the application workbooks (Excel files only) with original signatures through a mail carrier service such as U.S. Postal Service, UPS, FedEx or other carrier services that provide date stamp verification confirming delivery. These documents must be received by no later than **5:00 p.m. Pacific Standard Time on February 12, 2019** to the address below:

### **AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM**

Department of Housing and Community Development  
Division of Financial Assistance, NOFA Section  
2020 W. El Camino Avenue, Suite 650  
Sacramento, CA 95833

Personal deliveries will not be accepted. No late applications, incomplete applications, facsimiles, walk-ins or application revisions will be accepted. The hardcopy must match the application workbooks submitted via the FFAST system. In the event of discrepancies between hardcopies and electronically submitted workbooks, the electronic FFAST submission will prevail.

## **C. Application Review**

### 1. Phase One

Application completeness and satisfaction of threshold criteria described in the Guidelines will be confirmed. Please note, the threshold review for financial feasibility criteria in this phase consists of only verification of documentation completeness, not an evaluation of the material facts. That review will take place in Phase Three. Phase One is a pass/fail stage and applicants will receive notification of their status upon completion of threshold reviews with a five-day opportunity to appeal the findings of the reviews.

### 2. Phase Two

Quantitative policy criteria and greenhouse gas quantification methodology (GHG QM) will be evaluated for proposals which have met the requirements of Phase One. An initial score letter will be provided to applicants with a five-day opportunity to appeal the findings of the reviews. AHSC staff will review appeal responses and revise scores where appropriate. Applicants who score less than 50 percent of the total quantitative policy criteria and GHG QM points will not be eligible to move forward. The final score letter will include notification of application status.

### 3. Phase Three

An interagency team will review the narrative section of applications which have scored 50 percent or higher in Phase Two. During Phase Three, an in-depth evaluation of the project's financial feasibility will be performed.

## D. Appeals

### 1. Basis of Appeals

- (a) Upon receipt of the Department's notice that an application has been determined to be incomplete, ineligible, fail threshold or have a reduction to the initial point score, applicants under this NOFA may appeal such decision(s) to the Department pursuant to this section.
- (b) No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, point score, award, denial of award, or any other matter related thereto.
- (c) The appeal process provided herein applies solely to decisions of the Department made in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

### 2. Appeal Process and Deadlines

- (a) To lodge an appeal, applicants must submit to the Department by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the applicant must provide a detailed reference to the area or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an applicant. Once the written appeal is submitted to the Department, no further information or materials will be accepted or considered thereafter.

Appeals are to be submitted to the Department at [ahsc@hcd.ca.gov](mailto:ahsc@hcd.ca.gov) according to the deadline set forth in Department review letters.

- (b) Appeals must be received by the Department no later than (5) five business days from the date of the Department's threshold review or initial score letters representing the Department's decision made in response to the application.

### 3. Decision

Any request to amend the Department's decision shall be reviewed for compliance with the [Guidelines](#) and this NOFA. All decisions rendered shall be final, binding, and conclusive and shall constitute the final action of the Department.



## **E. Disclosure of Application**

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (Chapter 1473, Statutes of 1968). As such, any materials provided will be disclosable to any person making a request under this Act. The Department cautions applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to the Department, the applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

## **F. Application Workshops**

The Department, SGC and CARB will conduct application workshops and pre-application consultations for the Round 4 application submission. AHSC workshop details and related program information will be posted on the SGC [website](#). Appointments are required for pre-application consultations. Appointment requests and workshop questions should be directed to [ahsc@sgc.ca.gov](mailto:ahsc@sgc.ca.gov).

## **IV. Award Announcements and Contracts**

### **A. Award Announcements**

Awards will be announced in Summer 2019. Award recommendations will be posted at <http://sgc.ca.gov/programs/ahsc/resources>, ten days prior to the Strategic Growth Council public meeting.

### **B. Contracts**

Successful Applicants (Awardee(s)) will enter into Standard Agreements with the Department. The Standard Agreement contains relevant terms and conditions for the funding of the award.

The Standard Agreement must be executed by the Awardee(s) within 90 days (contracting period) of the Awardees' receipt of the Standard Agreement(s). The Awardee(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the Awardee(s) shall be prohibited.

## **V. Other State Requirements**

### **A. Article XXXIV**

All projects shall comply with Article XXXIV, Section 1 of the California Constitution as clarified by the Public Housing Election Implementation Law (Health and Safety Code § 37000 - 37002). Article XXXIV documentation for loans underwritten by HCD shall be subject to review and approval by HCD prior to the announcement of award recommendations.

## **B. Pet Friendly Housing Act of 2017**

Housing funded through the AHSC Program is subject to the Pet Friendly Housing Act of 2017 (Health & Safety Code §50466). Each Awardee is required to submit a signed and dated certification that residents of the AHSC funded housing development will be authorized to own or otherwise maintain one or more common household pets.

## **C. State Prevailing Wages**

AHSC Program funds awarded under this NOFA are subject to State prevailing wage law, as set forth in Labor Code Section 1720 et seq., and require the payment of prevailing wages unless the project meets one of the exceptions of Labor Code 1720 (c) as determined by the Department of Industrial Relations (DIR). The DIR can be contacted via its website at <https://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Applicants are urged to seek professional advice as to how to comply with State prevailing wage law.

## **VI. Other Terms and Conditions**

### **A. Right to Modify or Suspend**

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. Subscriptions to the Department's email list are available at: [http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html).

### **B. Conflicts**

In the event of any conflict between the terms of this NOFA and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control. Applicants are deemed to have fully read and understand all applicable state and federal laws, regulations and guidelines pertaining to the AHSC Program, and understand and agree that HCD shall not be responsible for any errors or omissions in the preparation of this NOFA.