

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

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January 30, 2023

**MEMORANDUM FOR:** ALL POTENTIAL APPLICANTS

**FROM:** Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT:** **Affordable Housing and Sustainable Communities  
Notice of Funding Availability (Round 7)**

The California Strategic Growth Council (SGC) and the California Department of Housing and Community Development (Department or HCD) are pleased to announce the release of this Notice of Funding Availability (NOFA) with **approximately \$750 million** in funds for the Affordable Housing and Sustainable Communities (AHSC or Program) program. This funding provides loans and grants to Localities, Developers, public housing authorities, transit agencies, transit operators, Program Operators, Tribal Entities, and others as identified in the Guidelines.

AHSC furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006), [SB 375](#) (Chapter 728, Statutes of 2008), and [SB 32](#) (Chapter 249, Statutes of 2016) in that the purpose of AHSC is to reduce greenhouse gas (GHG) emissions through projects implementing land-use, housing, and transportation improvements to support infill and compact development, while supporting related and coordinated public policy objectives. Funding for AHSC is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

AHSC is part of California Climate Investments, 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.

**Application materials must be submitted electronically via HCD's Affordable Housing and Sustainable Communities Portal (AHSC Portal) no later than 4:00 p.m. Pacific Time on April 4, 2023.** The Department will no longer accept hardcopy submittals.

AHSC application forms, detailed instructions, webinar details, and related Program information are posted on the Department's AHSC website at <https://www.hcd.ca.gov/grants-and-funding/programs-active/affordable-housing-and-sustainable-communities> Additional Program information may be found at SGC's AHSC website: <https://sgc.ca.gov/programs/ahsc/resources/>.

To receive information on workshops and other updates, please subscribe to the Affordable Housing and Sustainable Communities program [HCD listserv](#) and for questions contact the HCD AHSC team at [AHSC@hcd.ca.gov](mailto:AHSC@hcd.ca.gov) or the SGC AHSC team at [ahsc@sgc.ca.gov](mailto:ahsc@sgc.ca.gov).

Attachment

# **AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM**

## **Notice of Funding Availability Round 7**



**CALIFORNIA STRATEGIC  
GROWTH COUNCIL**



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Lynn von Koch-Liebert, Executive Director  
California Strategic Growth Council**

**Gustavo Velasquez, Director  
California Department of Housing and Community Development**

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**January 30, 2023**

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## I. Overview

### A. Notice of Funding Availability

The Strategic Growth Council (SGC) and the California Department of Housing and Community Development (Department or HCD) hereby announce the availability of approximately \$750 million in funding for the Affordable Housing and Sustainable Communities (AHSC) program. AHSC 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 AHSC.

These AHSC funds will be used for loans or grants, or a combination thereof, to projects that will achieve GHG emissions reductions to benefit communities throughout California, particularly through increasing accessibility to affordable housing and Key Destinations via low-carbon transportation, resulting in fewer vehicle miles traveled through shortened or reduced trip length or mode shift from single occupancy vehicle use to transit, bicycling, or walking.

### B. Timeline

<b>NOFA Release</b>	<b>January 30, 2023</b>
<b>Application Due Date</b>	<b>April 4, 2023, by 4:00 p.m. PDT</b>
<b>Award Announcement</b>	<b>August 2023</b>

### C. Authorizing Legislation and Regulations (Regulatory Authority)

AHSC furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006), [SB 375](#) (Chapter 728, Statutes of 2008), and [SB 32](#) (Chapter 249, Statutes of 2016). Applications submitted under this NOFA and available funds are subject to the AHSC Guidelines approved by the SGC on December 15, 2022, and as published on the SGC's AHSC website at <https://sgc.ca.gov/programs/ahsc/resources/guidelines.html>

The Guidelines include detailed information on eligibility requirements, application selection criteria, established terms, conditions, and procedures for funds awarded under AHSC. Applicants are encouraged 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 in this NOFA are either defined herein or 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.

### B. Eligible Projects

Eligible Projects must fall into one of the following three eligible Project Area Types:

- Transit Oriented Development (TOD) Project Area Type
- Integrated Connectivity Project (ICP) Area Type
- Rural Innovation Project Area (RIPA) Type

For a detailed list of all eligible costs, please refer to Guidelines Section 103, Eligible Costs.

### C. Program Funding Amounts and Terms

1. **AHSC funding award maximum:** For projects without other HCD awards, the maximum AHSC loan or grant award, or combination thereof, is \$50 million, with a minimum award of \$10 million. For these projects, the maximum Affordable Housing Development loan amount is \$35 million, and the maximum cumulative per Project grant amount is \$15 million.

Additionally, for Projects that have or will have other HCD funding, the maximum cumulative per-project award of all HCD loan sources for housing development is \$35 million.

2. **AHSC funding award maximum:** A single Developer may receive no more than \$100 million per NOFA funding cycle. This limitation may be waived by SGC, if necessary, to meet statutory requirements referenced in Guidelines Section 108, Application Process.
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 (AHD) 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).

## **D. Transition Reserve**

Projects having or proposing project-based rental assistance shall comply with the Department's Pooled Transition Reserve Policy set forth in HCD's Administrative Notice No. 23-01: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/hcd-administrative-memo-transition-reserve-policy.pdf>

## **E. Funding Goals, Geographic Distribution of Funds, and Set-Asides**

The Project Area Type funding goals, geographic goals, Tribal Entity goals, Affordable Housing statutory requirements, funding targets, and AHSC statutory funding set-asides are set forth in Guidelines Section 108(h). Additional policies that may impact the final decision of Project awards are set forth in Guidelines Section 108(i).

## **F. Funding Limits**

Use of multiple HCD funding sources on the same Assisted Units is permitted, subject to the following limitations. (For the purpose of identifying funding limits, Units used in the calculation of AHSC grant amounts will be considered assisted):

1. Notwithstanding any conflicts with the AHSC Guidelines or NOFA, the HCD Repeal of Stacking Prohibition of Multiple Department Funding Sources Memorandum, dated August 20, 2021, is applicable. In the event of a conflict, the NOFA or Guidelines will prevail.
2. Total HCD funding per Project, including funds awarded under this NOFA, shall not exceed the following percentages of the total development cost (TDC):
  - < 40 percent of TDCs for Projects utilizing 9 percent tax credits
  - < 50 percent of TDCs for Projects utilizing 4 percent tax credits
  - < 80 percent of TDCs for Projects not utilizing tax credits

For purposes of calculating total HCD funding, all AHD and Housing Related Infrastructure (HRI) funding shall be considered. Additionally, prior awards made to the Project or any component of the Project, any funds awarded pursuant to this NOFA, and any applicable future HCD awards subsequent to any award made pursuant to this NOFA shall be considered. Note that total HCD funding, for these purposes, does not include STI, TRA, or PGM grants.

All Department funding sources listed in the HCD Repeal of Stacking Prohibition of Multiple Department Funding Sources Memorandum [https://www.hcd.ca.gov/grants-funding/docs/admin\\_memo21-06\\_stacking\\_prohibition\\_repeal.pdf](https://www.hcd.ca.gov/grants-funding/docs/admin_memo21-06_stacking_prohibition_repeal.pdf) dated August 20, 2021, are applicable to the percentages of total development cost listed above. For AHSC, these sources

include AHD loans and HRI grants, but not STI, TRA or PGM grants. This HCD-wide Department funding cap applies not only to AHSC Round 7 awards, but to all Department awards.

At the sole discretion of the SGC's Executive Director, funding levels in excess of the percentages above may be approved as exceptions to the limits if they uniquely advance state policy priorities. Examples include large development Projects that include transformative community investments and advance climate goals through infill development, high density construction and proximity to transit.

To request an exception, the Applicant must submit justification prior to their application under this NOFA. It is in the Applicant's interest to submit justification as early as possible. After justifications are submitted, a recommendation from staff will be made based upon the strength of evidence and submitted to the SGC Executive Director for consideration. If approved, Applicants must submit documentation of approval with any subsequent Department applications for the applicable Project. A form for outlining the justification of the exception request will be provided by the Department.

#### **G. Cost Limitations and Developer Fee**

Developer fee limits specified in UMR Section 8312 shall apply, except that:

1. UMR Section 8312(d) shall not apply.
2. For non-tax credit new construction Projects, the total developer fee shall not exceed the following:
  - a. For Projects with 49 or fewer Restricted Units (excluding Units restricted at levels above 60 percent of AMI): the greater of \$40,000 per Restricted/manager's Unit or \$1,200,000.
  - b. For Projects with between 50 and 100 Restricted Units (excluding Units restricted at levels above 60 percent of AMI): \$2,200,000; and
  - c. For Projects with more than 100 Restricted Units (excluding Units restricted at levels above 60 percent of AMI): \$2,200,000 plus \$20,000 per Restricted Unit in excess of 100 up to a maximum of \$3,500,000. The developer fee in excess of \$2,200,000 must be deferred. Payment of deferred developer fee shall be in compliance with UMR Section 8314.
3. For Projects utilizing 4 percent tax credits, developer fee payments shall not exceed the amount that may be included in Project costs pursuant to Title 4 California Code of Regulations (CCR), Section 10327(c)(2)(B); and



4. Projects that include a Tribal Entity that relies on a partner to meet the experience requirements of an eligible Developer shall have their allowable total developer fee increased according to the following:
  - a. For non-tax credit Projects, an increase of \$300,000 over the limits set forth in (b)(2) (a)-(c) above. Additionally, for Projects with more than 100 Units as defined above in (b)(2)(c), the developer fee paid from sources may increase up to \$2,640,000.
  - b. For Projects utilizing 4 percent tax credits, an increase consistent with Title 4 CCR, Section 10327(c)(2)(E), if eligible pursuant to that section.

## **H. Threshold**

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 established in Section 106, Program Threshold Requirements of the Guidelines.

1. For projects secured by leasehold security, leases must meet the requirements of UMR §8316, and both the Borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.

## **I. Scoring and Ranking**

Applications will be scored according to Guidelines Section 107, Scoring Criteria. AHSC funds will be allocated through a competitive process, based on the merits of the application, as detailed in Section 108, Application Process.

## **J. Negative Points and Disencumbrance Policies**

The Department's Negative Points Policy ([Administrative Notice Number 2022-01](#)) and Disencumbrance Policy ([Administrative Notice Number 2022-02](#)), dated March 30, 2022 and published on the Department's AHSC website at <https://www.hcd.ca.gov/sites/default/files/2022-03/Disencumbrance-Policy-FINAL-03-31-22.pdf> are hereby incorporated by this reference to this NOFA. The Department shall apply the Negative Points Policy with equal force as all other provisions set forth herein. The Department shall implement the Negative Points Policy with reasonable and necessary discretion to advance AHSC policy and funding goals.

If the Applicant is subject to a negative points assessment based on the criteria outlined in the Department's Negative Points Policy or is determined to be ineligible for funding, HCD shall notify the Applicant in writing in the initial point score letter.

### III. **Application Submission and Review Procedures**

Applications must meet eligibility requirements upon submission (except as expressly indicated in the Guidelines or Application Workbook). 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.

#### **A. HCD's AHSC Portal Application Components**

Complete applications must include the following components:

##### **1. AHSC Application Workbook**

All Applicants must complete and submit the AHSC Application Workbook and supporting documentation.

##### **2. AHSC Benefits Calculator Tool**

All Applicants must complete and submit the AHSC Benefits Calculator Tool to meet requirements referenced in Guidelines Section 106, Program Threshold Requirements and Estimated GHG Reduction Scoring in Section 107, Scoring Criteria.

##### **3. Electronic AHSC Portal Submission**

Application materials must be submitted electronically via HCD's AHSC Portal no later than 4:00 p.m. Pacific Time on **April 4, 2023**. Requirements for uploading the AHSC Application Workbook, required supporting documentation, and identified naming conventions are described in the application instructions that will be available when the application is posted to the AHSC website.

**Personal deliveries will not be accepted.** The Department will no longer accept hardcopy submittals. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted.

#### **B. 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.

The complete financial feasibility 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 AHSC Greenhouse Gas Quantification Methodology (GHG QM) will be evaluated for proposals that 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. Applications with a final combined quantitative policy criteria and Greenhouse Gas Quantification Methodology point score of fewer than 41 points will not be eligible for award and will not be assigned a narrative score. The final score letter will include notification of application status.

## **3. Phase Three**

An interagency team will review the narrative section of eligible applications. During Phase Three, an in- depth evaluation of the Project's financial feasibility will be performed.

## **C. Application Workshops**

AHSC staff will conduct application webinars and pre-application consultations for the Round 7 application submissions. AHSC webinar details and appointment slots for the pre-application consultations will be posted on the SGC website:

<https://sgc.ca.gov/programs/ahsc/resources/guidelines.html> [[sgc.ca.gov](https://sgc.ca.gov)] and announced through the SGC AHSC [E-Mail list](#)

## **D. 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 (Government Code Sections 6250-6276.48). As such, any materials provided are subject to disclosure 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, social security 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.

## **E. Concurrent Applications**

The Department will allow Applicants under this NOFA to pursue more than one funding scenario. This means that a separate, concurrent application to other HCD program funding sources is permitted. All applications under review and anticipated applications must be disclosed in the AHSC application workbook. In instances where such Applicants are competitive for an award, the Department will consult with Applicants to discern which funding scenarios are optimal for Project feasibility while balancing cost containment.

Submission of two concurrent AHSC applications proposing 4 percent and 9 percent tax credit is prohibited. Submitting an AHSC application proposing 4 percent tax credits to the Department and submitting a concurrent 9 percent TCAC application is prohibited without prior approval from the Department.

If switching from a 4 percent to 9 percent project after receiving an AHSC award, the award will be resized and the award letter reissued to reflect the reduced award amount using the unit mix as originally submitted in the application. Please note that the 24-month disencumbrance deadline, however, will continue to be tied to the date of the original award letter. The Sponsor must demonstrate that any resulting gap from the resizing of the loan has been covered through an alternative funding source.

If switching from a 9 percent to a 4 percent project, the award will NOT be resized

Under both circumstances, the Department will only allow a switch between 4 percent and 9 percent one time per project. The Department MUST be notified and, if required, an amended award letter be issued in advance of application submittal to CDLAC or TCAC.

No final determination can be made on whether a specific project may swap from 4 percent to 9 percent, or vice-versa, until updated application materials indicating changes to the project's budget have been submitted, reviewed, and approved by AHSC program staff.

## **F. Prior Awards**

Applicants must disclose all awards of loans and grants for the project at the time of application submittal. Applicants seeking to substitute previously awarded HCD funds, including but not limited to substitutions to increase the amount of an award, must first withdraw their previous award in writing and provide reasonable justification that the substitution is necessary to ensure Project feasibility. A consultation with Department Program staff is required at the time of the withdrawal. Substitutions based solely upon

Applicant preference or convenience will not be permitted. However, it is allowable for Applicants that wish to retain their previous award to apply for another funding source available within this NOFA, so long as the previous award is unmodified.

In general, no changes to unit mix or other Project-specific criteria as represented for a previous award will be allowed if it would have negatively impacted competitiveness under that program. However, the Department will allow previously awarded Projects to lower their proposed income targets from one application to the next, so long as the total unit count remains the same. The Department will restrict units to the lowest targeting across all awarded funds and will require Projects awarded from a program with prioritized target populations to maintain the special population units (increasing target population and/or Restricted Units is permitted). For Projects proposing a reduction to Area Median Income (AMI) levels on the unit mix, prior to application the Recipient must engage with Program staff of their existing award and confirm the change does not impact Project feasibility and would not cause a reduction in awarded funds pursuant to an existing award program's requirement.

#### **G. Significant Changes in Project After Application**

The Department will review, and score based on information provided in the application. If there is a significant departure from the application, the Department may re-evaluate the Project's score, reduce loan or grant amount, or assign negative points to the Developer/Recipient.

### **IV. Appeals**

#### **A. Basis of Appeals**

1. Upon receipt of the Department's written notice that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award, Applicants under this NOFA may appeal such decision(s) to the Branch Chief or their designee pursuant to this section.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's application (e.g., eligibility, award). Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with the AHSC Guidelines and this NOFA. All decisions rendered shall be made by the Branch Chief or their designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of the Department.
3. The appeal process provided herein applies solely to the decision of the Department made in this Program NOFA. For greater specificity, Applicants may refer to the appeal procedure set forth in section "V. Appeals" in the Multifamily Finance Super Notice of Funding Availability dated March 30, 2022, Amended June

10, 2022, which is incorporated hereto by this reference, and which the Department shall, to the extent not contrary to this NOFA and feasible, substantially follow.

## **B. Appeal Process and Deadlines**

1. Process: To file an appeal, Applicants must submit to the Branch Chief or their designee, by the deadline set forth 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 must be submitted to the Department at [ahsc@hcd.ca.gov](mailto:ahsc@hcd.ca.gov) and SGC at [ahsc@sgc.ca.gov](mailto:ahsc@sgc.ca.gov) according to the deadline set forth in Department review letters.
2. Filing deadline: Appeals must be received by the Department no later than five business days from the date of the Department's threshold review, or initial score letters, as applicable, representing the Department's decision made in response to the application.

## **C. Decision**

Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the AHSC Guidelines and this NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

## **V. Award Announcements and Contracts**

### **A. Award Announcements**

Award recommendations will be posted with SGC meeting materials on the SGC's AHSC website at <http://www.sgc.ca.gov/meetings> 10 days prior to the SGC public meeting.

### **B. Contracts**

Successful Applicants (Recipients) will enter into one or more Standard Agreements with the Department. The Standard Agreement contains relevant state and federal requirements, as well as specific information about the award and work to be performed.

A condition of award will be that a Standard Agreement must be executed by the

Recipient within 90 days (contracting period) of HCD's issuance of the award letter. Failure to execute the Standard Agreement(s) within the contracting period may result in award cancellation. The Recipient shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the Recipient without prior HCD consent is prohibited and will result in a default. Once a Project is awarded HCD funds, the Developer/Recipient is acknowledging the Project as submitted and approved is the Project that is to be funded and built. Any bifurcation would make that award null and void, as the awarded Project is no longer feasible as originally submitted and awarded funds are unable to be assumed or assigned.

### **C. AHSC Cross-Default Provision**

Awards are based on the total points awarded to the application during a highly competitive process. The Standard Agreements set forth requirements for timely completion of Affordable Housing Development (AHD), Housing Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transportation Related Infrastructure (TRA), or Program (PGM) components. If all components are not timely completed pursuant to Program requirements, the entire award may be disencumbered, and disbursed funds recaptured. The Standard Agreements will expressly cross-default all components of the award to one another.

The Department recognizes the Recipient may enter into separate side agreements to address individual Developer responsibilities with respect to each other and with regard to Program funds; provided, however, in no event shall any such agreement alter or amend the respective obligations of the Recipient to the Department under the applicable loan or grant documents.

### **D. Departmental Cross-Default Provision**

In the event the Project is or has been awarded additional Department funding, any and all such funding, including the award of AHSC Program funds, will be cross defaulted to and among one another in the respective loan or, where applicable, grant documents. A default under one source of Departmental funding shall be default under any and all other sources of Department funding in the Project.

## **VI. 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 Sections 37000 - 37002). Article XXXIV documentation for loans underwritten by the Department shall be subject to review and approval by the Department prior to the announcement of award recommendations.

Article XXXIV requires local voter approval before any state public body can develop, construct, or acquire a low-rent housing project in any manner. However, the Public Housing Election Implementation Law (Health and Safety Code Sections 37000 – 37002) provides clarification as to when Article XXXIV is applicable. Health and Safety Code Section 37001, for example, identifies project types that are not considered “low-rent housing projects.”

Applicants must submit documentation substantiating compliance with or exemption from Article XXXIV. If a project is subject to Article XXXIV, the Department requires an allocation letter from the Locality that demonstrates Article XXXIV authority for the project. A local government official with authority must prepare the allocation letter, and it must include the following:

1. The name and date of the proposition and the number of units that were approved;
2. A copy of the referendum and a certified vote tally;
3. The number of units that remain in the Locality’s “bank” of Article XXXIV authority (i.e., the number of units that are still available for allocation); and
4. The number of units that the Locality will commit to this project, including the manager unit.

If a Project is statutorily exempt from Article XXXIV, the Department requires an Article XXXIV opinion letter from the Applicant’s legal counsel.

The Article XXXIV opinion letter must demonstrate that the Applicant has considered both the legal requirements of Article XXXIV and the relevant facts of the Project (e.g., all funding provided by public bodies, including state, county, or city sources, the number of low-income Restricted Units, and the general content of any regulatory restrictions). Any conclusion that a Project is exempt from Article XXXIV must be supported by facts and a specific legal theory for exemption that itself is supported by the Constitution, statute, and/or case law.

## **B. Relocation**

The Applicant must comply with Government Code Section 7260 et seq., the California Code of Regulations, Title 25, Section 6000 et seq., and, if applicable, 49 CFR Part 24 of the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs (URA) (collectively referred to herein as Relocation or Relocation Law).

Failure to comply with applicable relocation requirements will result in rejection of the application and disencumbrance of any awards made to the Project.



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

Housing funded through AHSC is subject to the Pet Friendly Housing Act of 2017 (Health and Safety Code Section 50466). Each Recipient 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.

## **VII. 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 through the Department's email list and will post the revisions to HCD's AHSC website. Please subscribe to HCD's email list at [Email Signup](#).

### **B. Conflicts**

It is the duty and responsibility of the Applicant to review any funding source they obtain for a Project to ensure each of the requirements for those funding sources are compatible with the Department program requirements.

In the event of any conflict between the terms of this NOFA and AHSC Guidelines 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 relevant program, and understand and agree that the Department shall not be responsible for any errors or omissions in the preparation of this NOFA.