

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

2020 W. El Camino Avenue, Suite 670
Sacramento, CA 95833
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov



February 14, 2020

MEMORANDUM FOR: All Potential Applicants

FROM: Jennifer Seeger, Acting Deputy Director
Division of Financial Assistance

SUBJECT: **Infill Infrastructure Grant Program of 2019**
Amended Notice of Funding Availability for Small Jurisdictions

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$85 million in funds for the Infill Infrastructure Grant program of 2019 (program). Pursuant to this 2019 Notice of Funding Availability (NOFA), the Department will award grants to Eligible Applicants for Capital Improvement Projects that support Qualifying Infill Projects or Qualifying Infill Areas in Small Jurisdictions.

Program and application requirements are set forth in Part 12.5 (commencing with Section 53559) of Division 31 of the Health and Safety Code, the Infill Infrastructure Grant program of 2019 Guidelines (Guidelines), and this NOFA.

The Department will begin accepting applications and awarding funding on a first-come, first-served basis beginning **March 3, 2020**, until such time as the Department has received enough eligible applications to reasonably use all the available funds.

The Department **held** workshops to review the IIG NOFAs and application. The application **is available** at <http://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml>. To receive program information and updates, go to http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html. Please submit questions to infill@hcd.ca.gov.

Attachment

**Infill Infrastructure Grant Program of 2019
Notice of Funding Availability
For Small Jurisdictions**

Amendment



**Gavin Newsom, Governor
State of California**

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

**Douglas R. McCauley, Acting Director
California Department of Housing and Community Development**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml>
Infill Infrastructure Grant program email: infill@hcd.ca.gov

**October 30, 2019
Amended February 14, 2020**

Table of Contents

I. Overview	1
A. Notice of Funding Availability	1
B. Timeline	1
C. Authorizing Legislation, Regulations and Guidelines	1
II. Program Requirements	2
A. Eligible Applicants	2
B. Eligible Projects/Costs	2
C. Funding Limits	3
D. Program Administrative and Activity Delivery Costs	5
E. Threshold	5
F. Rating and Ranking	5
G. State and Federal Requirements	6
III. Application Submission and Review Procedures	6
A. Application	6
B. Application Submission Process	7
C. Application Workshops	7
IV. Award Announcements and Contracts	7
A. Appeals	8
B. Internal Loan Committee	9
C. Award Announcements	9
D. Contracts	9
V. Program Overlays	9
A. Federal Overlays	9
B. State Overlays	9
VI. Other Terms and Conditions	9
A. Right to Modify or Suspend	9
B. Disclosure of Application	9
C. Conflicts	10

I. Overview

A. Notice of Funding Availability

This 2019 Notice of Funding Availability (NOFA) announces approximately \$85 million in funding for Small Jurisdictions. Small Jurisdictions are defined as any county with a population of less than 250,000 as of January 1, 2019, or any city within that county, pursuant to Health and Safety Code Section 53559.1 (added by Stats. 2019, ch. 159 (A.B. 101), § 20).

These funds will be used to provide grants for infrastructure improvements in support of higher-density affordable and mixed-income housing, and mixed-use infill development projects. Specific eligible improvements include construction, rehabilitation, or other physical improvement of parks or open space, transit facilities, streets, and sidewalks.

B. Timeline

NOFA Date	October 30, 2019
Amended NOFA Release	February 14, 2020
Amended Application Due Date	Over-the-Counter beginning March 3, 2020
Award Announcements	Ongoing

C. Authorizing Legislation, Regulations and Guidelines

Assembly Bill 101, which was signed by Governor Newsom on July 31, 2019, established the Infill Infrastructure Grant program of 2019 as set forth in Health and Safety Code Sections 53559, 53559.1, and 53599.2 (added by Stats. 2019, ch. 159, § 20).

Applications submitted under this NOFA are subject to the IIG program of 2019 Guidelines (Guidelines), all applicable statutory requirements, and this NOFA. All Section references in this NOFA refer to the Guidelines unless otherwise noted. All capitalized terms in this NOFA are either defined herein or in the Guidelines. The Guidelines and NOFA are available at the Department's [IIG webpage](#).

Significant program changes include:

- The establishment of a competitive application process to award grant funding to capital improvement projects located in Large Jurisdictions.
- The establishment of an Over-the-Counter application process to award grant funding to Capital Improvement Projects located in Small Jurisdictions
- Increase in per-unit grant calculation amounts.

- Increase in the maximum grant amount for a Qualifying Infill Project from \$5 million to \$7.5 million. \$30 million will be available for any Qualifying Infill Area.
- Nonprofit or for-profit developers must apply jointly with a Locality or public housing authority.
- Prohousing Policies are one of the selection criteria for Qualifying Infill Projects in Large Jurisdictions. Qualifying applicants will be awarded points as specified.
- A modification of eligibility requirements for Small Jurisdictions.
- A modification of performance requirements for Small and Large Jurisdictions.

II. Program Requirements

A. Eligible Applicants

Per Section 307, the following are Eligible Applicants:

1. A city, county, city and county, or public housing authority that has jurisdiction over a Qualifying Infill Area, or
2. A nonprofit or for-profit developer of a Qualifying Infill Project applying jointly with a city, county, city and county, or public housing authority that has jurisdiction over a Qualifying Infill Area.

B. Eligible Projects/Costs

To be eligible for funding, **applications from Small Jurisdictions must indicate housing units to be utilized in the calculation of the Program award but are not required to include a Qualifying Infill Project.** Eligible projects must meet the requirements set forth in Section 303. For details on Eligible Costs, please refer to Section 304 in the Guidelines.

Only applications for projects located in Small Jurisdictions will be accepted in response to this NOFA.

The Department of Finance provided provisional population and housing estimates for the state, counties, and cities for January 1, 2019. (State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State – January 1, 2011-2019*. Sacramento, California, May 2019.) (<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-5/>).

The report identified the following counties as having less than 250,000 residents.

As such, these counties meet the eligibility criteria of a Small Jurisdiction.

Alpine	Kings	San Benito
Amador	Lake	Shasta
Butte	Lassen	Sierra
Calaveras	Madera	Siskiyou
Colusa	Mariposa	Sutter
Del Norte	Mendocino	Tehama
El Dorado	Modoc	Trinity
Glenn	Mono	Tuolumne
Humboldt	Napa	Yolo
Imperial	Nevada	Yuba
Inyo	Plumas	

Counties that are not included in this list may apply under the Infill Infrastructure Grant program of 2019 Notice of Funding Availability for Large Jurisdictions found at <http://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml>.

C. Funding Limits

For a Qualifying Infill Project, the minimum program grant award is \$1 million in urban areas and \$500,000 in rural areas. The total program grant award to any eligible Qualifying Infill Project is limited to \$7.5 million under this NOFA.

For Qualifying Infill Areas, the minimum program grant award is \$2 million in urban areas and \$1 million in rural areas. The total program grant award to any Qualifying Infill Area is limited to \$30 million for this NOFA.

Over the life of the IIG program (to include the Infill Incentive Grant program of 2007, the Infill Infrastructure Grant program of 2019, and any future iterations of the program), the total of all program awards for any single Qualifying Infill Project or Qualifying Infill Area shall not exceed \$60 million.

Pursuant to Section 305 of the Guidelines, the total grant amount shall be determined by the number of units in the Qualifying Infill Project or Qualifying Infill Area, the bedroom count of these units, and the density and affordability of the housing to be developed. (See the Grant Amount Calculation Table below). Additional requirements are set forth in Section 305 for the Guidelines.

Grant Amount Calculation Table

<u>Income Level & Tenure</u>	<u>0-Bdrm</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
200%+ FMR ¹ or Exceeds CALHFA Sales Prices ^{2, 3}	\$3,700	\$7,400	\$11,100	\$14,800	\$18,500
IIG Unrestricted ⁴	\$24,700	\$28,400	\$33,000	\$40,800	\$44,500
Moderate-Income Owner	\$28,400	\$32,100	\$38,300	\$45,700	\$49,400
Low-Income Owner	\$32,100	\$35,800	\$43,200	\$50,600	\$55,600
60% AMI Rental	\$32,100	\$35,800	\$43,200	\$50,600	\$55,600
50% AMI Rental	\$37,100	\$42,000	\$48,200	\$58,000	\$61,800
30% AMI Rental	\$43,200	\$45,700	\$51,900	\$66,700	\$70,400

¹ **200% Fair Market Rent (FMR) Unit:** A 200 percent FMR Unit is a rental unit with a proposed monthly rent which is equal to or greater than 200 percent of its county's FMR as defined by HUD.

² **Exceeds CalHFA Maximum Sales Price Unit:** A For-Sale Unit with a proposed sales price which exceeds its county's maximum allowable sales price for a new construction unit as published by CalHFA.

³ The current CalHFA sales price chart can be viewed at <http://www.calhfa.ca.gov/homeownership/limits/salesprice/salesprice.pdf>.

⁴ **IIG Unrestricted:** An Unrestricted Unit for the purposes of calculating grant amounts in the IIG program is any unit not restricted at the other levels identified in Section 302(a), but also not meeting any of the above definitions.

*Increase based on December CPI per US Bureau of Labor Statistics:

https://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUUR0400SA0,CUUS0400SA0

Net Density Adjustment Factor Chart

Grant amounts established by the Grant Amount Calculation Table may be increased based on proposed housing units per acre, as represented in the following Net Density Adjustment Factor Chart.

Net Density (housing units per acre)	Adjustment Factor
Less than 30	1
30 – 34.9	1.04
35 – 39.9	1.08
40 – 44.9	1.12
45 – 49.9	1.16
50 – 54.9	1.2
55 – 59.9	1.24
60 – 64.9	1.28
65 – 69.9	1.32
70 – 74.9	1.36
75 – 79.9	1.40
80 – 89.9	1.44
90 – 99.9	1.48
100 and above	1.52

D. Program Administrative and Activity Delivery Costs

Not Applicable

E. Threshold

Applications submitted in response to this NOFA must meet the threshold requirements set forth in Section 303 (“Eligible Projects”), Section 307 (“Application Process”), and Section 308 (“Application Threshold Requirements”).

F. Rating and Ranking

Applications submitted in response to this NOFA are not subject to rating and ranking.

G. State and Federal Requirements

1. Compliance with California's Housing Element Law

The Qualifying Infill Project or Qualifying Infill Area must be located in a Locality which has an adopted Housing Element that has been found by the Department to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. Housing Element compliance must be established as of the NOFA application submission date.

2. Climate Adaptation

Executive Order B-30-15 addressed the need for climate adaptation and ordered that:

- a. All state agencies with jurisdiction over sources of greenhouse gas emissions shall implement measures, pursuant to statutory authority, to achieve reductions of greenhouse gas emissions to meet the 2030 and 2050 greenhouse gas emissions reductions targets.
- b. State agencies shall take climate change into account in their planning and investment decisions and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives.
- c. State agencies' planning and investment shall be guided by the following principles:
 - (1) Priority should be given to actions that both build climate preparedness and reduce greenhouse gas emissions;
 - (2) Where possible, flexible and adaptive approaches should be taken to prepare for uncertain climate impacts;
 - (3) Actions should protect the state's most vulnerable populations;
 - (4) Natural infrastructure solutions should be prioritized.

In response to the Governor's Executive Order, the Department strongly encourages Recipients to use the program funds in a manner that responsibly takes climate change into account.

III. Application Submission and Review Procedures

A. Application

Application materials consist of a Microsoft Excel IIG Application workbook and the Universal Application workbook provided by the Department. The Eligible Applicant must also submit supporting documentation, as specified. Application forms **are available** on the Department's website at: <http://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml>

B. Application Submission Process

Application materials must be submitted electronically via the FFAST system. Requirements for uploading the Application Workbook, UA Workbook, and required supporting documentation, including naming conventions, are described in the application instructions available at https://faast.waterboards.ca.gov/LoginLinks/FAAST_UserManual.pdf.

Applicants must submit all application materials to the FFAST system. The portal will allow applicants to create a user profile and begin uploading documents beginning **9:00 a.m. Pacific Standard Time on March 3, 2020**.

In addition, Applicants must submit hardcopies of the original wet signed resolutions, Payee Data form or TIN, and the Verification of Environmental Review and Land Use Entitlements forms 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 hard copy documents must be received by the Department within three business days of completing the submission of their application materials in FFAST. The delivery address is:

INFILL INFRASTRUCTURE GRANT PROGRAM of 2019
California Department of Housing and Community Development
2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833

Over-the-Counter applications will be accepted beginning on the date set forth in this NOFA. There is no filing deadline. Applications will be received and registered in **FAAST system** in order of receipt. **Failure to submit an application according to these instructions may result in a later registration date. Over-the-Counter applications will be reviewed on a first-come, first-served basis.**

Applications must be on Department forms and may not be altered or modified by the applicant. Applications must meet all eligibility requirements upon submission. Applications with material internal inconsistencies will not be reviewed. It is the applicant's responsibility to ensure that the application is clear, complete and accurate. Program staff may request clarifying information. No applicant may appeal the Department's evaluation of another applicant's application.

C. Application Workshops

The Department conducted four application workshops and one webinar in mid-November through early December.

IV. Award Announcements and Contracts

A. Appeals

1. Basis of Appeals

- a. Upon receipt of the Department's notice that an application has been determined to be incomplete, ineligible, or fail threshold review 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. Process: To file 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 infill@hcd.ca.gov according to the deadline.
- b. Filing Deadline: Appeals must be received by the Department no later than five (5) 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. Submit the appeal to the Department either via email at Craig.Morrow@hcd.ca.gov or at the following address:

Climate Change Programs Section Chief
IIG program Appeals
Division of Financial Assistance
California Department of Housing and Community Development
2020 W. El Camino Avenue, Suite 500
Sacramento, California 95833

3. Decision

Any request to appeal the Department's decision regarding an application 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.

B. Internal Loan Committee

Projects recommended for funding will be presented to the Internal Loan Committee for review and approval.

C. Award Announcements

It is the Department's intent to announce awards on an ongoing basis. Award recommendations will be posted on the [IIG website](#).

D. Contracts

Successful applicants will enter into a Standard Agreement with the Department. The Standard Agreement incorporates all relevant state and federal requirements, as well as specific information about the award and the work to be performed.

V. Program Overlays

A. Federal Overlays

Not Applicable

B. State Overlays

State Prevailing Wages - Program funds awarded under this NOFA are subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). **Applicants are urged to seek professional legal advice about the law's requirements.**

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 [via listserv](#) and will post the revisions to the Department's website. Please be sure to subscribe at the listserv link.

B. Disclosure of Application

Every application is a public record that is subject to disclosure pursuant to a request under the California Public Records Act (Gov. Code, § 6250 et seq.). The Department cautions against providing personal information that is not specifically requested (e.g., 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.

C. Conflicts

In the event of any conflict between the terms of this NOFA and either applicable state or federal law, the terms of the applicable state or federal law shall control.