

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

2020 W. El Camino Avenue, Suite 500, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771 / FAX (916) 263-2763  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



October 2, 2017

**MEMORANDUM FOR: POTENTIAL APPLICANTS**

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

**SUBJECT: NOTICE OF FUNDING AVAILABILITY (NOFA)  
AFFORDABLE HOUSING AND SUSTAINABLE  
COMMUNITIES (AHSC) PROGRAM**

The Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$255 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.

Assembly Bill 1550 (Chapter 369, Statutes of 2016), increased the percent of funds for projects located in disadvantaged communities from and added a focus on investments in low-income communities and households. Applicants will be asked to identify proposed projects located in and benefiting either disadvantaged communities or low-income communities, or benefiting low-income households. Applicants will also be asked to explain how communities were engaged in the development of the proposed projects, how the projects benefit these communities or households, and how the projects address an important community need.

AHSC applicants are encouraged to apply to the Department's Infill Infrastructure Grant (IIG) Program for infrastructure in support of affordable housing developments.

**NOFA AHSC Program**  
**Page 2**

Procedures for utilizing IIG funding in support of an AHSC application are included in the AHSC application instructions. The IIG NOFA is available on HCD's IIG webpage.

Applications and required attachments must be submitted electronically via the [Financial Assistance Application Submittal Tool \(FAAST\)](#) no later than 11:59 p.m. Pacific Standard Time on **January 16, 2018** (Tuesday).

Applicants are also required to submit a hardcopy 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 postmarked verification. Those documents must be postmarked no later than 5:00 p.m. Pacific Standard Time on **January 16, 2018** (Tuesday) 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 500  
Sacramento, CA 95833

**Personal deliveries will not be accepted. No late applications, incomplete applications, facsimiles, walk-ins or application revisions will be accepted.**

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 (916) 263-2771 or [ahsc@sgc.ca.gov](mailto:ahsc@sgc.ca.gov).

Attachment

# AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

## FUNDING ROUND 3 Notice of Funding Availability

October 2, 2017



CALIFORNIA STRATEGIC  
GROWTH COUNCIL



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

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

**Ben Metcalf, Director  
Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 500 , Sacramento, CA 95833

Phone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml>

E-mail address: [ahsc@sqc.ca.gov](mailto:ahsc@sqc.ca.gov)

## Table of Contents

<b>I. Overview .....</b>	<b>1</b>
A. Notice of Funding Availability.....	1
B. Timeline.....	1
C. Authorizing Legislation and Regulations.....	1
D. Program Summary .....	1
<b>II. Program Requirements.....</b>	<b>2</b>
A. Eligible Applicants .....	2
B. Eligible Projects .....	3
C. Eligible Costs.....	3
D. Program Threshold Requirements.....	3
E. Program Funding Amounts and Terms.....	3
F. Application Scoring.....	3
<b>III. Application, Review, and Announcement Process .....</b>	<b>3</b>
A. Application Process .....	3
B. Financial Assistance Application Submittal Tool (FAAST) Application Components .....	4
C. Hardcopy Application Packaging and Submittal .....	5
D. Application Workshops .....	6
E. State Prevailing Wages .....	7
F. Disclosure of Application .....	7
<b>IV. Award Announcements and Contracts .....</b>	<b>7</b>
A. Award Announcements.....	7
B. Contracts .....	7

# AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM NOTICE OF FUNDING AVAILABILITY

## I. Overview

### A. Notice of Funding Availability

The Strategic Growth Council (SGC) and Department of Housing and Community Development (Department) hereby announce the availability of approximately \$255 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC Program is administered by SGC and the Department implements the transportation, housing and infrastructure components. The California Air Resources Board (CARB) provides the quantification methodology for determining the greenhouse gas (GHG) emissions reductions for the AHSC Program.

### B. Timeline

NOFA Release	October 2, 2017
Application Due Date	January 16, 2018
Award Announcements	June 2018

### C. Authorizing Legislation and Regulations

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 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.

Assembly Bill 1550 (Chapter 369, Statutes of 2016), increased the percent of funds for projects located in disadvantaged communities from and added a focus on investments in low-income communities and households. Applicants will be asked to identify proposed projects located in and benefiting either disadvantaged communities or low-income communities, or benefiting low-income households. Applicants will also be asked to explain how communities were engaged in the development of the proposed projects, how the projects benefit these communities or households, and how the projects address an important community need.

### D. Program Summary

The AHSC Program will provide loans or grants, or combination thereof, to projects that will achieve GHG emissions reductions to benefit all California communities, particularly through increasing accessibility to affordable housing, employment centers 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.

Available funds are subject to the AHSC Program Guidelines issued by SGC and dated July 17, 2017 - Errata Date: August 14, 2017 (Guidelines). These Guidelines include detailed information on eligibility requirements, application selection criteria, established terms, conditions, and procedures for funds awarded under AHSC. The Guidelines are available on SGC's website at <http://www.sgc.ca.gov/Grant-Programs/AHSC-Guidelines.html>.

**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.**

**PLEASE TAKE NOTICE OF THE FOLLOWING PENDING CHANGE BEING CONSIDERED TO THE GUIDELINES. THE PROPOSED CHANGE MAY SIGNIFICANTLY AFFECT THE RULES AND STANDARDS APPLICABLE TO YOUR APPLICATION:**

Section 104(b)(3) of the Guidelines specifies that the Uniform Multifamily Regulations (UMRs) dated July 10, 2010 shall apply without reference to any future amendment of the UMRs. SGC is currently considering amending the Guidelines to incorporate any future versions of the UMRs. The UMRs are in the process of being amended but have not been adopted.<sup>1</sup> Until such time as the Guidelines are amended and the UMRs are amended, adopted and effective, the July 10, 2010 UMRs apply; as such, the Application should adhere to the requirements of the July 10, 2010 UMRs.

## **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.

### **A. Eligible Applicants**

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

Along with other eligible applicants described in the Guidelines, a Federally-recognized Indian Tribe with a project that meets the AHSC Guidelines, Appendix B, Indian Tribe Eligibility requirements, may now be an eligible applicant.

---

<sup>1</sup> For more information regarding the proposed changes to the UMRs, please refer to the HCD website at <http://www.hcd.ca.gov/grants-funding/already-have-funding/uniform-multifamily-regulations.shtml>

## **B. Eligible Projects**

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

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

## **C. Eligible Costs**

All costs must be eligible pursuant to Guidelines Section 103, Eligible Costs.

## **D. Program Threshold Requirements**

In addition to meeting the requirements of the Guidelines sections 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, for a TOD, ICP or RIPA Project Area 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 required Affordable Housing and Disadvantaged Community set-asides as detailed in Guidelines Section 108(d)(6).
3. **Terms of Assistance:** The assistance terms and limits are set forth in Guidelines Section 104, Assistance Terms and Limits. Loans for rental Affordable Housing Developments, or the rental portions of an Affordable Housing Development, are subject to the 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, and Announcement Process**

### **A. Application Process**

## 1. Pre-Application Workshops and Consultations

Round 3 introduces a single phase application with more clearly defined threshold requirements, fewer subjective criteria than previous rounds and an opportunity for the applicant to tell their story in a multi-page narrative document.

## 2. Application Review: Phase One

Application completeness and threshold criteria will be confirmed. The threshold review for financial feasibility includes verification of documentation completeness, not an evaluation of the material facts. In-depth analysis of financial feasibility will be performed during Phase Three. Phase One is a pass/fail stage and applicants will receive notification of their status upon completion of threshold reviews.

## 3. Application Review: 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 quantitative policy criteria and GHG QM will not be eligible to move forward. The final score letter will include notification of application status.

## 4. Application Review: 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.**

## 5. Award Recommendations and Announcement

Award recommendations will be posted on the SGC AHSC webpage in May and presented for adoption at the June 2018 Strategic Growth Council meeting.

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

Complete applications may include the following components: 1) AHSC Application Workbook, 2) Universal Application (UA), 3) Infill Infrastructure Grant (IIG) Supplemental Application Workbook, and 4) FAAST Submission. Additionally, supporting documentation must be uploaded to FAAST.

### 1. AHSC Application Workbook

All applicants must complete the AHSC Application Workbook. Depending upon the requested component funding, the AHSC Application Workbook could include up to four sections: Overview, Capital Projects, Program, and Scoring.



## 2. Universal Application

The UA must be completed for projects seeking funds for Affordable Housing Development (AHD) or Housing Related Infrastructure (HRI), including applications for IIG funded infrastructure. Applicants for both AHSC and IIG programs need to complete only one UA workbook.

## 3. IIG Supplemental Application Workbook

Applicants who apply to the IIG program for their housing-related infrastructure needs must complete the IIG Supplemental Application Workbook and the UA Workbook.

## 4. Electronic FFAST Submission

Requirements for uploading supporting documentation, including naming conventions, are described in the Application instructions available on the Department's AHSC webpage. Applicants must upload all application materials (workbooks and supporting documentation) to the [FFAST](#) system. FFAST instructions will be available on the Department's AHSC webpage.

### **C. Hardcopy Application Packaging and 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, Fed Ex or other carrier services that provide date stamp postmark verification and these documents must be postmarked no later than **5:00 p.m. Pacific Standard Time on January 16, 2018** (Tuesday) to the Department's offices at:

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

Department of Housing and Community Development  
Division of Financial Assistance, NOFA Section  
2020 W. El Camino Avenue, Suite 500  
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.

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 competitive disadvantage to other applicants. No applicant may appeal the evaluation of another applicant's application.

## D. Application Workshops

The Department, SGC and CARB will conduct application workshops and pre-application consultations as follows:

Date	Location	Time
October 2, 2017	<b><u>Workshop Location:</u></b> Council Chambers Sacramento City Hall 915 I Street, Sacramento, CA 95814	9:00 – 12:00
	<b><u>Pre-Application Consultation Location:</u></b> Room X Sacramento City Hall 915 I Street, Sacramento, CA 95814	1:00 – 4:00
October 4, 2017	<b><u>Workshop Location:</u></b> Fresno City Hall 2600 Fresno Street, Fresno, CA 93721	9:00 – 12:00
	<b><u>Pre-Application Consultation Location:</u></b> Fresno City Hall 2600 Fresno Street, Fresno, CA 93721	1:00 – 4:00
October 5, 2017	<b><u>Workshop Location:</u></b> San Francisco Dept. of Public Health 101 Grove Street, San Francisco, CA 94102	9:00 – 12:00
	<b><u>Pre-Application Consultation Location:</u></b> Mayor's Office of Housing and Community Development 1 South Van Ness, San Francisco, CA 94103	1:00 – 4:00
October 10, 2017	<b><u>Workshop Location:</u></b> Ron F. Deaton Civic Auditorium 100 West 1 <sup>st</sup> Street, Los Angeles, CA 90012	9:00 – 12:00
	<b><u>Pre-Application Consultation Location:</u></b> Los Angeles City Hall 200 North Spring Street, Los Angeles, CA 90012	1:00 – 4:00
October 11, 2017	<b><u>Workshop Location:</u></b> Riverside City Hall 3900 Main Street, Riverside, CA 92501	9:00 – 12:00
	<b><u>Pre-Application Consultation Location:</u></b> Riverside City Hall 3900 Main Street, Riverside, CA 92501	1:00 – 4:00
October 12, 2017	<b><u>Workshop Location:</u></b> San Diego Central Library 330 Park Boulevard, San Diego, CA 92101	9:00 – 12:00
	<b><u>Pre-Application Consultation Location:</u></b> San Diego Central Library 330 Park Boulevard, San Diego, CA 92101	1:00 – 4:00

Appointments are required for pre-application consultations. AHSC workshop details, and related program information, will be posted on the [SGC](#) website. Questions may be directed to the AHSC Program at: (916) 263-2771 or [ahsc@sgc.ca.gov](mailto:ahsc@sgc.ca.gov).

## **E. 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. **Applicants are urged to seek professional advice as to how to comply with State prevailing wage law.**

## **F. 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.

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

### **A. Award Announcements**

Award recommendations will be posted on the SGC AHSC webpage in May and presented for adoption at the June 2018 Strategic Growth Council meeting.

### **B. Contracts**

Successful Applicants (Awardee(s)) will enter into a Standard Agreement with the Department. The Standard Agreement contains all the relevant state and federal requirements, as well as specific information about the award and the work to be performed.

A condition of award will be that a Standard Agreement must be executed by the Awardee(s) within 90 days (Contracting Period) of the Awardees' receipt of the Standard Agreement(s). Failure to execute the Standard Agreement(s) within the Contracting Period may result in award cancellation. 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.