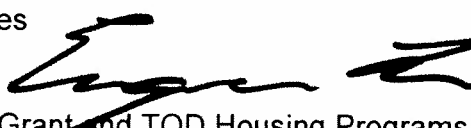


DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
Infill Infrastructure Grant Program
Transit-Oriented Development Housing Program
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DATE: December 17, 2013

TO: All Interested Parties

FROM: Eugene Lee, Chief 
Infill Infrastructure Grant and TOD Housing Programs

SUBJECT: Amendment to IIG & TOD Program Guidelines
Disbursement Extensions

This memorandum announces amendments to the Infill Infrastructure Grant Program (IIG) Guidelines and the Transit-Oriented Development Housing Program (TOD) Guidelines to implement provisions of AB 92, Chapter 26, Statutes of 2013. AB 92 required that the Department amend the programs' guidelines with performance-based milestones that allow recipients to apply for disbursement extensions for Round 1 and Round 2 TOD & IIG awards up to 2017.

Background

To ensure the expeditious use of public funds and the rapid creation of affordable housing, infrastructure, and jobs, timely expenditure of IIG and TOD awards is necessary. The Department also recognizes current unprecedented market conditions means the disposition of some TOD and IIG projects will require additional time to fully utilize program funds to finance and construct the proposed housing or infrastructure.

Pursuant SB 870, Chapter 712, Statutes of 2010 the Department amended the IIG and TOD Guidelines to allow these funds to be available for disbursement beyond Fiscal Year 2011-12 for Round 1 awards and Fiscal Year 2012-13 for Round 2 awards. SB 870 authorized the Department to disburse funds until June 30, 2015 (for Round 1 awards) and June 30, 2016 (for Round 2 awards). The Department previously established revised Performance Milestones in the IIG and TOD Guidelines to approve disbursement extensions.

IIG and TOD Guideline Amendments

Once a recipient requests an extension in writing, the Department will evaluate the performance-based milestones for that recipient (i.e. on a project by project basis) to determine whether a project should be granted additional time extensions authorized by AB 92. The goals of creating affordable housing, infrastructure, and jobs represented in

the IIG and TOD Programs require the Department to continue to be diligent about timely expenditure and use of the funds.

The Department believes most projects will be completed under existing disbursement deadlines provided in the IIG and TOD Guidelines in effect.

However, if the recipient satisfactorily completes the performance requirements as noted in these new attached guideline amendments, the Department may extend the disbursement deadline up to February 1, 2017 for Round 1 and Round 2 awards if the award recipient is not in default with their executed IIG or TOD agreements.

A. IIG and TOD Infrastructure Grant Awards

The primary project performance conditions include, but are not limited to the following:

Evidencing to the Department by December 31, 2014:

1. Disbursement of IIG or TOD funds to pay for eligible costs directly related to the actual physical construction of infrastructure.
2. Public land use approvals, entitlements, and environmental clearances.
3. Housing development feasibility.
4. Housing development funding commitments.
5. Infrastructure and housing development construction contracts.

B. TOD Housing Loan Awards

The Department disburses its TOD housing loans as permanent financing after the construction of the TOD housing development is completed. To be eligible for a disbursement extension, the TOD Loan Recipient must:

1. Evidence housing construction funding commitments and a housing construction contract by February 1, 2014.
2. Started housing construction no later than January 2, 2015 if the housing development is receiving 9 percent low-income housing tax credits.
3. Provide a Certificate of Occupancy issued by February 1, 2017 to allow the amount of the TOD Loan be deposited into a project closing escrow account no later than April 1, 2017.

C. Disencumbrance of IIG or TOD Award

Failure to meet the performance milestone deadlines for disbursement extensions provided under these guideline amendments shall result in the disencumbrance of the IIG or TOD award. The Department shall revoke disbursement extensions made under these guideline amendments if the project will not be completed.

If you have questions, you may email the IIG Program at infill@hcd.ca.gov and the TOD Program at tod@hcd.ca.gov or call (916) 263-2771.

Attachments:

IIG and TOD Program Guideline Amendments applicable to Round 1 and Round 2 awards.