This document describes the rationale behind significant changes to the Round 4 TOD Program Guidelines. The changes incorporate feedback on the draft Guidelines dated March 13, 2020. These changes are informed by written comments received during the public comment period from March 13 – April 3, 2020 and public comments during the March webinars.

These changes are incorporated in the Round 4 TOD Program Guidelines, available at www.hcd.ca.gov.

**Article 1. General**

**Section 102(a) – Definition of “Affordable Unit”**
The definition was added for better understanding and consistency with the Infill Infrastructure Grant (IIG) Program.

**Section 102(c) – Definition of “Assisted Units”**
The definition was added for better understanding and consistency with other Program updates.

**Section 102(former r) – Definition of “Housing Development”**
The definition was merged with the definition of “Rental Housing Development” to avoid confusion and achieve consistency with other Program updates.

**Section 102(former y) – Definition of “Lower Income”**
The definition was removed because it does not directly apply to the Program Guidelines.

**Section 102(x) – Definition of “Manager’s Unit”**
The definition was added for better understanding and consistency with the Multifamily Housing Program (MHP).

**Section 102(z) – Definition of “Mixed Use Development”**
The definition was added for better understanding and consistency with the Affordable Housing and Sustainable Communities (AHSC) Program.

**Section 102(kk) – Definition of “Qualifying Transit Station”**
The definition was added for better understanding and consistency with the Program.

**Section 102(oo) – Definition of “Rental Housing Development”**
The definition was modified for better understanding and consistency with other Program updates.
Section 102(pp) – Definition of “Restricted Units”
The definition was modified for consistency with the MHP Program.

Section 102(qq) – Definition of “Secure Overnight Parking”
The definition was added for better understanding and consistency with the AHSC Program.

Section 102(uu) – Definition of “Substantial Rehabilitation”
The definition was modified for consistency with the Uniform Multifamily Regulations (UMRs). The per unit amounts were adjusted in accordance with changes in the Consumer Price Index (CPI).

Section 102(former aaa) – Definition of “Very Low Income”
The definition was removed because it does not directly apply to the Program Guidelines.

Article 2. Program Requirements

Section 103(c) – Eligible Projects, Infrastructure Projects
To maximize funding for infrastructure that increases transit ridership and active transportation, parking spaces or structures were removed from the list of capital improvements required by a local government entity.

In addition, Section 103(c)(3) referring to the capital improvements to the Qualifying Transit Stations that increase transit ridership was removed because it does not refer to infrastructure necessary for the development of higher density uses within close proximity to a Transit Station or to facilitate connections between that development and the Station.

Section 103(former d) – Eligible Projects, Infrastructure Projects
Ineligible Infrastructure Projects were relocated to Section 105(d) for clarity and consistency with other Program updates.

Section 105(c) – Eligible Costs
To maximize funding for infrastructure that increases transit ridership and active transportation, residential parking and mechanical parking lifts were removed from the list of eligible costs for Infrastructure Projects.

Section 105(d) – Eligible Costs
Ineligible Infrastructure Projects were relocated from Section 103(former d) for clarity and consistency with other Program updates.

Article 3. Application Procedures
Section 109(a) – Application Threshold Requirements, Housing Developments
The application threshold requirement for annual reporting on housing element has been modified to provide flexibility.

In addition, the application threshold requirement for the Projects involving the demolition and rehabilitation of existing units has been modified for consistency with the UMRs.

Section 110(a) – Application Selection Criteria, The extent to which the Project will increase public transit ridership and minimize automobile trips
The points assigned to applications for the best performing mode of transit serving the Qualifying Transit Station were modified to allow flexibility by acknowledging the Projects located in the areas with lower performance measures.

In addition, the language on density bonus was added for further clarification.

Section 110(b) – Application Selection Criteria, Location in an area designated for infill or transit-oriented development, and where there is coordinated public and private investment
This section was modified to further clarify and to incentivize coordinate investment of public and private funds to transform areas into transit-oriented communities. In calculating the amount of permanent development funding from sources other than the Program, the Department will take into account the expenditures or commitments of public and/or private funds during the five years preceding the application due date on transit-oriented infrastructure or housing.

Section 110(c) – Application Selection Criteria, The extent to which the Housing Development serves Eligible Households
While the Program’s goal is to incentivize deeper affordability, income targeting was modified to address possible feasibility issues while still addressing affordability.

Section 110(e) – Application Selection Criteria, The extent to which the Project incorporates walkable corridors and bicycle features
This section was modified for consistency with other Program updates and consistency with the AHSC Program.

Section 110(f) – Application Selection Criteria, Parking alternatives and Micromobility
This section was modified for consistency with other Program updates.

Section 110(g) – Application Selection Criteria, Readiness of the Housing Development
This section was refined and modified to include sub-scores when awarding Projects that can secure necessary entitlements.

In addition, a deadline to secure necessary entitlements for Projects was defined and the rules for all necessary land use approvals were modified for clarification.