

## INFILL INFRASTRUCTURE GRANT PROGRAM

Round 7 Notice of Funding Availability (NOFA)

Questions & Answers Document

June 14, 2021

The California Department of Housing and Community Development (HCD) has posted Round 7 Notice of Funding Availability (NOFA) and Applications for the Infill Infrastructure Grant Program (IIG), prepared in accordance with IIG Guidelines, Proposition 1 of the Veterans and Affordable Housing Bond Act of 2018, and Section 53560 of Division 31 of the Health and Safety Code.

This document represents written comments the IIG team received during the NOFA and Application webinar Question & Answer sessions held on May 27, 2021 and June 3, 2021.

<b>Guidelines Section</b>	<b>Questions</b>	<b>HCD Comments/Recommendations</b>
<b>§301 Program Overview</b>		
§301	Can you define “previously developed”?	Land which is developed or was developed with an urban use. Examples include existing or demolished buildings and paved parking areas.
<b>§302 Definitions</b>		
§302(k)	Can a City be a co-applicant with a developer if applying as a QIP?	A City is not an Eligible Applicant in a QIP application. The Guidelines define Eligible Applicants of a QIP as “A nonprofit or for-profit Developer of a Qualifying Infill Project.” Co-applicants must meet the same requirements as Eligible Applicants.

§302(k)	Are QIA projects required to have a public agency applicant or can eligible applicant developers apply without them?	Guidelines Section 302 (k) defines Eligible Applicants. 302 (K)(1) and (4) indicate that a Developer or a Tribally Designated Housing Entity are the only Eligible Applicants for a QIP. 302 (k)(2),(3), and (4) describe Eligible Applicants for QIAs. Only public agencies are Eligible Applicants for a QIA.
§302(k)	Do you need to be applying jointly with a local jurisdiction in order to apply for a QIA, or can a nonprofit developer with several separate—but adjacent—projects apply as a QIA independently?	A Developer and public agency may not be an applicant in a QIA because a Developer is not an Eligible Applicant in a QIA. A Developer with multiple adjacent sites may submit multiple QIP applications.
§302(k)	Does a nonprofit or for-profit Developer qualify as an “Eligible Applicant” for a QIA or does the city that has jurisdiction over the QIA have to apply jointly w/the development sponsor for a QIA? If the latter, can the funds be awarded directly to the Developer/project LP instead of the city?	Developers are only Eligible Applicants for QIPs and may not be applicants in a QIA application.
NOFA: Eligible Applicants	How are BIPOC projects considered? Is there a scoring threshold for consideration?	Of the total funds available under this NOFA, HCD shall target 10 percent of total funds, to the extent there are eligible applications, to Emerging Developers, and Federally Recognized and Special Government Entities and Properties. Applications submitted by Emerging Developers that qualify under CDLAC definitions are reviewed with all eligible applications, and scoring remains the same for all applications.

302(m)	<p>So, TCAC will only count as committed on this application if a tax credit reservation letter (after a project has already applied for and is ready to close)?</p> <p>Will a tax credit pricing letter count as committed in lieu of tax credit reservation?</p> <p>Is an LOI enough for tax credit or do we need to have been awarded the tax credit already?</p>	<p>Yes, per Section 302 (m)(1) a tax credit reservation letter is required to be considered an Enforceable Funding Commitment.</p> <p>A “tax credit pricing letter” or Letter of Intent (LOI) does not meet the requirement set forth in the Guidelines.</p>
302(m)	<p>Under EFCs, you state: "Proof of award must be received by the Department prior to final rating and ranking of the Program application" How will you accept this, can we add it to our submission when we receive it subsequent to the deadline?</p> <p>Will AHSC applications submitted June 8 count as EFC?</p>	<p>Proof of award must be uploaded to FAA\$T prior to final rating and ranking or 30 days after the application due date, whichever is later.</p> <p>An HCD award letter is required in order to qualify as an EFC. It is not likely an AHSC award letter will be available by the deadline described above.</p>
§302	<p>What is the definition of transit linkage?</p>	<p>A public transit ride service that links differing modes of transportation with one another.</p> <p>Example: A multi-modal plan that considers various modes (pedestrian, bicycling, bus, light/heavy rail, etc.) and connections among modes.</p>
<b>§303 Eligible Projects</b>		

<p>§303(c)(6)</p>	<p>The threshold requirements state - Identify a mechanism such as a minimum density ordinance or a recorded, binding covenant, acceptable to the Department to reliably ensure that future development will occur at an overall Net Density equaling or exceeding that set forth in Section 303(c)(4) and the Net Density proposed in the application for the purposes of rating pursuant to Section 309 (c) and section 310 (c), and determining the maximum grant amount pursuant to Section 305. This mechanism must be in effect and legally enforceable prior to the disbursement of Program funds. The application requires - Provide a minimum density ordinance, recorded binding covenant or date stamped map and letter certified by a California State-licensed professional such as an engineer, surveyor or landscape architect confirming the Net Density. Does the date stamped map and letter certified by a California State-licensed professional such as an engineer, surveyor or landscape architect confirming the Net Density qualify for both the requirements and application?</p> <p>Regarding threshold item 303(c)(6) - Per the application, it sounds like we're able to provide either a "mechanism" or a date stamped map and letter certified by an engineer to meet this requirement. But given the "mechanism" is a threshold item, I assume we need to include both, correct?</p>	<p>Yes, the certified document may satisfy both requirements. Upload the document to both checklist items in FAA\$T. This will ensure the documentation is considered for both requirements.</p>
<p>§303</p>	<p>What is your policy regarding tiny homes? Do tiny homes qualify for this program?</p>	<p>The Program does not have a policy regarding tiny homes, instead focuses on Net Density as defined in §302(u). If your tiny homes project meets the requirements of §303(c)(4), it would qualify and be acceptable. However, it will also be subject to scoring criteria per §310(e).</p>

NOFA: Program Requirement	Is there a minimum project size threshold?	The project application must generate a grant request larger than the minimum program grant amounts described in the NOFA. There is no requirement for minimum number of housing units.
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**§304 Eligible Costs**

§304	Are the following costs eligible: Joint Trench work on the QIP site, site utilities and connections on the QIP site, new asphalt/roads/curbs/sidewalks on QIP site, landscape finish grading on QIP site?	Refer to §304 of the Guidelines:  (2) Water, sewer, or other utility service improvements (including internet infrastructure), including relocation of such improvements. (3) Street, road, and bridge construction and improvement. (8) Site clearance, grading, preparation, and demolition necessary for the development of the Capital Improvement Project.
§304	What is an ineligible "mixed use structure"?  I am working on a project with one structure: ground floor commercial parking required by the City, 2nd floor parking for residents and 4 stories of residential units above the parking. Does the cost of either parking area qualify for funding?	Costs to construct housing and mixed-use structures are not eligible, except costs to construct Structured Parking as described in Guidelines §304(a)(4).  The IIG program would fund up to \$50,000 per space as set forth in §304(a)(4)(A) and (B).
§304(b)(1)	Can you please confirm that developer fee is not governed but the UMRs, but simply align with TCAC regulations, as in all past IIG rounds?	Developer fees are not an eligible expense, per §304(b)(1).

**§305 Grant Terms and Limits**

§305(e)	If the nonprofit developer applies, would HCD structure the award as a loan to the LP/owner?	If the QIP is receiving low-income housing tax credits, the Recipient may provide Program funds to the Developer of the Qualifying Infill Project in the form of a zero percent deferred payment loan, with a term of at least 55 years.
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**§306 Performance Requirements**

<p>NOFA § 306</p>	<p>Is there a process for extension if construction start or finish will not be complete in time?</p> <p>In terms of the disbursement deadlines, if the construction extends past these dates, is possible to ask for an extension on the disbursement deadlines?</p>	<p>Recipients may request an extension of performance requirements set forth in Section 306 by addressing a letter to the IIG Program Manager detailing the circumstances surrounding the extension request and detailing a plan for meeting the extended performance deadline. An extension may be granted if the Recipient adequately demonstrates probability of adherence to the proposed plan. However, any proposed extension must fall within the Program’s legislatively set disbursement deadlines.</p> <p>Program funds must be disbursed by the Program liquidation date of June 30, 2025. The Recipient must submit final disbursement requests no later than March 31, 2025.</p>
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<b>§307 Application Process</b>		
<p>§307</p>	<p>Will signatures need to be copied scans of wet signature or will e-signs such as DocuSignatures work?</p>	<p>Either a copy or scan of a wet signature, or a DocuSign are acceptable.</p>
<p>§307</p>	<p>Can you clarify why we can't copy and paste (for example from our prior IIG application workbook)? Re-typing would add a lot of time. Are there formulas in cells that are supposed to be input cells?</p>	<p>The IIG application has extensive and complicated linkages between cells and tabs Pasting may corrupt the application.</p> <p>If you encounter problems with the application, please email to <a href="mailto:appsupport@hcd.ca.gov">appsupport@hcd.ca.gov</a> for assistance.</p>

<b>§308 Application Threshold Requirements</b>		
§308(c)	<p>Why are you asking for a legal opinion in the application about AFFH?</p> <p>Does a legal opinion need to be uploaded in the application?</p>	<p>Attorney opinion letters are not required for every application. An attorney's letter will only be required if the Department needs to confirm that the Occupancy restrictions are carried out in a manner consistent with federal fair housing laws.</p> <p>Submittal of a legal opinion is not required at time of the application. Self-certification must be included in the application.</p>
<b>§309 &amp; §310 Application Selection Criteria</b>		
§309(a)(1) & §310(a)(2)	<p>If the NEPA review is not completed, what documents will we need to provide to get the maximum points?</p>	<p>In order to get maximum points, the Verification of Environmental Review form must be completed. If NEPA has not completed, the Verification form must document which awarded Project Based Voucher has triggered NEPA.</p>
309(a)(2) & 310(a)(3)	<p>Please confirm if SB-35 approvals will qualify a project as entitled.</p> <p>Are IIG projects that got their land use approvals through the SB 35 process eligible for full points under readiness?</p> <p>Is a letter from a local Planning department indicating that a project qualifies for SB35 approval sufficient to demonstrate that all necessary local land use approvals have been granted so that applicants can achieve max score on Land Use Entitlement Status section?</p>	<p>SB35 requires jurisdictions not meeting their Regional Housing Needs Assessment [or Allocation] (RHNA) requirements to provide streamlined processing of local housing permit applications. In order to receive full points for approved entitlements, the Environmental &amp; Land Use Certification tab of the IIG application must be signed by an authorized representative of the approving local jurisdiction.</p>
309(a)(3) & 310(a)(4)	<p>Can you please confirm whether tax credit reservations are required for LIHTC equity to be considered committed? This was not required when 4% equity was considered committed. (2) Can you please confirm that perm loan commitments will be</p>	<p>Yes, tax credit reservations are required for LIHTC equity to be considered committed as shown in Section 302(m)(1).</p>

	<p>treated equally for 4% and 9% projects alike (namely that a CDLAC resolution will not be required for a tax-exempt perm loan commitment)?</p>	
<p>309(a)(3) &amp; 310(a)(4)</p>	<p>Are Tax Credits no longer counted as leverage? Many rural projects only have tax credits as their other funding source, we may see many rural projects with 0 points in the leverage scoring category. In order to give rural projects a fairer shot, would it be reasonable to remove the minimum point score, so as not to disqualify these applicants off the bat?</p>	<p>Tax Credits do count as an Enforceable Funding Commitment. However, Applicants must have a reservation letter from TCAC. Therefore, with a reservation letter, the Applicants can get points.</p>
<p>§309(a)(4) &amp; §310(a)(5)</p>	<p>Does capital subsidy commitment from a local city agency count as local support?</p>	<p>Yes, if the capital subsidy meets the requirement of an Enforceable Funding Commitment from a local city agency, it would count as local support per §309(a)(4) and 310(a)(5).</p>
<p>§309(a)(5) &amp; §310(a)(6)</p>	<p>For the Prohousing policies scoring, will a letter from a local public agency (i.e. Housing or Planning Dept) suffice to obtain maximum points?</p> <p>Is there specific language HCD is looking in the letter?</p>	<p>Yes, a letter is acceptable.</p> <p>The letter must indicate any two of the following in the body:</p> <p>(i) Projects located in jurisdictions that have implemented programs over the last five years, which are currently in effect, that finance infrastructure with accompanying increased housing capacity in areas of high segregation and poverty or low resource opportunity area (see TCAC/HCD Opportunity Area Maps) or disadvantaged community pursuant to Senate Bill 535 and Assembly Bill 1550 or provide local financial incentives for housing, including, but not limited to, a local housing trust fund or fee waivers.</p> <p>(ii) Projects located in jurisdictions that have adopted a Nondiscretionary Local Approval Process for residential and mixed-use development in all zones permitting multifamily housing, established a Workforce Housing Opportunity Zone, as defined in Government Code section 65620, or a housing sustainability district, as defined in Government Code section 66200.</p>



		<p>(iii) Projects located in jurisdictions that zone more sites for residential development or zoning sites at higher densities than is required to accommodate 150 percent of the minimum regional housing need allocation for the Lower-Income allocation in the current housing element cycle.</p> <p>(iv) Projects in jurisdictions that have adopted accessory dwelling unit ordinances or other mechanisms that reduce barriers for property owners to create accessory dwelling units beyond the requirements outlined in Government Code section 65852.2</p> <p>(v) Projects located in jurisdictions that only use objective design standards for multifamily residential development or adopt fee transparency measures including publicly available fee calculators.</p>
309(a)(5) & 310(a)(6)	Your response to a recent question about a letter in regard to Pro-Housing Policies implied that yes, a letter is required. Where is this in the checklist?	The FAAST Upload checklist has been updated to include this requirement.
309(d) & 310(d)	<p>Did I hear that proximity to transit needs to be evidenced by a state licensed individual? The guidelines say that a scaled map will suffice.</p> <p>Do we measure the distance to the transit area in line with TCAC regs? As the crow flies?</p>	Proximity to transit evidenced by a scaled map is not required to be certified by a licensed professional. The distance must be measured along a Walkable Route per §302(qq), 309(d) and 310(d).
§309(d) & §310(d)	How would a rural or suburban project be able to meet these definitions and what would meet the standard for a project in a rural or suburban area?	Geographic targeting in this NOFA was designed to address equitable distribution of funds between urban and rural areas. Ten percent of program funds for this NOFA are targeted for communities in counties with a population of less than 250,000. Additionally, ten percent is targeted for communities in the Central Valley.

§309(d) & §310(d)	<p>What kind of licensed CA professional can certify the proximity to transit?</p> <p>Verification cannot be confirmed by the market analyst? I heard you mention surveyors and engineers only.</p>	<p>Proximity to transit evidenced by a scaled map is not required to be certified by a licensed professional. The distance must be measured along a Walkable Route per §302(qq), 309(d) and 310(d).</p>
309(e) & 310(e)	<p>What facilities come under social service facilities - Banks, fire stations, Police stations?</p>	<p>Social services are a range of public services intended to provide support and assistance towards groups, which commonly include the disadvantaged. They may be provided by individual actors, private and independent organizations, or administered by a government agency.</p>
309(e) & 310(e)	<p>If a project is in a high or highest opportunity area defined by TCAC/HCD, does the project get the full 20 points regardless of the other amenities section?</p>	<p>Yes, per IIG Guidelines Section 309(e)(1) Selection Criteria for Qualifying Infill Projects, if a Qualifying Infill Project is located in a High or Highest Resource Area as specified on TCAC/HCD Opportunity Area Maps, the project will receive the full 20 points.</p>
309(e) & 310(e)	<p>How will you address historically disenfranchised BIPOC communities in your high/highest opportunity map scoring system?</p>	<p>BIPOC projects are defined by the applicant as an Emerging Developer per CDLAC regulations, and not specific to the community or location of the project.</p>
309(f)(1) & 310(f)(1)	<p>Consistency with Regional Plans: Confirmation of Map which is to be used for Transit Priority locations, Is there a Map which is supposed to be submitted?</p>	<p>Points are awarded if a letter or resolution from the metropolitan planning organization, regional transportation planning agency, or local transportation commission is submitted.</p>

Miscellaneous		
N/A	<p>Which email do we send the record request to get the electronic application?</p> <p>Where can we find an example of a successful application with attachments?</p>	<p>The most expedient means to obtain a previously submitted electronic application, please go to: <a href="https://faast.waterboards.ca.gov/Public_Interface/PublicP/ropSearchMain.aspx">https://faast.waterboards.ca.gov/Public_Interface/PublicP/ropSearchMain.aspx</a></p>
N/A	<p>IIG application is due 3 days before VHHP application. Is it possible to move the deadline to a later date?</p>	<p>Unfortunately, there is no flexibility in the submission date.</p>
NOFA	<p>What was the minimum score required to receive an award in the last IIG NOFA round (FY 19-20)? Is there a minimum point score or point threshold recommended in order to be considered for an award in this current round?</p>	<p>In the previous round of IIG, 224 was the lowest score awarded. The NOFA states that a project must receive a minimum score of 210 to be considered for funding.</p>
Application	<p>If we have a commitment that doesn't include an APN or legal description, just the address (I would say that is common), is that acceptable or do we need to ask for a revision?</p>	<p>An address is acceptable, be sure to include the APN in the Overview tab. If none exists, please also provide an explanation in the Overview tab.</p>
Article 34	<p>Are funds from the IIG program subject to Article 34 or stacking requirements?</p>	<p>IIG funds do not trigger Article 34 because the Program does not directly fund construction of affordable housing units. IIG funds are not subject to the stacking requirements of other HCD funding sources.</p>