

Infill Infrastructure Grant Program Guidelines
Summary of Program Updates
May 12, 2021

This document describes significant proposed changes to the Infill Infrastructure Grant Program (IIG) since the draft IIG Guidelines (published on September 16, 2020) for funding authorized by Proposition 1 of 2018 and codified in Health and Safety Code sections 53545, 53445.12 and 53445.13. The proposed changes are reflected in the IIG Program Guidelines, available at www.hcd.ca.gov.

Article 1. General

Section 302 – Definition of “Affirmatively Furthering Fair Housing”

The definition was added to reflect HCD’s policy goals and dedication to promoting fair housing policies.

Section 302 – Definition of “Bus Hub”

The definition clarifies that the required level of service must have been publicly posted by the provider at some point between January 2020 and the time of application. This modification is intended to make allowances for temporary schedule changes in response to the pandemic.

Section 302 – Definition of “Enforceable Funding Commitment”

The definition was modified to focus on commitments for permanent financing and reflect stakeholder requests for clarification.

Specifically, the Program will treat 4 percent and 9 percent tax credit Applicants equally, allowing Applicants to choose the path that is most likely to complete project financing, and must be demonstrated by a tax credit reservation letter from TCAC. Also, proof of funds awarded by another Department program must be received by the Department prior to final rating and ranking of the IIG Program application.

Additionally, the provision on Land Donation was expanded to clarify that a below market lease for at least 55 years would be considered a land donation.

Section 302 – Definition of “Major Transit Stop”

The definition clarifies that the required level of service must have been publicly posted by the provider at some point between January 2020 and the time of application.

Section 302 – Definition of “Structured Parking”

A definition of Structured Parking is provided. “Structured Parking means a structure in which vehicle parking is accommodated on multiple stories; a vehicle parking area that is underneath all or part of any story of a structure; or a vehicle parking area that is not underneath a structure, but is entirely covered, and has a parking surface at least 8 feet below grade. Structured Parking does not include surface parking, residential garages, or carports, including solar carports.”

Article 2. Program Requirements

Section 304(a)(4) – Eligible Costs

Clarifies that Eligible Costs for parking must meet the requirements set forth in the definition of Structured Parking.

Section 304(a)(13) – Eligible Costs

The provision was added to clarify that soft costs directly related to construction or other pre-development are eligible. However, soft costs shall not exceed 10 percent of costs associated with the funding request for the Capital Improvement Project.

Section 304(b)(1) – Eligible Costs

This provision was added to clarify that developer fee is an ineligible cost.

Section 305(g) – Grant Terms and Limits

This provision was added for consistency with Health and Safety Code (HSC). If the Applicants (a city, county, city and county, public housing authority, or redevelopment agency that has jurisdiction over a Qualifying Infill Area) apply for funding jointly with an “owners’ association,” they are required to submit supporting documentation (as described in the Guidelines).

Section 305(j) – Grant Terms and Limits

This provision was added to specify that Uniform Multifamily Regulations (UMRs) sections 8310(f) and 8315 apply. The covenant shall be recorded against the fee title.

Section 306 – Performance Requirements

Performance Requirements will be specified in the Notice of Funding Availability (NOFA) and Standard Agreement.

Article 3. Application Procedures

Section 307(b)(4) – Application Process

This subsection clarifies that the geographic targets are identified in the NOFA.

Section 308(a)(1) – Application Threshold Requirements

This provision was added to make sure that Qualifying Infill Projects and Qualifying Infill Areas meet the infill requirements.

Section 308(a)(3) – Application Threshold Requirements

This provision was expanded to clarify that Applicants with previously awarded funds must forfeit their prior award prior to the application due date without assurance of receiving a new award, including funds awarded under any Department program.

Section 308(c) – Application Threshold Requirements

This provision was added to clarify that award Recipients shall comply with all state and federal fair housing laws.

Section 309(a)(1) – Selection Criteria for Qualifying Infill Projects, Project Readiness, Environmental Review Status

NEPA reviews for project-based vouchers are not required to be in place to earn points in this category.

Section 309(a)(2) – Selection Criteria for Qualifying Infill Projects, Project Readiness, Land Use Entitlement Status

This subsection was modified to award more points to an approved project than a project without approval. To differentiate between different approval processes, (discretionary and Nondiscretionary Local Approval Processes), the Guidelines incorporated the revision of Section B that does not require an application to be submitted, only that the application demonstrate it meets the requirements for nondiscretionary approval.

Section 309(a)(4) – Selection Criteria for Qualifying Infill Projects, Project Readiness, Local Support

This subsection was expanded to also consider additional debt supported by project-based vouchers committed to a Project through the Locality as a commitment of Local Support, consistent with TCAC regulations.

Section 309(a)(5) – Selection Criteria for Qualifying Infill Projects, Project Readiness, Prohousing policies

This subsection was expanded to also consider areas of segregation and poverty/low resource areas.

Section 309(b) – Selection Criteria for Qualifying Infill Projects, Affordability

Language was added in affordability points that affordable units must be spatially integrated throughout the project or area where there is a mix of incomes.

Section 309(d) – Selection Criteria for Qualifying Infill Projects, Access to Transit

A point criterion was added to address projects located in areas of high segregation and poverty.

Section 309(e) and 310(e) – Selection Criteria for Qualifying Infill Projects and Qualifying Infill Areas, Access to Opportunity and Proximity to Amenities

This subsection was modified and expanded to also consider High and Highest Resource Areas.

Section 310 – Selection Criteria for Qualifying Infill Areas

This scoring section was aligned with selection criteria for Qualifying Infill Projects (i.e. Section 309). It is Department's intent to support expedient development of affordable housing. By aligning scoring criteria for Qualifying Infill Projects and Qualifying Infill Areas, the Guidelines focus on projects that can move more expediently. For instance, by aligning the leverage criteria, the Guidelines provide consistency and encourage the Qualifying Infill Areas that will result in infrastructure and housing being constructed

sooner. Also, aligning the proximity to amenities scoring criteria ensures a more fair and consistent approach to affordable housing construction.

Section 311(f) – Legal Documents

This provision was added to Affirmatively Further Fair Housing and for consistency with Government Code.