

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

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**2007-2008 FUNDING ROUND  
NOTICE OF FUNDING AVAILABILITY (NOFA)  
INFILL INFRASTRUCTURE GRANT PROGRAM  
FEBRUARY 28, 2008****INFILL INFRASTRUCTURE GRANT PROGRAM FUNDING: \$240 MILLION****PROGRAM DESCRIPTION****A. Introduction**

The California Department of Housing and Community Development (hereinafter "HCD" or "Department") is announcing the availability of approximately \$240 million in funding for the Infill Infrastructure Grant ("IIG") Program (the "Program"). Funding for this Notice of Funding Availability ("NOFA") is provided under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to Chapter 2 of Part 12 of Division 31 of the Health & Safety Code, Sections 53545.12 and 53545.13.

**B. Program Summary**

IIG Program Funds being offered through this NOFA are available as grant funds for the gap funding of infrastructure improvements necessary to facilitate new infill housing development for specific residential or mixed use infill development projects and areas.

Available funds are subject to the IIG Program Guidelines issued by the Department and dated February 28, 2008 ("Guidelines"). These Guidelines include detailed information on eligibility requirements and application selection criteria, and may be accessed at <http://www.hcd.ca.gov/fa/iig>.

**C. Grant Amounts**

A **Qualifying Infill Project** is a residential or mixed-use residential development project that meets all of the criteria as set forth in Sections 303 and 307 of the Guidelines.

Except as set forth below, the minimum Program grant for a **Qualifying Infill Project** is \$500,000 in urban areas and \$250,000 in rural areas; and the maximum Program grant for a Qualifying Infill Project is \$20 million for this NOFA with a maximum of \$50 million over the life of the Program.

The minimum Program grant for a **Qualifying Infill Project** application consisting of a **multi-phased development with 200 or more residential units** that elects to be rated

pursuant to the criteria set forth in Section 309 of the Guidelines (“**Large Multi-Phased Qualifying Infill Project**”) is \$2 million in urban areas and \$1 million in rural areas. The maximum Program grant for a Large Multi-Phased Qualifying Infill Project is \$30 million for this NOFA with a maximum of \$50 million over the life of the Program. Applications making this election cannot apply for funds allocated to Qualifying Infill Projects.

A **Qualifying Infill Area** is an area that meets all the criteria as set forth in Sections 303 and 307 of the Program’s published Guidelines. The minimum Program grant for a **Qualifying Infill Area** is \$2 million in urban areas and \$1 million in rural areas. The maximum Program grant for a Qualifying Infill Area is \$30 million for this NOFA with a maximum of \$50 million over the life of the Program.

The total maximum grant amount shall be limited based on the number of units in the Qualifying Infill Project or Qualifying Infill Area, the bedroom count of these units, and the density and affordability of the housing to be developed. The following tables outline the values used in calculating the maximum grant amount allowed in this NOFA. The maximum grant limit equals the basic grant limit multiplied by the net density adjustment factor. The total actual grant amount shall be based upon the lesser of the amount necessary to fund the Capital Improvement Project or the maximum amount calculated from the tables.

**Basic Grant Limits**

	<b>Unit Size</b>				
<b>Income Level &amp; Tenure</b>	<b>0-Bedroom</b>	<b>1-Bedroom</b>	<b>2-Bedroom</b>	<b>3-Bedroom</b>	<b>4-Bedroom</b>
<b>Unrestricted</b>	<b>\$20,000</b>	<b>\$23,000</b>	<b>\$27,000</b>	<b>\$33,000</b>	<b>\$36,000</b>
<b>Moderate Owner</b>	<b>\$23,000</b>	<b>\$26,000</b>	<b>\$31,000</b>	<b>\$37,000</b>	<b>\$40,000</b>
<b>Low Owner</b>	<b>\$26,000</b>	<b>\$29,000</b>	<b>\$35,000</b>	<b>\$41,000</b>	<b>\$45,000</b>
<b>60% AMI Rental</b>	<b>\$26,000</b>	<b>\$29,000</b>	<b>\$35,000</b>	<b>\$41,000</b>	<b>\$45,000</b>
<b>50% AMI Rental</b>	<b>\$30,000</b>	<b>\$34,000</b>	<b>\$39,000</b>	<b>\$47,000</b>	<b>\$50,000</b>
<b>30% AMI Rental</b>	<b>\$35,000</b>	<b>\$37,000</b>	<b>\$42,000</b>	<b>\$54,000</b>	<b>\$57,000</b>

## Net Density Adjustments to Basic Grant Limits

Net Density (housing units per acre)	Adjustment Factor
Less than 30	1
30 – 34.9	1.04
35 – 39.9	1.08
40 – 44.9	1.12
45 – 49.9	1.16
50 – 54.9	1.2
55 – 59.9	1.24
60 – 64.9	1.28
65 – 69.9	1.32
70 – 74.9	1.36
75 – 79.9	1.4
80 – 89.9	1.44
90 – 99.9	1.48
100 and above	1.52

Under this NOFA, approximately \$50 million will be awarded to **Qualifying Infill Projects** that do not qualify as Large Multi-Phased Qualifying Infill Projects. Approximately \$190 million will be awarded to **Qualifying Infill Areas** and **Large Multi-Phased Qualifying Infill Projects**.

The Department reserves the right to adjust the allocations to Qualifying Infill Areas / Large Multi-Phased Qualifying Infill Projects and to other Qualifying Infill Projects based upon demand and the degree to which applications of either type meet Program objectives as evidenced by point scores and other factors including the need to meet geographic distribution goals. If the Department receives insufficient eligible applications for either the Qualifying Infill Area / Large Multi-Phased Qualifying Infill Projects or other Qualifying Infill Project allocations, the Department may redistribute this initial allocation to fund other eligible infill areas or projects.

### **D. Application Scoring**

The highest scoring applications that meet all threshold requirements shall be selected for funding under each allocation in this NOFA except that the Department may make adjustments in this procedure to meet approximately the following geographic distribution objectives:

- (a) Target 45% of total funds to projects located in Southern California (Kern, San Bernardino, San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, Riverside, San Diego or Imperial counties);
- (b) Target 10% of total funds to projects located in the Central Valley (Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare counties); and
- (c) Target 45% of total funds to projects located in Northern California (those counties not specified in paragraphs (a) and (b) above).

**Qualifying Infill Project** applications shall be evaluated based on the criteria set forth in Sections 303, 307 and 308 of the published Guidelines.

**Large Multi-Phased Qualifying Infill Project** applications shall be ranked for funding with the Qualifying Infill Area applications for funds allocated in this NOFA for Qualifying Infill Areas. Applications making this election cannot apply for funds allocated to Qualifying Infill Projects.

**Qualifying Infill Area** applications shall be evaluated based on the criteria set forth in Sections 303, 307 and 309 of the published Guidelines.

## **APPLICATION PROCEDURES AND DEADLINE**

### **A. Application Packaging and Submittal**

Eligible applicants for a **Qualifying Infill Project** (including **Large Multi-Phased Qualifying Infill Projects**) are limited to the nonprofit or for-profit developer of the Qualifying Infill Project, either by itself or as a joint applicant with the city, county, city and county, public housing authority or redevelopment agency that has jurisdiction over the area in which the qualifying Infill Project is located.

Eligible applicants for a **Qualifying Infill Area** are limited to the city, county, city and county, public housing authority, or redevelopment agency that has jurisdiction over the Qualifying Infill Area, or one of these entities together with a Business Improvement District ("BID") as joint applicants, provided that the BID includes, or is contained within, the Qualifying Infill Area.

A complete original application, plus one copy, must be received by the Department no later than **5:00 p.m. on Friday, April 4, 2008**. No facsimiles, late applications, incomplete applications, or application revisions will be accepted. Applications must meet all eligibility requirements upon submission. Applications having material internal inconsistencies will not be rated and ranked. HCD expects to issue awards to successful applicants in June, 2008.

The IIG Program will utilize a Grant Application with attachments. **The application forms will be available on the Department's website.** Modification of the application forms by the applicant is prohibited. The Department will fund only one application for each Capital Improvement Project or portion thereof. In this NOFA, the Department will fund only one application for each Qualifying Infill Project and Qualifying Infill Area.

It is the applicant's responsibility to ensure that the application is clear, complete and accurate. After the application deadline, IIG staff may request clarifying information provided that such information does not affect the competitive rating of the application. No information will be solicited or accepted if this information would result in a competitive advantage to an applicant. No applicant may appeal HCD's evaluation of another applicant's application.

**B. Application Workshop**

To assist applicants in preparing their application, the Department will conduct Application Workshops. Detailed information regarding the workshop dates and locations as well as an R.S.V.P. form will be available on the Department's website.

**C. State Prevailing Wages**

Program funds will be considered to be public funds pursuant to State Prevailing Wage Law: Chapter 1 of Part 7 of Division 2 of the Labor Code, commencing with Section 1720, unless exempt by the terms of that statute. See Labor Code Section 1720, subdivisions (c) and (d). The nature and extent of prevailing wage obligations will depend on the financial structure of each project receiving or supported by Program assistance. Applicants are urged to seek professional advice as to how this law may affect their application.

**D. Other Information**

The IIG Program's application forms, workshop details, and related program information, will be posted on its website at: <http://www.hcd.ca.gov/fa/iig>.

Questions may be directed to the IIG Program staff at (916) 324-1555 or e-mailed to [infill@hcd.ca.gov](mailto:infill@hcd.ca.gov).