

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

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January 29, 2016

**MEMORANDUM FOR: ALL POTENTIAL APPLICANTS**

**FROM:** Laura A. Whittall-Scherfee, Deputy Director  
Division of Financial Assistance

**SUBJECT: NOTICE OF FUNDING AVAILABILITY –  
APPROXIMATELY \$320 MILLION  
AFFORDABLE HOUSING AND SUSTAINABLE  
COMMUNITIES (AHSC) PROGRAM**

The Department of Housing and Community Development (HCD) is pleased to announce the availability of approximately \$320 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC Program furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006) and [SB 375](#) (Chapter 728, Statutes of 2008) by investing in projects that reduce GHG emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

A complete original concept proposal must be submitted to HCD using the Financial Assistance Application Submittal Tool (FAAST) system no later than **5:00 p.m. on Wednesday, March 16, 2016**. Invited applicants must submit a complete original full application using the FAAST system no later than **5:00 p.m. on Monday, June 20, 2016**. A hard copy of the Excel workbook must be postmarked by June 20, 2016 and submitted to HCD.

No late applications, incomplete applications, application revisions will be accepted. Hard copy Excel workbooks must be sent to HCD and postmarked no later than June 20, 2016. Facsimiles, electronic transmissions, or walk-in hard copies will NOT be accepted.

The AHSC Program's full application forms, workshop details, and related program information, will be posted on its website at <http://www.hcd.ca.gov/fa/ahsc>. Questions may be directed to the AHSC Program at (916) 263-2771 or emailed to [ahsc@hcd.ca.gov](mailto:ahsc@hcd.ca.gov).

Attachment

# **AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM**

## **FY 2015-16 FUNDING ROUND Notice of Funding Availability**



*California*  
**Strategic Growth Council**



**State of California  
Governor Edmund G. Brown Jr.**

**Susan Riggs, Acting Director  
Department of Housing and Community Development**

### **Division of Financial Assistance**

Laura A. Whittall-Scherfee, Deputy Director  
Eugene Lee, Chief, NOFA and Awards Operation Section

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**AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM  
NOTICE OF FUNDING AVAILABILITY  
FY 2015-16**

**PROGRAM DESCRIPTION**

**A. Introduction**

The Strategic Growth Council (SGC or Council) and the Department of Housing and Community Development (HCD) are announcing the availability of approximately \$320 million in funding for the Affordable Housing and Sustainable Communities (AHSC) Program. The AHSC Program furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006) and [SB 375](#) (Chapter 728, Statutes of 2008) by investing in projects that reduce GHG emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

The AHSC Program is administered by SGC. HCD will implement the transportation, housing and infrastructure component of the AHSC Program. SGC will coordinate efforts with HCD, working with the California Air Resources Board (ARB), to administer the broader AHSC Program, which includes the Sustainable Agricultural Land Conservation (SALC) Program.

**B. Program Summary**

The AHSC Program will assist Project Areas, as defined, by providing loans or grants, or any combination thereof, to projects that will achieve GHG emissions reductions and benefit Disadvantaged Communities through increasing accessibility of affordable housing, employment centers and key destinations via low-carbon transportation resulting in fewer vehicle miles traveled (VMT) through shortened or reduced trip length or mode shift from Single Occupancy Vehicle (SOV) use to transit, bicycling or walking. Three Project Area types have been identified to implement this strategy:

- Transit Oriented Development (TOD) Project Areas,
- Integrated Connectivity Project (ICP) Project Areas, or
- Rural Innovation Project Areas (RIPA).

Available funds are subject to the AHSC Program Guidelines (Guidelines) issued by SGC and dated December 17, 2015. These Guidelines include detailed information on eligibility requirements and application selection criteria, and may be accessed at <http://www.hcd.ca.gov/fa/ahsc>.

### **C. Eligibility**

Eligible applicant entities shall include any of the following:

1. A Locality, public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency (RTPA), local Transportation Commissions, Congestion Management Agencies, Joint Powers Authority (JPA), school district, facilities district, University or Community College District
2. A Developer or Program Operator

Where a Public Agency has a financial or real property interest in the proposed Project, the application will be required to either include the Public Agency as a joint applicant or otherwise include a commitment to enter into a contractual agreement to develop the Project, if it is awarded.

Applicants are urged to carefully review the Application Threshold Requirements in Section 106 of the Program Guidelines and the list of eligible and ineligible costs in Section 102.

### **D. Loan and Grant Amounts**

The assistance terms and limits are set forth in Section 104 of the Guidelines. They include, but are not limited to, the following requirements:

1. The maximum AHSC Program loan or grant award, or combination thereof, for a TOD, ICP or RIPA Project Area is \$20 million with a minimum award of at least \$1 million for TOD Project Areas and at least \$500,000 for ICP and RIPA Project Areas.
2. A single Developer may receive no more than \$40 million per NOFA funding cycle.

Per the Guidelines Section 104(c), the limitation set forth in (2) above may be waived by HCD if necessary to meet statutorily required Affordable Housing and Disadvantaged Community set-asides as detailed in Section 105(d)(3)(A) and (B).

#### **AHSC Loan Summary**

Loans for rental Affordable Housing Developments, or the rental portions of an Affordable Housing Development, are subject to the following terms:

1. AHSC Program funds will be provided as a loan for permanent financing by HCD to the owner of the Affordable Housing Development, with the same terms as HCD's Multifamily Housing Program (MHP) financing as set forth in 25 CCR 7308.

2. The base loan amount shall be calculated pursuant to 25 CCR 7307 based on the number of Restricted Units in the Affordable Housing Development, affordability, unit sizes, and location according to the 2015 MHP HERA and non-HERA loan limits posted on HCD's website at <http://www.hcd.ca.gov/housing-policy-development/housing-resource-center/reports/state/incnote.html>.
3. For Affordable Housing Developments receiving 4% low-income housing tax credits, \$60,000 per Restricted Unit may be added to the base amount for loan limit calculation purposes.

### AHSC Grant Summary

1. The total Housing-Related Infrastructure Capital Project grant amount is \$35,000 per residential unit in the proposed Affordable Housing Development, and \$50,000 per Restricted Unit as defined in the Guidelines.
2. The total Sustainable Transportation Infrastructure or Transportation-Related Amenities Capital Project grant amount is based on the award limits set forth in Section 104(a) and (b).
3. The total grant amount for Program Costs within a Project Area shall not exceed 30 percent of the funding request for the overall Project up to \$500,000.
4. The total grant amount for homeownership Affordable Housing Developments shall be calculated pursuant to the provisions of the BEGIN Guidelines dated April 21, 2009 located at [http://www.hcd.ca.gov/fa/begin/2009\\_BEGIN\\_Guidelines.pdf](http://www.hcd.ca.gov/fa/begin/2009_BEGIN_Guidelines.pdf).

### **E. Application Scoring**

Applications shall be evaluated based on the criteria set forth in Sections 102 through 107 of the AHSC Program Guidelines.

Applicants invited to submit a full application must complete an AHSC Self-Scoring Worksheet and provide documentation acceptable to HCD that adequately supports the self-score provided. **Full applications that do not include a Self-Scoring Worksheet will not be considered for funding.** Self-Scoring Worksheets must be included within the application at the time of submittal to HCD. No additional information may be added to a full application after submittal.

The highest scoring applications that meet all threshold requirements shall be recommended to the Council for funding. Applications will be funded in descending order. The Council may make adjustments in this procedure to meet the following distribution objectives specified in Section 105(d)(3):

1. At least 50 percent of AHSC Program expenditure for Projects benefitting Disadvantaged Communities (Refer to Appendix E of the Program Guidelines for additional information).
2. At least 50 percent of the annual proceeds appropriated for the AHSC Program shall be expended for affordable housing. For the purposes of this set-aside, expenditures related to Affordable Housing Development and Housing-Related Infrastructure Capital Projects shall count toward this requirement.
3. Target 35 percent of funds available as designated in the NOFA to TOD Project Area applications.
4. Target 35 percent of funds available as designated in the NOFA to ICP Project Area applications.
5. Target 10 percent of funds available as designated in the NOFA to RIPA applications.
6. The remaining 20 percent of available funds may be awarded to any eligible project area type.
7. To the extent applications received are not sufficient to meet TOD, ICP or RIPA Project Area targets detailed in (3),(4) and (5) above, the Council reserves the right to waive these requirements and recommend funding a greater percentage of applications in any of the identified Project Area types.

#### Tie Breaker Criteria

In the event two or more applications have the same rating and ranking scores, the following bonus points will be awarded pursuant to Section 105 (d)(8) in this order of priority until there is no longer a tie:

1. Five bonus points will be awarded to the application located within or benefiting a Disadvantaged Community with the highest percentage range as represented in CalEnviroScreen 2.0.
2. Three bonus points will be awarded to the application with the highest dollar amount of funds leveraged from other Greenhouse Gas Reduction Fund programs.
3. One bonus point will be award to the application with the greatest total funds leveraged.

## **APPLICATION PROCEDURES AND DEADLINE**

### **A. Application Process**

#### 1. Concept Proposals

All applicants must submit a concept proposal through the FFAST online submittal tool by **no later than 5:00 p.m. on Wednesday, March 16, 2016** for review and evaluation by HCD which contains the required contents as stated in Figure 5 of Section 105(c) of the Guidelines. HCD will notify and invite applicants by no later than the week of April 25, 2016 to submit a full application based on the ranking of concept proposals, the cumulative amount of requested funds from all applicants, and its consideration in satisfying the statutorily required Affordable Housing and Disadvantaged Community set-asides and TOD/ICP/RIPA set-asides stated in Section 105(d)(3)(A) through (C) of the Guidelines.

#### 2. Full Applications

Applicants who have submitted a concept proposal and have been invited to submit a full application must submit a full and complete application by **no later than 5:00 PM on Monday, June 20, 2016**. HCD will evaluate competitive applications for compliance with all requirements in Sections 105 and 106 of the Guidelines, and will score eligible applications based on the criteria in Section 107. HCD will contact applicants recommended for funding.

The full application will be released mid-March and will be available on HCD's website.

The anticipated date of announcement of Program award recommendations will be in September 2016.

The ultimate awarding of Program funds is subject to the approval of the Council. The decision of the Council is final.

### **B. Application Packaging and Submittal**

#### 1. Concept Proposals

a. Applicants must complete and submit the proposal using the FFAST online application submittal tool according to the following instructions:

- Access the FFAST online application submittal tool at <http://faast.waterboards.ca.gov/>
- You will be prompted to develop a login name and password to use the FFAST system.

- Review Concept Proposal Application FAAST System instructions to submit all required attachments and documentation.
- **Concept Proposals must be submitted via the FAAST system by no later than 5:00 p.m. on Wednesday, March 16, 2016.**

#### FAAST System Tips

- Sign up for and explore the FAAST tool before beginning work on your application.
- Once you create a log-in, the system will assign a PIN number to the application. Please be sure to write down your PIN number for easy reference.
- Prepare answers in an unformatted text document for editing. Once answers are complete and proofed, cut and paste information into the online application and ensure that your content is displaying correctly and responses are not cut off.
- Use only basic formatting. Extra symbols or layout designs can interfere with completion of the online application.
- Be sure to save your work often. The FAAST tool starts a 90-minute timer each time a user logs into their account. The timer resets to 90 minutes each time a user saves their work to the system. When working in FAAST, you can save work-in-progress at any point, and you can then return to your application at another time.

## 2. Full Applications

- a. Access to Full Application will only be available upon invitation from HCD.
- b. Invited applicants must complete and submit the Full Application using the FAAST system according to the following instructions:
  - Access the FAAST online application submittal tool at <http://faast.waterboards.ca.gov/>
  - Enter your existing PIN #, login name, and password to use the FAAST system.
  - Review Full Application instructions to submit all required attachments and documentation.
- c. Full application Submittal:
  - Full Applications and attachments, including the Full Application Workbooks (Excel), must be submitted **via the FAAST system by no later than 5:00 PM on Monday, June 20, 2016.**
  - All applicants are also required to submit a **hard copy of the Full Application Workbooks (Excel) with wet signatures postmarked no later than Monday, June 20, 2016.** Hard copy of the Full Application Workbooks (Excel) must be submitted through a mail carrier service such as U.S. Postal Service, UPS, Fed Ex or other carrier services that provide date stamp postmark verification to HCD's offices at:



Affordable Housing and Sustainable Communities Program  
Department of Housing and Community Development  
Division of Financial Assistance  
2020 W. El Camino Avenue, Suite 300  
Sacramento, CA 95833

No late applications, incomplete applications, application revisions will be accepted. Hard copy Excel workbooks must be postmarked no later than June 20, 2016. No facsimiles, electronic transmissions, or walk-in hard copies will be accepted.

- d. Applications must meet all eligibility requirements upon submission. Applications having material internal inconsistencies will not be rated and ranked. Modification of the application forms by the applicant is prohibited.
- e. It is the applicant's responsibility to ensure that the application is clear, complete and accurate. After the application deadline, HCD staff may request clarifying information or inquire as to where in the application specific information is located provided that such information does not affect the competitive rating of the application. No information, whether written or oral, will be solicited or accepted if this information would result in a competitive advantage to an applicant or a competitive disadvantage to other applicants. No applicant may appeal the evaluation of another applicant's application.
- f. Applicants that are also Metropolitan Planning Organizations (MPOs), or affiliated with an MPO, must provide documentation satisfactory to HCD, specifically detailing the MPO evaluation process of the AHSC applications and how that process results in an unbiased evaluation of all AHSC applications. Additionally, the authorizing resolution to be submitted with the Applicant's AHSC application shall clearly indicate the capacity in which the MPO is acting and confirm that the Applicant is an eligible applicant under the AHSC Program Guidelines.

### **C. Application Workshops**

To assist applicants in preparation of concept proposals, SGC and HCD will conduct Application Workshops. Detailed information regarding workshop dates and locations as well as an RSVP form will be available on SGC's website at <http://www.sgc.ca.gov>. SGC and HCD may provide full application technical assistance upon request.

### **D. State Prevailing Wages**

AHSC Program funds awarded under this NOFA are subject to State prevailing wage law, as set forth in Labor Code Section 1720 et seq. SB 854 (Chapter 28, Statutes of 2014) made several changes to the laws governing how the Department of Industrial Relations (DIR) monitors compliance with prevailing wage requirements on public works projects. No contractor or subcontractor may bid or work on a public works project unless registered with DIR.

State prevailing wage law applies to the Capital Project (for both grants and loans) funded by the AHSC Program. The Capital Project is a component of the overall project, as defined in the Guidelines. However, State prevailing wage law may not necessarily apply to the overall project. The nature and extent of prevailing wage requirements will depend on the financial structure of each project receiving or supported by AHSC Program assistance. **Applicants are urged to seek professional advice as to how State prevailing wage law may affect their application.**

#### **E. Disclosure of Application**

Information provided in the application will become a public record available for review by the public pursuant to the Public Records Act. As such, any materials provided will be disclosable to any person making a public records request. HCD cautions applicants to use discretion in providing information that is not specifically requested, including but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the disclosure of all submitted material upon request.

#### **F. Other Information**

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

Questions may be directed to the AHSC Program at (916) 263-2771 or [ahsc@hcd.ca.gov](mailto:ahsc@hcd.ca.gov).