

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

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Date: January 28, 2008

To: Interested Parties

From: Chris Westlake, Deputy Director

RE: Proposition 1C Infill Infrastructure Grant Program
 Draft Guidelines and Comment Opportunities (**Comments Due February 1, 2008**)

Second draft guidelines for the Infill Infrastructure Grant Program are now available on the Department of Housing and Community Development's website, at <http://www.hcd.ca.gov/fa/iig/>. To enable us to meet the legislatively established deadline for allocating funds, please submit this comments by this Friday, February 1, following the comment procedures described below.

There are two issues not fully addressed in the draft guidelines on which we seek your input. The first issue is how much of the available funds to allocate to "Qualified Infill Projects" and how much to "Qualified Infill Areas," both as defined in the draft guidelines. Our initial proposal was to target \$180 million to "Projects" and \$60 million to "Areas." Since the second draft guidelines expand the definition of "Areas" to include large, multiphase developments, we are now proposing to increase the target for "Areas" to \$100 million, leaving \$140 million for "Projects." Furthermore, to ensure that "Areas" with multiple owners are not eliminated from the competition, we are proposing to target at least \$30 million of the \$100 million to "Areas" with multiple owners. To state this in another fashion:

Target for Projects:	\$140 million
Target for Areas:	\$100 million (includes at least \$30 million for areas with multiple owners)

The second issue relates to calculating maximum per-unit grant amounts, in accordance with Section 305(a) of the draft guidelines. Our revised proposal for calculating these is at the end of this memo.

Instructions for Submitting Comments

To facilitate our compilation of comments, please provide them on the "Draft Guidelines Comment Form" posted at <http://www.hcd.ca.gov/fa/iig/>, and e-mail them to infill@hcd.ca.gov, with a subject line of "2nd Draft Infill Guidelines Comments." (Feel free to send copies in another manner, but please do not skip the e-mail.)

Draft Per-Unit Grant Limits (See Section 305(a) of the Guidelines)

The proposed limits vary by income restriction level, unit size and density. The first table below shows the limits for developments with a density of less than 30 housing units per acre. For higher density developments, multiply these figures by the density adjustment factors in the second table.

Changes from 1st draft: greater boost for affordability, 60% AMI level added.

Basic Grant Limits

Income Level & Tenure	0-Bdrm		1-Bdrm		2-Bdrm		3-Bdrm		4-Bdrm	
	12/26 Proposal	Current Proposal								
Unrestricted	\$20,000	\$20,000	\$23,000	\$23,000	\$27,000	\$27,000	\$33,000	\$33,000	\$36,000	\$36,000
Moderate Owner	\$22,000	\$23,000	\$25,000	\$26,000	\$30,000	\$31,000	\$36,000	\$37,000	\$39,000	\$40,000
Low Owner	\$24,000	\$26,000	\$27,000	\$29,000	\$33,000	\$35,000	\$39,000	\$41,000	\$43,000	\$45,000
60% AMI Rental		\$26,000		\$29,000		\$35,000		\$41,000		\$45,000
50% AMI Rental	\$26,000	\$30,000	\$30,000	\$34,000	\$35,000	\$39,000	\$43,000	\$47,000	\$46,000	\$50,000
30% AMI Rental	\$28,000	\$35,000	\$32,000	\$37,000	\$38,000	\$42,000	\$46,000	\$54,000	\$50,000	\$57,000

Density Adjustments to Basic Grant Limits

Clarifying change: based on Net Density, as defined in Guidelines.

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 and Above	1.44