Excess Sites
Local Government Matching Grants Program

Listening Session

January 5, 2022
**Agenda**

- Session Purpose
- Introductions
- HCD’s Goals for the Local Government Matching Grants NOFA
- Program Overview
- Threshold Requirements
- Considered Scoring Criteria
- Feedback Questions
- Open Q&A and Discussion
Session Purpose

• Meet with developers who were selected as part of an Executive Order N-06-19 RFQ or RFP, as well as the applicable local jurisdiction(s), to advance excess sites projects already underway.

• Describe preliminary details on the LGMG program and receive initial feedback.

• Partner on a shared vision of success for this program, with the intention of building support for future State appropriations.
# Introductions

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Email: ExcessSitesMatch@hcd.ca.gov
HCD Goals for this NOFA

• Accelerate housing production on awarded Excess Sites.
• Incentivize participation by local governments in project development, community engagement and lease up.
• Foster creative approaches among local governments to financial support – loans, grants, fee waivers, etc.
• Exhaust all available funds in a timely and streamlined fashion.
• Demonstrate success with this round and build support for a possible future appropriation.
Program Overview
Statutory Requirements
Assembly Bill (AB) 140 of the 2020-21 Budget Act authorizes HCD to accelerate excess sites development by matching financial contributions from local governments with grants for predevelopment and development expenses.

- Up to $10,000,000 per project.
- Approximately $30,000,000 in total funding.
- Grant funding (not loans).
Program Overview
Timeline

• **NOFA/Final Guidelines**: Late February / Early March 2022

• **Application Due**: Mid-Late April 2022

• **Awards**: May-June 2022

• **Funds must be expended no later than June 30, 2024**.

• **Funds may be used for predevelopment or development costs, but HCD will only reimburse expenses at close**.
Program Overview

Key Terms and Definitions

• **Local Government**
  - Any City, County, City and County, or Public Housing Authority.

• **Eligible Applicants**
  - Eligible Applicants are limited to Selected Developers and Local Governments.
  - Selected Developers, who are Eligible Applicants, **shall** submit a joint application with the Local Government.
Threshold Requirements

- Projects which are already fully funded are not eligible.
- Applicants must have secured a commitment of Local Government contribution(s).
- Funds must be expended by June 30, 2024.
  
  **Note:** Funds are not available as a permanent source.

  **Note:** LGMG is strictly a capital grant, not operating subsidy or permanent financing.
- Applicants must have a certified Housing Element in substantial compliance with Housing Element Law.*
Considered Scoring Criteria

- Site Readiness
- Local Government Contribution as % of TDC
- Operating/Rental Subsidy Consideration
- But/For Test (Boost?)
- Prohousing Boost
- Tie Breaker
Discussion Questions
Discussion Item 1

Which local government contributions should LGMG recognize?

- Local Funding – loans or grants (“gap funding”), where the source of such funding is local (city or county) appropriations.
- HCD-Sourced Local Funding – same as above, except HCD is the ultimate funding source. Examples: NPLH, HHAP, PLHA.
- Fee Waivers – steps the local government can take to reduce total development costs.
- Operating / Rental Subsidy
Discussion Item 2

Where could LGMG funding best be deployed to make up for other funding gaps and/or solve problems? For example:

• A project is reliant on funds from one specific program and that program is over-subscribed.

• A project has a unique requirement, such as replacement parking or environmental mitigation / remediation.
Discussion Item 3

Based on your experience with other HCD programs and coinciding applications, how can we streamline LGMG application?

• Leverage project and applicant information provided during RFQ/RFP site award process.
• Collect some due diligence post-award, if practical and necessary.
Discussion Item 4

We recognize potential challenges in obtaining City Council and/or Board of Supervisors approval prior to the application deadline. We suggest obtaining an authorization / commitment to apply to LGMG. An enforceable funding commitment commensurate with the value of the local contribution will be required prior to LGMG award.
Open Q&A and Discussion
Program Contact

Dedicated Email Inbox:
ExcessSitesMatch@hcd.ca.gov

Program Website:
Forthcoming