

TRANSIT-ORIENTED DEVELOPMENT (TOD) HOUSING PROGRAM
Round 4 Notice of Funding Availability (NOFA)
Questions & Answers Document 3.0

The California Department of Housing and Community Development (HCD) has posted draft NOFA and Applications for the Transit-Oriented Development Housing Program (TOD). HCD have prepared NOFA and Applications in accordance with TOD Guidelines, Proposition 1 of the Veterans and Affordable Housing Bond Act of 2018, and Section 53560 of Division 31 of the Health and Safety Code. This document represents questions received in the TOD email inbox through July 22, 2020.

Item	Guidelines Section	Question	Department Responses
100 Purpose and Scope			
No data			
101 Program Overview			
No data			
102 Definitions			
1	102(s)	Infill Site – Can include property with roads on 2 sides, correct? In other words, roads would count as an Urban use?	Yes, that property may qualify as an Infill Site, if it fulfills the other requirements to be considered “infill.”
103 Eligible Projects			
2	103(a)	Are Senior (62+) developments now eligible for TOD funding?	Yes, senior housing is eligible, as long as it meets the distance requirements to transit.
3	103(a)(2)	Do we have to identify only one station as the Qualifying Transit Station for this application? And would a Transit Station with one location and multiple services qualify? Does the station have to have 15 minute headway to qualify?	A single transit station should be identified as the “Qualifying Transit Station.” Multiple transit modes at a single stop are eligible. The “Destination Transit Station” is the station that ideally is located in a jobs-dense location, as measured by the OnTheMap Census tool. Headway is not a threshold requirement but is a scoring criterion.

Item	Guidelines Section	Question	Department Responses
4	103(a)(2)(B)	Can the walkable route include a commercial property such as a shopping center parking lot?	The Program requires a specific path ordained for pedestrians. In this case a parking lot will not count as a “walkable route.”
5	103(a)(2)	Guidelines states that up to 10 points will be awarded to projects that provide key destinations w/in ½ mile of Housing Development. Please confirm that measurement is “as the crow flies” instead of walkable route?	It is a direct-line measurement, or “as the crow flies.”
6	103(c)	Could the IP grant be used for pre-development sitework for a housing development or relocating utilities under a housing development? Or must the IP be related to facilitating connections between the housing development and the qualifying transit station?	TOD grant funds may be used for on- and off-site infrastructure improvements required by the local jurisdiction. They do not strictly have to be used for transit connectivity improvements, per Guidelines Section 103(c) and 103(c)(1).
104 Eligible Applicants			
7	104(a)	Can a Nonprofit Sponsor apply for the Infrastructure Grant funds and not have the Locality as a co-applicant and grant recipient?	The current round Guidelines require all infrastructure grant funding be applied for by a local agency (city, county, or transit agency). This requirement was carried over from previous rounds of TOD.
8	104(a)	For the TOD application, can HCD please confirm that an applicant/sponsor is not <u>required</u> to have the LP borrower or the LLC managing general partner entities formed prior to submitting the application?	<p>For this round of TOD, the LP and LLC are not required to have been formed at the time of application – however if they are formed, the Program does require complete org docs with the application.</p> <p>For all applications, the Program is only requiring complete draft resolutions, and no signatures are required for the resolutions or certifications. Electronic signatures for those documents shall be submitted to the Department no later than August 30, 2020.</p>

Item	Guidelines Section	Question	Department Responses
9	104(a)	Can a Developer apply for a Housing Development loan and an Infrastructure Project grant and use the IP funds for infrastructure work that the developer needs to undertake as part of the housing development, not work that the locality itself will be completing? If it's work the Developer will be undertaking, do we still need the locality as a co-applicant?	Any and all infrastructure grants must be applied for by the Locality (city, county, or transit agency). Whether the work performed is required by the Locality for the Housing Development or is intended to improve connectivity between the housing and the transit station, it must be applied for by the Locality. This requirement was a part of the previous TOD rounds.
10	104(a)	The supplemental workbook only removes the other HCD funding from the numerator but leaves the full TDC in the denominator, which affects projects with other HCD commitments. Is this correct?	This issue was discussed by our management and it was confirmed that the intent was to encourage non-HCD funding to count as an Enforceable Funding Commitment (EFC), therefore the calculation removes all HCD funding, whether or not the funds are awarded.
11	104(a)	Will our County partner be required to enter into a Standard agreement w/ HCD? Our County partner would like to see the template before finalizing their resolution.	There is a public agency resolution boilerplate available for download and editing on the TOD webpage. It was developed to be edited to suit either a city, county, or transit agency. The highlighted, bracketed text in the document may be edited to best suit the County's resolution.
12	104(a)	We understand from the Guidelines that the public partner must be a co-applicant, and that a resolution is required of the public partner. Could you confirm that the City should be listed as "Applicant 2" on the Supplemental Application, and that all the additional organizational documents (certificate and legal disclosure, organizational chart, etc.) are also required of the public partner?	That is correct. The public agency would Applicant #2 in this case. If you had 2 applicants partnering on the housing development, then the public agency would be App #3. The Locality is not required to submit organizational formation documents or a tax-exempt status letter, but resolutions, certifications, signature block, TIN form, and org chart are required.

Item	Guidelines Section	Question	Department Responses
105 Eligible Costs			
13	105(c)	As part of an IP application, our partner would like to request funds for public art at a transit hub. Does the application need to include a written statement from each respective entity authorizing the future addition of this public art?	Public art is an eligible cost for an Infrastructure Project (IP), but may not exceed 5% of the total IP request. No additional documentation will be required for the Application.
106 Assistance Terms and Limits			
14	106	Would the maximum loan amount apply to both housing development applicants?	Yes, in this case the cap would apply to both co-Applicants of a Housing Development loan.
107 Performance Requirements			
No data			
108 Application Process			
15	108(a)	The resolution templates posted are only for the Borrower (LP) and the Sponsor. Is the LLC resolution not actually required or will an LLC template be posted?	You may edit the LP Authorization document to meet your needs for an LLC resolution. The highlighted, bracketed sections of the template should be editable for the LLC. The Sponsor template may also be edited to serve as the LLC resolution, if that works better.
16	108(a)	We are helping with a TOD Application - Infrastructure Project only. The City is the IP Applicant. Can you let us know which of these documents are needed - especially if the Resolution (from Dev Team) is needed?	<p>If the City is the sole applicant, the Program will require:</p> <ul style="list-style-type: none"> • A completed draft, unsigned resolution from the City • Land Use Verification • Legal Certification • Org chart • Signature Block • TIN form, in lieu of 204 <p>Electronically signed resolutions and application certifications must be submitted to the Department by Aug 30, 2020.</p>

Item	Guidelines Section	Question	Department Responses
17	108(a)	We are preparing to order Certificates of Good Standing which are now being processed via the Secretary of State's online portal. Will this version be sufficient?	For this round of TOD, all applications documents may be submitted electronically, including the Certificate of Good Standing.
18	108(a)	Is a letter from a local entity sufficient to score points for the walkable corridor that it's ADA complaint path, safe and accessible, corridor improvements are closing any existing gaps or there's no gap?	That criteria are self-certification in the application and will be a requirement in the Standard Agreement. An Applicant may also include this verification in the "IP Local Govt Letter" but is not required.
19	108(a)	Env & Land Use Verification – If the IP is related to the HD, we only need to submit one form, correct?	Correct.
20	108(a)	Where can I find detail regarding time limits for items like below? Phase 1 reports, Title Reports, Good standing Certificates	A Phase 1 environmental review should be dated within 6 months of application date. Title reports and a Certificate of Good Standing should be within 30 days of application date.
21	108(a)	Will we be able to reuse recent letters and backup documents that reference the AHSC application? Of course, we will obtain new resolutions and other major items.	The letters will not be required for the application – the Program tried to reduce applicant burden for this round of TOD as much as allowed to – but will be requiring them during our last review phase and likely as a condition of award.
22	108(a)	In the application there is only room for 2 applicants. However, we are considering to apply with the City and another entity. Can we apply with the City and MTS both as co-applicants? If so, how can we show it in the application?	For the additional applicant, please copy and paste the entire Overview Tab of the application into a new spreadsheet document and include the third applicant. Please make a note that there will be 3 co-applicants for this project.

Item	Guidelines Section	Question	Department Responses
109 Application Threshold Requirements			
23	109(a)	Do we need to do a market study if our application does not include an Infrastructure Project? We are only applying to fund a Housing Development.	Yes, the Program requires a market study for a housing development. While not overtly stated in the Guidelines, the Program requires sufficiently complete applications and underwriting according to the UMR and MHP regulations. The Supplemental Application includes instructions for uploading it.
24	109(a)	In our application, the property is currently owned by one LP managed by the Sponsor and will transferred to a to-be-formed LP, also managed by the Sponsor, that will be eventual owner of the site and Project. What is the best means to evidence site control?	In this case, the Program would require an option agreement between the current property owner and the eventual owner to serve as site control documentation. The agreement should be an enforceable option to lease or purchase the property in question, or a similar agreement.
25	109(a)	Can you please advise how we should measure the streets? Do we provide the total area of the frontage streets or just what we are altering or half of the frontage streets?	For the street calculation, if any streets encroach on the development parcel, then it should be counted. If it is in the public right-of-way, then it should not be counted.
26	109(a)	Our TOD project is in a Priority Development Area - in a planning document of regional transportation planning agency. A Priority Development Area is defined as an existing neighborhood served by public transit that has been identified as appropriate for additional compact development. Will	That would be an acceptable designation and appropriate documentation for points in the TOD scoring.
27	109(a)(11)	Our TOD project is new construction, 40 units. We're looking for a partner that meets the experience requirements. What should we look for?	For this round of TOD, the Program allowed in the application, beneath the evidence of experience, to provide information about the principal and the project experience they have, if the entity itself does not have the requisite experience.

Item	Guidelines Section	Question	Department Responses
28	109(a)(11)	HD Eligibility & Threshold sheet, Experience section, rows 47-52 – We do not need to fill this section in if we had two similar projects filled in in the table above for the Applicant? If we do fill it in, we can continue to list the Applicant as the name of entity with experience, don't need to list people if not needed, correct? .	Correct
29	109(b)	For the LP, we don't need a board resolution, but do need to include the Loan Authorization, correct?	Correct
30	109(b)(7)	If the IP is related to the HD, no site control evidence is required for the IP if the work is either on the HD property itself or in the ROW in front? HD site control documentation will be sufficient?	If there is a document that shows public site control, that may be submitted, but not required. Public right-of-way is presumed. Site control evidence for the Housing Development is required.
110 Application Selection Criteria			
31	110(a)	On a mixed-use project, are commercial sources and uses included? From the regulations, it appears they should be included. The Housing Development definition seems to include a mixed-use project, and it doesn't specify anywhere that commercial costs need to be netted out.	Yes, all commercial sources/uses should be included in the development budget tab of the application. Points for a mixed-use project will not be awarded if there are not commercial development costs included in the Dev Budget tab of the Supplemental Application.
32	110(a)	Can applicants consider and use pre-COVID public transit schedules for points towards Section 110(a)(1) on public transit ridership?	Yes, that is the case. Pre-COVID schedules are allowed for headway measurement.

Item	Guidelines Section	Question	Department Responses
33	110(a)	The bus stop to be installed will have two bus routes. Another Bus stop just across the street from the future stop (approximately 100 ft away) currently has two bus routes. Would we be able to use both stops as a “qualifying transit station” that meets the Bus hub definition?	You may use either stop that is connected to the Destination Transit Station that will award the most Qualified Employment Area points.
34	110(a)(4)(E)	Please confirm that a project is eligible for points if it plans to consolidate parcels prior to starting construction but has not done so yet.	Yes, those points would be allowable if a letter is submitted by the Locality confirming a full application has been received and is currently under review by the agency.
35	110(b)	Our AGP is an individual. Do they need to provide a Resolution, Organizational Document, Organizational Chart, or Tax-Exempt Status since it is an individual person?	For an individual, the Program will require a resolution and Payee Data Record, but none of the other documents.
36	110(b)(2)	Please confirm funds do not have to be committed in order to count for points.	The Program requires that any funding intended to be awarded points under this Section requires evidence of an Enforceable Funding Commitment.
37	110(b)(2)(E)	In row 22 of the Application Selection – Scoring tab, the amount of the EFC is reduced from the total investment. Is this correct?	The Program has recognized this issue and will adjust points accordingly during the Scoring phase of the review process. As long as that funding is identified as “committed” with verification, an application will receive the appropriate points.
38	110(e)	There is no attachment listed in the Application Selection – Scoring tab or the Upload Checklist related to this. Is this truly required? If so, please provide direction on where in the application this is requested and to be provided.	For these points the Application is a self-certification and does not require evidence. If awarded, the Standard Agreement will require evidence. Simultaneously, an Applicant may include Local Agency verification in the “IP Local Govt Letter” listed in the Upload Checklist

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39	110(e)(5)	Do bike racks at the Qualifying Transit Station count as secure bicycle storage facilities? This question refers to the first item on the list of requirements related to the transit station, I understand the bicycle facilities at the housing development must be enclosed. Please also confirm that in order to secure points, every item on this list needs to be included.	Yes, a bike rack will count as facilities for the Qualified Transit Station. The Secured Bicycle Overnight Parking at the Housing Development needs to be enclosed, and both conditions should be met to receive the points.
40	110(f)(3)	Is there a minimum number of carshare spaces required to qualify for points? Would 1 space be sufficient?	There is no minimum required to qualify for the carshare points
41	110(f)(4)	Do commercial spaces count in determining the minimum parking spaces, or can we use only the residential minimum/spaces provided to assess points? Can carshare spaces be removed from the total parking spaces in determining points in this category?	All parking spots shall be used in the calculation. If the carshare spots are a requirement of the local agency, they will be calculated, as well.
42	110(f)(5)	Can you clarify what is meant by 'capacity for Micromobility services?' Many of the Micromobility services listed do not require docking stations.	The intent of the Micromobility is to encourage either docking stations, recharging capacity, or similar infrastructure.
43	110(g)	Our attorney feels one resolution would satisfy for the Sponsor, Borrower, and MGP. Is this correct?	The Department requires one resolution from each entity that appears on the signature block.

Item	Guidelines Section	Question	Department Responses
44	110(g)	80% AMI is not a choice on the "Unit Mix and Loan Amount" tab on the supplemental application. We have indicated those units as "Market" for now, but let us know if we should indicate anywhere that those are in fact income restricted	The Department and Program view 80% units as market units for the purposes of determining loan amount.
45	110(f)	Outside of car share spaces, all parking spaces in our project would be reserved for tenants who need reasonable accommodation because of a disability or other legal requirement. For Section 110 (f) (4) how do we count those parking spots?	Based on the information provided about parking for the project, assuming no other pertinent information, you may count parking for the project as zero (0) parking.
45	110(f)	Are there any additional documentations required if we are claiming points for micro mobility and car share programs? Will we need to provide commitment letter from service providers implementing these types of program?	If a project application is seeking points for Micromobility, no actual documentation is required in the application. But the task will be included in the Standard Agreement requiring Sponsor to fulfill Micromobility development work that was awarded points in the application.
46	110(f)	Regarding the free transit passes or discounted passes for the residents in order to score 15 points, do we have to provide to all the residents or just for the residents in the TOD subsidized units?	The Guidelines state: "At least one transit pass shall be made available for each Restricted Unit for at least three years." Any unit that is income-restricted to 60% AMI or below is a Restricted Unit.

Item	Guidelines Section	Question	Department Responses
47	110(b)(2)	Is this question merely asking for leveraged funds or is an element of coordination between infrastructure and housing projects required? What is required as evidence of the other transit and connectivity projects and how should developers factor these investments into the “other funds” calculation?	For this section, the Program is seeking other financial community development investment in the neighborhood that will be transform the area that includes the Housing Development and Qualifying Transit into a Transit-Oriented community, e.g. investment in transit station improvements, bike lane or pedestrian improvements near the transit, etc. The evidence of such investment should be submitted as an EFC and identified in the Dev Sources tab of the Supplemental Application.
48	110(a)(4)	If we exclude commercial costs in the request, can the project still be considered a mixed-use development?	To be considered mixed-use, the costs of commercial construction must be included in the development budget.
49	110(a)(4)	What qualifies the project for points in this section? During the webinar the answer was exceeding state density bonus. Are projects required to exceed the 35% state density bonus for points?	The Program didn’t seek to define “high density” instead seeking to encourage localities to allow projects with higher density. Exceeding the State Density Bonus Law is one sub-category. If the project applied for and received approval for higher-density than the local land use element allowed, that is another subcategory. Section 110 of the Guidelines details this.
50	110(f)(2)	We are putting a daytime-loading-zone designated parking space in the street in front of the project to be used for pickup and drop off for the childcare (childcare is the on-site commercial use). The parking spot will be available to residents in the evening and on weekends. Can this be considered as a shared parking use?	The Program will count those uses as “shared” parking in the application.

Item	Guidelines Section	Question	Department Responses
51	110(f)(2)	We have a project where we are required to provide for shared parking on our parcel for the adjacent commercial uses and is not available for the exclusive use of the housing project. Can this parking lot be deducted from the housing's Net Density calculation per section 102(cc) of the TOD Program Guidelines?	The Program determined that the shared parking will not be deductible from the net density calculation, but that you may be able claim the 5 points available for shared parking on the project, per Guidelines Section 110(f)(2).
52	110(i)	Our site is near a number of Qualifying Employment Areas, that combined have well over 10,000 employees per the On The Map tool. Section 110(i) is titled "Accessibility to Qualified Employment Areas", which implies to us that we can use multiple QEAs. Can we include multiple QEAs?	Our intent is for the Applicant to use the single, best-scoring QEA that they have access to, and that would be my recommendation – use the highest scoring QEA within a 30 minute transit ride from the Qualifying Transit Station. We created the application to be able to accept only one QEA.
111 Legal Documents			
55	111(a)(1)	If the project has a letter documenting Article XXXIV Authority, is Article XXXIV Legal Opinion also required?	If you can document A34 authority, that by itself should suffice. A legal opinion, as is my understanding, is only necessary if you don't already have documented authority – meaning you had local voter approval of XX units you are still under that cap.
56	111(a)(1)	Is an MOU that connects two development entities and outlines the makeup and interests of the future legal entity a sufficient form of documentation for a joint venture?	The Program recommends having both entities apply as co-applicants for the housing development, rather than as a single JV entity. Each party will be a Co-Sponsor and sign the agreements, and either entity may have site control – it doesn't need to be shared. Only one party needs to have the requisite experience/capacity.

Item	Guidelines Section	Question	Department Responses
57	111(a)(1)	Can you clarify the Fair Housing Legal Opinion doc? Is this a required document for all applications, or only projects that restrict occupancy based on gender or age?	If the project is not restricting any units based on gender or sex, then the FH legal opinion is not required. If so, then it is required.
Miscellaneous			
59	N/A	Would the Department allow one unified resolution for the Sponsor, MGP, and LP?	The Program requires separate resolutions, and all other org docs, for each entity. For this round of TOD, draft resolutions are acceptable for the application, and electronic signatures due by August 30, 2020. Wet signatures will likely be a condition of award.
60	N/A	Does HCD have a separate template for the MGP resolution that isn't on the website?	The LP authorization was drafted to serve also as the LLC/MGP/AGP resolution. The highlighted, bracketed text should be able to work when edited. You may also edit the Sponsor resolution boilerplate if you prefer. Resolutions for each entity – Sponsor, LP/Borrower, and intermediary – are required by the Department.
61	N/A	Is a video of the TOD webinar available? If not, do you know if it may be posted online at a later date?	Yes, we are editing some dead airtime from the webinars and will post as soon as we are done.
62	N/A	What is the fiscal TIN form? The jurisdiction we are working with only has a W9. Is that sufficient?	The TIN form is a State of California form for public agencies. You can download it here: https://www.hcd.ca.gov/grants-funding/active-funding/ahsc/docs/GovtTINForm_000.pdf

Item	Guidelines Section	Question	Department Responses												
63	N/A	Can you inform us what was the average score of applications that were funded last year and the year prior? We are determining if its worth spending time on this grant as we wouldn't have a high score anywhere in our City.	<p>Data from previous rounds is below:</p> <table border="1" data-bbox="1050 251 1984 406"> <thead> <tr> <th></th> <th>Max Award Score</th> <th>Min Award Score</th> </tr> </thead> <tbody> <tr> <td>Round 1 (2007)</td> <td>350</td> <td>286</td> </tr> <tr> <td>Round 2 (2009)</td> <td>380</td> <td>330</td> </tr> <tr> <td>Round 3 (2013)</td> <td>393</td> <td>364</td> </tr> </tbody> </table> <p>The "Min Award Score" is the lowest score that received funding.</p>		Max Award Score	Min Award Score	Round 1 (2007)	350	286	Round 2 (2009)	380	330	Round 3 (2013)	393	364
	Max Award Score	Min Award Score													
Round 1 (2007)	350	286													
Round 2 (2009)	380	330													
Round 3 (2013)	393	364													
64	N/A	Had HCD considered adding homeownership housing developments that include affordable housing to the current NOFA or future NOFAs?	For this round of TOD, we can fund on- and off-site infrastructure in support of homeownership projects. Currently, there are no plans for future rounds of TOD.												
66	N/A	Will there be an instruction manual for how to use the "on the map" tool?	There is currently an instructional video on the TOD webpage to instruct applicants how to use the Census Bureau interactive map. For the Designated Employment Area, you may select a transit stop that is within a 30-minute transit ride from the Qualifying Transit Station.												
67	N/A	Is there any expectation of a TOD Round 5 NOFA?	Currently there is no plan or indication of additional funding for any future rounds of TOD.												
68	N/A	In the IP Eligibility and Threshold tab, for the second question of whether the IP will enhance public pedestrian access from the HD to the Qualifying Transit, if I select No then the cell becomes shaded Red indicating that I'm not meeting threshold. Is this correct?	Your Application will not be disqualified if one of those answers is "no," as long as one of those questions is answered "yes."												
69	N/A	Would a digitally signed forms be acceptable in place of the wet signature required?	The Program requires no signatures for the application due July 30, 2020. Electronically signed documents will be due to the Department by August 30, 2020.												

Item	Guidelines Section	Question	Department Responses
70	N/A	We need confirmation of the type of projects that need a city resolution. Do we send all applications and allow HCD choose which projects will be funded?	A separate resolution is requested for each application. The Program will limit the total of multiple awards to \$5 million amount, based on the highest points scores. Additionally, the Program is not requiring signed resolutions for the Application, just complete drafts. Electronically signed resolutions will be due August 30, 2020.
71	N/A	The Supplemental Application currently used the 2017 Developer Fee calculator and not the 2019 calculation. How can a Sponsor ensure it receives the full developer fee?	The Program will conduct a financial feasibility review each application that passes threshold review and will apply the 2019 Developer Fee calculation. After award and prior to Standard Agreement execution, the Sponsor will be allowed to amend their development budget accordingly.