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## City of Los Angeles



**Karen Bass, Mayor**

LOS ANGELES HOUSING DEPARTMENT  
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February 28, 2024

Council File: 15-0087-S10  
Council District(s): Citywide  
Contact Person: Ann Sewill (213) 808-8808

Honorable Karen Bass  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 N Spring Street  
Los Angeles, CA 90012  
Attention: Heleen Ramirez, Legislative Coordinator

Honorable Members of the City Council  
City of Los Angeles  
c/o City Clerk, City Hall  
200 N Spring Street  
Los Angeles, CA 90012

### **COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL OF THE CITY'S RECOMMENDED PROJECTS TO BECOME A SUBRECIPIENT IN THE STRATEGIC GROWTH COUNCIL'S ROUND 8 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM**

#### **SUMMARY**

The General Manager of the Los Angeles Housing Department (LAHD) through this transmittal seeks approval for the City to become a subrecipient of the proposed projects in the Strategic Growth Council's Round 8 Affordable Housing and Sustainable Communities (AHSC) Program, authorization for the appropriate City departments to sign all required AHSC documents required for the applications including a public agency commitment letter, and instruction for the Chief Legislative Analyst (CLA) to prepare a Resolution for the City Council and the Mayor.

#### **RECOMMENDATIONS**

- I. That the City Council, subject to the approval of the Mayor:
  - A. Approve the City to be a subrecipient for Sustainable Transit Infrastructure (STI) and Transit Related Amenities (TRA) grant funding awarded through the Affordable Housing and Sustainable Communities (AHSC) Program and authorize the General Manager of the Los Angeles Housing Department (LAHD), or designee, to sign a public agency commitment letter for each of the recommended projects included in Table 1 consistent with the template letter attached;

- B. Instruct the Chief Legislative Analyst (CLA) to execute a resolution evidencing that the City Council and Mayor authorized the City to prepare and execute the necessary documents, including the public agency commitment letter, in support of the four AHSC Round 8 project applications as a subrecipient; and
- C. Direct LAHD, in coordination with the Department of Transportation (LADOT), Department of Public Works Bureaus of Engineering (BOE), Street Lighting (BSL), Street Services (BSS), and Contract Administration (BCA), along with other City Departments as necessary, to report to the City Council on the award of AHSC STI and/or TRA grant funding after the issuance of awards in August 2024, and to return to City Council for any actions required to enter into necessary agreements with the awardees for the implementation and delivery of the STI and TRA capital project improvements in accordance with AHSC guidelines; and

## **AHSC ROUND 8**

### ***Release of NOFA and Submission Deadline***

The AHSC program is a competitive state funding program with the primary objective to reduce greenhouse gas (GHG) emissions by providing funding for affordable housing development, sustainable transportation improvements, and programs that encourage residents to walk, bike, and use public transit.

The California Strategic Growth Council released its Round 8 Notice of Funding Availability (NOFA) on January 19, 2024, for an amount of approximately \$675 million and a submission date of March 19, 2024. The NOFA is attached to this report.

### ***Project Selection Criteria***

The project selection criteria remain consistent with prior rounds. Each project must be shovel-ready and meet the minimum AHSC program threshold requirements. Competitive projects are defined as those that substantially reduce GHG emissions by increasing access to affordable housing, public transportation, employment centers, and key destinations through sustainable bicycle and pedestrian infrastructure projects. In addition, the projects will be in line with the City's priorities that include:

- Leveraging City or public resources that include admittance into the City's Affordable Housing Managed Pipeline, or developing on City, County, or Metro-owned land;
- Advance LAHD's prioritized planning efforts and policy objectives identified in the City's 2021-2029 Housing Element to produce and preserve affordable housing near transit while also affirmatively furthering fair housing; and
- Advance and promote sustainable transit infrastructure and amenities that implement prioritized LADOT and LADCP planning and policy objectives, including the City's Green New Deal, Mobility Plan 2035, Safe Routes to School, Measure M Local Return Program, Plan for a Healthy LA, LA Green Code, and Vision Zero.

### ***Project Evaluation Process and Recommended Projects***

The City of Los Angeles Call for Projects form was released on October 18, 2023, with a submission deadline of

November 1, 2023. The Call for Projects form was announced via LAHD's Developers subscription newsletter and AHSC webpage. The City received a total of 16 interested applicants and after an initial review, 6 projects were invited to attend virtual Developer Clinic sessions conducted during the first week of December to gather further insight into the projects.

Based on the information gathered at the Developer Clinic sessions, follow-up conversations, and a thorough review process, the City AHSC team determined that 4 projects were recommended for the City to support and to become a subrecipient for the Sustainable Transit Infrastructure (STI) and Transit Related Amenities (TRA) grant funding awarded through the AHSC Program. Table 1 below identifies the recommended projects.

**Table 1**

Project Name	Address	Developer	Affordable Units	Public Resource	CD
Alveare Family	1405 S Broadway, 90015	La Cienega LOMOD, Inc	104	State-surplus Land	14
The Residences at Crenshaw Crossing	3603 W Exposition Blvd, 90016	La Cienega LOMOD, Inc	225	County Land	10
District NoHo Block 7	11341 Chandler Blvd, 91601	National Community Renaissance of California	150	Metro Land	2
Century + Restorative Care Village PSH	1321 N Mission Rd, 90033	Century Affordable Development, Inc	141	County Land	14

### ***Public Agency Commitment Letters***

In order to facilitate efficiency in application for and implementation of the AHSC funding, City staff have determined that it is best for the City to be a subrecipient of the STI and TRA funds rather than participate as a co-applicant. In previous years, the City and developers have engaged in lengthy discussions regarding the Joint Application Agreements that are required for co-applications, and proceeding as a co-applicant creates additional responsibilities for the City that are not otherwise required for successful application for and implementation of AHSC funding awards for developers who apply on their own with City support. By allowing the developers to apply on their own, City staff can focus their efforts on planning for feasible infrastructure improvements that City staff are responsible for implementing. In addition, there are no disadvantages for the developer applicant when the local jurisdiction does not sign on as a co-applicant.

As supporting partner rather than co-applicant, the City must demonstrate its partnership with the developers to deliver the bicycle and pedestrian infrastructure improvements through a public agency commitment letter. Attached is a template of the public agency commitment letter that the General Manager of LAHD, or designee, will sign for each application, which includes the following language:

*Should PROJECT NAME be awarded AHSC Round 8 funds, the City will take the required City Council actions to enter into any necessary agreements with DEVELOPER for the implementation and delivery of*

*the Sustainable Transportation Infrastructure (STI) and Transit Related Amenities (TRA) capital project improvements in accordance to AHSC Guidelines.*

The City will continue to be responsible for completing the proposed infrastructure improvements for the projects that are awarded AHSC funding. This will help to ensure that the infrastructure projects are completed within the required deadlines. Additionally, LAHD, in coordination with the Department of Transportation (LADOT), Department of Public Works Bureaus of Engineering (BOE), Street Lighting (BSL), Street Services (BSS), and Contract Administration (BCA), will return to City Council for any City Council actions required to enter into necessary agreements with the successful awardees for the implementation and delivery of the STI and TRA capital project improvements after such awards are made in August 2024.

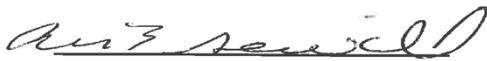
### **CONCLUSION**

We request that the City Council approve the recommendations as set forth above.

### **FISCAL IMPACT**

Approval of the recommendations in this transmittal will have no impact on the General Fund.

Approved By:



ANN SEWILL  
General Manager  
Los Angeles Housing Department

### **ATTACHMENTS:**

AHSC Round 8 NOFA  
AHSC Public Agency Commitment Letter template

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

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January 19, 2024

**MEMORANDUM FOR:** ALL POTENTIAL APPLICANTS

**FROM:** Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT:** **Affordable Housing and Sustainable Communities Program  
Notice of Funding Availability (Round 8)**

The **California Strategic Growth Council (SGC)** and the **California Department of Housing and Community Development (Department)** are pleased to announce the release of this **Notice of Funding Availability (NOFA)** with approximately \$675 million in funds for the **Affordable Housing and Sustainable Communities (AHSC) Program (AHSC Program or Program)**.

The **AHSC Program** provides loans and grants to **Localities, Developers**, public housing authorities, transit agencies, transit operators, **Program Operators, Tribal Entities**, and other entities as identified in Section 105, Eligible Applicants, of the **AHSC Program Guidelines (Program Guidelines)** adopted December 14, 2023, and as may be subsequently amended.

The **AHSC Program** furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006), [SB 375](#) (Chapter 728, Statutes of 2008), and [SB 32](#) (Chapter 249, Statutes of 2016) by investing in **Projects** that reduce greenhouse gas (GHG) emissions by implementing land-use, housing, transportation, and **Agricultural Land** preservation practices to support infill and compact development, while supporting related and coordinated public policy objectives.

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 part of California Climate Investments, a statewide initiative funded through the GGRF that puts billions of Cap-and-Trade dollars to work, reducing GHG emissions, strengthening the economy, and improving public health and the environment – particularly in **Disadvantaged Communities**.

**Application materials must be submitted electronically via the Department's AHSC Application Portal no later than 4:00 p.m. Pacific Time on March 19, 2024.**

**Affordable Housing and Sustainable Communities Program**  
**Notice of Funding Availability (Round 8)**  
**Page 2**

The **AHSC Program** application forms, detailed instructions, workshop and/or webinar details, and related **AHSC Program** information are posted on the **Department's AHSC Program** webpage at <https://www.hcd.ca.gov/grants-and-funding/programs-active/affordable-housing-and-sustainable-communities>. **Program Guidelines** and supplemental information may be found at **SGC's AHSC Program** webpage at <https://sgc.ca.gov/programs/ahsc/resources/guidelines>.

To receive information regarding workshops and other updates, please subscribe to the **Department's** email list at <http://www.hcd.ca.gov/contact-us/email-signup>.

If you have questions, please contact the **Department's AHSC Program** team at [AHSC@hcd.ca.gov](mailto:AHSC@hcd.ca.gov) or the **SGC's AHSC Program** team at [ahsc@sgc.ca.gov](mailto:ahsc@sgc.ca.gov).

Attachment

# **AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM**

## **Notice of Funding Availability Round 8**



**CALIFORNIA STRATEGIC  
GROWTH COUNCIL**



**Gavin Newsom, Governor  
State of California**

**Business, Consumer Services and Housing Agency**

**Lynn von Koch-Liebert, Executive Director  
California Strategic Growth Council**

**Gustavo Velasquez, Director  
California Department of Housing and Community Development**

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**January 19, 2024**

## Table of Contents

I. Overview	1
A. Notice of Funding Availability .....	1
B. Timeline .....	1
C. Authorizing Legislation and Regulations (Regulatory Authority).....	1
II. Program Requirements	2
A. Eligible Applicants .....	2
B. Eligible Projects .....	2
C. Eligible Costs .....	2
D. Funding Program Limits, Terms, and Amounts.....	2
E. Cost Limitations and Developer Fee .....	4
F. Funding Goals, Geographic Distribution of Funds, and Set Asides.....	5
G. Threshold Requirements .....	5
H. Scoring Criteria .....	5
I. Performance Requirements .....	6
III. Application Submission and Review Procedures	6
A. Application Submission Process .....	6
B. The Department's AHSC Application Portal Components.....	7
C. Application Review .....	7
D. Application Workshops and Pre-Application Consultation .....	8
E. Disclosure of Application .....	8
F. Concurrent Applications.....	8
G. Prior Awards .....	9
H. Significant Changes in Project After Application.....	10
IV. Appeals	10
A. Basis of Appeals.....	10
B. Appeal Process and Deadlines.....	10
C. Decision.....	11
V. Award Announcements and Contracts	11
A. Award Announcements.....	11
B. Contracts .....	11
C. AHSC Cross-Default Provision .....	12
VI. Other State Requirements	12
A. California's Preservation Notice Law.....	12
B. Relocation .....	12
VII. Other Terms and Conditions	13
A. Right to Modify or Suspend .....	13
B. Conflicts.....	13



## I. Overview

### A. Notice of Funding Availability

The **California Strategic Growth Council (SGC)** and the **California Department of Housing and Community Development (Department)** hereby announce the availability of approximately \$675 million in funding for the **Affordable Housing and Sustainable Communities (AHSC) Program (AHSC Program or Program)**.

The **AHSC Program** provides grants and loans to **Applicants** for **Projects** that achieve GHG emissions reductions and benefit communities throughout California, particularly **Disadvantaged Communities** and **Low-Income Communities** through increasing accessibility of affordable housing, employment centers, and **Key Destinations** via low-carbon transportation. These investments result in fewer vehicle miles traveled (VMT) through shortened or reduced vehicle trip length or mode shift from single occupancy vehicle use to transit, bicycling, or walking.

While the **AHSC Program** is administered by **SGC**, the **Department** implements the transportation, housing, and infrastructure components of the **Program**. The **California Air Resources Board (CARB)** provides the quantification methodology for determining the greenhouse gas (GHG) emissions reductions for the **Program**.

Funding for the **AHSC Program** is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

### B. Timeline

NOFA Release	January 19, 2024
Application Workbook Release	January 19, 2024
Application Portal Opens	January 30, 2024
Application Due Date	March 19, 2024, by 4:00 p.m.
Award Announcements	August 2024

### C. Authorizing Legislation and Regulations (Regulatory Authority)

The **AHSC Program** furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006), [SB 375](#) (Chapter 728, Statutes of 2008), and [SB 32](#) (Chapter 249,

Statutes of 2016).

Applications submitted under this **Notice of Funding Availability (NOFA)** and available funds are subject to the **Program Guidelines** adopted by **SGC** on December 14, 2023, and as published on the **SGC's AHSC Program** website at <https://sgc.ca.gov/programs/ahsc/resources/guidelines.html>. The **Program Guidelines** include detailed information on eligibility requirements, application selection criteria, established terms, conditions, and procedures for funds awarded under the **AHSC Program**. **Applicants** are encouraged to carefully review the **Program Guidelines** and information contained in this **NOFA** before submitting applications.

## II. Program Requirements

*The information provided below is a summary of the programmatic requirements detailed in the **Program Guidelines**. **Applicants** are encouraged to read the **Program Guidelines** in their entirety prior to applying. Please note that capitalized words in this **NOFA** are either defined herein or in the **Program Guidelines**.*

### A. Eligible Applicants

**Applicants** must be eligible pursuant to the **Program Guidelines** Section 105, Eligible Applicants.

### B. Eligible Projects

Eligible **Projects** must fall into one of the following three eligible **Project Area Types**:

1. **Transit Oriented Development (TOD) Project Areas**
2. **Integrated Connectivity Project (ICP) Areas**
3. **Rural Innovation Project Areas (RIPA)**

For a detailed description of the **Project Area Types**, please refer to the **Program Guidelines** Section 102, Eligible Projects.

### C. Eligible Costs

For a detailed list of all eligible costs, please refer to the **Program Guidelines** Section 103, Eligible Costs.

### D. Program Funding Limits, Terms, and Amounts

1. Per Unit Loan Limit Calculation (for rental AHDs)

The maximum **Affordable Housing Development (AHD)** loan amount shall be calculated based upon the unit's level of income restriction, the number of **Restricted Units** in the **AHD**, unit sizes, and location in addition to the base

amount for loan calculation as follows:

The initial base loan amount shall be \$250,000 per **Restricted Unit**.

The base per **Restricted Unit** loan limit is inclusive of all requested **AHD** loan and grant funds and all **Department** loan awards made prior to the application close date. Department loan awards will be deducted from the total per unit calculation in the aggregate (rather than individually on each unit). A manager's unit will be considered a **Restricted Unit** for the purpose of allocating **AHD** costs and may qualify for a loan amount up to the amount applicable to the 60 percent **Area Median Income (AMI)** level.

The amount per Restricted Unit shall be the amount required to reduce rents from 30 percent of 60 percent AMI to the actual maximum restricted rent for the unit, provided that the rent reduction will be achieved by substituting the AHSC Program funds for private amortized debt and calculated by the Department based on private market multifamily rental loan terms available at the time of issuance of this NOFA.

a. Terms of Assistance

Loans for rental **AHDs** are subject to requirements set forth in the **Program Guidelines** Section 104, Assistance Terms and Limits.

2. Per Unit Grant Limit Calculation (for homeownership AHDs)

The Per Unit Grant Amounts and Limits are described in the **Program Guidelines** Section 104(h)(5).

a. Terms of Assistance

Grants for **Housing Related Infrastructure (HRI)**, **Sustainable Transportation Infrastructure (STI)**, **Transportation Related Amenities (TRA)**, **Programs (PGM)** (or **PGM Costs**), and **AHD** (homeownership) components shall be subject to the terms and requirements set forth in the **Program Guidelines** Section 104(h).

3. Funding Limit

a. Units with Multiple Funding Sources

Use of multiple **Department** funding sources on the same **Assisted Units** is permitted, subject to the following limitations, as well as the limitations of section D 1-2 above (for the purpose of identifying funding limits, units used in the calculation of **AHSC Program** grant amounts will be considered assisted):

The **Department's** [Repeal of Stacking Prohibition of Multiple Department Funding Sources Memorandum](#) (Administrative Notice No. 21-06), dated August 20, 2021, and as may be subsequently amended, is applicable to this NOFA. In the event of a conflict between the Memorandum and either the NOFA or Program Guidelines, the

**NOFA** or **Program Guidelines** will prevail.

For purposes of calculating total **Department** funding, all **AHD** and **HRI** funding shall be considered. Additionally, prior awards made to the **Project** or any component of the **Project**, any funds awarded pursuant to this **NOFA**, and any applicable future **Department** awards subsequent to any award made pursuant to this **NOFA** shall be considered. Note that total **Department** funding, for these purposes, does not include **STI**, **TRA**, or **PGM** grants.

All **Department** funding sources listed in the memorandum are applicable to the limits above. For the **AHSC Program**, these sources include **AHD** loans and **HRI** grants, but not **STI**, **TRA** or **PGM** grants. This **Department**-wide funding policy applies not only to **AHSC Program** Round 8 awards, but to all **Department** awards.

b. Per Project Funding Amount

The maximum **AHSC Program** loan or grant award, or combination thereof, for all **Project Types** is \$50 million with a minimum award of \$10 million. The maximum **AHD/HRI** award amount is \$35 million, and the maximum **STI/TRA** award amount is \$15 million.

For **Projects** that have or will have other **Department** funding, the maximum cumulative per-**Project** award of all **Department** funding sources for housing development (**AHD/HRI**) is \$50 million.

c. Developer Funding Amount

A single **Developer** may receive no more than \$100 million in **AHD** and **HRI** funds per **AHSC NOFA** funding cycle. This limitation may be waived by **SGC**, if necessary, to meet **AHSC Program** statutory funding requirements referenced in the **Program Guidelines** Section 108, Application Process.

## **E. Cost Limitations and Developer Fee**

Developer fee limits specified in the Uniform Multifamily Regulations (UMR) Section 8312 shall apply, except that:

1. UMR Section 8312(d) shall not apply.
2. For non-tax credit new construction **Projects**, the total developer fee shall not exceed the following:
  - a. For **Projects** with 49 or fewer **Restricted Units** (excluding Units restricted at levels above 60 percent of AMI): the greater of \$40,000 per **Restricted**/manager's **Unit** or \$1,200,000.

- b. For **Projects** with between 50 and 100 **Restricted Units** (excluding Units restricted at levels above 60 percent of **AMI**): \$2,200,000.
  - c. For **Projects** with more than 100 **Restricted Units** (excluding Units restricted at levels above 60 percent of **AMI**): \$2,200,000 plus \$20,000 per **Restricted Unit** in excess of 100 up to a maximum of \$3,500,000. The developer fee in excess of \$2,200,000 must be deferred. Payment of deferred developer fee shall be in compliance with UMR Section 8314.
3. For **Projects** utilizing 4 percent tax credits, developer fee payments shall not exceed the amount that may be included in **Project** costs pursuant to Title 4 California Code of Regulations (CCR), Section 10327(c)(2)(B).
  4. **Projects** that include a **Tribal Entity** where the **Tribal Entity** is not serving as the **AHD Developer** shall have their allowable total developer fee increased according to the following:
    - a. For non-tax credit **Projects**, an increase of \$300,000 over the limits set forth in (b)(2) (a)-(c) above. Additionally, for **Projects** with more than 100 Units as defined above in (b)(2)(c), the developer fee paid from sources may increase up to \$2,640,000.
    - b. For **Projects** utilizing 4 percent tax credits, an increase consistent with Title 4 CCR, Section 10327(c)(2)(E), if eligible pursuant to that section.

## F. Funding Goals, Geographic Distribution of Funds, and Set-Asides

The **Project Area Type** funding goals, geographic goals, **Tribal Entity** goals, **Priority Population** statutory requirements and set asides, and funding targets are set forth in the **Program Guidelines** Section 108(h). Additional policies that may impact the final decision of **Project** awards are set forth in the **Program Guidelines** Section 108(i).

## G. Threshold Requirements

Unless otherwise specified, all **AHSC Program Applicants** and **Projects** are required to meet the **Program** threshold requirements established in **Program Guidelines** Sections 106, Program Threshold Requirements at the time of application to be eligible for award.

For **Projects** secured by leasehold security, leases must meet the requirements of UMR Section 8316, and both the borrower and the fee owner of the property must execute the **Department's** form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.

## H. Scoring Criteria

Applications will be scored according to the **Program Guidelines** Section 107, Scoring Criteria. **AHSC Program** funds will be allocated through a competitive process, based

on the merits of the application, as detailed in the **Program Guidelines** Section 108, Application Process.

## I. Performance Requirements

### 1. Performance Deadlines

All **AHSC Program** performance requirements must be met according to deadlines set forth in the **Program Guidelines** Section 111, Performance Requirements. In addition, the **Recipient** shall meet the following performance requirements:

- a. **AHSC Program** funds must be disbursed in accordance with deadlines specified in the Standard Agreement, and in no event later than six years of award.

### 2. Negative Points and Disencumbrance Policies

**Recipients** will be subject to the **Department's** Disencumbrance Policy (available at <https://www.hcd.ca.gov/sites/default/files/2022-03/Disencumbrance-Policy-FINAL-03-31-22.pdf>) and Negative Points Policy, (available at <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/negative-points.pdf>) as identified and described in the **Program Guidelines** Section 111, Performance Requirements.

If the **Applicant** is subject to a negative points assessment based on the criteria outlined in the **Department's** Negative Points Policy or is determined to be ineligible for funding, the **Department** shall notify the **Applicant** in writing in the initial point score or threshold letter(s).

## III. Application Submission and Review Procedures

### A. Application Submission Process

Applications must meet eligibility requirements upon submission (except as expressly indicated in the **Program Guidelines** or Application Workbook). Applications that do not meet the filing deadline requirements will not be eligible for funding. Applications must be on the **Department** forms and cannot be altered or modified by the **Applicant**. Modification of the application forms by the **Applicant** is prohibited. It is the **Applicant's** responsibility to ensure the application is clear, complete, and accurate. Excel forms must be submitted in Excel format, not as a PDF document. Required supporting documentation must be uploaded to the **Department's** AHSC Application Portal using naming conventions set forth in the application.

For application forms, visit the **Department's** website at <https://www.hcd.ca.gov/grants-and-funding/programs-active/affordable-housing-and-sustainable-communities>. **Program Guidelines** and supplemental materials may be found at **SGC's AHSC Program** webpage at <https://sgc.ca.gov/programs/ahsc/resources/guidelines>.

After the application deadline, **Department** staff may request clarifying information, provided 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 disadvantage to other **Applicants**. No **Applicant** may appeal the evaluation of another **Applicant's** application.

## **B. The Department's AHSC Program Application Portal Components**

Complete applications must include the following components:

### **1. AHSC Program Application Workbook and Supporting Documentation**

**Applicants** must complete and submit the AHSC Program Application Workbook and supporting documentation.

### **2. AHSC Benefits Calculator Tool**

**Applicants** must complete and submit the AHSC Benefits Calculator Tool to meet requirements referenced in the **Program Guidelines** Section 106, Program Threshold Requirements and Estimated GHG Reduction Scoring in Section 107, Scoring Criteria.

### **3. Electronic AHSC Portal Submission**

Application materials must be submitted electronically via the **Department's** AHSC Portal using the provided application forms, and the **Applicant** must include all required information as detailed in the application forms. A link to the **Department's** AHSC Application Portal is available at the **Department's** webpage at <https://www.hcd.ca.gov/grants-and-funding/programs-active/affordable-housing-and-sustainable-communities>. **Applicants** must submit all application materials no later than 4:00 p.m. Pacific Time on March 19, 2024.

Requirements for uploading the AHSC Program Application Workbook and required supporting documentation, including identified naming conventions, are described in the application instructions. Do not modify naming conventions when uploading documents.

## **C. Application Review**

### **1. Phase One**

Application completeness and satisfaction of threshold criteria described in Section II (paragraphs A, B, and C) of this NOFA and the **Program Guidelines** Section 106, Program Threshold Requirements will be confirmed. Please note, the threshold review for financial feasibility criteria in this phase consists of only verification of documentation completeness, not an evaluation of the material facts.

The complete financial feasibility review will take place in Phase Three. Phase One is a pass/fail stage and **Applicants** will receive notification of their status upon

completion of threshold reviews with a five-day opportunity to appeal the findings of the reviews.

## 2. Phase Two

Quantitative policy criteria and **Program** Greenhouse Gas Quantification Methodology (GHG QM) will be evaluated for proposals that have met the requirements of Phase One. An initial score letter will be provided to **Applicants** with a five-day opportunity to appeal the findings of the reviews. **AHSC Program** staff will review appeal responses and revise scores where appropriate.

Applications with the final combined quantitative policy criteria and GHG QM point score of fewer than 41 points will not be eligible for award and will not be assigned a narrative score. The final score letter will include notification of appeal status.

## 3. Phase Three

An interagency team will review the narrative section of successful applications that satisfied the requirements of Phase One.

During Phase Three, an in-depth evaluation of the **Project's** financial feasibility will be performed. Clarifying information may be requested during Phase Three. Applications determined to be infeasible will not be recommended for award and this decision shall be final, binding, and conclusive, and shall constitute the final action of the **Department**.

## D. Application Workshops and Pre-Application Consultation

The **Department** will conduct application workshops and/or webinars. Please visit the **AHSC Program** website at <https://www.hcd.ca.gov/grants-and-funding/programs-active/affordable-housing-and-sustainable-communities> for webinar details and appointment slots for the pre-application consultations. Additional details will be announced through the **SGC AHSC Program e-mail list**.

## E. Disclosure of Application

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (PRA) (Gov. Code § 7920.000 et seq.). As such, any materials provided are subject to disclosure to any person making a request under the PRA. The **Department** cautions **Applicants** to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, Social Security numbers, personal phone numbers, and home addresses. By providing this information to the **Department**, the **Applicant** is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

## F. Concurrent Applications

The **Department** will allow **Applicants** under this **NOFA** to pursue more than one



funding scenario. This means that a separate, concurrent application to other **Department** program funding sources is permitted. All applications under review and anticipated applications must be disclosed in the **AHSC Program** application workbook. In instances where such **Applicants** are competitive for an award, the **Department** will consult with **Applicants** to discern which funding scenarios are optimal for **Project** feasibility while balancing cost containment.

Submission of two concurrent **AHSC Program** applications proposing 4 percent and 9 percent tax credit is prohibited. Submitting an **AHSC Program** application proposing 4 percent tax credits to the **Department** and submitting a concurrent 9 percent **California Tax Credit Allocation Committee (TCAC)** application is prohibited without prior approval from the **Department**.

If switching from a 4 percent to 9 percent **Project** after receiving an **AHSC Program** award, the award will be resized, and the award letter reissued to reflect the reduced award amount using the unit mix as originally submitted in the application. Please note that the 24-month disencumbrance deadline (pursuant to the **Department's** Disencumbrance Policy), however, will continue to be tied to the date of the original award letter. The **Developer** must demonstrate that any resulting gap from the resizing of the loan has been covered through an alternative funding source.

If switching from a 9 percent to a 4 percent **Project**, the award will not be resized.

Under both circumstances, the **Department** will only allow a switch between 4 percent and 9 percent one time per **Project**. The **Department** must be notified and, if required, an amended award letter be issued in advance of application submittal to CDLAC or **TCAC**.

No final determination can be made on whether a specific **Project** may swap from 4 percent to 9 percent, or vice-versa, until updated application materials indicating changes to the Project's budget have been submitted, reviewed, and approved by **AHSC Program** staff.

## **G. Prior Awards**

**Applicants** must disclose all awards of loans and grants for the **Project** listed in the application at the time of application submittal. **Applicants** seeking to substitute previously awarded **Department** funds, including but not limited to substitutions to increase the amount of an award, must first withdraw their previous award in writing and provide reasonable justification that the substitution is necessary to ensure **Project** feasibility. A consultation with **Department Program** staff is required at the time of the withdrawal. Substitutions based solely upon **Applicant** preference or convenience will not be permitted.

However, it is allowable for **Applicants** that wish to retain their previous award to apply for another funding source available within this **NOFA**, so long as the previous award is unmodified. In this case, the **Department** will also allow previously awarded proposals to lower their proposed income targets from one application to the next, so long as the

total unit count remains the same. The **Department** will restrict units to the lowest targeting across all awarded funds and will require proposals awarded from a program with prioritized target populations to maintain the special population units (increasing target population and/or **Restricted Units** is permitted). However, for applications proposing a reduction to **AMI** levels on the unit mix, the **Recipient** must engage with **Program** staff relative to the prior award and confirm the change does not impact **Project** feasibility and would not cause a reduction in awarded funds pursuant to an existing award program's requirement. This consultation process must begin no later than 30 days after publication of this NOFA.

## H. Significant Changes in Project After Application

The **Department** will make award determinations based on information provided in the application. If, after award, there is a significant departure from the application, the **Department** may re-evaluate the proposal status, reduce the loan or grant amount, or assign negative points to the **Applicant**.

## IV. Appeals

### A. Basis of Appeals

1. **Applicants** may appeal the **Department's** written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award (including point scoring).
2. At the sole discretion of the **Department**, the **Department's** written determination may include a request for clarifying and/or corrective information. For purposes of this section, "clarifying information" includes information and/or documentation that resolves ambiguities in any application materials that will inform the **Department's** threshold, scoring and feasibility determinations.
3. No **Applicant** shall have the right to appeal a decision of the **Department** relating to another **Applicant's** application (e.g., eligibility, award).
4. Any request to appeal the **Department's** decision regarding an application shall be reviewed for compliance with the **Program Guidelines** and this **NOFA**. All decisions rendered shall be made by the Director or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of the **Department**.
5. The appeal process provided herein applies solely to the decisions of the **Department** made in this Program **NOFA**.

### B. Appeal Process and Deadlines

1. Process: To file an appeal, **Applicants** must submit to the **Department**, by the deadline set forth below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the **Applicant** must

provide a detailed reference to the area or areas of the application that provide clarification and substantiation for the basis of the appeal. If applicable, documentation that existed in the public realm prior to the application deadline of March 19, 2024, which can be reasonably verified to the satisfaction of the **Department** may be accepted. No new or additional information will be considered if this information would result in a competitive advantage to an **Applicant**. Once the written appeal is submitted to the **Department**, no further information or materials will be accepted or considered thereafter. Appeals must be submitted to the **Department** at [ahsc@hcd.ca.gov](mailto:ahsc@hcd.ca.gov) and **SGC** at [ahsc@sgc.ca.gov](mailto:ahsc@sgc.ca.gov) according to the deadline set forth in **Department** review letter(s).

2. Filing deadline: Appeals must be received by the **Department** no later than five business days from the date of the **Department's** threshold review, or initial score letter(s), as applicable, representing the **Department's** decision made in response to the application.

### C. Decision

Any request to appeal the **Department's** decision regarding an application shall be reviewed for compliance with the **Program Guidelines** and this **NOFA**. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the **Department**.

## V. Award Announcements and Contracts

### A. Award Announcements

Award recommendations will be posted with **SGC** meeting materials on the **SGC's AHSC Program** website at <http://www.sgc.ca.gov/meetings> 10 days prior to the **SGC** public meeting.

### B. Contracts

Successful **Applicants (Recipients)** will enter into one or more Standard Agreements with the **Department**. The Standard Agreement specifies and memorializes all relevant state and federal requirements, as well as specific information about the award and the work to be performed.

As a condition of award, a Standard Agreement must be executed by the **Recipient(s)** within 90 days (contracting period) of the **Department's** issuance of the award letter. Failure to execute the Standard Agreement(s) within the contracting period may result in award cancellation. The refusal of any **Recipient** to execute the Standard Agreement may result in Award cancellation.

Once an application is awarded **Department** funds, the **Recipient** is acknowledging the **Project** as submitted and approved is the **Project** that is to be funded and built. Any bifurcation or partitioning of the **Project** would make that award null and void.

### C. AHSC Program Cross-Default Provision

Awards are based on the total points awarded to the application during a highly competitive process. The Standard Agreements set forth requirements for timely completion of **AHD**, **HRI**, **STI**, **TRA**, or **PGM** components. If all components are not timely completed pursuant to **AHSC Program** requirements, the entire award may be disencumbered, and disbursed funds recaptured. The Standard Agreements will expressly cross-default all components of the award to one another.

The **Department** recognizes the **Recipient** may enter into separate side agreements to address individual **Recipients'** responsibilities with respect to each other and with regard to **AHSC Program** funds; provided, however, in no event shall any such agreement alter or amend the respective obligations of the **Recipient** to the **Department** under the applicable loan or grant documents.

For more detail, please refer to the **Program Guidelines** Sections 109, Legal Documents and 112, Defaults and Cancellations.

## VI. Other State Requirements

The **Recipient** agrees to comply with all applicable state and federal laws, rules, guidelines, and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the **Projects**, the **AHDs**, the **Recipient**, its contractors or subcontractors, and any loan or grant activity, including without limitation those listed in the **Program Guidelines** Section 106, Program Threshold Requirements and Section 109, Legal Documents.

Where the proposed **AHD** presents a fair housing issue, the **Department** reserves discretion to require a fair housing legal opinion.

In addition, the **Recipient** shall comply with the following requirements:

### A. California's Preservation Notice Law

All **Applicants**, **Recipients**, owners, and special purpose entities relative to the **AHD** must, at all times, comply with, and not be in violation of, California's Preservation Notice Law (Gov. Code, §§ 65863.10, 65863.11, 65863.13).

### B. Relocation

The **Recipient** of **AHSC Program** funds awarded to a **Project** resulting in displacement of persons, businesses, or farm operations shall be solely responsible for providing the assistance and benefits required by applicable state and federal law and shall agree to indemnify and hold harmless the **Department** from any liabilities or claims for relocation-related costs. In addition, before Standard Agreements will be executed, **Recipient** must have either:

1. A Department-approved relocation plan; or
2. A Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed and approved by the Department.

## **VII. Other Terms and Conditions**

### **A. Right to Modify or Suspend**

The **Department** reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this **NOFA** at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, the **Department** will provide notification through the **Department's** email list and post revisions or updates to the **Department's AHSC Program** website. Please subscribe to the **Department's** email list at [https://www.hcd.ca.gov/i-am/sub\\_email.shtml](https://www.hcd.ca.gov/i-am/sub_email.shtml)

### **B. Conflicts**

It is the duty and responsibility of the **Applicant** to review any funding source they obtain for a proposal to ensure each of the requirements for those funding sources are compatible with the **Department** program requirements.

In the event of any conflict between the terms of this **NOFA** and **Program Guidelines** and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control. **Applicants** are deemed to have fully read and understand all applicable state and federal laws, regulations, and guidelines pertaining to the relevant program, and understand and agree that the **Department** shall not be responsible for any errors or omissions in the preparation of this **NOFA**.

March 19, 2024

Lynn von Kock-Liebert  
Executive Director, California Strategic Council  
1400 Tenth Street  
Sacramento, CA 95814

**PROJECT NAME - AHSC ROUND 8 LOCAL APPROVALS, SITE CONTROL, AND PUBLIC AGENCY COMMITMENT**

Dear Lynn von Kock-Liebert,

The City of Los Angeles understands DEVELOPER is applying for affordable housing funding for PROJECT NAME through the Round 8 Affordable Housing and Sustainable Transportation (AHSC) program which also includes grants for Sustainable Transportation Infrastructure (STI) and Transit Related Amenities (TRA). The City has partnered with DEVELOPER as a subrecipient in the AHSC application to implement the STI and TRA improvements.

The City worked with DEVELOPER to develop the proposed capital improvements below for PROJECT NAME and has verified that these STI and TRA Capital Projects are consistent with all applicable local rules, regulations, codes, policies, and plans enforced or implemented by this agency. Furthermore, the proposed Capital Projects have been verified to be located completely within the right of way and owned by the City of Los Angeles.

- STI PROJECT #1:
- STI PROJECT #2:
- TRA PROJECT #1:

Should PROJECT NAME be awarded AHSC Round 8 funds, the City will take the required City Council actions to enter into any necessary agreements with DEVELOPER for the implementation and delivery of the STI and TRA capital project improvements in accordance with AHSC Guidelines.

To demonstrate satisfaction with the STI and TRA Past Experience requirements, of delivering bicycle and pedestrian improvements within the last ten years that are the same type as those being proposed for PROJECT NAME, here are past capital projects the City has delivered.

- STI and TRA PAST PROJECT EXAMPLE #1:
- STI and TRA PAST PROJECT EXAMPLE #2:

Sincerely,

City Department Signature

DRAFT