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May 08, 2025

Council File: 15-0087-S13  
Council District(s): Citywide  
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Mayor, City of Los Angeles  
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Honorable Members of the City Council  
City of Los Angeles  
200 N Spring St  
Los Angeles, CA 90012

**COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL OF THE CITY'S RECOMMENDED PROJECTS IN THE STRATEGIC GROWTH COUNCIL'S ROUND 9 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM FOR DEVELOPERS TO RECEIVE A LETTER FROM THE CITY CONFIRMING SITE CONTROL OF THE PUBLIC RIGHT-OF-WAY AND APPROVAL FOR SUSTAINABLE TRANSPORTATION INFRASTRUCTURE (STI) CAPITAL IMPROVEMENTS TO BE DELIVERED IF AWARDED**

**SUMMARY**

The General Manager of the Los Angeles Housing Department (LAHD) through this transmittal seeks approval for the City Council, subject to the approval of the Mayor, to approve the City of Los Angeles's (City's) recommended list of proposed projects for the Strategic Growth Council's Round 9 Affordable Housing and Sustainable Communities (AHSC) program for developers to receive a letter from the City confirming site control of the public right-of-way where Sustainable Transportation Infrastructure (STI) capital improvements will be delivered within a one-mile radius of projects. The City will not be a co-applicant or sub-recipient for AHSC Round 9 applications. If awarded, developers will be responsible for the completion and delivery of all STI capital improvements

**RECOMMENDATIONS**

- I. That the City Council, subject to the approval of the Mayor:
  - A. Approve the recommended list of proposed projects identified in Table 1 to receive a letter from the city confirming site control of the public right-of-way where developers will deliver Sustainable Transportation Infrastructure (STI) capital improvements within a one-mile radius of projects if awarded

**BACKGROUND**

The Affordable Housing and Sustainable Communities (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 (AHD), Sustainable Transportation Improvements (STI), Transit Related Amenities (TRA), and programs that encourage residents to walk, bike, and use public transit.

The California Strategic Growth Council released its Round 9 Notice of Funding Availability (NOFA) on March 25, 2025, for an amount of approximately \$775 million with a submission date of May 28, 2025. A copy of the NOFA is attached to this report.

### ***City of Los Angeles Decision to NOT be a Co-Applicant or Sub-Recipient on AHSC Applications***

The City of Los Angeles (City) was a co-applicant with developers in AHSC applications from Rounds 3 to 7 and a sub-recipient in Round 8 where developers are responsible for delivering the affordable housing projects. For Round 8, the City is still responsible for delivering the transportation infrastructure improvements within a one-mile radius of projects despite not being a co-applicant in order to assist the selected developers to complete the scope of work. For Round 9, the City has made the decision to not be a co-applicant or sub-recipient on any AHSC applications because the City's infrastructure departments are working to complete the 28 existing infrastructure and transit projects from previous rounds for which the City is already committed to completing by the State mandated deadlines. Instead, developers will be fully responsible for the development and delivery of all Sustainable Transportation Infrastructure (STI) improvements if projects are awarded by the State agencies.

### ***Project Evaluation Process***

The City AHSC Team, comprised of Los Angeles Housing Department (LAHD), Department of Transportation (DOT), and Bureau of Engineering (BOE), hosted a virtual AHSC Round 9 Informational Session on December 10, 2024 to provide interested developers with advanced notice on the City's decision to not be a co-applicant or sub-recipient on AHSC applications. A project evaluation process still occurred because applicants are required to include a letter from the local jurisdiction confirming site control of the public right-of-way and approval of the proposed STI improvements if awarded. Therefore, the City AHSC Team performed the necessary evaluation of projects to determine AHSC competitiveness.

The City AHSC Round 9 Project Information Interest Form for Developers was released to developers on December 13, 2024, with a submission deadline of January 10, 2025, which was extended by an additional week due to the wildfires. A total of 19 submissions were received.

The City AHSC Team's evaluation of projects to determine competitiveness for the AHSC program was completed in three phases.

- Phase I: Developers were required to submit documents to demonstrate evidence of at least two past affordable housing projects of similar scale, that the proposed AHSC project is 90 units or larger for competitive GHG emissions reduction, project pro formas that show the financial feasibility of the project, and that the proposed project's entitlement pathway would be completed by the application submission deadline in May of 2025.
- Phase II: Developers had to identify a partnership with a transit operator who could commit to a transit improvement project that will result in a net gain in transit ridership.
- Phase III: Developers had to develop bicycle and pedestrian Sustainable Transportation Infrastructure (STI) improvements that met City's standards.

### ***Recommended Projects to Receive City Letter Confirming Site Control of the Public Right-of-Way***

A total of four projects successfully completed the three phase review process and were determined to be competitive for AHSC program funds shown in Table 1 below.

Table 1

| Project Name                                                                             | Address                  | Applicant(s)                                                                             | Affordable Units | CD |
|------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------|------------------|----|
| 443 Soto Apartments                                                                      | 443 S Soto St,<br>90033  | East LA Community Corporation                                                            | 136              | 14 |
| Robert K. Ross Center<br>for Hope and Healing<br>– Affordable Housing<br>(“Ross Center”) | 800 N Main St,<br>90012  | Linc Ross LP                                                                             | 122              | 14 |
| Alveare Terrace                                                                          | 1400 S Hill St,<br>90015 | The Related Companies of<br>California & La Cienega<br>LOMOD, Inc.                       | 99               | 14 |
| 3501 Western                                                                             | 3501 S Western,<br>90018 | Coalition for Responsible<br>Community Development &<br>Special Services for Groups Inc. | 80               | 8  |

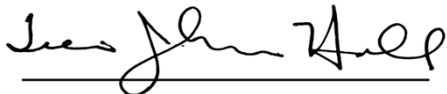
## **CONCLUSION**

LAHD requests the City Council, subject to the approval of the Mayor, approve the four recommended projects to receive a letter from the City’s Bureau of Engineering confirming site control of the public right-of-way where developers will deliver STI capital improvements if awarded. The letters must be provided to developers to include in their NOFA application by the submission deadline of May 28, 2025.

## **FISCAL IMPACT**

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

Approved By:



TIENA JOHNSON HALL  
General Manager  
Los Angeles Housing Department

ATTACHMENT:

AHSC Round 9 NOFA

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

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March 25, 2025

**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 9)

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 \$775 million in funds for the **Affordable Housing and Sustainable Communities (AHSC) Program (AHSC Program or Program)**.

**AHSC Program** provides loans and grants to **Eligible Applicants** as identified in Section 103 of the **AHSC Program Guidelines (Program Guidelines)** adopted February 26, 2025, and as may be subsequently amended.

The **AHSC Program** is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in **Disadvantaged Communities (DACs)**. 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 facilitate **GHG Reduction** by supporting more compact, infill development patterns, encouraging **Active Transportation** and transit usage, and protecting **Agricultural Land** from sprawl development.

**Application materials must be submitted electronically via the Department's AHSC Application Portal no later than 4:00 p.m. Pacific Time on May 28, 2025.**

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 materials may be found at **SGC's AHSC Program** webpage at <https://sgc.ca.gov/grant-programs/ahsc/resources/guidelines.html>.

Affordable Housing and Sustainable Communities Program  
Notice of Funding Availability (Round 9)  
Page 2

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>.  
<mailto:listserv>

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 9**



**Gavin Newsom, Governor  
State of California**

**Tomiquia Moss, Secretary  
Business, Consumer Services and Housing Agency**

**Erin Curtis, Executive Director  
California Strategic Growth Council**

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

651 Bannon Street, Sacramento, CA 95811  
Telephone: (916) 263-2771  
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**March 25, 2025**

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## I. Overview

### A. Notice of Funding Availability

The **Strategic Growth Council (SGC)** and the **California Department of Housing and Community Development (Department)** hereby announce the availability of approximately \$775 million in funding for the **Affordable Housing and Sustainable Communities Program (AHSC Program or Program)**.

The **AHSC Program** provides grants and loans to **Applicants** for **Projects** that achieve **GHG Reductions** and benefit communities throughout California, particularly **Disadvantaged Communities, Low-Income Communities, and Low-Income Households** 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 to transit, bicycling, or walking.

The **AHSC Program** is administered by the **California Strategic Growth Council (Council or SGC)**. The **Department of Housing and Community Development (Department)** implements the transportation, housing, and infrastructure components of the **AHSC Program**. The California Air Resources Board (CARB) provides quantification methodology for determining the **Greenhouse Gas (GHG) Reductions** for the **AHSC Program**.

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

### B. Timeline

|                                         |                            |
|-----------------------------------------|----------------------------|
| <b>Guidelines Adoption</b>              | February 26, 2025          |
| <b>NOFA Release</b>                     | March 25, 2025             |
| <b>Application Workbook Release</b>     | March 25, 2025             |
| <b>Application Portal Opens</b>         | April 2, 2025              |
| <b>Applications Due / Portal Closes</b> | May 28, 2025, at 4:00 p.m. |
| <b>Award Announcements</b>              | December 2025              |

### 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 February 26, 2025, 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**.

### D. What's New in this NOFA and Guidelines

The **Program Guidelines** and this **NOFA** reflect updates based on recent statutory changes, feedback from interested parties, and continued advancement of state policy priorities.

What's new includes:

1. Alignment and consistency with the **Department's Multifamily Housing Program (MHP)** guidelines. The **Program Guidelines** and **NOFA** have been reorganized and updated for consistency with **MHP**.
2. Developer fee limits aligned with **TCAC** December 11, 2024 regulations.
3. Experience requirements are clarified for **Projects** submitted to substantiate experience.
4. Article XXXIV, Chapter 179, Statutes of 2023 (SB 469), expands the exclusion of California Constitution's Article XXXIV to programs administered by the **Department**, including **AHSC**.
5. **Agricultural Land** definition is streamlined.
6. **Tribal Entity** goal changed to \$50 million and minimum **AHSC** funding request reduced to \$1 million for Tribal **Applicants**.

Please see Summary of Key Changes for **AHSC** Round 9 in the **Program Guidelines** for a more detailed list of changes:

<https://sgc.ca.gov/programs/ahsc/resources/guidelines.html>

## II. Program Requirements

The information provided below is a summary of the programmatic requirements detailed in the **Program Guidelines**. **Applicants** must fully review the **Program Guidelines**, this **NOFA**, and the application workbook in their entirety prior to applying. Please note that capitalized and bolded words in this NOFA are defined in the **Program Guidelines**.

A. Eligible Projects

**Projects** must qualify and meet all eligibility requirements pursuant to [Section 102](#) of the **Program Guidelines**.

B. Eligible Applicants

An **Applicant** must qualify and meet all eligibility requirements pursuant to [Section 103](#) of the **Program Guidelines**.

C. Eligible Use of Funds

**AHSC** funds shall be used only for approved eligible costs that are incurred on the **Project** as set forth in [Section 104](#) of the **Program Guidelines**.

D. Site Control

1. **Site Control** must be in the name of the **Applicant**, or an entity controlled by the **Applicant**, by any means set forth in UMR Section 8303 and is required at time of application. UMR Section 8303 and 8316 notwithstanding, all forms of **Site Control** must be of sufficient duration to extend through the anticipated award date set forth in this **NOFA**.

E. Threshold Requirements

1. In addition to meeting the requirements of the **Program Guideline** sections described above, **Applicants** and **Projects** are required to meet the **Program** threshold requirements set forth in [Section 103.1](#) of the **Program Guidelines** at time of application. This shall include, but is not limited to, the following:
  - a. A preliminary title report for the property dated within 30 days of the application deadline;
  - b. To further clarify Section 102(d)(3) of the **Program Guidelines** the construction or rehabilitation must not have commenced as of the application due date. For the purposes of this subdivision, the commencement of construction or rehabilitation work means the first land-disturbing activity associated with a **Project**, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.
    - i. Demolition of any structures on the **AHD Capital Project** site is prohibited except for emergency demolition or repairs to existing structures required to eliminate hazards or threats to health and safety as required by the **Locality**.
2. A **Project** is not eligible for an award unless it meets all the threshold requirements.

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

### 1. Per Unit Loan Limit Calculation (for **Rental AHDs**)

- a. The maximum **Rental AHD** loan amount shall be calculated pursuant to Section 107 of the **Program Guidelines**, and the following:
  - ii. The initial base loan amount shall be \$250,000 per **Assisted Unit**.
  - iii. The base per **Assisted Unit** loan limit is inclusive of all requested **Rental AHD** loan 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 an **Affordable 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.
- b. Terms of Assistance

Loan for **Rental AHDs** are subject to requirements set forth in Section 106(a) of the **Program Guidelines**.

### 2. Per Unit Grant Limit Calculation (for **Homeownership AHDs**)

- a. The maximum **Homeownership AHD** grant amount shall be calculated pursuant to Section 107(a)(1)(B)-(E) of the **Program Guidelines**, and the following:
  - i. The initial base grant amount shall be \$250,000 per **Assisted Unit**.
  - ii. The base per **Assisted Unit** grant limit is inclusive of all requested **AHD** loan funds and all **Department** loan and grant awards made prior to the application close date. **Department** grant awards will be deducted from the total per unit calculation in the aggregate (rather than individually on each unit). The maximum grant amount per **Assisted Unit** for a homeownership AMI tier shall equal the maximum loan amount per **Restricted Unit** for a rental AMI tier as follows:

| Homeownership AMI tier 55-85% |     |     |     |     |     |     |     |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|
| Homeownership                 | 85% | 80% | 75% | 70% | 65% | 60% | 55% |
| Rental                        | 45% | 40% | 35% | 30% | 25% | 20% | 15% |

| Homeownership AMI tier 90-120% |      |      |      |      |      |     |     |
|--------------------------------|------|------|------|------|------|-----|-----|
| Homeownership                  | 120% | 115% | 110% | 105% | 100% | 95% | 90% |
| Rental                         | 80%  | 75%  | 70%  | 65%  | 60%  | 55% | 50% |

b. Terms of Assistance

Grants for **Homeownership AHDs** are subject to requirements set forth in Section 106(b) of the **Program Guidelines** as applicable.

3. Per Unit Grant Limit Calculation (HRI)

- a. The total **HRI Capital Project** grant amount is \$35,000 per residential unit in the proposed **AHD**, or \$50,000 per **Restricted Unit**.

4. Project Funding Limit

- a. The maximum **AHSC Program** loan or grant award, or combination thereof, for all **Project Area Types** is \$50 million with a minimum award of \$10 million.
  - i. For Projects from **Tribal Entities**, the minimum award amount is \$1 million.
- b. **AHD** and **HRI Capital Projects** must comprise at least fifty percent (50.0%) of total funds requested but shall not exceed \$35 million.
- c. The maximum **STI/PGM** award amount is \$15 million.

5. Developer Funding Limit

- a. A single **Recipient** 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 Section 112(a)(4)&(5) of the **Program Guidelines**.

6. Units with Multiple Funding Sources

- a. 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.
  - i. 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 F 1-2 above (for the purpose of identifying funding limits, units used in the calculation of **AHSC Program** grant amounts will be considered assisted).
- b. 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**, or **PGM** grants.

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

G. Funding Goals, Geographic Distribution of Funds, and Statutory Set-Asides

The **Project Area Type** funding goals, geographic goals, **Tribal Entity** goals, affordable housing, **Disadvantaged Communities** statutory requirements and set asides, funding targets, and additional policies that may impact the final decision of **Project** awards are set forth in Section 112 of the **Program Guidelines**.

H. Appraisal and Market Study Requirements

**AHSC** appraisal and market study requirements are set forth in Section 7309 of the **MHP** Guidelines and the application.

I. Scoring Criteria

Applications will be scored according to Section 111 of the **Program Guidelines**. **AHSC Program** funds will be allocated through a competitive process, based on the merits of the application, as detailed in the Application Process Section 113 of the **Program Guidelines**.

J. Performance Requirements

1. Performance Deadlines

- a. All **AHSC Program** performance requirements must be met according to deadlines set forth in Section 116 of the **Program Guidelines**.
- b. All **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

**Applicants** will be subject to the **Department's** [Negative Points Policy](#) (Administrative Notice No. 22-01) as identified and described in Section 100.1, Section 111, and 113(e) of the **Program Guidelines**. Negative points will be assessed as a reduction to the total score earned. An application will be assessed negative points based on performance penalties assessed pursuant to the policy.

If an **Applicant** is assessed negative points or determined to be ineligible for funding, the **Department** shall notify the **Applicant** in writing in the threshold or initial point score letter(s) which will provide an opportunity to appeal pursuant to the appeals process as set forth in this **NOFA**.

The **Department** reserves the right to suspend any portion of the Negative Points Policy.

Potential **Applicants** are strongly encouraged to contact the **Department** in advance of submitting an application for funding to identify any outstanding reports,

payments due or other deficiencies which may result in assessment of negative points if not cured prior to the application due date by sending an email to [ComplianceVerification@hcd.ca.gov](mailto:ComplianceVerification@hcd.ca.gov).

### 3. Disencumbrance Policy

Applications submitted under this NOFA are subject to the **Department's** [Disencumbrance Policy](#) (Administrative Notice 22-02).

## III. Application Submission and Review Procedures

### A. Application Submission Process

1. Applications must meet eligibility requirements upon submission (except as expressly indicated in the **Program Guidelines**, **NOFA**, and 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.
2. 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/grant-programs/ahsc/resources/guidelines.html>.
3. 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**.
4. No additional documents pertaining to threshold requirements, scoring categories, and any application submission requirements pursuant to the **Program Guidelines**, this **NOFA**, and the application shall be accepted after the application filing deadline. If applicable, documentation that existed in the public realm prior to the application deadline, which can be reasonably verified to the satisfaction of the Department may be accepted. It is within the **Department's** discretion to request any clarifying information or material regarding the additional document(s).

### B. Electronic Submission

1. Application materials must be submitted electronically via the **Department's AHSC Program** Application Portal using the provided application forms. A link to the Portal is available at the **Department's** webpage at <https://www.hcd.ca.gov/grants-and-funding/programs-active/affordable-housing-and-sustainable-communities>.



- a. The **Applicant** must include all required information pursuant to Section 113 of the **Program Guidelines**, including submission of all required documents, materials, and reports as set forth in the application and application document checklist, including a:
  - i. **AHSC** Application Workbook and supporting documentation, and **AHSC** Benefits Calculator Tool to meet the requirements referenced in the Threshold Section 103.1 and Estimated GHG Reduction Scoring Section 111 of the **Program Guidelines**.
2. Requirements for uploading the **AHSC** Application Workbook and required supporting documentation, including identified naming conventions, are described in the application instructions. Do not modify naming conventions when uploading documents.
3. **Applicants** must submit all application materials no later than 4:00 p.m. Pacific Time on May 28, 2025.

C. Application Workshops and Developer 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**.

D. Application Review

1. Phase One – Threshold Review

- a. 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.
- b. During this review, applications will be evaluated based solely upon the materials contained within the submitted application as of the application filing deadline to determine completeness and satisfaction of threshold criteria as set forth in Section II. D. and III. B. of this **NOFA** and Section 103.1 and 113 of the **Program Guidelines**. Applications not meeting all application information and submission requirements shall be considered incomplete.

2. Phase Two - Scoring

- a. Phase Two is comprised of rating and ranking applications. An initial score letter that includes Quantitative Policy Scoring (QPS) and Greenhouse Gas Quantification Methodology (GHG QM) reductions (but not scores) will be provided. The initial score letter will also include an assessment of negative points and a five-day opportunity to appeal the review findings. **AHSC Program** staff will review appeal responses and revise scores where appropriate.

- b. QPS and estimated **GHG Reductions** will be evaluated for proposals that have met the requirements of Phase One.
- c. An **Applicant's** final score letter will include GHG QM scores and QPS. Applications with a final combined QPS and GHG QM point score of fewer than 41 points will not be eligible for award.
  - i. This requirement may be modified at the discretion of the reviewing agencies for applications considered with **Tribal Entity** goal as outlined in Section 112 of the **Program Guidelines**.

### 3. Phase Three – Narrative Review and Feasibility Analysis

- a. Phase Three consists of an interagency team review of the Narrative Based Policy Scoring section of applications that satisfy the requirements of Phase One and Two.
- b. Applications will also be evaluated for financial feasibility in accordance with **UMRs**, the **Program Guidelines**, and this **NOFA**. The **Department** may request any other information as set forth in the **NOFA** or application in order to determine **Project** feasibility and compliance with **Program** requirements.
- c. 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**.

#### 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

- 1. 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.
- 2. At the **Department's** discretion, **AHSC** awards may be reduced commensurately with any amounts awarded under another **Department NOFA** made prior to the **AHSC** award.

#### G. Modifying Tax Credit Applications

1. 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**.
2. If converting 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](#)), 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.
3. If converting from a 9 percent to a 4 percent **Project**, the award will not be increased but may be reduced if the **Recipient** identifies additional funding.
4. 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**. Recipients who do not request an amended **Department** award letter prior to submitting an application to switch tax credit scenarios will be subject to [Negative Points](#).
5. 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.

#### H. Prior Awards

1. **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.
2. 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 **Applicant/Recipient** must engage with **Program** staff relative to the prior award and confirm the change does not impact feasibility and would not cause a reduction in awarded funds pursuant to that program's requirements. This consultation process must begin no later than 30 days after the publication of this **NOFA**.

## I. 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, and/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). Submission of additional documents, including as part of an appeal for an application disqualification, shall include evidence demonstrating either the document existed as of the application due date, or the document certifies to a condition existing at the time of the application due date identified in this **NOFA**.
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. 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
  - a. To file an appeal, **Applicants** must submit a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the **Applicant** must include a detailed reference to the area or areas of the application that support the basis of the appeal. If applicable, documentation that existed in the public realm prior to the application deadline of May 28, 2025, 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 are to 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

- a. 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.

C. Decision

Any request to appeal a 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> prior to the **SGC** public meeting.

B. Contracts

1. **Recipients** and **Payees** will enter into one or more **Standard Agreements** with the **Department**. The **Standard Agreement** specifies and memorializes relevant state and federal requirements, as well as specific information about the award and the work to be performed.
  - a. The **Standard Agreement** Exhibits A, B, D, and E will be posted on the **Department's AHSC Program website** and will not be circulated for public comment or otherwise subject to change or negotiation, except as may be required to achieve compatibility with the requirements of other governmental programs and third-party lenders.
  - b. To facilitate timely processing of **Standard Agreements**, a condition of the award will be the delivery of a duly adopted and legally sufficient authorizing resolution and any duly filed or adopted organizational documents not included in the application, within 60 calendar days of the **Department's** issuance of the conditional award letter.
  - c. The **Department** has set a goal to deliver **Standard Agreements** to awardee(s) within 90 days of meeting the conditions of (b).
  - d. The awardee(s) shall remain a party to the **Standard Agreement** for the entire term of the **Standard Agreement**; removal of the awardee(s) without the **Department's** prior written consent is prohibited and will result in a default.
  - e. All **Recipients** and **Payees** shall execute the **Department's Standard Agreement** within 30 days of receipt or risk disencumbrance of the award in the **Department's** sole and absolute discretion. Failure to execute the **Standard Agreement(s)** as set forth in V. B.1. may result in award cancellation. Failure of any **Recipient** to execute the **Standard Agreement**

may result in award cancellation. Upon written request of the **Recipient**, the **Department**, in its sole and absolute discretion, may grant an extension of time to execute the **Department's Standard Agreement**.

2. Once a **Project** 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.
3. **Project** awards cannot be transferred or assigned to another **Project** or **Sponsor/Recipient**.

#### C. AHSC Program Cross-Default Provision

1. 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**, 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.
2. The **Department** recognizes the **Recipient** may enter into separate side agreements to address individual **Developer** 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.
3. For more detail, please refer to the Legal Documents Section 114 and the Defaults and Cancellations Section 117 of the **Program Guidelines**.

## VI. Other State Requirements

The **Applicant/Recipient** agrees to comply with 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 **Project**, the **Recipient**, its contractors or subcontractors, and any award activity, including without limitation those listed in the Threshold Requirements Section 103.1 and the Legal Documents Section 114 of the **Program Guidelines**.

Where the proposed **Project** 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**, awardees, owners, and special purpose entities 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 Requirements

1. The **Recipient** of **Program** funds resulting in displacement of persons, businesses, or farm operations shall be solely responsible for providing the assistance and 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.
2. In addition, before **Standard Agreements** will be executed, **Sponsor/Recipient** must have either:
  - a. A **Department**-approved relocation plan; or
  - b. 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 notify all interested parties via the **Department's** email list and will post the revisions to the **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

1. 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's Program** requirements.
2. 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**.