

Ann Sewill, General Manager  
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager  
Anna E. Ortega, Assistant General Manager  
Luz C. Santiago, Assistant General Manager

**City of Los Angeles**



**Karen Bass, Mayor**

LOS ANGELES HOUSING DEPARTMENT  
1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017  
Tel: 213.808.8808  
[housing.lacity.org](http://housing.lacity.org)

March 8, 2023

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

**AMENDED TRANSMITTAL FOR CF NO. 15-0087-S9**

Please be advised that LAHD would like to update the report for CF No. 15-0087-S9 with the following:

1. The addition of the HCD Negative Points Policy section on Page 4.
2. The addition of HCD's Negative Points Policy as an attachment.

Please note that the attached revised report will effectively replace the previously submitted report.

Sincerely,

Ann Sewill  
General Manager

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Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager  
Anna E. Ortega, Assistant General Manager  
Luz C. Santiago, Assistant General Manager

## City of Los Angeles



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**REVISED**

March 8, 2023

Council File: 15-0087-S9  
Council District(s): Citywide  
Contact Persons: Joel Montano (213) 808-8423  
Ann Sewill (213) 808-8808

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 BE CO-APPLICANTS IN THE STRATEGIC GROWTH COUNCIL'S ROUND 7 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM**

#### **SUMMARY**

The General Manager of the Los Angeles Housing Department (LAHD) through this transmittal seeks approval, and requests authority to approve the list of proposed co-applicants for Round 7 Affordable Housing and Sustainable Communities (AHSC), authorize the General Manager of LAHD or designee to execute Joint Application Agreements, sign all required AHSC documents, lead the AHSC coordination with the City team, prepare Controller's instructions and instruct 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 recommended list of potential co-applicants as outlined in Table 1;
  - B. Authorize the LAHD General Manager, or designee, to execute, on behalf of the City, a Joint Application Agreement, to sign all required AHSC Round 7 application legal documents for each of the projects selected by the AHSC City team that meet AHSC program thresholds and adopted City criteria (CF 15-0087-S9), subject to the City Attorney approval as to form and legality;
  - C. Direct the General Manager of LAHD, or designee, in coordination with the Department of Transportation (LADOT), Department of Public Works Bureaus of Engineering (BOE), Street Lighting (BSL), Street Services (BSS), and other City Departments, as necessary, to report back

on the acceptance of AHSC Sustainable Transit Infrastructure (STI) and/or Transit Related Amenities (TRA) AHSC grant funding soon after the issuance of awards in August 2023. The report shall include, but not limited to, the following: recommended administration and distribution of funds processed, framework implementation of STI/TRA projects as awarded and approved by the SGC, completion of timelines, and recommended agreements among the appropriate City departments for the successful coordination, process and completion of AHSC STI/TRA grant funded projects;

- D. Authorize the General Manager of LAHD, or designee, to prepare Controller instructions and any technical adjustments consistent with the Mayor and City Council actions related to this matter, subject to the approval of the City Administrative Officer (CAO), and request the Controller to implement these instructions;
- E. Instruct the CLA to prepare a Resolution for City Council approval in support of the final AHSC Round 7 recommended projects that the City will partner with as a joint applicant.

## **AHSC ROUND 7**

### ***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 (SGC) released its Round 7 Notice of Funding Availability (NOFA) on January 30, 2023 for an amount of approximately \$750 million. The application submission date is April 4, 2023.

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

The City AHSC team implemented a local review process using the City's selection criteria to identify potential AHSC co-applications, as detailed in the previous transmittal dated August 23, 2022 (CF 15-0087-S9). Successful projects are defined as those that substantially reduce GHG emissions by increasing access to affordable housing, employment centers, and key destinations through sustainable infrastructure projects.

The City held a virtual AHSC Round 7 Developers Kick-Off Meeting on August 30, 2022. The meeting was attended by 90 participants, including developers, City and County staff, and other stakeholders. The City's AHSC team, Enterprise Community Partners, Los Angeles County, and SGC staff presented on the key items of threshold requirements, application process and timelines, and the City's selection criteria. The City of Los Angeles Call for Projects online form was released to developers at the Kickoff Meeting with a submission deadline of September 16, 2022. The City received a total of 18 interested applicants and after an initial review, 7 projects were invited to attend one-on-one Developer Clinic sessions at City Hall on November 30, 2022.

Based on the information and answers gathered at the developer clinic sessions, the City AHSC team is recommending 4 projects to become co-applicants with the City for Round 7 AHSC. Table 1 below identifies the recommended projects.

### **Table 1**

Project Name	Address	Developer	Affordable Units	Public Resource	CD
Downtown Womens Center Campus Expansion	501 E 5th St, 90013	GTM Holdings, LLC	97	City Land	14
HHH New Hampshire	701 S New Hampshire, 90005	BRIDGE Housing Corporation	93	HHH	10
Richman Crenshaw Crossing	3510 W Exposition Blvd, 90016	La Cienega LOMOD, Inc	176	Metro Land	10
306 E Washington	306 E Washington, 90015	Hollywood Community Housing Corporation	102	AHMP	9

### ***Impact of Transit Ridership Decline on Round 7 Applications***

The City has been utilizing an effective strategy to obtain maximum points for GHG reductions in prior AHSC rounds through the acquisition of new DASH and Commuter Express buses. Unfortunately, circumstances tied to the recent COVID-19 pandemic have introduced systemic stress that have increased the costs of capital, operations, and most importantly, changes in travel demand due to telecommuting and safety concerns that have reduced transit's ridership base. These systemic stresses have led to uncertainty if the City can afford to operate the Transit Service Analysis (TSA) service levels that have informed ridership projections in the AHSC quantification methodology.

The City did submit public comment regarding this concern in response to the Round 7 Draft Guidelines (CF 15-0087-S10) recommending the SGC keep the High Quality Transit definition from Round 6 in which the Peak Period headway frequency schedule could be recorded anytime between January 2020 and the time of application. The proposed change was a new effective date as of January 2022 and the City expressed it could unintentionally penalize transit operators who have been unable to restore service to pre-pandemic levels. The SGC did not agree with the City and elected to keep the new date for Round 7.

The City is now exploring other options with LA County Metro to achieve the transit GHG reductions through the purchase of new Metro buses for all projects.

### ***Joint Application Agreements (JAAs) and Cooperative Agreements***

In preparation for the April 4th application deadline, the City is required to self-certify its role as a joint applicant and its intention to enter into an agreement that clarifies the responsibility borne for specific portions of the award. Thereafter, the City and the related City departments will work with each project developer to develop contractually binding indemnification agreements that address joint and several liabilities as well as funding administration and overall responsibilities. Because each project's structure is unique, there is no state template for this type of agreement; thus, the City will elect to assume the acceptance of STI-TRA grant funds, administration, implementation and completion of STI-TRA projects, and comply with the funding reporting requirements.

The JAAs will clearly outline the City's role for the STI-TRA as well as the developer's role with respect to the entire project. In addition, new funding to create or expand anti-displacement programs is available for AHSC Round 7. The funding will be valuable to expand the City's Anti-Displacement Strategies, Program 122 from the Housing Element. The disbursement and responsibility of anti-displacement program funding to the City will be included in the JAAs.

It is important to note that per the program guidelines, all applicant parties are and/or remain jointly and severally liable for the overall successful completion of the entire project, including the housing and transportation infrastructure components. Per the City's AHSC application criteria, the JAAs and all necessary legal documents must be completed and executed with the City before the final applications are submitted to the SGC.

For this round, the JAA for Richman Crenshaw Crossing will also require a consent signature from the Housing Authority of the City of Los Angeles (HACLA) because of their ownership stake in the project. In addition, Cooperative Agreements will be executed between the City and Metro for the acquisition of buses for each of the projects.

### ***HCD Negative Points Policy***

For the first time, AHSC Round 7 may be affected by HCD's Negative Points Policy (attached). The Policy applies to "all state and federal funding programs - both and grants - administered by HCD's Divisions of State and Federal Financial Assistance...Negative points will be calculated based on the criteria outlined below and will be applicable to all Notices of Funding Availability issued on or after the original date of this [notice of the Policy]. Negative points will be assessed...to the joint applicant for the prior 5-year period from the date of the applicable notice of Funding Availability, except where noted below."

As per advice from the City Attorney's office, because the effect of the Policy on the City as joint applicant for AHSC Round 7 projects is unknown at this time, the City will not proceed with SGC Standard Agreement for Round 7, if awarded, without HCD agreeing that the Policy does not apply to the City as joint applicant for the awarded projects. If the Policy applies, the City will withdraw its application for the AHSC Round 7 awards. Co-applicants will be notified about the City's participation being subject to the waiver of the Policy.

### ***STI-TRA Project Financing for AHSC Rounds 3 through 6***

The Bureau of Engineering (BOE) completed a thorough re-examination of the projected STI-TRA soft-cost funding gaps for Rounds 3 through 6, as identified in the CAO's report dated September 9, 2022 (CF 15-0087-S8), and determined there is no longer a soft cost funding gap.

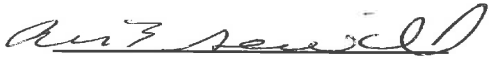
The BOE in a recent interdepartmental correspondence (attached) reported the project delivery cost projections where updated by incorporating recent estimates provided by various departments and found no indication of a soft costs funding gap, provided that the expectation for City staff labor cost reimbursement is limited to base labor and Compensated Time Off (CTO).

However, the BOE does share that considering recent industry trends and construction cost escalation, funding gaps on construction may be expected. The BOE has updated project cost estimates and submitted requests for additional funding on respective Round 3 and 4 projects through the FY 2023-2024 Budget. The BOE will continue to monitor trends, update estimates, and coordinate with partners on funding needs as projects progress and more information becomes available.

### **CONCLUSION**

We request the City Council to approve the four recommended projects to become co-applicants with the City for AHSC Round 7 program funding. The City AHSC team is working diligently to overcome the current challenges of Round 7 to obtain the necessary points and develop competitive applications for each

Approved By:

A handwritten signature in black ink, appearing to read "Ann Sewill", written over a horizontal line.

ANN SEWILL  
General Manager  
Los Angeles Housing Department

Attachments

BOE AHSC Interdepartmental Correspondence  
HCD Negative Points Policy

FORM GEN. 160 (Rev. 11-02)

**CITY OF LOS ANGELES**  
INTERDEPARTMENTAL CORRESPONDENCE

Date: February 23, 2023

To: Street and Transportation Projects Oversight Committee  
Matthew W. Szabo, Office of the City Administrative Officer (CAO), Chair  
Diego de la Garza, Office of the Mayor  
Sharon M. Tso, Office of the Chief Legislative Analyst (CLA)

From: Arsen Voskerchyan, P.E., Division Manager  
Street Improvement Division  
Bureau of Engineering



Subject: **UPDATE ON COST PROJECTIONS FOR AFFORDABLE HOUSING AND  
SUSTAINABLE COMMUNITIES (AHSC) GRANT PROJECTS**

**RECOMMENDATION**

Receive and file.

**DISCUSSION**

The Bureau of Engineering (BOE), in coordination with the Los Angeles Department of Transportation (LADOT), has updated project delivery cost projections for AHSC Rounds 3 through 6 by incorporating recent estimates provided by various departments. Previously, significant funding gaps were projected for project delivery, or soft costs. The updated projections do not indicate a soft cost funding gap, provided that the expectation for City staff labor cost reimbursement is limited to base labor and Compensated Time Off (CTO).

However, considering recent industry trends and construction cost escalation, funding gaps on construction costs may be expected. The BOE has updated project cost estimates and submitted requests for additional funding on respective Round 3 and 4 projects through the FY 2023-2024 Budget. The BOE will continue to monitor trends, update estimates, and coordinate with partners on funding needs as projects progress and more information becomes available.

If you have questions or require additional information, please contact me at [Arсен.Voskerchyan@lacity.org](mailto:Arсен.Voskerchyan@lacity.org).

AV/av

cc: David Hirano, City Administrative Office  
Maria Souza-Rountree, City Legislative Office  
Julie Sauter, Bureau of Engineering  
Carlos Rios, Los Angeles Department of Transportation

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

2020 W. El Camino Avenue, Suite 670, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771 / [www.hcd.ca.gov](http://www.hcd.ca.gov)



**DATE:** March 31, 2022 (Amended November 9, 2022)

**TO:** Interested Parties

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

Geoffrey Ross, Deputy Director  
Division of Federal Financial Assistance

**SUBJECT:** Negative Points Policy

**ADMINISTRATIVE NOTICE: Notice Number 2022-01**

This Administrative Notice establishes a formal written notification of administrative guidelines and policies that affect the operation of Department programs. This format is used to identify, clarify, and record administrative guidelines and interpretations of public interest.

This advisory notice sets forth the California Department of Housing and Community Development's (HCD/Department) Negative Points Policy applicable to all state and federal funding programs - both loans and grants - administered by HCD's Divisions of State and Federal Financial Assistance. A complete list of applicable programs, which may be amended from time to time as new programs are designed and implemented, is included as Attachment A. **Negative points will be calculated based on the criteria outlined below and will be applicable to all Notices of Funding Availability issued on or after the original date of this notice.**

Negative points will be assessed, as appropriate, to the applicant or joint applicant for the prior 5-year period from the date of the applicable Notice of Funding Availability, except where noted below.

**Background**

In an effort to proactively address California's ongoing affordable housing crisis and be a responsible steward of public funds, the Department has established the following comprehensive policy for determining negative points across various Department funding programs.

Through this negative points policy, the Department ensures that the limited critical funding resources available are directed to entities that demonstrate the ongoing capacity to successfully operate and manage affordable housing developments or implement programmatic activities and successfully deliver of the Department's mission to promote safe and affordable homes. Negative points will be assessed upon receipt of an application for HCD funding based on the criteria below and applicants will have an opportunity to appeal the assessment of any negative points prior to the finalization of rating and ranking and/or award recommendations. In addition to the negative points assessed based on the criteria below, the Department reserves the right, in its sole discretion, to revoke an entity's eligible sponsor or applicant status at any time based on documented serious issues with the operation, maintenance or implementation of project or program funds.



## Section 101. Definitions

In addition to the definitions found in the Uniform Multifamily Regulations (UMRs) (25 CCR 8301) and the Multifamily Housing Program (MHP) Guidelines, the following definitions shall apply. *Please note: capitalized terms used throughout this policy that are not defined below shall have the same meaning in the UMRs and/or MHP Guidelines.*

- (a) “Control” has the same meaning as described in 25 CCR 8313.2(a)(3)
- (b) “CRP” means the Department’s Compliance Resolution Program.
- (c) “Program Documents” means the Standard Agreement, Promissory Note and Regulatory Agreement and any other documentation meant to support the monitoring and compliance of project or program activity.
- (d) “Responsible Party” means the grantee, Sponsor, or borrower, including principals or agents of the Sponsor or borrower, of a project subject to the sanctions in this policy.
- (e) “Restructuring” means one or more of the following: extension of the Department’s loan term (or terms, if there are multiple Department loans), subordination of the Department’s loan or loans to a new senior loan or loans, and/or Low-Income Housing Tax Credit investment.

## Section 102. Negative Point Assessments

- (a) Department-assisted multifamily projects or program activities under the control of the Responsible Party which have had a detrimental effect on the Project/program activity or the Department’s ability to monitor a project or program activity shall be used as the basis for assessing point deductions as determined solely by the Department.
- (b) Negative point assessments for applications submitted to a Department funding Program shall be applicable as of the date of the NOFA application deadline, or the date the deficiencies are first identified, if those deficiencies occur between the application due date and the date of the award announcement.
- (c) Any negative point assessment shall reduce the Responsible Party’s score by the same amount for every future application to any of the Department’s Notices of Funding Availability for any Department funding Program for five years following the date upon which the occurrences or deficiencies occurred, or where possible, were corrected, as determined by the Department.
- (d) One point may be deducted for each of the following occurrences with a maximum deduction of 10 points.
  - (1) Failure to submit regularly (e.g., annual, bi-annual, or quarterly) required reports under any Department Program during the two-year period prior to the applicable NOFA application due date.;

- (A) The applicant may clear any reporting deficiencies prior to, or concurrent with, the application due date as stated in the NOFA for which the applicant is applying.
- (2) Failure to submit an annual fiscal audit or Schedule of Rental Income during the two-year period prior to the applicable NOFA application due date.
- (e) Five points may be deducted for each occurrence or event in the following categories, except as noted below, with a maximum deduction of 10 points per category and a maximum deduction of 50 points per Responsible Party per application:
  - (1) Failure to meet performance deadlines for encumbrance and/or liquidation of funds pursuant to the applicable Standard Agreement;
  - (2) Failure to meet performance requirements for construction commencement and construction completion set forth in the applicable Standard Agreement;
    - (A) For Projects funded under the Affordable Housing and Sustainable Communities Program where an extension is requested and approved by the Executive Director of the Strategic Growth Council before the milestone dates indicated in the Standard Agreement, negative points shall not be assessed;
  - (3) Failure to provide the number of assisted units as required by the Program Documents without prior approval by the Department.
  - (4) Failure to restrict unit occupancy to a Special Needs or Supportive Housing Population or other target population as required by the Program Documents;
  - (5) Failure to provide required supportive services to a Special Needs or Supportive Housing Population or other tenants of the Project as required by the Program Documents;
  - (6) Failure to comply with applicable provisions of Welfare and Institutions Code Sections 8255 through 8257 relating to Housing First policies;
  - (7) Failure to adequately maintain a Project;
  - (8) Failure to correct noncompliance issues within the timeframe specified in the Department's Site Monitoring Report or other reports and letters issued by the Department;
  - (9) Failure to timely make required payments to the Department. Negative points assessments may be made as follows:
    - (A) One negative point where the payment is 60 days late;
    - (B) Two negative points where the payment is 90 days late;
    - (C) Five negative points where the payment is 120 days late.

- (10) Charging tenant Rents greater than Rents allowable under the Department Program;
  - (11) Implementing Rent increases prior to receiving the Department's written approval, where such approval is required;
  - (12) Use of Department-controlled reserve funds in a manner contrary to Program requirements or without prior Department approval, or failure to deposit reserve funds as required by the Department;
  - (13) Failure to comply with the terms of a CRP workout;
  - (14) Failure to meet Disabled Veteran Business Enterprise requirements under the Veterans Housing and Homelessness Prevention Program;
  - (15) Failure to comply with the requirements set forth in Government Code Section 65863.10 relating to preservation notices;
  - (16) Sponsor-initiated disencumbrance of funds due to a return of funds after award has been made;
  - (17) Other significant violations of the requirements of Department Programs, as determined solely by the Department, assessed based on the severity and length of time of the violation.
- (f) Up to 20 points may be deducted for each occurrence or event in the following categories:
- (1) Removal, or withdrawal while under the threat of removal, as general partner as a consequence of failing to comply with contractual obligations, including the limited partnership agreement;
  - (2) A lender has recorded a Notice of Default against the Project;
  - (3) The ratio of the Project's total eligible basis to its total adjusted threshold basis limit, calculated based on actual development costs following completion of construction and in accordance with 25 CCR 8311, exceeds 170 percent or the amount stated in the applicable program guidelines/NOFA. The penalty assessed shall be 20 points.
  - (4) During the permanent loan closing process, failure to adhere to Program occupancy restrictions, including income limits, Rent limits, minimum or maximum number of persons in the household, or occupancy by target populations. In cases where reducing or eliminating occupancy restrictions to reflect actual occupancy status at the time of loan closing would have resulted in a reduction of points awarded at time of application, the penalty assessed shall be a minimum of five points or an amount equal to what the point score reduction is, whichever is greater. In cases where reducing or eliminating the occupancy restrictions to reflect actual occupancy status at the time of loan closing would not have resulted in a reduction of points awarded at the time of application, the penalty assessed may be five points.

### **Section 103. Defaults and Workouts**

- (a) The following negative point assessments apply only to those Department-assisted Projects assessed negative points under Section 102 hereof where the Project is subsequently referred to CRP or Legal Affairs for ongoing defaults or compliance issues. Points assessed under this Section 103 shall not be a duplication of points assessed under other sections hereof but shall be additional sanctions for continuing or worsening noncompliance and/or defaults.
- (b) Negative points assessments for applications to a Department funding Program shall apply as of the date of the application submittal deadline or the date the deficiencies are first identified, whichever is later. Additionally, any negative points assessment shall reduce the Responsible Party's score by the same amount for every future application to any of the Department's Notices of Funding Availability for any Department funding Program following the date upon which the occurrences or deficiencies were corrected, as determined by the Department. Negative points assessed pursuant to subparagraphs (1) through (5) of section (c) will be applicable for five years from the date of the event. Negative points assessed under other subparagraphs of section (c) will be applicable for 10 years from the date of the event.
- (c) Five points may be deducted for each occurrence or event in the following categories, with a maximum deduction of 10 points per category and a maximum deduction of 50 points per Responsible Party per application:
  - (1) CRP issues a Preliminary Notice of Default;
  - (2) Each subsequent year the Project remains in CRP due to ongoing defaults;
  - (3) Violations of the Department Program Documents committed while the Project remains in CRP;
  - (4) Violations of the Department Program Documents, whenever committed, initially discovered while the Project is in CRP;
  - (5) Failure to correct noncompliance issues within the timeframe specified in the Department's Preliminary Notice of Default;
  - (6) Misrepresentation of material facts related to the Responsible Party's compliance with the Department's Program Documents;
  - (7) CRP records a Notice of Default in the official records of the county in which the Project is located.

### **Section 104. Restructurings**

- (a) Negative point assessments for applications submitted to a Department funding Program shall be applicable as of the date of the NOFA application deadline or the date the deficiencies are first identified if those deficiencies occur between the application due date and the date of the award announcement. Additionally, any negative points assessment shall reduce the Responsible Party's score by the same amount for every future application

to any of the Department's Notices of Funding Availability for any Department funding Program for five years following the date upon which the occurrences or deficiencies were corrected, as determined by the Department.

- (b) Five points may be deducted for each occurrence or event in the following categories, with a maximum deduction of 10 points per category and a maximum deduction of 50 points per Responsible Party per application:
  - (1) Failure to cooperate with the Department to bring the Restructuring to a close within one year of application, as evidenced by:
    - (A) Responsible Party's failure to respond to Department requests in a timely manner;
    - (B) Responsible Party's failure to produce documentation required to complete the Department's application.
  - (2) Misrepresentation of material facts related to the Responsible Party's application for a transaction.

#### **Section 105. Program Funding Ineligibility**

- (a) For applications to noncompetitive funding programs, Responsible Parties with 10 or more negative points as of the first day of the application period shall be ineligible for an award.
- (b) Any Responsible Party of a Project that has been foreclosed by HCD or any lender shall be ineligible to apply for Department funding for a period of 10 years from the date of the foreclosure, except as described in subsection (c).
- (c) Any Responsible Party convicted of fraud, embezzlement, money laundering, or falsifying documents shall be ineligible to apply for Department funding indefinitely.
- (d) Any Responsible Party that submits to the Department documents containing a misrepresentation of material fact, including documents submitted in connection with applications for funding or loan closings, Annual Reports, Schedules of Rental Income, or clearance of Monitoring Findings, may be ineligible to apply for Department funding for a minimum of two years, with the potential for indefinite ineligibility, as determined by the Department.
- (e) Any Responsible Party that submits to the Department falsified or forged documents shall be ineligible to apply indefinitely.

#### **Section 106. Notification and Appeals**

- (a) The Department shall notify the Responsible Party in writing within 90 days from the time the Department discovers a noncompliance issue that may result in an assessment of negative points on future applications for Department funding. This notice is not an official assessment of negative points and is not subject to appeal until the Responsible Party applies for Department funding and receives a negative points assessment as described in subsection (b) below;

- (b) If the Responsible Party applies for Department funding and is subject to negative points assessment or is determined to be ineligible for funding, the Director of the Department or their designee shall notify the Responsible Party in writing according to the timeframes set forth in the applicable NOFA. The notification shall include the reason for the determination of ineligibility or negative points assessment, the number of points assessed for each noncompliance issue, the total number of negative points assessed against the application, and instructions for submitting an appeal;
- (c) The Responsible Party may submit a written appeal to the Director or his/her/their designee. as specified in the notice provided pursuant to subsection (b) above;
- (d) Director or his/her/their designee shall communicate the disposition of the written appeal in writing to the Responsible Party pursuant to the timeframes set forth in the applicable NOFA. This disposition shall be final and may only be overturned by the Director of the Department or their delegated Authority.

# Appendix A

## Listing of Applicable Programs

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*Last Updated March 31, 2022*

The following is a list of all programs implemented by the California Department of Housing and Community Development that are subject to the Negative Points Policy as adopted on March 31, 2022.

- Affordable Housing and Sustainable Communities (AHSC) Program
- CalHOME
- California Housing Accelerator
- Community Development Block Grant (CDBG) Program – non-entitlement HCD administered program only
- Community Development Block Grant – Disaster Recovery (CDBG-DR)
- Emergency Solutions Grants (ESG) Program
- Excess Sites Local Matching Grant (LGMG) Program
- Housing for a Healthy California (HHC) Program
- Home Investment Partnerships Program (HOME) – non-entitlement HCD administered program only
- HOME – American Rescue Plan (ARP)
- Homekey
- Infill Incentive Grant Program of 2007 (IIG-2007)
- Infill Infrastructure Grant Program of 2019 (IIG-2019)
- Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program
- Local Housing Trust Fund (LHTF)
- Multifamily Housing Program (MHP)
- Multifamily Housing Program – Supportive Housing (SHMHP)
- National Housing Trust Fund (NHTF) Program
- Neighborhood Stabilization Program (NSP) – non-entitlement HCD administered program only
- No Place Like Home (NPLH) Program – HCD administered competitive and non-competitive allocations
- Office of Migrant Services (OMS) Program
- Permanent Local Housing Allocation (PLHA) Program
- Competitive Permanent Local Housing Allocation (PLHA) Program
- Pet Assistance and Support (PAS) Program
- Portfolio Reinvestment Program (PRP)
- Transit Oriented Development (TOD) Implementation Program
- Veterans Housing and Homelessness Prevention (VHHP) Program