

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

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October 14, 2021

MEMORANDUM FOR: ALL POTENTIAL APPLICANTS

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

Handwritten signature of Jennifer Seeger in blue ink.

SUBJECT: **Affordable Housing and Sustainable Communities Program
Amended Notice of Funding Availability – Round 6**

On February 26, 2021, the California Department of Housing and Community Development (HCD) announced the availability of approximately \$405 million in funds for the Affordable Housing and Sustainable Communities (AHSC) program. Then on July 27, 2021, California Strategic Growth Council (Council) staff recommended an increase of \$380 million in revenues from recent Greenhouse Gas Reduction Fund (GGRF) auctions to augment the current Notice of Funding Availability (NOFA). The Council approved the funding augmentation at their September 8, 2021 Council Meeting, which increased the total funding amount available in the AHSC NOFA to approximately \$785 million.

In addition, the Council approved an increase to the Developer maximum loan limit per funding cycle. The amended Developer maximum for this funding round shall be \$120 million pursuant to NOFA section II(C)(2), page 2. Amended NOFA language is shown in red text in the attached NOFA pages. Please see below for a summary of all updates:

- Program funding has been increased to \$785 million. Changes to the dollar amount can be found on page 1 of the NOFA; and
- Developer maximum loan limit per funding cycle has been updated to \$120 million. Changes may be found on page 2 of the NOFA.

Only those pages with amended language are included in this memo. Please refer to the February 26, 2021 NOFA for full programmatic requirements. **Please note, no additional applications will be accepted under this augmented NOFA. Additional funding will be allocated to projects which submitted an application consistent with the deadlines established under the February 26, 2021 NOFA.**

More information about the AHSC program information is available at <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml>. To receive information on program updates, please [subscribe](https://www.hcd.ca.gov/HCD_SSI/subscribe-form.html) at https://www.hcd.ca.gov/HCD_SSI/subscribe-form.html to HCD's listserv for the AHSC program. If you have questions, please contact the AHSC program ahsc@hcd.ca.gov

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 **\$785 million** in funding for the Affordable Housing and Sustainable Communities (AHSC) program. The AHSC program is administered by SGC and implemented by the Department. The California Air Resources Board (CARB) provides the quantification methodology for determining the greenhouse gas (GHG) emissions reductions for the AHSC program.

These AHSC program funds will be used for loans or grants, or a combination thereof, to projects that will achieve GHG emissions reductions to benefit all California communities, particularly through increasing accessibility to affordable housing, and key destinations via low-carbon transportation resulting in fewer vehicle miles traveled through shortened or reduced trip length or mode shift from single occupancy vehicle use to transit, bicycling, or walking.

B. Timeline

NOFA Release	February 26, 2021 Amended October 12, 2021
Application Due Date	June 8, 2021
Award Announcement	January 26, 2022

C. Authorizing Legislation and Regulations (Regulatory Authority)

The AHSC program furthers the purposes of Assembly Bill ([AB 32](#)) (Chapter 488, Statutes of 2006), Senate Bill ([SB 375](#)) (Chapter 728, Statutes of 2008), and [SB 32](#) (Chapter 249, Statutes of 2016). Available funds are subject to the AHSC program Guidelines approved by the SGC February 24, 2021, or as amended (Guidelines). The Guidelines include detailed information on eligibility requirements, application selection criteria, established terms, conditions, and procedures for funds awarded under AHSC. The Guidelines are available at <http://www.sgc.ca.gov/programs/ahsc/resources/>.

Applicants are responsible for complying with the AHSC program requirements set forth in the Guidelines, this NOFA, and the application materials. Applicants are encouraged to carefully review the Guidelines and information contained in this NOFA before submitting applications.

II. Program requirements

The following is provided as a summary and is not to be considered a complete representation of the entirety of the eligibility, threshold, or other requirements or terms and conditions of the AHSC program. Please note that capitalized words may be defined terms and can be found in the program Guidelines. Please refer to the Guidelines for complete information.

A. Eligible Applicants

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

Please note: A special purpose entity, which is formed and controlled by the Developer, and which will serve as the ultimate borrower of AHSC loan funds, is not an Eligible Applicant, but may be named in the portion of the application that requests the name of the ultimate borrower.

B. Eligible Projects

Eligible projects must fall into one of the following three eligible Project Area types:

- Transit Oriented Development (TOD) Project Area type
- Integrated Connectivity (ICP) Project Area type
- Rural Innovation Project Area (RIPA) type

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

C. Program funding amounts and terms

- 1. AHSC program funding award maximum:** The maximum AHSC program loan or grant award, or combination thereof, is \$30 million with a minimum award of \$1 million.
- 2. AHSC program funding developer maximum:** A single Developer may receive no more than **\$120 million** per NOFA funding cycle. This limitation may be waived by SGC if necessary, to meet statutory requirements referenced in Guidelines Section 108.
- 3. Terms of assistance:** Assistance terms and limits are set forth in Guidelines Section 104, Assistance terms and limits. Loans for rental Affordable Housing Developments are subject to requirements set forth in Guidelines Section 104(b). Grants are subject to the terms and requirements set forth in Guidelines Section 104(c).