

# AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

ROUND 8  
PROGRAM GUIDELINES



CALIFORNIA STRATEGIC  
GROWTH COUNCIL



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**Note: Defined terms are bolded throughout the document. Refer to Appendix A for complete definitions.**

## Article I. AHSC General Overview

### Section 100. Purpose and Scope

- (a) The purpose of these **Program Guidelines** is to implement Division 44, Part 1 Chapter 2 of the Public Resources Code (PRC) (commencing with Section 75200), which establishes the Affordable Housing and Sustainable Communities (AHSC) Program, hereinafter referred to as the **AHSC Program**.
- (b) The purpose of the **AHSC Program** is to reduce greenhouse gas (GHG) emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinated public policy objectives, including the following:
  - (1) reducing air pollution;
  - (2) improving conditions in disadvantaged communities;
  - (3) supporting or improving public health and other co-benefits as defined in Section 39712 of the Health and Safety Code;
  - (4) improving connectivity and accessibility to jobs, housing, and services;
  - (5) increasing options for mobility, including the implementation of the Active Transportation Program established pursuant to Section 2380 of the Streets and Highway Code;
  - (6) increasing transit ridership;
  - (7) preserving and developing affordable housing for lower income households, as defined in Section 50079.5 of the Health and Safety Code; and
  - (8) protecting agricultural lands to support infill development.
- (c) These **Program Guidelines** will serve as the primary document related to eligibility, scoring, and the application process for Round 8 of the **AHSC Program**. Unless stated in this document, previous versions of **AHSC Guidelines**, attachments, Quantification Methodologies, Question and Answer (“Q&A”) documents, or personal communications with staff from previous rounds are superseded by this document and no longer in effect for projects applying to Round 8.
- (d) Severability: If any provision of these Guidelines is found to be unlawful, unenforceable, or invalid in whole or in part for any reason, such provisions will be severed without affecting any other provision of this document. The validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.
- (e) Individuals who seek clarity on portions of these **Guidelines** after **Council’s** adoption, may pose questions and see publicly-available answers on the Round 8 Materials page of the SGC Website:  
<https://sgc.ca.gov/programs/ahsc/resources/guidelines.html>.

## Section 101. AHSC Program Overview

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 GHG emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting **Agricultural Land** from sprawl development. The Greenhouse Gas Reduction Fund (GGRF), an account established to receive proceeds from Cap-and-Trade auctions, provides funding for the **AHSC Program**. The Cap-and-Trade Program, a key strategy for achieving the GHG emission reduction goals of AB 32, issues a limited number of GHG emissions permits (called allowances) each year. A portion of these allowances can be purchased from the State at quarterly auctions, thereby generating auction proceeds. These State auction proceeds are then deposited in the GGRF, where they become available for appropriation by the Legislature to further the purposes of AB 32.

The **AHSC Program** is administered by the **California Strategic Growth Council (Council or SGC)**. The **Department of Housing and Community Development (Department)** will implement the transportation, housing, and infrastructure components of the **AHSC Program**. The **Council** staff will coordinate efforts with **Department** staff, working with the **California Air Resources Board (CARB)** and the **Council** to administer the broader **AHSC Program**, including developing **Program Guidelines**, evaluating applications, preparing agreements, monitoring agreement implementation, and program reporting.

The **Council** will coordinate with **CARB** to develop and incorporate consistent guidance in the following areas, which will apply to all GGRF programs, including the **AHSC Program**:

- Expenditure records to ensure investments further the goals of AB 32.
- SB 535 (Chapter 830, Statutes 2012) and AB 1550 requirements to maximize benefits to **Disadvantaged Communities, Low-Income Communities, and Low-Income Households**.
- Consistent methodologies for quantifying GHG reductions and other economic, environmental, and public health co-benefits.
- Project tracking and reporting.

The **AHSC Program** provides grants and/or loans to projects that achieve GHG emission reductions and benefit **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** supports the Climate-Friendly, Climate-Ready Housing goals as outlined by [Governor Gavin Newsom's letter to CARB dated July 22, 2022](#). The **AHSC Program** funds infill projects that are dense, affordable, and located in transit-rich areas to reduce VMT by encouraging walking, biking, and transit connectivity. **AHSC Projects** also promote carbon neutrality by requiring all electric design and incentivizing green building techniques, **Urban Greening**, and purchase of **Zero Emission Vehicles (ZEV)**.

Three **Project Area Types** have been identified to implement this strategy: 1) **Transit-Oriented Development (TOD) Project Areas**, 2) **Integrated Connectivity Project (ICP) Project Areas**, or 3) **Rural Innovation Project Areas (RIPA)**.

**AHSC Program** award funds will be allocated through a competitive process, based on the merits of applications within each **Project Area Type**.

The threshold requirements and application selection criteria focus on the extent to which developments realize **AHSC Program** objectives of reducing GHG emissions; benefiting **Disadvantaged Communities, Low-Income Communities, and Low-Income Households**; providing affordable housing; demonstrating project readiness; and meeting other policy considerations.

#### Disadvantaged Community Benefits

California Climate Investments are required to meet minimum levels of investments to projects that benefit residents of **Disadvantaged Communities, Low-Income Communities, and Low-Income Households**, collectively referred to as “**Priority Populations**” for Round 8.

For FY2023-24, the **AHSC Program** will target 55 percent of funds to **Disadvantaged Communities**, 15 percent of funds to **Low-Income Communities**, and 5 percent of funds to **Half Mile Buffer Communities**.

To count toward statutory investment minimums, administering agencies must determine if a project meets the criteria for providing direct, meaningful, and assured benefits to priority populations by identifying that a **Project** is located within a census tract identified as a **Disadvantaged Community** or **Low-Income Community**, or directly benefits residents of a **Low-income Household**; that the **Project** meaningfully addresses an important need; and that the **Project** directly addresses the identified need. **SGC** will use the **Priority Populations Map** to determine the geographic eligibility based upon the location of the **Project’s** AHSC-funded **Affordable Housing Development** and will use a Benefit Criteria Table to determine if investments have a direct benefit to **Priority Populations**. The **Priority Populations Map** is available at:

<https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=6b4b15f8c6514733972cabdda3108348>. Benefit Criteria Tables for this program will be available at:

[www.arb.ca.gov/cci-resources](http://www.arb.ca.gov/cci-resources)

#### Vision for Racial Equity

The California Strategic Growth Council (**SGC**) is committed to achieving racial equity in its operations, investments, and policy initiatives and to achieving its vision that: All people in California live in healthy, thriving, and resilient communities regardless of race. Read more in the SGC Racial [Equity Action Plan](#).

Figure 1: Affordable Housing and Sustainable Communities (AHSC) Program Overview  
*Project Awards and Project Area Types (Section 102 and Section 104)*

- All **Project Areas** MUST include an **Affordable Housing Development (AHD)** or **Housing Related Infrastructure (HRI)** near a **Transit Station/Stop**, served by at least one **Qualifying Transit**. This level of service must have been publicly posted by the provider at some point between January 2024 and the time of application. The **Qualifying Transit** must be located no farther than one-half (0.50) mile from the **AHD** along a **Pedestrian Access Route**. **Rural Innovation Project Areas (RIPA)** can include an existing or planned **Transit Station/Stop** as long as it is in place by the time a certificate of occupancy is provided.
- **Project Area Types and specific requirements:**
  - **Transit-Oriented Development (TOD) Project Area**
    - **AHD** must not be located in a **Rural Area** and must be served by **High Quality Transit**
  - **Integrated Connectivity Project (ICP) Project Area.**
    - **AHD** must not be located in a **Rural Area** and not served by **High Quality Transit**, but must be served by **Qualifying Transit**.
  - **Rural Innovation Project Area (RIPA)**
    - **AHD** must be located within a **Rural Area** and must be served by either a **High Quality Transit** or **Qualifying Transit**. Transit must be in place by the time a certificate of occupancy is provided
- All **Project Area Types** are subject to the following minimum and maximum award amounts:  
Minimum: \$10 million. Maximum: \$50 million (\$35 million for **AHD/HRI**, \$15 million for **STI/TRA**).

*Required AHSC-Funded Components (Section 102 and Section 103)*

- At least 50 percent of **AHSC Program** funds for each **Project** MUST be used for **Affordable Housing** (which includes **Affordable Housing Developments**, **Housing Related Infrastructure**, or both); and
- **Projects** must have at least one of these components:
  - **Affordable Housing Developments (AHD)**
  - **Housing Related Infrastructure (HRI)**AND one or more of these components:
  - **Sustainable Transportation Infrastructure (STI)**
  - **Transportation Related Amenities (TRA)**
  - **Programs (PGM)**

*Affordable Housing Development Requirements (Section 103)*

- **Affordable Housing Developments** must be one of the following:
  - New construction
  - Acquisition and **Substantial Rehabilitation** including preservation of at-risk affordable housing
  - Conversion of nonresidential structures to residential dwelling units

*Funding Goals and Requirements (Section 108)*

- At least 35.0 percent of **NOFA** to **TOD Project Areas**
- At least 35.0 percent of **NOFA** to **ICP Project Areas**
- At least 10.0 percent of **NOFA** to **RIPAs**
- At least one **Project** from an eligible **Tribal Entity**
- At least one **Project** from each geographic area as defined in Sec. 108
- Programmatic Financial Requirements
  - At least 50.0 percent of the **AHSC Program** expenditures shall be for Affordable Housing (Health & Safety Code § 39719(b)(1)(C)); and
  - At least 50.0 percent of **AHSC Program** expenditures must benefit **Disadvantaged Communities (DAC)** (Public Resources Code § 75214; and
  - At least 5.0 percent of **AHSC Program** expenditures must benefit **Low-Income Communities** ([California Climate Investments Guidelines](#)); and
  - A least 5.0 percent of **AHSC Program** expenditures must benefit **Half Mile Buffer Communities** ([California Climate Investments Guidelines](#)).

## Article II. Program Requirements and Procedures

### Section 102. Eligible Projects

The **AHSC Program** is designed to implement GHG emission reductions through a reduction of vehicle miles traveled (VMT), or fewer and shorter auto trips. The **AHSC Program** will fund integrated land use and transportation projects supporting low-carbon transportation options. Promoting mode shift to low-carbon transportation requires strategies that link residential areas, major employment centers, and other **Key Destinations** to accessible, reliable, affordable, safe, and comfortable transit and active transportation options for everyone, including people with physical, sensory, intellectual/developmental, and other types of disabilities.

- (a) The **Project Area** is the area which encompasses transit, housing, and destinations and is the area in which **Project** funds will be primarily focused. Each **Project Area** must:
  - (1) Be a contiguous circular area measured from any single point inside the parcel of the **AHD**. For **TOD Project Areas** and **ICP Project Areas**, the radius must be no greater than a one (1.0) mile. For **RIPAs**, the radius must be no greater than a two (2.0) miles. Projects that are made up of **Scattered Sites** must choose a single point in any one of the **AHD** parcels of the applicant's choice;
  - (2) Include at least one **Transit Station/Stop** consistent with the requirements set forth in (b)(1), (b)(2), or (b)(3) and is located no farther than one-half (0.50) mile from the **AHD** along a **Pedestrian Access Route**;
    - (A) If the **Pedestrian Access Route** is not already in place at the time of application, the **Applicant** must affirm that the route will be in place by the effective date of the **AHD** certificate of occupancy. The **Sustainable Transportation Improvements (STI)** and **Transportation Related Amenities (TRA)** components of the **Project** can fund this improvement;
  - (3) Include all AHSC-funded **Sustainable Transportation Improvements (STI)** and **Transportation Related Amenities (TRA)** components;
    - (A) **STI** components (e.g., a bus-only lane, **Transit Signal Priority**, a bikeway, or sidewalk) may extend beyond the boundaries of the **Project Area**, but a pedestrian or cyclist entrance to the facility must be located within the **Project Area**. If making an **STI** improvement to a fixed route transit route that includes a portion outside the **Project Area**, there must be a **Transit Station/Stop** on that route within the **Project Area** at the time of application. If making an **STI** improvement to a **Flexible Transit Service**, the service area must include the **AHD**; and
    - (B) **TRA** components must be wholly inside the **Project Area**.
  - (4) Include one **AHD** and/or **HRI** and at least one of the following: **STI**, **TRA**, or **Program Costs (PGM)**;

- (b) The **AHSC Program** includes three eligible **Project Area Types**: 1) **Transit-Oriented Development (TOD) Project Areas**; 2) **Integrated Connectivity Project (ICP) Project Areas**, and 3) **Rural Innovation Project Areas (RIPA)**. The frequency of nearby transit is the primary differentiating requirement between each **Project Area Type**, as described Section 102(b)(1), (2), and (3). All **Projects**, regardless of **Project Area Type**, must demonstrate VMT reduction through fewer or shorter vehicle trips or through mode shift to transit use, bicycling, or walking within transit areas. Projects should seek to integrate low-carbon transportation and affordable housing with an emphasis on providing benefits to **Disadvantaged Communities** or **Low-Income Communities**.
- (1) **TOD Project Areas** must include at least one (1) **Transit Station/Stop** that is served by **High Quality Transit** at the time of application submittal;
  - (2) **ICP Project Areas** must include at least one (1) **Transit Station/Stop** that is served by the **Qualifying Transit** at the time of application submittal. At the time of application it must not include a **Transit Station/Stop** that is served by **High Quality Transit** which is located within one-half (0.50) mile from the **Affordable Housing Development** along a **Pedestrian Access Route**;
  - (3) **RIPAs** must demonstrate all the following:
    - (A) Include at least one (1) existing or planned **Transit Station/Stop** that is served by the **Qualifying Transit** or **High Quality Transit** that is located no farther than one-half (0.50) mile from the **Affordable Housing Development** along a **Pedestrian Access Route**; and
    - (B) Must be located within a **Rural Area**, as defined in California Health and Safety Code 50199.21.



## Section 103. Eligible Costs

The **AHSC Program** funds **Capital Projects** and eligible **Program Costs** within **TOD, ICP** and **RIPA Project Areas** consistent with requirements of Section 102(b)(1), (2), and (3) respectively, as follows:

- **Affordable Housing Development (AHD)**
- **Housing Related Infrastructure (HRI)**
- **Sustainable Transportation Infrastructure (STI)**
- **Transportation Related Amenities (TRA)**
- **Community Education and Other Program Costs (PGM)**

Each **Capital Project** or **Program Cost** must be unique to a single application and cannot be split over multiple applications.

Examples of **Eligible Costs** within each category of eligible **Capital Projects** and **Program Costs** are identified in Figure 2 below. Note that these are examples and not an exhaustive list. To be considered a stand-alone component under any of the categories, the improvements must meet the **Guidelines** definition of that component (e.g., **STI, TRA, PGM**, etc.):

**Figure 2: Eligible Cost Examples**

<b>Eligible Cost Examples</b>	<b>AHD/ HRI</b>	<b>STI</b>	<b>TRA</b>	<b>PGM</b>
Construction or Substantial Rehabilitation of affordable housing	X			
Installation of broadband internet trunk line or fixed wireless infrastructure	X			
Deposits and payments for Factory-Built AHD components	X			
Installation of on-site energy storage (battery arrays)	X			
Installation of new or improved walkways that improve mobility and access of pedestrians		X		
Installation of new or improved bikeways that improve mobility and access of cyclists		X		
Installation of new or improved pedestrian crossings or over-crossings		X		
Repaving and road reconstruction costs, only for the portion of the roadway where the new or improved walkway and bikeway is installed		X		
Streetscape improvements, including, but not limited to the installation of lighting, signage, or other related amenities that improve the safety or convenience of pedestrians, cyclists, or transit riders, but do not increase capacity for private vehicles		X		
Street crossing enhancements including installation of accessible ramps or pedestrian signals		X		
Installation of traffic calming measures including development of curb extensions, roundabouts, median islands, traffic diverters, chicanes, “road diets”, lane narrowing projects		X		
Signage and way-finding markers for pedestrians or transit users		X		
Bike sharing infrastructure and fleet		X		
Signage and striping of a dedicated bus lane		X		

<b>Eligible Cost Examples (continued)</b>	<b>AHD /HRI</b>	<b>STI</b>	<b>TRA</b>	<b>PGM</b>
Transit operations for new service or service expansion		X		
ZEV transit vehicles and charging infrastructure for new service or service expansion		X		
ZEV vehicles and charging infrastructure for use in a shared mobility program that is accessible to the public, and includes reduced costs for low-income participants		X		
Transit related equipment to increase service or reliability		X		
Transit Signal Priority technology systems		X		
Installation of at-grade boarding infrastructure or concrete bus pads at bus stops		X	X	
Transit passenger amenities (e.g., Wi-Fi access, Digital or Integrated Fare Collection)			X	
Street furniture (e.g., benches, shade structures, etc.)			X	
Development or improvement of transit facilities or stations			X	
Real-time arrival/departure information systems			X	
Development or improvement of shelters or waiting areas at transit station/stops			X	
Transit fare machine purchase or improvements			X	
Publicly accessible bicycle parking or repair kiosks			X	
Bicycle carrying devices on public transit			X	
Station area signage capital improvements			X	
Publicly accessible ZEV Open Network charging infrastructure	X	X	X	
Zero Emission Transit Vehicle (ZEV) Charging Infrastructure	X	X	X	
Energy efficiency and renewable energy capital improvements	X	X	X	
Urban Greening and Water Efficiency capital improvements	X	X	X	
Pedestrian and bicycle safety education programs				X
Development and implementation of “walking school bus” or “bike train” programs				X
School crossing guard training programs				X
Bicycle and pedestrian safety clinics or bike rodeos				X
Safe Passages Programs				X
Bike sharing program operations				X
ZEV car share programs				X
Transit subsidy and Universal ‘Mobility Wallet’ programs				X
Education and marketing of transit subsidy programs				X
Transportation Demand Management (TDM) programs				X
Air pollution exposure reduction program				X
Workforce development partnerships				X
Tenant education and support services (e.g., finances, housing, legal, wellness, workforce)				X
Digital or financial literacy programs for AHD residents				X
No-cost broadband internet service for AHD residents				X

(a) **Capital Projects:**

(1) To be eligible for **AHD Eligible Costs**, **AHD Capital Projects** must:

(A) Consist of one or more of the following:

(i) New Construction

(ii) Acquisition and **Substantial Rehabilitation** (including preservation of affordable housing at-risk of conversion to market rate). The acquisition must be made through a bona fide sale or transfer from the existing ownership entity to the new ownership entity comprised of a completely disparate ownership structure, which contains no common entity interest at any level of the organizational structure. Re-syndication of an **AHD** is not an eligible **Capital Project**.

(iii) Conversion of one or more nonresidential structures to residential dwelling units.

(B) Be located within one-half (0.50) mile from a **Transit Station/Stop** that meets the **Project Area** transit requirements as defined in Section 102(b). The one-half (0.50) mile is to be measured from any point along the perimeter of the **AHD** parcel to the pedestrian entrance to a **Transit Station/Stop** along a **Pedestrian Access Route**. If the **Pedestrian Access Route** is not clearly identified in the submitted supporting documentation, additional clarification may be requested to substantiate compliance with requirements.

(C) Rental and homeownership **Affordable Housing Developments** must include at least 20 percent of the total residential units as **Affordable Units**. Rental **AHDs** must demonstrate an overall **Project** average affordability of all **Restricted Units** within the **Project** no greater than 50 percent represented by **Area Median Income (AMI)**. There is no requirement regarding overall **Project** average affordability of all **Restricted Units** for homeownership **AHDs**. Average affordability means the total number of **Restricted Units** multiplied by each restricted affordability level divided by the total **Restricted Units**. For example, for a 30-unit **Project** with 10 units restricted to 40 percent and 10 units restricted to 60 percent **AMI** the calculation of the average affordability would be as follows:

(i) 10 units @ 40% **AMI** is  $10 \times 40 = 400$

(ii) 10 units @ 60% **AMI** is  $10 \times 60 = 600$

(iii)  $400 + 600 = 1,000$ ;

(iv)  $1,000/20$  total **Restricted Units** = average affordability of 50%; and

(D) The **AHD** must demonstrate a minimum **Net Density** not less than that shown in Section 103(a)(1)(D)(i) or (ii) *Note: Applicants must calculate **Net Density** as the number of dwelling units per acre in the AHSC Benefits Calculator Tool.*

(i) For the total number of dwelling units in the project to be used in the calculation of **Net Density**, the **Applicant** may use either the un-adjusted total number of dwelling units in the project (Figure 3) or a number adjusted for unit size as described in Section 103(a)(1)(D)(ii).

**Figure 3: Un-Adjusted Minimum Net Density**

<b>Project Area Type</b>	<b>Residential Only Projects</b>	<b>Mixed Use Developments (Floor Area Ratio)</b>
<b>TOD</b>	30 units per acre	> 2.0
<b>ICP</b>	20 units per acre	> 1.5
<b>RIPA</b>	15 units per acre	> 0.75

- (ii) For the total number of dwelling units in the **Project** to be used in the calculation of **Net Density**, the **Applicant** may use either the un-adjusted total number of dwelling units in the project (Figure 3) or a number adjusted for unit size by multiplying the factors in this subsection by the total number of units in each unit size category, then summing the resulting products:
    - 0 Bedroom = 0.7 factor
    - 1 Bedroom = 0.9 factor
    - 2 Bedroom = 1.5 factor
    - 3 Bedroom = 1.6 factor
    - 4 Bedroom = 1.8 factor
  - (iii) **Mixed Use Developments** may demonstrate consistency with the **Net Density** requirements through either the unit per acre or **Floor Area Ratio** requirements detailed in Figure 3.
  - (iv) Acquisition and **Substantial Rehabilitation** (including preservation of affordable housing at-risk of conversion to market rate housing) are exempt from the minimum density requirements in Section 103(a)(1)(D) but shall not result in fewer units or lower percentage of total affordability than currently exists except where reductions in unit count are required to meet building code requirements.
- (E) Must supply at least one (1) **Secure Overnight Bicycle Parking** spot that is not publicly accessible and is completely enclosed for every two residential units. Bicycle parking at the **Affordable Housing Development** will be considered an eligible cost but may not be used to meet required **Project Area** components as outlined in Section 102.
- (2) A **Project** may not contain more than one **Affordable Housing Development Capital Project**. A single **Affordable Housing Development Capital Project** may not include more than one **Affordable Housing Development**, nor may it include an **Affordable Housing Development** that contains multiple development sites when one development site is receiving 4 percent low-income housing tax credits, and another is receiving 9 percent low-income housing tax credits, or when the multiple development sites are each receiving separate 4 percent low-income housing tax credits. An application proposing an **Affordable Housing Development** with both 4 percent low-income housing tax credits and 9 percent low-income housing tax credits, or with multiple 4 percent low-income housing tax credits, will be disqualified on the grounds that it is not proposing a **Project** within the meaning and design of the **AHSC Program**. To the extent such tax credit scenarios are contemplated, they shall constitute two separate

and independent **Projects**, each of which must submit an entirely separate application and qualify independently of the other.

- (A) The purpose of this subsection is to clarify which types of **Project** structures are eligible within a single AHSC application and award. This reinforces AHSC’s directive to **SGC, HCD, and CARB** to identify and fund unified, cohesive **Projects** in which interdependent components truly work together to create reductions in VMTs and ultimately GHG emissions. Any **Project** that represents at application as a single **Affordable Housing Development** for scoring purposes, but after receiving an award letter attempts to split its single **Affordable Housing Development** into multiple **Affordable Housing Developments** with separate ownership structures or separate financing structures will be disencumbered as it no longer meets the requirements of AHSC.
- (3) **AHD Capital Projects** may:
  - (A) Include residential units that are rental or homeownership, or a combination of both;
  - (B) Consist of a **Scattered Site** constituting a single, integrated **Affordable Housing Development**. Rental **Affordable Housing Developments** on a **Scattered Site** must meet all the requirements set forth by Section 8303(b) of the Uniform Multifamily Regulations (UMRs). For Homeownership **Affordable Housing Developments** on **Scattered Sites**, the individual sites must have a single owner at the time of execution of the AHSC loan Standard Agreement;
  - (C) Include nonresidential uses that are compatible under local zoning.
- (4) Any **Sustainable Transportation Infrastructure (STI)** or **Transportation Related Amenities (TRA)** that is publicly accessible must be equally accessible to all members of the public in accordance with state and federal anti-discrimination laws. This includes providing full and equal access to people with disabilities.
- (5) **AHD** and **HRI Capital Projects** must comprise *at least* fifty percent (50.0%) of total AHSC funds requested, but shall not exceed \$35,000,000.
- (6) The total combined grant amount for **Sustainable Transportation Infrastructure Capital Projects** and **Transportation Related Amenities Capital Projects** shall not exceed \$15,000,000.
- (b) **Eligible Costs** for **Affordable Housing Development Capital Projects** are limited to:
  - (1) Loans for rental **Affordable Housing Development**. Eligible loan costs for a **Housing Development**, as specified in Section 7304 and 7305 of the **MHP Guidelines**.
  - (2) Grants for homeownership **Affordable Housing Development**. Eligible grant costs as specified in Section 400.2 of the [CalHome Guidelines dated December 30, 2022](#). Construction and **Substantial Rehabilitation** work is also an **Eligible Cost**.
  - (3) Soft costs such as those incidentally but directly related to construction or other pre-development components including, but not limited to, planning, engineering, construction management, architectural, and other design work, required mitigation expenses, appraisals, legal expenses, and necessary easements. Soft

- costs shall not exceed 10 percent of costs associated with the funding request for the **AHD Capital Project**.
- (4) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale with the size of the **Applicant's** funding request. **Applicants** should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** costs are not included within the soft costs cap.
- (c) **Eligible Costs for Housing Related Infrastructure Capital Projects** are limited to any of the following:
- (1) Capital improvements required by a **Locality**, transit agency, or special district as a condition to the approval of the **Affordable Housing Development**.
  - (2) **Factory-Built Housing** components utilized in the construction of the **Affordable Housing Development**. **Eligible costs** shall include deposits required to initiate construction of **Factory-Built Housing** components and any subsequent payments.
  - (3) Soft costs such as those incidentally but directly related to construction or other pre-development components including, but not limited to, planning, engineering, construction management, architectural, and other design work, required mitigation expenses, appraisals, legal expenses, and necessary easements. Soft costs shall not exceed 10 percent of costs associated with the **HRI Capital Project**.
  - (4) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale with the size of the **Applicant's** funding request. **Applicants** should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** costs are not included within the soft costs cap.
  - (5) Required environmental remediation necessary for the **HRI Capital Project** where the cost of the remediation does not exceed 50 percent of **AHSC Program** grant funds.
  - (6) Real property acquisition (not inclusive of the **AHD** site) of the **Housing Related Infrastructure** project site and associated fees and costs (not to exceed 10 percent of the total **AHSC Program** award). Real estate commissions for purchase or acquisition are not an eligible expenditure.
  - (7) Impact fees required by local ordinance are eligible for funding only if used for the identified eligible **HRI Capital Project** not to exceed \$300,000.
  - (8) The purchase and installation of on-site energy storage in the form of battery arrays, as certified by an energy consultant or architect.
- (d) **Eligible Costs for Sustainable Transportation Infrastructure Capital Projects** (including **Active Transportation** and transit infrastructure)
- (1) Capital improvements that result in the improvement or addition of infrastructure that encourages mode-shift by enhancing: 1) public transit access, speed, and/or reliability; 2) pedestrian network; or 3) bicycle network (includes public bike-share

- infrastructure and fleet) within the defined **Project Area** meeting the transit requirements detailed in Section 102 (b)(1), (2) or (3).
- (2) Soft costs such as those incidentally but directly related to construction or project plans, specifications and estimates including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, appraisals, legal expenses, and necessary easements. Soft costs shall not exceed thirty (30.0) percent of costs associated with the **STI Capital Project**.
  - (3) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale the size of the **Applicant's** funding request. **Applicants** should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** are not included within the soft costs cap.
  - (4) **Activity Delivery Costs** that are associated with the implementation of the **STI Capital Project** not to exceed 10 percent of the costs associated with the **STI Capital Project**.
  - (5) Transit operations expenditures for up to 10 years that directly expand fixed route, flexible, and paratransit transit service by supporting new, restored, or expanded routes and may include wages, maintenance, and other costs to operate those services.
  - (6) All vehicles purchased using **AHSC Program** funds must be **Zero Emission Vehicles (ZEV)**. Transit types that do not have an approved zero emission passenger locomotive for use, must provide documentation stating so, and purchase vehicles that meet EPA Tier 4 emission standards.
  - (7) Other **STI Capital Project** costs required as a condition of local approval for the **STI Capital Project**, as approved by the **Department**.
- (e) **Eligible Costs for Transportation Related Amenities Capital Projects** are limited to:
- (1) Capital improvements that are publicly accessible and provide supportive amenities to cyclists, pedestrians, and transit riders (e.g., bike parking, bus shelter, benches, street trees, etc.) within the defined **Project Area** meeting the transit requirements detailed in Section 102(b)(1), (2) or (3).
  - (2) Soft costs such as those incidentally but directly related to construction project plans, specifications, and estimates including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, appraisals, legal expenses, and necessary easements. Soft costs shall not exceed 10 percent of costs associated with the **TRA Capital Project**.
  - (3) Each AHSC application may budget up to 2 percent of their total funding request for **Employment Benefits and Outcomes Reporting**. This amount will scale with the size of the **Applicant's** funding request. **Applicants** should consider the size of their loan and grant funded project components when allocating this item into capital cost budgets. **Employment Benefits and Outcomes Reporting** costs are not included within the soft costs cap.
  - (4) **Activity Delivery Costs** that are associated with the implementation of the **TRA Capital Project** are not to exceed 10 percent of the costs associated with the **TRA Capital Project**.

- (5) Other **TRA Capital Project** costs required as a condition of local approval for the **TRA Capital Project**, as approved by the **Department**.
- (f) **Program Costs**
  - (1) **Program Costs** include those costs typically associated with 1) program creation or 2) expansion of existing programs to serve new populations or offer new program service and implementation. Eligible costs may include operational costs for programs for the term of the grant (three years). Eligible programs include education, outreach, and training programs for **Active Transportation** or transit ridership; air pollution exposure reduction; workforce development partnerships; tenant legal counseling services; and outreach, education, and subsidy to low-income residents for **ZEV** car sharing. Access and availability of **Programs** may be limited to **AHD** residents or may be offered to the greater community. Additionally, costs and fees associated with the ongoing provision of broadband internet service, as defined in Section 106, provided free of charge to the **AHD** residents are an eligible **Program Cost**.
    - (A) Tenant legal counseling services cannot be provided by the **Developer**, building manager, or related entity and must be offered through a third party.
  - (2) The total grant amount for **Program Costs** within a **Project Area** shall not exceed \$600,000. Costs incurred for required transit passes or cards described in Section 106(b)(2) will not contribute to this cap.
- (g) Ineligible costs include, but are not limited to, all the following:
  - (1) Costs are not eligible for funding if there is another feasible, available source of committed funding for the **Project** portion thereof to be funded by the **AHSC Program** or if the cost is incurred prior to **AHSC Program** award;
  - (2) Routine maintenance or operations of transportation infrastructure unrelated to AHSC-funded transit service, including the general transit fleet;
  - (3) In lieu fees for local inclusionary housing programs;
  - (4) Ongoing operational costs beyond the term of the grant (three years) for **Program Costs**;
  - (5) Costs associated with automobile or motorcycle parking (excluding electric vehicle charging infrastructure); and
  - (6) Costs associated with fossil fuel-based backup power.



## Section 104. Assistance Terms and Limits

- (a) When calculating per unit **AHSC Program** subsidy (loans for rental **AHDs** and grants for homeownership **AHDs**), the **Department** will consider all other available financing and assistance, including the full amount of any tax credit equity generated by the **Project**. In addition, the per unit subsidy amount shall not exceed the total eligible costs required to do the following:
  - (1) Acquire, develop, and construct or rehabilitate the **Affordable Housing Development**;
  - (2) Ensure that rents or sale prices for **Assisted Units** comply with **AHSC Program** requirements; and
  - (3) Operate the **Affordable Housing Development** in compliance with all other **AHSC Program** requirements.
  - (4) With the exception of the deferred developer fee, **Department** funds shall not be used to supplant other available financing, including funds committed by local jurisdictions.
- (b) The per unit funding limits shall be defined in the **NOFA**. For per unit subsidy limit calculations, the unit count shall include the number of units within the rental or homeownership **Affordable Housing Development**.
- (c) The per unit funding limits will be calculated based upon the units' level of income restriction, number of bedrooms per unit and the county in which the **Project** is located.
- (d) For a **Project** required to be constructed as a condition of approval of one or more market rate developments pursuant to an inclusionary housing ordinance, or similar local requirement, units required under the ordinance or other requirements shall not be counted in determining applicable loan limits, except for the following:
  - (1) Units restricted under the **AHSC Program** at a lower rent or sales price level than required by the ordinance.
  - (2) Units developed under a land dedication to the local government agency in which the project is located.
- (e) For purposes of Section 104 (d), site-specific affordability requirements of public land sales and affordability requirements under the Surplus Land Act are not considered to be inclusionary housing ordinances or similar local requirements.
- (f) **Projects** developed pursuant to an inclusionary housing ordinance applying for any **Department** funds, including those meeting one of the above two exceptions, must disclose such at application, or the **Department's** award to the **Project** will be void.
- (g) In each **NOFA**, the **Department** shall establish a maximum per **Project** subsidy amount. This maximum shall be set at a level that ensures sufficient demand for **AHSC Program** funds while meeting the **AHSC Program** geographic and other distribution goals, considering the demand evidenced in previous funding rounds, the availability of other sources of subsidy financing, and the total amount of **Program** funds available for award.
- (h) Grants for **HRI, STI, TRA, PGM**, and **AHD** (homeownership) components shall be subject to the following terms:

- (1) The applicant must demonstrate that the grant will not result in a profit that exceeds the commercially reasonable range for other developments of similar size and level of risk.
- (2) **AHSC Program** grant funds will be disbursed as reimbursed progress payments only after the execution of the Standard Agreement in the amount not to exceed the **AHSC Program** award of funds.
- (3) Eligible costs incurred after the award date are eligible for reimbursement once the Standard Agreement is executed. Costs incurred prior to award are not eligible for reimbursement.
- (4) For **Housing Related Infrastructure Capital Project** grants:
  - (A) The total **Housing Related Infrastructure Capital Project** grant amount is \$35,000 per residential unit in the proposed **Affordable Housing Development**, or \$50,000 per **Restricted Unit**.
  - (B) Conditions precedent to the initial disbursement of **AHSC Program** funds shall include receipt of all required **Public Agency** entitlements and all construction funding commitments for the **Affordable Housing Development** supported by the **Housing Related Infrastructure Capital Project**.
  - (C) Rental **Affordable Housing Developments** supported by the **Housing-Related Infrastructure Capital Project** shall be subject to a recorded covenant ensuring affordability for duration of at least 55 years, recorded on the fee interest of the real property on which the rental **Affordable Housing Development** is to be located.
  - (D) Homeownership **Affordable Housing Developments** supported by the **Housing Related Infrastructure Capital Project** shall be subject to a recorded covenant with a duration of at least 30 years that includes either a resale restriction or equity sharing upon resale, recorded on the fee interest of the real property on which the homeownership **Affordable Housing Development** is to be located.
- (5) For homeownership **Affordable Housing Developments** grants:
  - (A) All **Assisted Units** must be made available for sale to qualified **First-time homebuyers**.
  - (B) The maximum grant amount per **Restricted Unit** is calculated pursuant to Section 7307 of the **MHP** Guidelines based on the number of **Restricted Units** in the **Affordable Housing Development**, affordability, unit sizes, and location in addition to the base amount of \$250,000. The maximum grant amount per **Restricted Unit** for a homeownership **AMI** tier shall equal the maximum loan amount per **Restricted Unit** for a rental **AMI** tier as follows:

- (i) For homeownership **AMI** tier of 55-85%

Homeownership <b>AMI</b>	85%	80%	75%	70%	65%	60%	55%
Rental <b>AMI</b>	45%	40%	35%	30%	25%	20%	15%

- (ii) For homeownership **AMI** tier of 90-120%

Homeownership <b>AMI</b>	120%	115%	110%	105%	100%	95%	90%
Rental <b>AMI</b>	80%	75%	70%	65%	60%	55%	50%

- (C) Conditions precedent to the initial disbursement of **AHSC Program** funds shall include receipt of all required **Public Agency** entitlements and all construction funding commitments for the homeownership **Affordable Housing Development**.
- (D) Prior to any disbursement, an affordability covenant will be recorded against the fee interest in the property of the homeownership **Affordable Housing Development**.
- (E) Homeownership **Affordable Housing Developments** supported by the **Housing Related Infrastructure Capital Project** shall be subject to a recorded covenant with a duration of at least 30 years that includes either a resale restriction or equity sharing upon resale, recorded on the fee interest of the real property on which the homeownership **Affordable Housing Development** is to be located.

## Section 105. Eligible Applicants

### (a) Eligible Applicants

- (1) Eligible applicant entities shall include any of the following:
  - (A) A **Locality**, public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency (RTPA), local Transportation Commission, Congestion Management Agency, Joint Powers Authority (JPA), school district, facilities district, University or Community College District.
    - (i) For **STI** or **TRA** components only, an applicant may provide an executed agreement with a specific **Locality** or transportation agency non-applicant for the completion of the **STI** or **TRA** components of the AHSC Project for which funding is sought.
  - (B) A **Developer** or **Program Operator**.
  - (C) A **Tribal Entity** whose **Project** meets requirements listed in detail in Appendix B.
- (2) A special purpose entity formed and controlled by the **Developer**, and which will serve as the ultimate borrower of AHSC loan funds, is not an eligible **Applicant**. A special purpose entity ultimate borrower meeting the requirements of UMR 8313.2 may be listed on the **AHSC Program** application in the appropriate, designated fields for listing such a borrower entity.
  - (A) Single purpose entities not meeting the requirements of a special purpose entity pursuant to UMR 8313.2, whether serving as an intermediate entity within the ultimate borrower structure or not, are not **Eligible Applicants**. Such single purpose entities will not be included as a separate party on any **AHSC Program** legal documents, including but not limited to, Standard Agreements, nor are they eligible to be **Recipients** or payees of **AHSC Program** funds.
- (3) Where a **Public Agency** has a real property interest in the proposed **Project**, the application must include the **Public Agency** as a joint **Applicant** or otherwise include a commitment to enter into a contractual agreement to develop the **Project**, if it is awarded.
- (4) All eligible **Applicants** appearing on the application for the **Project** will be held jointly and severally liable for the completion of the **Project** and as such, will each sign all Standard Agreements to the award of AHSC funds.
  - (A) A **Recipient** of **Department** funds must remain liable for performing all requirements of the award of funds as set forth in the Standard Agreement. Where there are multiple **Recipients**, all such **Recipients** must remain jointly and severally liable to the **Department** for that performance. Notwithstanding the foregoing, **Recipients** may indemnify each other by entering into agreements with one another as to individual **Capital Projects**. In no event will any such agreement alter, amend, or revoke each individual **Recipient's** obligations to the **Department**, including the joint and several liability.

## Section 106. Program Threshold Requirements

Application Threshold Requirements: In addition to requirements detailed in Sections 102 through 105, to be eligible for **AHSC Program** funding, an application shall demonstrate to the **Department** all the following requirements.

- (a) By the time of application submission, the **Project** shall meet the following requirements:
- (1) The proposed **Project** supports the implementation of the applicable Sustainable Community Strategy (SCS) or Alternative Planning Strategy (APS) as confirmed by the Metropolitan Planning Organization (MPO), or the equivalent regional planning agency, as required by Public Resources Code section 75210 et seq. The application must be consistent with activities or strategies identified in the SCS, APS, or equivalent planning document that demonstrates a per capita reduction in VMT and GHG
  - (2) The proposed **Project** must be consistent with the State Planning Priorities established pursuant to Section 65041.1 of the Government Code.
  - (3) Completion and approval or adoption of environmental clearances required under the California Environmental Quality Act (CEQA). For **Projects** receiving federal funds subject to review under the National Environmental Policy Act (NEPA), a copy of the **Project's** Authority to Use Grant Funds must be provided prior to the construction loan closing. It is not necessary to have the Authority to Use Grant Funds at application stage. **Applicants** must also affirm all applicable time periods for filing appeals or lawsuits will have lapsed within 30 days after the application due date with lawsuits or appeals resolved.
    - (A) **STI** or **TRA** components of a **Project** are not required to certify completion and demonstration of approval of environmental clearances (NEPA or CEQA) as stated in Section 106(a)(3) above until prior to the initial disbursement of grant funds
    - (B) Applicants are not required to complete any necessary environmental clearances prompted exclusively by rental and/or operating subsidies prior to the AHSC application deadline.
  - (4) All discretionary local land use approvals have been obtained, and any applications for streamlined ministerial approval under Government Code Section 65913.4 have been submitted to the relevant local government;
    - (A) This requirement is not applicable where a **Tribal Entity Applicant** is proposing a **Project** located in **Indian Country**.
  - (5) As of the date of application, the **Applicant(s)**, the **Project**, or the real property on which the **Project** is proposed may not be party to or the subject of any claim or action in the state or federal courts that affects or potentially affects the feasibility of the **Project**. Further, the **Applicant(s)** shall disclose and describe any claim or action undertaken by or against the **Applicant(s)**, the **Project** or the Property which affects or potentially affects the feasibility of the **Project**.
  - (6) Construction of the **Project** has not commenced as of the application deadline set forth in the **NOFA**. Any demolition operation conducted under a written order

- issued by a state or local governmental agency because a facility is structurally unsound and in danger of imminent collapse is exempt from this requirement.
- (7) Demonstrate consistency with State Relocation Assistance Law (CA Gov Code Sec. 7260-7277).
  - (8) **Applications** that include a **Locality** as an **Applicant** must at the time of application, have submitted their housing element annual progress reports to the **Department** as required by Government Code section 65400 for the current and prior year.
  - (9) The **Applicant** must demonstrate that costs for any **Project** or component thereof will not result in loss or conversion of agricultural or other working lands or natural resource lands for other uses. The **Project** site must not be designated as **Agricultural Land** according to the California Department of Conservation's Farmland Mapping and Monitoring Program (FMMP) Tool ([California Important Farmland Finder](#)). An exemption to the FMMP designation may be allowed for applications that submit documentation that substantiates a description of an **Infill Site**.
  - (10) Applications requesting **AHSC Program** funding for **Sustainable Transportation Infrastructure, Transportation Related Amenities**, or both must satisfy all the following:
    - (A) Where approval by a local public works department, or other responsible local agency, is required for the **Project**, the application must include a statement from that entity indicating that the **Sustainable Transportation Infrastructure and/or Transportation Related Amenities Capital Project(s)** is consistent with all applicable local rules, regulations, codes, policies, and plans enforced or implemented by that entity.
    - (B) If the **Sustainable Transportation Infrastructure and/or Transportation Related Amenities Capital Project(s)** involves the demolition of existing units that are affordable to lower-income households, the application must demonstrate the replacement of demolished units, comparable in size, of equal or greater affordability and equal to or greater than the number of the demolished **Affordable Units** located within comparable access to transit and include first right of return to displaced residents.
      - (i) The no net loss requirements contained in Section 106(c)(3)(D) of these **Guidelines** apply to **Sustainable Transportation Infrastructure or Transportation Related Amenities Capital Projects** occurring on a property which includes a parcel, or any portion of a parcel, on which (1) residential dwelling units affordable to lower income households currently exist, or (2) there have been dwelling units restricted to lower-income households that have been vacated or demolished within the five year period preceding the application
- (b) **Applicants** must also demonstrate the following at the time of application, unless otherwise indicated:
- (1) The proposed **Project** will achieve a reduction in GHG emissions through fewer **VMT**, pursuant to the most recent **AHSC Program** Quantification Methodology,

- available on the California Air Resources Board's [Climate Change Investments \(CCI\) Quantification, Benefits and Reporting Materials webpage](#). This must be evidenced by a completed GHG Benefits Calculator tool, described in the AHSC Application, displaying VMT and GHG reductions for each **Project** component.
- (2) All proposed **Affordable Housing Developments** located in a jurisdiction that has fare-based transit must provide at least one (1) transit pass or card to each **Restricted Unit** for at least 3 years. If the transit agency does not provide passes with unlimited rides, the card or pass should have a minimum value of 40 average commute length rides a month as determined by the transit agency. These passes or cards may be funded with **AHSC Program** funding pursuant to Section 103(f).
  - (3) The **Project** must:
    - (A) Incorporate more than one **Urban Greening** feature with dedicated maintenance for at least two years. The awardee is ultimately responsible for the maintenance of the **Urban Greening** features in the **Project**, even if municipal ordinance assigns responsibility for their maintenance to adjacent property owners. **Applicants** must propose at least \$200,000 in reasonable direct **Urban Greening** costs.
    - (B) Include adequate lighting in accordance with local, state, and federal design standards and requirements for all publicly accessible components of the **Project** including active transportation routes and transit stations or stops.
  - (4) The application must be sufficiently complete to assess the feasibility of the proposed project and its compliance with **AHSC Program** and application requirements.
  - (5) The applicant must demonstrate that the **Project** is financially feasible as evidenced by documentation including, but not limited to, **Enforceable Funding Commitments**, a market study, which for rental **AHDs** meets the requirements specified in the **TCAC** Regulations Section 10322(h)(10), project pro-forma, sources and uses statement, proposed operating budget, multi-year pro-forma, or other feasibility documentation that is standard industry practice for the type of proposed **Affordable Housing Development**.
  - (6) The **Applicant** or **Locality** serving as the **Developer** of a particular component of the **Project** must demonstrate **Site Control** of the property on which that **Project** component will be located as set forth at UMR Sections 8303 and 8316 with the additional requirement that the **Applicant** shall maintain site control through the award date.
    - (A) The following shall apply to **Capital Projects**:
      - (i) Where **Site Control** is in the name of another entity, the **Applicant** shall provide documentation, in form and substance reasonably satisfactory to the **Department** (e.g., a purchase and sale agreement, an option, a leasehold interest/option, a disposition and development agreement, an exclusive right to negotiate with a **Public Agency** for the acquisition of the site), which clearly demonstrates that the **Applicant** has an acceptable form of right to acquire or lease the **Project** property.

- (ii) Where **Site Control** will be satisfied by a long-term ground lease, the **Department** will require the execution and recordation of the **Department's** form lease rider at the time of permanent loan closing, which shall be entered into by and among the ground lessor, the ground lessee, the **Department**, and any other applicable parties. In all cases, the lease rider shall be recorded against the fee interest in the **Project** property.
- (B) For **Capital Projects** developed in **Indian Country**, the following exceptions apply:
  - (i) Where **Site Control** is a ground lease, the lease agreement between the **Tribal Entity** and the **Project** owner is for a period not less than 50 years; and
  - (ii) An attorney's opinion regarding chain of title and current title status is acceptable in lieu of a title report.
- (7) **Applicants** must demonstrate experience by providing evidence of at least two projects that are each similar to each proposed AHSC **Capital Project (AHD, HRI, STI, and TRA)** in scope and size, which have been completed by the **Applicant** serving as the **Developer** of that **Project** component, during the ten years preceding the application due date. Experience is attributable to entities only, not individual persons. Experience cannot be satisfied by relying on projects completed by a non-applicant entity under the rationale that an individual, or subset of individuals now employed by, or contracted by, the **Applicant** asserting experience was employed by the non-applicant entity at the time that project was developed.
  - (A) For **AHD** components, completed projects submitted to demonstrate experience must include a functionally equivalent number of units, type of construction, number of stories, and amenities. Quantities used for demonstration of experience may not be cumulative across multiple projects.
  - (B) **AHD Applicant(s)** shall demonstrate capacity to acquire, develop, and own affordable rental or homeownership housing at the time of application that is consistent with the housing tenure proposed in the **Application**. For purposes of this subdivision, an entity has capacity if it has adequate staff, capital, assets, and other resources to meet the operational needs of the **AHD**; to maintain the fiscal integrity of the **AHD**; and to satisfy all legal requirements and obligations in connection with the **AHD**. Evidence of capacity must be reasonably acceptable to the **Department** in form and substance. The **Department** will exercise reasonable discretion in determining capacity. In all cases, the **Department** will review organizational documents of each **Applicant** entity. Where necessary to clarify ambiguities in the application, the **Department** may request any of the following subsequent to **Application** submittal:
    - (i) Staff rosters, which include the job titles and duty statements of all staff positions, and payroll records;



- (ii) Certified audited financial statements for the past three (3) consecutive years;
  - (iii) Certificates of Good Standing from the California Secretary of State, the California Franchise Tax Board, or the relevant regulatory agencies of foreign jurisdictions; and
  - (iv) Any other documentary evidence that reasonably supports the Applicant's ability to satisfy the capacity requirement.
- (C) For **STI** or **TRA** components only, an **Applicant** may demonstrate the requisite experience in Section 106(b)(7) by using the past experience of work completed of a **Locality** or transportation agency non-applicant so long as the **Applicant** can provide an executed agreement with that specific **Locality** or transportation agency non-applicant for the completion of the **STI** or **TRA** components of the **AHSC Project** for which funding is sought, thereby demonstrating that the **Locality** or transportation agency will be serving as the **STI** or **TRA Developer** for that **Capital Project**.
- (8) For **TOD** and **ICP** projects, the **High Quality Transit** or **Qualifying Transit**, respectively, must be serving the **Transit Station/Stop** at the time of application submittal. For **RIPA** projects, the **Qualifying Transit** or **High Quality Transit** must be serving the **Transit Station/Stop** by the time a certificate of occupancy is provided. For all **Project Area Types**, the **AHD** and **High Quality Transit's Transit Station/Stop** or **Qualifying Transit's Transit Station/Stop**, as applicable, must be connected by a **Pedestrian Access Route** no greater than 0.50 miles at the time of certificate of occupancy issuance. Improvements to complete the **Pedestrian Access Route** between the **AHD** and the **Transit Station/Stop** may be included as part of the **Project's STI/TRA** components so long as they are completed by the time a certificate of occupancy is issued.
- (9) The housing element for the jurisdiction in which the **Project** is located must be in substantial compliance by the date of award recommendation. A jurisdiction's current housing element compliance status can be obtained by referencing the [Department's website](#). **Projects** located on Trust Land, as defined under **Indian Country**, are exempt from this requirement.
- (A) For the purposes of this section alone, jurisdictions that are undergoing **Department** review of their housing element at the time of award and jurisdictions which are receiving **Department** technical assistance to bring their housing element into compliance at the time of award, shall both be deemed to be in a presumptive state of substantial compliance by the **Department**. All awards premised on presumptive substantial compliance shall include conditions in their respective standard agreements requiring that prior to funds disbursement the subject jurisdiction must have received a final housing element certification letter from the **Department**.
- (10) Applicants must affirm that the proposed **Affordable Housing Development**, or **Mixed Use Development** in the case that non-residential uses are included, are powered entirely through electricity with no connections to natural gas infrastructure. Only zero-emission generators are **AHSC Program Eligible Costs**. **Projects** required to include fossil fuel-based backup power by regulation

or code should consider the cleanest and most renewable technology first, starting with gaseous fuel (e.g., RNG, NG, LPG), and then Tier 4 compliant diesel. If a fossil fuel-based generator is installed, be advised that procurement, site preparation, installation, or operation of such units is not an **AHSC Program Eligible Cost**.

- (11) The **AHD** must offer high speed broadband internet service to residents, with speeds listed in Section 106(c)(8) to each **Restricted Unit** for a minimum of three (3) years, free of charge to the tenants, and available within six (6) months of the **AHD's** placed-in-service date. This service may be funded by the **AHSC Program** pursuant to Section 103(f).
- (c) All **Applicants** must affirm:
- (1) **Applicants** of all proposed rental **Affordable Housing Developments** must certify that the development will be smoke free and demonstrate compliance by submitting a draft of the development's **Smoke Free Housing** lease addendum.
  - (2) Applications must integrate applicable climate adaptation measures as described in Section 107 Narrative Based Policy Scoring (b).
  - (3) Applications requesting **AHSC Program** funding for **Affordable Housing Developments** and **Housing Related Infrastructure Capital Projects** must also demonstrate to the satisfaction of the **Department** all the following:
    - (A) Rental **Affordable Housing Developments** must meet the underwriting standards in the UMRs and **MHP Guidelines** Section 7312 and 7312.1.
    - (B) The **Affordable Housing Development, Housing Related Infrastructure,** or both are infeasible without **AHSC Program** funds, and other committed funds are not and will not be supplanted by **AHSC Program** funds.
    - (C) Proposed **Projects** involving new construction or **Substantial Rehabilitation** and requiring the demolition of existing residential units are eligible only if the number of bedrooms in the new **Project** is at least equal to the number of bedrooms in the demolished structures, with equal or greater affordability. The new **Affordable Units** may exist on separate parcels provided all parcels are part of the same **Project** meeting the requirements of the UMRs Section 8303 (b).
      - (i) The **Department** may approve **Projects** involving new construction or **Substantial Rehabilitation** and requiring the demolition of existing residential units that result in a number of bedrooms less than the number in the demolished structures where it determines that such approvals will substantially improve the livability of the remaining units, or serve some other compelling public policy objective, as long as the reduction does not result in more than 25 percent fewer units upon **Project** completion.
    - (D) If the **Affordable Housing Development, Housing Related Infrastructure,** or both **Capital Projects** involves the demolition of existing units that are affordable to lower-income households, the application must demonstrate the replacement of demolished units, comparable in size, of equal or greater affordability and equal to or greater than the number of the

demolished **Affordable Units** located within comparable access to transit and include first right of return to displaced residents.

- (E) **Applicants** must demonstrate the proposed **Affordable Housing Development** is consistent with State and Federal Fair Housing requirements including duties to [affirmatively further fair housing](#).
  - (F) Where approval by a local public works department, or other responsible local agency, is required for the **Housing Related Infrastructure Capital Project**, the application must include a statement from that department indicating that the **Housing Related Infrastructure Capital Project** is consistent with all applicable local rules, regulations, codes, policies, and plans enforced or implemented by that department.
- (4) Applications requesting **AHSC Program** funding for **Program Costs** must also demonstrate to the satisfaction of the **Department** that **Program Costs** are infeasible without **AHSC Program** funds, and other committed funds are not being supplanted by **AHSC Program** funds.
  - (5) All proposed **Project** components are subject to all applicable codes, including the California Building Standards Code (CCR, Title 24).
  - (6) The application must demonstrate that outreach and education on reducing potential health impacts of air pollution will be provided to residents of **Affordable Housing Developments**.
  - (7) **Affordable Housing Developments** must meet the Americans with Disabilities Act (ADA), fair housing, nondiscrimination, Pet Friendly Housing Act, physical accessibility, and Violence Against Women Act (VAWA), requirements pursuant to **MHP** Guidelines Section 7314 (a)-(d). Projects must also provide a preference for accessible units to persons with disabilities requiring the features of the accessible units in accordance with **TCAC** regulations (California Code of Regulations (CCR), Title 4, Section 10337(b)(2), as may be amended and renumbered from time to time). The **Applicant** or **Developer** of the **Project** must ensure that any other applicable federal, state, and local accessibility requirements are met.
  - (8) **Affordable Housing Development** and **Housing Related Infrastructure** components must be capable of accommodating broadband internet service with at least a speed of 100 megabits (50 megabits for rural) per second for downloading and 20 megabits (10 megabits for rural) per second for uploading.
    - (A) **Affordable Housing Development** and **Housing Related Infrastructure** components must provide a conduit from the public right of way or property line and provide pathways, wiring, cables, and other necessary infrastructure extended to each unit and public common space to provide a broadband internet connection.
    - (B) For some rural areas, other technologies like fixed wireless, might offer the highest caliber connection. All **Applicants** should consult with their local jurisdictions about their broadband internet infrastructure planning, as well as existing broadband internet service providers in the area.

## Section 107. Scoring Criteria

**AHSC Program** funds will be allocated through a competitive process, based on the merits of the application to support a sustainable housing development that expands and improves transit, walking, and biking infrastructure, providing opportunities to reduce VMT by supporting connectivity between housing and destinations to bring about reduction of GHG emissions.

The scoring criteria is divided into three broad categories, with additional subcategories, for a total of 100 points. Scoring elements are detailed in Figure 4. It is the intent of the **AHSC Program** to use scoring to differentiate projects for ranking, so it is not expected that any project will score the full 100 points.

**Projects** will be reviewed and scored only after meeting threshold requirements as detailed in Section 106. **Projects** that do not meet threshold requirements will not be scored and therefore are not eligible for award. All the scoring criteria will be applied to every **Project**, regardless of the project components present in each specific **Project**.

### Figure 4: AHSC Scoring Elements and Criteria

#### *Estimated GHG Reductions Scoring (30 points)*

- Transit and Shared Mobility GHG (5 points)
- Project Area GHG (10 points)
- GHG Efficiency (15 points)

#### *Quantitative Policy Scoring (52 points)*

- Active Transportation and Transit Improvements (15 points)
- Green Buildings and Renewable Energy (3 points)
- Housing and Transportation Collaboration (10 points)
- Location Efficiency and Access to Destinations (3 points)
- Funds Committed (4 points)
- Prohousing Designation (2 points)
- Anti-Displacement Activities (4 points)
- Local Workforce Development and Hiring Practices (3 points)
- Housing Affordability (5 points)
- Programs (3 points)

#### *Narrative-Based Policy Scoring (18 points)*

- Community Benefit & Engagement (6 points)
- Climate Adaptation & Community Resiliency (5 points)
- Collaboration & Planning (4 points)
- Equity & Transformation (3 points)

To receive points related to a specific **Project** component, the **Applicant** must request a portion of the costs through AHSC (e.g., an **Applicant** can only receive points related to an **Affordable Housing Development** when requesting **AHD** or **HRI** funds).

In all scoring categories, it is the responsibility of the **Applicant** to provide accurate, complete, and clear descriptions of their proposed **Project**. The **Department** and **Council** staff will use the required supporting documentation provided in the submitted application to verify claims, and cannot accept, nor rely on, additional or alternate materials provided after

the application deadline. Applicants shall not provide intentionally unclear or vague answers to avoid disclosing relevant or material details of a **Project** and are instead required to be forthcoming in their application and respond clearly in the spirit and intent of the program. The **Department** and **Council** staff reserve the right to withhold all points in any scoring categories if applicant-submitted documentation is determined to be unclear or incomplete. **Project** details not disclosed to the **Department** that are later discovered or disclosed, and which are determined to be inconsistent with the requirements of the **AHSC Program**, will result in disencumbrance of the awarded funds and negative points, if applicable.

### Estimated GHG Emission Reductions – 30 Points Maximum

Applications will be scored on the GHG emission reductions of proposed project components, for a total of 30 points. Applicants are required to adhere to quantification requirements and guidance published by **California Air Resources Board (CARB)** and **SGC** regarding GHG emission reduction estimates and should refer to the AHSC Quantification Methodology and the AHSC User Guide available on the CARB CCI Quantification, Benefits, and Reporting Materials webpage.

**Applicants** should refer to the AHSC Quantification Methodology for a complete list of quantifiable project components. The GHG emission reductions attributable to AHSC will be scored in the following GHG categories:

- Transit and Shared Mobility GHG: Transit and shared mobility project component(s) for a maximum of 5 points;
  - Project Area GHG: Affordable housing, active transportation, and/or grid-connected solar photovoltaic (PV) project component(s) for a maximum of 10 points; and
  - GHG Efficiency: Total GHG emission reductions per AHSC dollar for a maximum of 15 points
- (a) Estimated GHG Emission Reductions Scoring Process:
- (1) Applicants will estimate GHG emission reductions of each quantifiable project component using the most recent AHSC Benefits Calculator Tool, available on the [CARB CCI Quantification, Benefits, and Reporting Materials webpage](#).
    - (A) Each application requesting GGRF funding must include at least one of the project components listed in the AHSC Quantification Methodology. Applications are not required to estimate the benefits of all quantifiable project components. Also note that the AHSC Benefits Calculator Tool will prorate GHG reductions according to the share of GGRF funding from **AHSC** and other GGRF programs. GGRF Funding from other programs should be specified by the applicant in the Project Info Tab and prorated GHG emission reductions will appear in the GHG Summary Tab.
    - (B) Applications that include a single **ZEV** transit vehicle purchase as a project component must use **AHSC Program** dollars to fund more than 50 percent of the vehicle cost to be eligible for GHG quantification. In the case that multiple **ZEV** transit vehicles of a single mode type are purchased, all but one vehicle must be funded entirely by **AHSC** while the additional vehicle shall have more than 50 percent funded by **AHSC** to be eligible for quantification.
    - (C) Applications quantifying solar PV electricity generation will only receive credit for electricity generation above state code requirements. Applicants should refer to the applicable energy code at the time of project building permit application submittal.
    - (D) Phased projects should only quantify the project components for the phase seeking **AHSC** funding in the current application cycle. Previously funded or future phases are not included in the GHG calculation.
  - (2) The GHG emission reductions of each application will be ranked from highest to lowest within each GHG category. Each application will be assigned to one of five bins in ranked order. Each bin will receive an assigned point score as follows:

**FIGURE 5. GHG Scoring Categories**

<b>GHG Scoring Category</b>	<b>Bin 1</b>	<b>Bin 2</b>	<b>Bin 3</b>	<b>Bin 4</b>	<b>Bin 5</b>
Transit and Shared Mobility GHG	5 points	4 points	3 points	2 points	1 point*
Project Area GHG	10 points	8 points	6 points	4 points	2 points
GHG Efficiency	15 points	12 points	9 points	6 points	3 points

\* Note: **Projects** that do not include a transit component or include transit components that result in a net increase in emissions will be placed in Bin 5 but receive zero (0) points for the Transit and Shared Mobility GHG Category.

- (3) The score of each GHG category will be combined to determine the **Project's Total GHG Score**.
- (4) Please note that while all projects are scored together, independent of **Project Area Type**, **Projects** will only compete within their **Project Area Type** for the first 80 percent of funding available in the **NOFA** per Section 108.

**Quantitative Policy Scoring – 52 Points Maximum**

(a) **Active Transportation and Transit Improvements – 15 Points Maximum**

- (1) Up to 4 points for the total length (in **Lane Miles**) of AHSC-funded **Context Sensitive Bikeways**. as follows:
  - (A) 4 points for at least two (2.0) lane miles
  - (B) 1 point for at least one (1.0) lane mile

**AHSC Program** funds may be used to install new or improved bikeways, even if they do not meet the requirements of a **Context Sensitive Bikeway**; however, points will only be awarded for **Context Sensitive Bikeways**. Improved bikeways must be facility enhancements that allow an upgrade from Class II to Class I or IV; or Class III to a facility that creates dedicated bicycle space (Class I, II, or IV). A project that converts a temporary Class IV bikeway (e.g., paint, plastic bollards, and/or K-rail) to a permanent Class IV bikeway using permanent physical barriers (e.g., poured concrete and/or plantings) is an eligible cost and eligible **Context Sensitive Bikeway**, but would not be eligible for GHG Quantification since it is not a new bikeway.

- (2) 2 points for **Projects** that expand an existing bicycle network. A new **Context Sensitive Bikeway** funded by **AHSC** must have an entry point within the **Project Area** and directly intersect with an existing bikeway as a way to connect to the existing bike network. The existing bikeway and bikeway network is not required to be comprised of **Context Sensitive Bikeways**.
- (3) Up to 3 points for the length of AHSC-funded **Safe and Accessible Walkways** as follows:
  - (A) 3 points for repairing or constructing sections of sidewalks, walkways, or ramps that create more than 2,000 feet of continuous **Safe and Accessible Walkway**.
  - (B) 1 point for repairing or constructing sections of sidewalks, walkways, or ramps that create more than 1,000 but at or less than 2,000 feet of continuous **Safe and Accessible Walkway**.

**STI** improvements that will make walkways safe and accessible (e.g., through new or repaired sidewalks or curb ramps) will be measured for the distance of the entire block face on which the infrastructure improvement will be made so long as the entire distance of its walkway will then meet the definition of **Safe and Accessible Walkway**. Crosswalk improvements, which are eligible **STI** components, can be measured for the crosswalk distance plus the distance of one block face to which it connects, so long as the block face already is or will be a **Safe and Accessible Walkway** at the completion of the project.

- (4) Up to 2 points for **Projects** that fund the construction of new pedestrian facilities where none exist at the time of application submission. **Projects** will be eligible for points based on the continuous linear feet of new pedestrian facilities as listed below in subsections (A) and (B). Examples include new overpasses or underpasses, and new Class 1 path or sidewalk where no walkway currently exists so long as these facilities meet the definition of **Safe and Accessible Walkway**. To be considered ‘continuous,’ the distance of the new facility should be represented by one singular, unbroken, unduplicated line on the **Project Area** Map. Curb ramps or other wheelchair-accessible entry points are required for any crossings in this new facility but would not be sufficient in and of themselves to be eligible for this point. The **Lane Miles** of one Class I Multi-Use Path can be counted to fulfill the distance of this scoring section; but applicants may not use the same portion of a Multi-Use Path for both bikeway and walkway scoring sections.
- (A) 2 points for at least 1,000 continuous linear feet of new pedestrian facilities where none exist at the time of application submission.
- (B) 1 point for at least 500 continuous linear feet of new pedestrian facilities where none exist at the time of application submission.
- (5) Up to 4 points for **Projects** that improve a local bus route by implementing any (or a multiple) of the following will be eligible for two points for each strategy. To qualify for these points, the AHSC-funded improvements must improve service along at least one bus route that serves at least one **Transit Station/Stop** or station inside the **Project Area**. If the improvement to the bus route(s) extends beyond the border of the **Project Area**, the **Project’s** effects to improving reliability and/or speed inside the **Project Area** should be evident.
- (A) At least one (1.0) **Lane Mile** of a Bus Only Lane that includes prohibition of private vehicles or High Occupancy Toll (HOT) Lanes that are in effect at least eight (8) hours a day, at least five (5) days a week.
- (B) Installation of new at-grade boarding infrastructure at five (5) or more stops in the **Project Area**.
- (C) Installation of bus bulb-outs or transit boarding islands that eliminate the need for buses to pull out of the general flow lane at least five (5) or more stops in the **Project Area**.
- (D) Installation of new or upgraded **Transit Signal Priority** hardware and software along all signals for one (1.0) consecutive **Lane Mile**.



- (E) Installation of at least five (5) new bus shelters where none currently exist in the **Project Area**.
- (F) Procurement of at least one new ZEV transit vehicle that allows the provider to modify published schedules that will achieve headways of 15 minutes or less during **Peak Hours** or reduce **Peak Hour** existing headways by more than 10 minutes.

(b) **Green Buildings and Renewable Energy - 3 Points Maximum**

- (1) 3 points will be awarded for **Affordable Housing Developments** that commit to design and construction that achieves green building status beyond California mandatory building code requirements as certified by the project architect, energy analyst, and/or sustainability consultant. **Applicants** may select from the following green building certification programs:

**Certifications for residential construction:**

<b>Program</b>	<b>Tier</b>
CalGreen	Tier 2
LEED	Gold
Green Point Rated	New Construction: Gold Rehabilitation: Whole Building
ENERGY STAR	Certified Home
Living Future Challenge	Living Building

**Certifications for non-residential construction**

<b>Program</b>	<b>Tier</b>
CalGreen	Tier 2
LEED	Gold

(c) **Housing and Transportation Collaboration - 10 Points Maximum**

- (1) Up to 5 points for applications with an AHSC funds request for **Sustainable Transportation Infrastructure** that comprises at least a certain amount of funds or a percentage of the total AHSC funds request (whichever is the lower amount) as detailed below:

<b>STI Funds Request as an amount or percentage of Total AHSC Funding Request</b>	<b>Points</b>
At least \$7,500,000 or 25.0% of total funding request	5 points
At least \$4,500,000 or 15.0% of total funding request	2 points

- (2) 2 points for applications which invest at least \$1,500,000 or five (5.0%) percent of total AHSC funding request (whichever is the lower amount) in **Transportation Related Amenities** at or along the same block of a **Transit Station/Stop**. The **Transit Station/Stop** need not be served by the **Qualifying Transit** but must be within the **Project Area**.
- (3) 3 points for **Projects** which provide documentation that their site is:
- (A) Near an environmentally cleared High-Speed Rail Station: An **AHD** that is within one (1.0) mile of an environmentally cleared California high-speed rail station; or

- (B) Funding the construction of community-identified components from another SGC Program: A **Project** that funds community-identified components from another SGC-funded project, such as Transformative Climate Communities (TCC), Sustainable Agricultural Lands Conservation (SALC); or
- (C) Utilizing Publicly-Owned Land: An **AHD** which is to be developed on land designated as Excess Land (EO N-06-19) or any land declared as Surplus Land by a local agency. **Projects** developed on land donated by or leased at a discounted rate from a transit agency are also eligible for these points.
  - (i) For excess state-owned property, the **AHD** must be located on a site selected under EO-N-06-19 to enter into a ground lease with the state to create affordable housing on excess state-owned property.
  - (ii) For surplus land owned by a local agency, including transit agencies, points shall be awarded as follows:
    - a. 1 point for documentation of written compliance with the Surplus Land Act (SLA) as demonstrated by an exempt surplus findings letter or standard surplus disposition findings letter from HCD, available at the HCD catalogue of findings letters; and either,
      - 1. 1 point if the disposition is discounted at least 20% or more from the property's current appraised value or market rate lease terms. Current appraised value should be supported by an independent third-party appraisal prepared by a Member Appraisal Institute qualified appraiser within one year prior to the Application deadline; OR,
      - 2. 2 points if the disposition is provided as a land donation or equivalent, or leased for a nominal fee of \$20,000 or less per year.
- (d) **Location Efficiency and Access to Destinations - 3 Points Maximum**
  - (1) Up to 3 points will be given for projects that provide the location of existing **Key Destinations** within one-half (0.50) mile of the **AHD**. For **TOD Project Areas** and **ICP Project Areas** each type of **Key Destination** is worth one third (0.333) of a point. For **RIPA Project Areas** each type of **Key Destination** is worth one half (0.50) of a point. Each **Key Destination** category may only be counted once. Facilities that meet multiple categories (e.g., a Grocery Store with a Pharmacy) may be counted toward multiple categories. Please see definitions and further specifications for each **Key Destination** in Appendix A. Please see **Project Area Mapping Guidance** for how to map and document **Key Destinations**.
    - (A) Market or Grocery store (SNAP Retailer)
    - (B) Food Bank
    - (C) Medical clinic that accepts Medi-Cal payments or offers free medical services to low-income individuals
    - (D) Licensed childcare facility as identified by the California Department of Social Services
    - (E) Pharmacy
    - (F) Park accessible to the general public
    - (G) Community Center accessible to the general public
    - (H) Public library

- (I) Public elementary, middle, high school, non-profit university or non-profit junior college
- (J) Bank, or credit union
- (K) Post Office

(e) **Funds Committed - 4 Points Maximum**

- (1) 4 points will be awarded for applications demonstrating committed funding for all permanent financing, grants, project-based rental assistance, and operating subsidies, excluding: the amount requested from the **AHSC Program**, an allocation of tax-exempt bonds, and 4 percent or 9 percent tax credits. For **Projects** with bond financing, any applicable permanent lender commitment of bond financing is required for these points. Assistance for capital expenditures will be deemed to be an **Enforceable Funding Commitment** if it has been awarded to the **Project** or if the **Department** approves other evidence that the assistance will be reliably available. Contingencies in commitment documents based upon the receipt of an allocation of tax-exempt bonds, 4 percent tax credits or 9 percent tax credits will not disqualify a source from being counted as committed.

For homeownership **Affordable Housing Developments** only: Construction loans which will be repaid with revenue from the sale of homes to low-income or moderate-income homebuyers will be considered committed funding.

(f) **Prohousing Designation – 2 Points Maximum**

- (1) 2 Points will be awarded for **Projects** located in jurisdictions that have applied for a “Prohousing designation” by the application due date and is certified by the **Department** within 45 days after the application due date.

(g) **Anti-Displacement Activities - 4 Points Maximum**

- (1) Up to 4 points for **Projects** that document a commitment to implement at least one (1) new or expanded Anti-displacement activity listed in this section, as supported by an assessment of housing needs and displacement vulnerability.

Commitment Letter: All proposals in partnership with a non-profit or **Locality** must complete the AHSC Commitment Letter Template provided that describes how each program or activity will be implemented. The template form will require a complete scope of work; current status of work, if applicable; current status of the role the non-profit plays in the **Project Area**; proposed measures of success & tracking protocols; why the program was chosen; and signatures from the **Applicant** and the implementing parties signifying an agreement to the scope of work.

In the AHSC Commitment Letter Template, **Applicants** will be required to explain how they decided which Anti-Displacement Activities were most appropriate for the **Project Area**. **Applicants** may use the AHSC Anti-Displacement Tool or reference the jurisdiction’s housing element, other research, community feedback, or other existing documents.

**Projects** may select any activity listed in this section. These activities must be implemented by an independent non-profit or **Locality** with dedicated **Program Cost (PGM)** funding of a minimum \$150,000 per activity:

- (A) A non-profit and/or **Locality** developing a Community-Driven, Neighborhood-Scale Anti-Displacement Plan
- (B) A non-profit and/or **Locality** implementing a policy or action identified in a previously-adopted Anti-Displacement Plan that is not listed below
- (C) A non-profit and/or **Locality** implementing a policy identified in an existing Community-Driven, Neighborhood-Scale Anti-Displacement Plan
- (D) A non-profit and/or **Locality** developing or implementing a pipeline or training programs that will build capacity for local affordable housing developers
- (E) A non-profit and/or **Locality** developing or implementing a process for data collection, monitoring, and tracking systems related to the causes of displacement (e.g., rental property registry, inventory of at-risk units, landlord licensing, local eviction tracking, a speculation watchlist, or tracking the loss and formation of culturally-relevant and community-serving small businesses)
- (F) A non-profit and/or **Locality** developing or implementing foreclosure or eviction prevention and landlord anti-harassment programs
- (G) A non-profit and/or **Locality** developing, administering, or implementing rental assistance or voucher programs
- (H) A non-profit and/or **Locality** developing or implementing a Small/Family Business Protection Program for community businesses in the Project Area
- (I) A non-profit and/or **Locality** developing or operating a Community Land Trust or Land Banking activities
- (J) A non-profit and/or **Locality** developing or implementing programs that provide subsidized work to weatherize or repair existing **Low-Income Households** to increase energy efficiency and/or air quality in the **Project Area**.

(h) **Local Workforce Development and Hiring Practices - 3 Points Maximum**

- (1) Up to 3 points (1.5 points per strategy) for **Projects** that implement workforce development strategies that advance the recruitment, training, and hiring of individuals who live within **Priority Populations** census tracts or **Low-Income Households**. Strategies should aim to connect these populations with training and hiring opportunities created by the **Project**. Workforce development strategies may be implemented during **Project** construction or after completion of the **Project**, but they must be implemented within the contract reporting period. Choose from the following workforce development strategies:
  - (A) **Partnership with a Workforce Development organization or a Workforce Development Board: Applicants** must provide the following information and verifiable documentation in a letter jointly signed by the **Applicant** and the external organization:

- (i) The name(s) of the organization(s)
  - (ii) The nature of the partnership between the **Applicant** and the organization
  - (iii) Demonstrate that the implementing organization has a track record of success serving disadvantaged populations
  - (iv) Demonstrate that the implementing organization has a history of success in job placement rates for trainees from **Disadvantaged Communities**
  - (v) The written agreement that details the partnership strategy or policy undertaken and its outcomes
  - (vi) The number and the demographic composition (race, education, and income) of participants in the external organization over the last three (3) years, for each of the following:
    - a. Participants who enrolled in the program;
    - b. Participants who completed the program; and
    - c. Participants who were successfully placed into state-certified apprenticeship or related job
- (B) **Project is bound by a Skilled and Trained Workforce Commitment:** **Applicants** must provide the certification letter submitted to a local government pursuant to Article 4 (Labor Standards) in AB 2011 (Gov. Code Sec. 65912.130 and 65912.131) or provide the following information and verifiable documentation in a letter jointly signed by the **Applicant** and the external organization:
- (i) A letter of intent between the **Developer** and the state-certified apprenticeship program including the mechanism to deliver on the term of that commitment
  - (ii) The number and the demographic composition (race, education, income) of participants in the external organization over the last three (3) years, for each of the following:
    - a. Participants who enrolled in the program;
    - b. Participants who completed the program; and
    - c. Participants who were successfully placed into a state-certified apprenticeship or related job
- (C) **Projects that have developed a Project Labor or Community Workforce Agreement:** **Applicants** must provide the following information and verifiable documentation in a letter jointly signed by the **Applicant** and the external organization
- (i) Documentation of the agreements, including, a Targeted Hiring Plan, as defined in in HSC 38599.10, demonstrating how the applicant will:
    - a. Create jobs for residents of under-resourced, tribal, and **Low-Income Communities** in the same region as the proposed **Project**
    - b. Ensure access for the aforementioned residents to those jobs

- c. Create a defined cohort of pre-apprentices from local programs with close and demonstrable connections to state-certified apprenticeships

(D) **Projects that are located in jurisdictions with Local Hire Ordinances:**

**Applicants** must provide the following information and verifiable documentation in a letter:

- (i) Date the ordinance took effect
- (ii) Documentation of the ordinance's requirements
- (iii) Confirmation the **Project** will be subject to and comply with the ordinance's requirements that including:
  - a. A specific number of targeted workers or apprenticeships to be hired;
  - b. The mechanism for targeting the workers or apprenticeships; and,
  - c. The programs from which workers or apprenticeships will be recruited from.

(i) **Housing Affordability - 5 Points Maximum**

(1) For rental **Affordable Housing Developments**, the following shall apply:

(A) Up to 3 points will be awarded based on the percent of total units in a rental **AHD** restricted to Extremely Low Income (ELI) households as follows:

- (i) 15 to 19.9 percent of total units = 1 points
- (ii) 20.0 to 24.9 percent of total units = 2 points
- (iii) 25 percent or more of total units = 3 points

(B) Up to 2 points will be awarded based on the percent of total units in a rental **AHD** that are three-bedroom or larger and are restricted to ELI or Very Low-Income (VLI) households as follows:

- (i) 10 to 19.9 percent of total units = 1 points
- (ii) 20 percent or more of total units = 2 points

(2) For homeownership **Affordable Housing Developments**, the following shall apply:

(A) Up to 5 points will be awarded for applications which restrict a percentage of units in a homeownership **Affordable Housing Development to Low-Income (LI) households**. Points will be awarded based on the percent of total units restricted to LI households as follows:

- (i) 20 to 29.9 percent of total units = 2 points
- (ii) 30 to 39.9 percent of total units = 3 points
- (iii) 40 to 49.9 percent of total units = 4 points
- (iv) 50 percent or more of total units = 5 points

(j) **Programs – 3 Points Maximum**

(1) 3 points will be awarded to applicants that propose an AHSC-funded **Program (PGM) Cost** in partnership with a non-profit organization (including churches, Community Based Organizations, or other organization registered as a 501(c)(3) Organization) for at least \$150,000. All proposals in partnership with a non-profit must complete the AHSC Commitment Letter Template provided that describes

how each program or activity will be implemented. The template form will require a complete scope of work; current status of work, if applicable; current status of the role the non-profit plays in the **Project Area**; proposed measures of success & tracking protocols; why the program was chosen; and signatures from the **Applicant** and the implementing parties signifying an agreement to the scope of work. An **Applicant** seeking points for an activity under the Anti-Displacement category is not eligible for additional points for that same activity under the **Programs** section.

Note: Not all eligible costs identified as **Program (PGM) Costs** in Section 103 will fully satisfy this scoring criteria. Programs proposed under this section must fall under one of these four categories to be eligible for points.

- (A) **Active Transportation** Encouragement and Safety: **Active Transportation** programs that encourage residents to walk or bicycle more frequently and more safely. Programs may include, but are not limited to: Bike Safety Workshops, Walking School Buses or other group walking activities, Safe Routes to School or Transit. Additionally, distribution of lights, safety equipment, or bicycles to low-income residents are an eligible **Program Cost** as an incentive for participation in safety education programs.
- (B) Low-Income **Zero Emission Vehicle (ZEV)** Car Sharing Programs: Programs that provide free or reduced cost access to **ZEV** Car Sharing Programs.
- (C) **AHD** Resident Support: Instructor-led adult educational, health and wellness, or skill building classes for residents, including residents with disabilities. Includes, but is not limited to: Financial literacy, computer training, home-buyer education, GED classes, and resume building classes, ESL, nutrition class, exercise class, health information/awareness, art class, parenting class, on-site food cultivation and preparation classes, and smoking cessation classes. Drop-in computer labs, monitoring or technical assistance shall not qualify.
- (D) **Tenant Legal Counseling**: Programs that provide legal advice and education to renters on their rights as a tenant and access to programs to help reduce risks of evictions and displacement. Section 103(f)(1)(A) applies.

## Narrative Based Policy Scoring – 18 Points Maximum

The Narrative-Based Policy Scoring section of the application will be scored only for projects that meet threshold requirements listed in Section 106. For Narrative-Based Policy Scoring, applicants must provide responses to the questions and prompts outlined in the Narrative Prompts document. Please reference the Narrative Prompts document and rubric at the SGC **AHSC Program** Website for instructions, the specific questions to answer, and necessary application materials. The following is a summary of each section:

(a) **Community Benefits & Engagement - 6 Points Maximum:**

Community involvement and leadership are crucial to ensuring that both the principal objectives and co-benefits of the project respond to the true needs of its future residents and the existing community, broadly. The prompts will ask applicants, how: 1) local residents, the developer(s), stakeholders, government, and/or community-based organizations were engaged to help shape the **Project** to date; 2) community-based organizations and local residents, especially from **Disadvantaged and Low-Income Communities** and/or those with disabilities, were meaningfully engaged in identifying needs as well as **Project** components; 3) the **Project** is planning to continue engagement in the future; and 4) the project is taking concrete steps to address community-identified needs and promote equity, community health, and well-being.

(b) **Climate Adaptation & Community Resiliency - 5 Points Maximum**

Communities will continue to experience effects of climate change in many ways, including increased likelihood of droughts, flooding, heatwaves, sea level rise, severe weather, and wildfires. Due to these effects, climate resiliency is a key part of planning, design, and project implementation. The prompts will ask **Applicants** to: 1) outline the risks posed from climate change and other environmental exposures; 2) address how the risks will be reduced by appropriate adaptation or mitigation strategies; and 3) how, more broadly, the **Project** will promote equity and reduce the health risks of climate change and other environmental exposures including extreme heat, wildfires and smoke, air pollution from vehicle emissions, and more. Under this section applicants will fill out the Climate Adaptation Assessment Matrix and related prompts.

(c) **Collaboration & Planning – 4 Points Maximum**

Collaboration across local governments and housing and transportation providers is critical to create a project that ensures connectivity and responds to the day to day needs of the community. Taken together, the responses to the prompts of this section should outline how the proposed project: 1) aligns with previous planning efforts of local government; 2) brings together local government, including housing and transportation agencies in collaboration, to realize the vision of those efforts through the project; and 3) will equitably translate that vision into improvements that address community needs related to climate adaptation, health, housing, mobility, access, and safety.

(d) **Equity & Transformation – 3 Points Maximum**

As stated in the **AHSC Program** Overview, **SGC** is committed to achieving racial equity in its operations, investments, and policy initiatives and to achieving its vision that: All people in California live in healthy, thriving, and resilient communities regardless of race (read more in the SGC Racial [Equity Action Plan](#).) The **AHSC**



**Program** encourages a holistic approach to community development and broader investments in neighborhoods. Under this section, the prompts will ask applicants to describe how the **Project** is going above and beyond, either: piloting new or innovative approaches or policies, leveraging existing resources in a new way, advancing equity, or shaping future projects in the nearby communities.

## Section 108. Application Process

- (a) Pursuant to direction of the **Council**, the **Department** shall offer funds through a **NOFA** and applications will be reviewed based on the steps detailed in Section 108(a)-(i).
- (b) The **Department** will schedule optional pre-application consultations as detailed in the **NOFA** to provide assistance to **Applicants** regarding minimum threshold eligibility and other requirements.
- (c) Applications will be made available through the **Department**, and complete applications and supporting documentation must be submitted to the **Department** by the deadline detailed in the **NOFA**. An application workbook will be developed by **SGC** and the **Department** in accordance with these **Guidelines** and will outline the required documentation and methods by which compliance with the **Guidelines** is demonstrated.
- (d) The **Department** may elect to not evaluate compliance with some or all threshold requirements for applications that are not within a fundable range.
- (e) Applications will be reviewed, and negative points assessed, consistent with the **Department's** Negative Points Policy. The Negative Points Policy, Administrative Notice Number 2022-01 dated March 31, 2023, amended April 3, 2023, and as published on the **Department's website**, is hereby incorporated by this reference to these **Guidelines** as if set in full herein and shall apply with equal force as all other provisions set forth herein.
- (f) Applications recommended for funding and approved by the **Council** are subject to conditions specified by the **Department**. Applicants will receive a conditional letter of award after funding recommendations are approved by the **Council**.
- (g) Applications will be treated in accordance with the Public Records Act. Certain information, in accordance with the Public Records Act, may be publicly disclosed.
- (h) The highest scoring applications that meet all threshold requirements as determined by the **Department**, based on criteria set forth in these **Guidelines**, shall be recommended to the **Council** for funding as specified in the **NOFA** to the extent funding is available. If there are insufficient **Projects** that have scored 70 points or more, the **Council** may make adjustments in this procedure to meet the following objectives:
  - (1) **Project Area Type** funding goals: The goals are as follows:
    - (A) At least thirty-five (35.0) percent of funds as designated in the **NOFA** to **TOD Project Area** applications;
    - (B) At least thirty-five (35.0) percent of funds as designated in the **NOFA** to **ICP Project Area** applications;
    - (C) At least ten (10.0) percent of funds as designated in the **NOFA** to **RIPA** applications; and
    - (D) **Remaining Funds**: After designating funds to **Projects** that meet the **Project Area Type** funding targets, remaining available funds may be

awarded to any eligible **Project Area Type** that meets the goals detailed in this section.

- (2) **Geographic Goal:** The **Council** strives to achieve a diverse distribution of resources and recognizes that in order to meet the state’s environmental commitments, GHG emission reductions must be made in all parts of the State. The **Council** will use **Remaining Funds**, as described in Section 108(h)(1)(D) to ensure a distribution of total AHSC funds that allows for all geographic areas with a competitive application to receive funds, with a minimum of one (1) per geographic area to be awarded.

The **AHSC Program** defines the eight geographic areas as follows (listed by geographic area followed by counties pertaining to each area):

- (A) Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, Ventura
  - (B) Coastal Southern California: Los Angeles, Orange
  - (C) Inland Southern California: Imperial, Riverside, San Bernardino
  - (D) North State and Sierras: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne
  - (E) Sacramento Area: El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba
  - (F) San Diego Area: San Diego
  - (G) San Francisco Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma
  - (H) San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
- (3) **Tribal Entity Goal:** Regardless of **Project Area Type**, and to the extent qualifying **Projects** are received, the **Council** will seek to fund one project per funding cycle to a **Tribal Entity**. To be considered for the Tribal funding target, a **Tribal Entity** must be the **Developer** for the **AHD** and/or **HRI** components, or the project partner responsible for **STI** and/or **TRA** components. **Projects** where the only involvement of a **Tribal Entity** is as an applicant for **Program Costs**, the **Project** will not be considered for the Tribal funding target. The **Project** must meet the requirements laid out in Appendix B to qualify for the Tribal funding target. Unless stated otherwise, the **Project** must meet all **AHSC Program** requirements. If multiple **Tribal Entities** apply for **Projects** but are not awarded through the **Project Area Types** goals, the **Council** will apply the scoring criteria from these **Guidelines** to rank the **Projects** and may take into consideration the level of Tribal involvement and leadership in a **Project** before awarding the **Project** that will meet the Council’s Tribal target. Any remaining **Project(s)** involving a **Tribal Entity** will compete for the **Remaining Funds** along with all other projects.
- (4) **Priority Populations Statutory Requirement:** At least fifty (50.0) percent of **AHSC Program** expenditure for **Projects** must benefit **Disadvantaged**

**Communities.** In addition to this requirement, **AHSC Program** funds must be spent in accordance with the goals for **Low-Income Communities** as identified in the CARB [Funding Guidelines for Agencies Administering California Climate Investments](#). **Projects' Disadvantaged Community and Low-Income Community** status are based upon the location of their AHSC-funded **Affordable Housing Development**.

- (5) Affordable Housing Statutory Requirement: At least fifty (50.0) percent of the annual proceeds appropriated for the **AHSC Program** shall be expended for **Affordable Housing Development(s)**. For the purposes of this set-aside, expenditures related to **Affordable Housing Development** and **Housing Related Infrastructure Capital Projects** shall count toward this requirement.
  - (6) A single **Project** may count toward any or all the requirements and targets in Section 108(h)(1)-(5).
  - (7) After all the requirements and targets in Section 108(h)(1)-(5) are achieved, any **Remaining Funds** will be awarded to the highest scoring applications. In the event that two or more applications have the same final score, the **Project** with the total highest GHG reductions (MTCO<sub>2e</sub>), after appeals and **CARB** review, will take precedence.
  - (8) To the extent applications received are insufficient to meet any of the targets detailed in Section 108(h), the **Council** reserves the right to waive these targets at their discretion.
- (i) The following additional policies will inform the final decision of **Project** awards:
- (1) A single **AHD Developer** may not be awarded more than \$100 million in **AHD** and **HRI** funds per **NOFA** funding cycle; however, this limitation may be waived if necessary to meet **AHSC Program** statutory funding set-asides.
  - (2) **Projects** will not be partially funded. At the discretion of the **Council**, a **Project** that received a lower score may be awarded funding if the **Remaining Funds** are sufficient to fully fund the **Project**. If funds remain after awards, those funds will roll forward into the next **NOFA**.
  - (3) To support implementation of an applicable SCS or APS and consistency with activities or strategies identified in a regional SCS, APS, or equivalent planning document that demonstrates per capita reductions in VMT and GHG, as allowed by [SB 862](#) (Chapter 36, Statutes of 2014), an MPO or regional agency may develop its own process prior to the application due date to identify and recommend applications that have the highest regional priorities based on criteria established by the MPO/region. Agency staff may request participation by emailing the [AHSC@sgc.ca.gov](mailto:AHSC@sgc.ca.gov) inbox no later than 30 days after the release of **NOFA**.

## Article III. Legal and Reporting Requirements

### Section 109. Legal Documents

- (a) **Affordable Housing Developments:** Upon the award of **AHSC Program** funds to assist an **Affordable Housing Development**, the **Department** shall enter into one or more agreements with the **Applicant**, one of which will be in the form a State of California Standard Agreement (Standard Agreement), which shall commit funds from the **AHSC Program** in an amount sufficient to fund the approved **AHSC Program** loan or grant amount. The agreement or agreements shall contain the following:
- (1) A description of the approved **Affordable Housing Development** and the permitted uses of **AHSC Program** funds;
  - (2) The amount and terms of the **AHSC Program** loan;
  - (3) The regulatory restrictions to be applied to the **Affordable Housing Development** through the **Regulatory Agreement**;
  - (4) Special conditions imposed as part of the **Department's** approval of the **Affordable Housing Development**;
  - (5) Requirements for the execution and the recordation of the agreements and documents required under the **AHSC Program**;
  - (6) Terms and conditions required by federal and state law;
  - (7) Requirements regarding the establishment of escrow accounts for the deposit of documents and the deposit and disbursement of **AHSC Program** loan proceeds;
  - (8) The approved schedule of the **Affordable Housing Development**, including land acquisition if any, commencement and completion of construction or rehabilitation work, and occupancy by eligible households;
  - (9) Terms and conditions for the inspection and monitoring of the **Project** in order to verify compliance with the requirements of the **AHSC Program**;
  - (10) Provisions regarding compliance with California's Relocation Assistance Law (Gov. Code, Section 7260 et seq.) and the implementing regulations adopted by the **Department** (Cal. Code Regs., tit. 25, Section 6000 et seq.), or to the extent applicable, compliance with federal Uniform Relocation Act requirements;
  - (11) Provisions relating to the placement of a sign on or in the vicinity of, the **Affordable Housing Development** site indicating that the **Council** has provided financing for the **Affordable Housing Development**. The **Council** may also arrange for publicity of the **AHSC Project** in its sole discretion;
  - (12) Provisions to ensure that the **Eligible Costs** and use of **AHSC Program** funds maintain the required GHG Reduction represented in the application;
  - (13) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program**;
  - (14) Description of the conditions constituting breach of the agreement(s) and remedies available to the parties thereto;

- (15) Provisions identifying the modification or waiver of state housing finance requirements for **Tribal Entities** pursuant to Appendix B, if applicable;
  - (16) Provisions expressly providing that all awards of **Department** loan or grant funding made to the **Project**, or to any component or components of the **Project**, are cross-defaulted to one another such that:
    - (A) Compliance with all **Department** funding awards to the **Project** is a prerequisite of funding any of the **Department** funding awards; and
    - (B) A default on any one award of **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**;
  - (17) Provisions expressly providing that if any **Project** components (**AHD, HRI, STI, TRA, or PGM**, as applicable) are not timely completed pursuant to **AHSC Program** requirements, the **Project** will no longer qualify for the **AHSC Program** award, and the award will be disencumbered; and
  - (18) Any of the **Department's** standard contractual terms that may be applicable.
- (b) For rental **Affordable Housing Developments**, the **Department** shall enter into a **Regulatory Agreement** with the applicant for not less than the original term of the loan that shall be recorded against all sites comprising the property of the **Affordable Housing Development** prior to the disbursement of funds. The **Regulatory Agreement** shall include, but not be limited to, the following:
- (1) The number, type and income level of **Restricted Units**;
  - (2) Standards for tenant selection pursuant to 25 CCR 8305;
  - (3) Provisions regulating the terms of the rental agreement pursuant to 25 CCR 8307;
  - (4) Provisions related to a Rent Schedule, including initial rent levels for **Restricted Units** and non-Restricted Units pursuant to subsections (a) and (b) of **MHP Guidelines** Section 7312 and 7312.1;
  - (5) Conditions and procedures for permitting rent increases pursuant to **MHP Guidelines** Section 7312 and 7312.1;
  - (6) Provisions for limitations on Distributions pursuant to 25 CCR 8314 and on developer fees pursuant to 25 CCR 8312;
  - (7) Provisions regarding the deposit and withdrawal of funds to and from reserve accounts in accordance with 25 CCR 8308 and 8309;
  - (8) Assurances that the **Affordable Housing Development** will be maintained in a safe and sanitary condition in compliance with state and local housing codes and the management plan, pursuant to **MHP Guidelines** Section 7325;
  - (9) Description of the conditions constituting breach of the **Regulatory Agreement** and remedies available to the parties thereto;
  - (10) Provisions governing use and operation of non-Restricted Units and common areas to the extent necessary to ensure compliance with **AHSC Program** requirements;

- (11) Special conditions of loans and grants approval imposed by the **Department**;
  - (12) “Operations,” **MHP** Guidelines Sections 7322 through 7327, shall apply to rental **Affordable Housing Developments** assisted by the **AHSC Program**;
  - (13) Provisions expressly providing that all awards of **Department** loan or grant funding made to the **Project**, or to any component or components of the **Project**, are cross-defaulted to one another such that:
    - (A) Compliance with all **Department** funding awards to the **Project** is a prerequisite of funding any of the **Department** funding awards, and
    - (B) A default on any one award of the **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**;
  - (14) Provisions governing income from commercial uses pursuant to **MHP** Guidelines 7326, 7304(b)(8), and 7304(c); and
  - (15) Other provisions necessary to assure compliance with the requirements of the **AHSC Program**.
- (c) For homeownership **Affordable Housing Developments**, the **Department** shall enter into a **Regulatory Agreement** with the applicant that shall be recorded against all sites comprising the property of the **Affordable Housing Development** prior to the disbursement of funds. The **Regulatory Agreement** shall include, but not be limited to, the following:
- (1) The number, type and income level of **Restricted Units**;
  - (2) Standards for homebuyer selection procedures;
  - (3) Requirements for a subsequent regulatory agreement to be recorded on each individual home when sold to an individual homebuyer;
  - (4) Provisions related to the purchase price of **Restricted Units**;
  - (5) Description of the conditions constituting breach of the **Regulatory Agreement** and remedies available to the parties thereto;
  - (6) Provisions governing use and operation of non-Restricted Units and common areas to the extent necessary to ensure compliance with **AHSC Program** requirements;
  - (7) Special conditions of loans and grants approval imposed by the **Department**;
  - (8) Provisions expressly providing that all awards of **Department** loan or grant funding made to the **Project**, or to any component or components of the **Project**, are cross-defaulted to one another such that:
    - (A) Compliance with all **Department** funding awards to the **Project** is a prerequisite of funding any of the **Department** funding awards, and
    - (B) A default on any one award of the **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**; and
  - (9) Other provisions necessary to assure compliance with the requirements of the **AHSC Program**.

- (d) All **AHSC Program** loans for assistance to rental **Affordable Housing Developments** shall be evidenced by a promissory note payable to the **Department** in the principal amount of the loan and stating the terms of the loan consistent with the requirements of the **AHSC Program**. The note shall be secured by a deed of trust on the **Affordable Housing Development** property naming the **Department** as beneficiary or by other security acceptable to the **Department**; this deed of trust or other security shall be recorded junior only to such liens, encumbrances and other matters of record approved by the **Department** and shall secure the **Department's** financial interest in the **Affordable Housing Development** and the performance of applicant's **AHSC Program** obligations.
- (e) Grants shall be governed by one or more agreements, which may be in the form of a State of California Standard Agreement or other agreement with the **Recipient** in a form prescribed by the **Department**. The agreement or agreements shall ensure that the provisions of these Guidelines are applicable to the **Project** covered by the agreement and enforceable by the **Department**. The agreement or agreements will contain such other provisions as the **Department** determines are necessary to meet the requirements and goals of the **AHSC Program**, including but not limited to the following:
- (1) A description and sources and uses of the approved **Project** and the permitted uses of **AHSC Program** funds;
  - (2) Provisions governing the amount, terms and conditions of the **AHSC Program** grant;
  - (3) Provisions governing the construction work and, as applicable, the acquisition and preparation of the site of the **Capital Project**, and the manner, timing and conditions of the disbursement of grant funds;
  - (4) A schedule for completion of the **Project** and a series of milestones for progress toward **Project** completion together with the remedies available to the **Department** in the event of the failure to meet such milestones;
  - (5) Provisions for the payment of prevailing wages if and as required by state or federal law;
  - (6) Requirements for periodic reports from the **Recipient** on the construction and use of the **Project** and provisions for monitoring of the **Project** by the **Department**;
  - (7) The **Recipient's** responsibilities for the development of the approved **Project**, including, but not limited to, construction management, maintaining of files, accounts and other records, and report requirements;
  - (8) Provisions relating to the development, construction, affordability and occupancy of the **Affordable Housing Development** supported by the **Housing Related Infrastructure Capital Project**, if applicable;
  - (9) Provisions relating to the placement on, or in the vicinity of, the **Project** site, a sign indicating that the **Council** has provided financing for the **Project**. The **Council** may also arrange for publicity of the **Project** in its sole discretion;
  - (10) Remedies available to the **Department** in the event of a violation, breach or default of the Standard Agreement;



- (11) Requirements that the **Recipient** permit the **Department** or its designated agents and employees the right to inspect the **Project** and all books, records and documents maintained by the **Recipient** in connection with the **AHSC Program** grant or loan or both;
- (12) Special conditions imposed as part of **Department** approval of the project;
- (13) Terms and conditions required by federal or state law;
- (14) Provisions to ensure that the **Project** maintains the required **GHG Reduction** as represented in the application;
- (15) Provisions expressly providing that all awards of **Department** loan or grant funding made to the **Project**, or to any component or components of the **Project**, are cross-defaulted to one another such that:
  - (A) Compliance with all **Department** funding awards to the **Project**, is a prerequisite of funding any of the **Department** funding awards; and
  - (B) A default on any one award of **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**;
- (16) Provisions expressly providing that if any **Project** components (**AHD, HRI, STI, TRA, or PGM**) are not timely completed pursuant to **AHSC Program** requirements, the **Project** will no longer qualify for the AHSC award, and the award will be disencumbered; and
- (17) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.

## Section 110. Reporting Requirements

- (a) During the term of the Standard Agreement and according to the annual deadline identified in the Standard Agreement, the **Recipient** shall submit, upon request of the **Department** and the **Council**, an annual performance report that demonstrates satisfaction of all reporting requirements pursuant to the **AHSC Program** reporting requirements identified in the Standard Agreement. Recipient shall also submit the reports required by **MHP** Guidelines Article 5. Operations and any additional reporting requirements developed by the **Department**, the **Council** or **CARB**. The reports will be filed on forms provided by the **Department**.
- (b) **Recipient** is responsible for meeting the applicable project reporting requirements of CARB's *Funding Guidelines for Agencies that Administer California Climate Investments* as well as CARB's AHSC Program Quantification Methodology and Benefits Calculator Tool. These may include but are not limited to: **Project** metrics; the duration over which the **Recipient** will track **Project** metrics; frequency of reporting; the format **Recipient** will use to report; **Project** profile information; **Project** benefit information; and information related to **Priority Populations** benefits.
- (1) **Recipients** are required to submit an estimate of the number of jobs supported by their projects using CARB's Jobs Co-Benefit Assessment Methodology within 90 days of award. This methodology will estimate the number of jobs supported by the AHSC investment based upon the **Project's** budget.
- (2) Consistent with the [2018 Funding Guidelines for Agencies that Administer California Climate Investments](#), AHSC funding recipients must track and report the employment outcomes of their projects.
- (A) **Recipients** will be required to conduct Employment Benefits and Outcomes Reporting for employment benefits and outcomes created supported by the AHSC investment and all leveraged funding, while accommodating provisions for data privacy. Once funds are disbursed, reporting may occur as frequently as an annual basis. **AHSC Program** staff will work with **Recipients** to clarify what the jobs reporting process may look like.
- (B) **Recipients** must report on all jobs created as a result of the construction or delivery of the AHSC **Projects**. This includes all jobs created, regardless of their funding source, that are used for delivering project components funded at least in-part by AHSC. The **Project's** total development costs reported in the AHSC Application Workbook contains the scope of the AHSC-funded **Project** and all jobs created by it.
- (C) **Recipients** must report annually on all jobs created from the date the standard agreement is executed and continues until the following milestones are reached.
- (i) Grant Standard Agreement: all funds are disbursed
- (ii) Loan Standard Agreement: The **AHD** converts to permanent financing
- (D) **Recipients** must specify jobs created by the **AHSC Program** that employ individuals who live within **Priority Populations** census tracts or low-income households. To identify individuals who live within **Priority**

**Populations** census tracts or in low-income households, refer to the “Read Me” tab of the AHSC Jobs Reporting Template, posted on [CARB CCI Quantification, Benefits, and Reporting Materials webpage](#).

- (E) **Recipients** must ensure that all subcontractors receiving \$100,000 or more, **AHSC Program** funds or otherwise, from the **Recipient** must report on jobs created by the **Project**. Reporting must be completed using the AHSC Jobs Reporting Template provided by **CARB**.
  - (F) Reporting will be done according to both trade and classification to include the following:
    - (i) Job education required\*
    - (ii) Job experience required\*
    - (iii) Job training credentials\*
    - (iv) Number of jobs provided\*, \*\*
    - (v) Total project work hours\*, \*\*
    - (vi) Average hourly wage\*, \*\*
    - (vii) Total number of workers that completed job training\*, \*\*
    - (viii) Employer paid health insurance provided\*
    - (ix) Paid leave\*
    - (x) Retirement plan\*
    - (i) Targeted hiring strategy
- (3) Consistent with the *2018 Funding Guidelines for Agencies that Administer California Climate Investments*, **Recipients** must report on all outcomes resulting from the AHSC **Projects**. This includes metrics related to **AHD, HRI, STI, and TRA Projects**. Reporting will include the following components and other metrics as requested, for a duration of no more than five (5) years:
- (A) **AHD/HRI Project** metrics: Project operational date; outcome tracking start date; housing unit occupancy rate; income restricted housing unit occupancy rate; mode share of all residents (i.e., transit, bicycling, walking, driving); mode share of Low-income residents; residents using transit passes; occupancy of commercial space
  - (B) **STI and TRA transit Project** metrics: Average daily ridership of transit
  - (C) **STI active transportation Project** metrics: Average traffic of bicycle and pedestrian facilities; days of operational per year
- (c) At any time during the term of the Standard Agreement, the **Department** may perform or cause to be performed a financial audit of any and all phases of the **Recipient’s Project**. At the **Department’s** request, the **Recipient** shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during project implementation and over the project life.
  - (d) Reporting requirements listed in this section are **Eligible Costs** under **Employment Benefits and Outcomes Reporting** for each **Capital Project** or **Program Cost** as described in Section 103.

## Section 111. Performance Requirements

- (a) **Recipients** shall begin construction of the housing units and associated **HRI** improvements to be developed in the **Affordable Housing Development** that is a **Capital Project** within the time set forth in the Standard Agreement but not later than two years from date of award letter.
  - (1) **Recipients** may request an extension of this performance requirement by addressing a letter to SGC's Executive Director describing the specific circumstances that justify the need for an extension, and detailing a plan to meet the extended performance requirement deadline. At the discretion of **SGC's** Executive Director, an extension of up to two (2) years may be granted. Only one extension to the requirements of this section may be granted.
- (b) The housing units and associated **HRI** improvements developed in the **Affordable Housing Development** that is a **Capital Project** must be completed, as evidenced by receipt of a certificate of occupancy not later than five years from date of award letter.
  - (1) **Recipients** may request an extension of this performance requirement by addressing a letter to SGC's Executive Director describing the specific circumstances that justify the need for an extension, and detailing a plan to meet the extended performance requirement deadline. At the discretion of **SGC's** Executive Director, an extension of up to two (2) years may be granted. Only one extension to the requirements of this section may be granted.
- (c) **Sustainable Transportation Infrastructure** and **Transportation Related Amenities** components must be placed in service or operational no later than five years from date of award letter.
  - (1) **Recipients** may request an extension of this performance requirement by addressing a letter to **SGC's** Executive Director describing the specific circumstances that justify the need for an extension, and detailing a plan to meet the extended performance requirement deadline. At the discretion of **SGC's** Executive Director, an extension of up to two (2) years may be granted. Only one extension to the requirements of this section may be granted.
- (d) **AHSC Program** funds must be disbursed in accordance with deadlines specified in the Standard Agreement, and in no event later than the disbursement deadlines outlined in the **NOFA**.
- (e) **Recipients** may not apply for **AHSC Program** funds in a subsequent **NOFA** for the same **Project** if it has been funded by a prior award of **AHSC Program** funds.
- (f) Negative points will be assessed against the **Applicant** consistent with the **Department's** Negative Points Policy. The Negative Points Policy, Administrative Notice Number 2022-01 dated March 31, 2022, amended April 3, 2023, and as published on the **Department's** website, is hereby incorporated by this reference to these **Program Guidelines** as if set forth in full herein and shall apply with equal force as all other provisions set forth herein.

- (g) In addition to Section 111(a) through (f), **AHD award Recipients** will be subject to the **Department's** Disencumbrance Policy. The Disencumbrance Policy, Administrative Notice Number 2022-22 dated March 30, 2022, and as published on the **Department's** website, is hereby incorporated by this reference to these **AHSC Program Guidelines** as if set forth in full herein and shall apply with equal force as all other provisions set forth herein.

## Section 112. Defaults and Cancellations

- (a) In the event of a breach or violation by the **Recipient** of any of the provisions of the Standard Agreement, the **Department** may give written notice to the **Recipient** to cure the breach or violation within a period of not less than 15 days. If the breach or violation is not cured to the satisfaction of the **Department** within the specified time period, the **Department**, at its option, may declare a default under the Standard Agreement and may seek legal remedies for the default including, but not limited to, the following:
- (1) The **Department** may accelerate all amounts, including outstanding principal and interest, due under the loan and demand immediate repayment thereof. Upon a failure to repay such accelerated amounts in full, the **Department** may proceed with a foreclosure in accordance with the provisions of the deed of trust and state law regarding foreclosures.
  - (2) The **Department** may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the **Project** in accordance with **AHSC Program** requirements.
  - (3) The **Department** may seek such other remedies as may be available under the relevant agreement or any law.
  - (4) In the event the **Project** is or has been awarded additional **Department** funding, any and all such funding will be cross defaulted to and among one another in the respective loan or, where applicable, grant documents. A default under one source of **Departmental** funding shall be default under any and all other sources of **Department** funding in the **Project**.
- (b) If the breach or violation involves charging tenants rent or other charges in excess of those permitted under the **Regulatory Agreement**, the **Department** may demand the return of such excess rents or other charges to the respective households. In any action to enforce the provisions of the **Regulatory Agreement**, the **Department** may seek, as an additional remedy, the repayment of such overcharges.
- (c) The **Department** may cancel funding commitments and Standard Agreements under any of the following conditions:
- (1) The objectives and requirements of the **AHSC Program** cannot be met by continuing the commitment or Standard Agreement;
  - (2) There has been a material change, not approved by the **Department**, in the **Project** or the principals or management of the **Developer** or **Project**;
  - (3) Construction of the **Capital Project** or implementation of **Program Costs** cannot proceed in a timely fashion in accordance with the timeframes established in the Standard Agreement; or
  - (4) Funding conditions have not been or cannot be fulfilled within required time periods
- (d) Upon receipt of a notice of intent to cancel the grant from the **Department**, the **Recipient** shall have the right to appeal to the Director of the **Department**.

### Section 113. Prevailing Wages

For the purposes of the State Prevailing Wage Law (including Labor Code Sections 1720 – 1785), a grant or loan under the **AHSC Program** shall be considered public funding for the construction, rehabilitation, demolition, relocation, preservation, or other physical improvement of the **Capital Project** subject to the provisions of the State Prevailing Wage Law. **AHSC Program** funding of the **Project** shall not necessarily, in and of itself, be considered public funding of a **Project** unless such funding is considered public funding under the State Prevailing Wage Law. It is not the intent of the **Department** in these regulations to subject **Projects** to the State Prevailing Wage Law by reason of **AHSC Program** funding of the **Project** in those circumstances where such public funding would not otherwise make the **Project** subject to the State Prevailing Wage Law. Although the use of **AHSC Program** funds does not require compliance with federal Davis Bacon wages, other funding sources may require compliance with federal Davis Bacon wages.

## Section 114. Transition Reserves

- (a) Transition Reserve policy set forth in **MHP** Guidelines Section 7312 and 7312.1 is hereby incorporated into these **Guidelines** by reference.



## Appendix A. Definitions

“Accessible Housing Unit(s)” refers collectively to “Housing Units with Mobility Features” and “Housing Units with Hearing/Vision Features” as defined in this definition:

- 1) A “Housing Unit with Mobility Features” means and refers to a housing unit that is located on an accessible route and complies with the requirements of the Code of Federal Regulations (CFR) 24 Section 8.22 and all applicable provisions of Uniform Federal Accessibility Standards (UFAS) or the comparable provisions of the Alternative Accessibility Standard, including but not limited to Sections 809.2 through 809.4 of the 2010 Standards for Accessible Design. A Housing Unit with Mobility Features can be approached, entered, and used by persons with mobility disabilities, including individuals who use wheelchairs. Such units must also comply with CBC 11B.
- 2) A “Housing Unit with Hearing/Vision Features” means and refers to a housing unit that complies with 24 CFR Section 8.22, and all applicable provisions of UFAS or the comparable provisions of the Alternative Accessibility Standard, including but not limited to Section 809.5 of the 2010 Standards for Accessible Design. Such units must also comply with the California Building Code (CBC) 11B.

“Active Transportation” means infrastructure projects that encourage increased use of active modes of transportation but does not include funding program operations. The project types include but are not limited to: design and construction of capital improvements (construction) that will improve safety and convenience of people who are biking, walking, or using non-motorized mobility devices. These infrastructure projects may include bikeways, paths, sidewalks, crosswalks, crossing beacons or signals, curb ramps, curb extensions and other similar facilities. Traffic Calming devices such as roundabouts, lane narrowing, lane reductions, or other facilities focused on vehicles speed and volume reductions may be considered Active Transportation infrastructure if installed in tandem with facilities dedicated to biking or walking.

“Active Transportation Program” means non-infrastructure related programs which instill safe pedestrian, bicyclist, and motorist behaviors to make safe **Active Transportation** possible. Non-infrastructure activities can stand-alone or be conducted with infrastructure projects (fixed facilities or permanent structural changes) to increase effectiveness. Programs that seek funding for distribution of safety gear or bicycles should refer to the Caltrans Active Transportation Program Guidelines for guidance on distribution.

“Activity Delivery Costs” means staff costs directly related to implementing specific **Capital Projects** and **Program Costs** incurred by a **Recipient** who is a **Public Agency**. Eligible Activity Delivery Costs include project document preparation, project underwriting, construction management, inspections, or reporting to the **Department**.

“Affordable Housing Development” or “AHD” means a **Capital Project** of residential development or the residential portion of a **Mixed Use Development** in which at least 20 percent of the total units are **Affordable Units**. Rental **AHDs** must demonstrate an overall average affordability of 50% **AMI**. Homeownership **AHDs** have no minimum average affordability requirements.

“Affordable Unit” means a housing unit that is made available at an affordable rent, as defined in Health and Safety Code Section 50053, to a household earning no more than 60 percent of the **Area Median Income (AMI)**. For homeownership projects, it means a housing unit that is made available at an affordable housing cost, as defined in Health and Safety Code Section 50052.5, to a household earning no more than 120 percent of the **AMI**. Rental Units shall be subject to a recorded covenant ensuring affordability for a duration of at least 55 years. Homeownership units shall initially be sold to and occupied by a qualified household and shall be subject to a recorded covenant that includes either a resale restriction for at least 30 years or equity sharing upon resale.

“Agricultural Land” means all categories of farmland in the California Department of Conservation’s Farmland Mapping and Monitoring Program (FMMP) tool ([California Important Farmland Finder](#)) including: Prime Farmland, Farmland of Statewide Importance, Unique Farmland, Farmland of Local Importance, Farmland of Local Potential, Irrigated Farmland, Nonirrigated Farmland, and Grazing land.

“AHSC Program” means the program as outlined by these **Program Guidelines**.

“Alternative Accessibility Standard” also referred to as the HUD Deeming Notice (HUD-2014-0042-0001), means the alternative accessibility standard for accessibility set out in HUD’s notice at 79 Fed. Reg. 29671 (May 23, 2014), when used in conjunction with the requirements of 24 CFR pt. 8, 24 CFR Section 8.22, and the requirements of 28 CFR pt. 35, including 28 CFR Section 35.151 and the 2010 Standards for Accessible Design as defined in 28 CFR Section 35.104.

“Applicant” has a meaning set forth in Section 105 in these **Program Guidelines**.

“Area Median Income” or “AMI” means the most recent applicable county median family income published by the **TCAC**. For **Tribal Entity** applicants, if United States Department of Housing and Urban Development’s (HUD’s) income for a county/parish located within a Tribal Entity’s service area is lower than the United States median, the **Tribal Entity** may use the United States median income limit.

“Assisted Unit” means a unit that is subject to the Program’s regulatory and/or occupancy restrictions as a result of the financial assistance provided by the Program, as specified in the **Regulatory Agreement**.

“Bus Rapid Transit” means a transit line as described in Public Resources Code (PRC) 21060.2 that also meets the requirements of **Qualifying Transit** as defined in these guidelines and is listed as a ‘major\_stop\_brt’ in the dataset of the California Open Data Portal: <https://data.ca.gov/dataset/ca-hq-transit-stops>.

“Capital Project” consists of the construction, rehabilitation, demolition, relocation, preservation, acquisition, or other physical improvement that is an integral part of or is necessary for completion of the greater capital improvement.

“Carpool” is a service type developed for AHSC. Carpooling is the grouping of drivers and passengers with common origins and/or destinations into a shared vehicle. Carpooling is a “self-serve” system, meaning the driver is a traveler in the pool like other passengers, as

opposed to a hired driver in a shared taxi rides or ride-hailing services. Only **Zero Emission Vehicles** are eligible for funding.

“Carshare” is a service type developed for AHSC. Carshare services provide members with access to an automobile through short-term rentals. Only **Zero Emission Vehicles** are eligible for funding. Services provided by taxi companies and transportation network companies are not an eligible cost.

“Context Sensitive Bikeway” means on-street infrastructure for bicycle riding that is appropriately applied based on the traffic volumes and speeds on a specific street, as [recommended by the California Department of Transportation](#) based on guidance from the Federal Highway Administration, American Association of State Highway and Transportation Officials, and the California Highway Design Manual.

Place Type and Surrounding Land-Use <sup>1</sup>		Posted Speed			
		15-20	25-30	35-45	> 45
Urban Areas & Suburban Main Streets	<2,500	Standard Shoulder or Shared Lane	Standard Shoulder or Shared Lane	Class II or Class IV	Class IV
	2,500-5,000				
	5,000-10,000	Class II or Class IV	Class II or Class IV	Class IV	
	>10,000	Class IV	Class IV		
Rural Areas (Developing Corridors)		15-20	25-30	35-45	> 45
	<2,500	Standard Shoulder (may be designated as a Class III facility) <sup>2</sup>			
	2,500-5,000				
	5,000-10,000				
	>10,000				
	15-20	25-30	35-45	> 45	
Rural Main Streets	<2,500	Standard Shoulder or Shared Lane	Class II	Class II	Class I or IV
	2,500-5,000				
	5,000-10,000	Class II	Class I, II, or IV		
	>10,000				

- 1) **Projects** may consider either the design year or post-**Project** implementation conditions for posted speed and Annual Average Daily Traffic (AADT).
- 2) Class I multi-use or bicycle paths are considered **Context Sensitive Bikeways** at any AADT and posted speed.
- 3) For the purposes of **AHSC Program** scoring and GHG quantification, a Class III bikeway must be often referred to as a ‘Bicycle Boulevard.’ A Bicycle Boulevard is more than just shared lane markings. A Bicycle Boulevard must combine all the following traffic calming measures: signs, pavement markings, speed and volume management measures, and infrastructure for safe and convenient crossings of busy arterials (5,000+ AADT or more).
- 4) For **AHSC Program** scoring purposes, “Rural Main Streets” shall be considered any roadway within one-quarter (1/4) of a mile of federal, state, or county highway within a **Rural Area**.
- 5) For **AHSC Program** scoring purposes and GHG Quantification, bikeways should be measured using **Lane Miles**

“Council” means the California Strategic Growth Council, established pursuant to Public Resources Code Section 75121.

“Deferred Costs” means costs deferred at construction loan closing, including but not limited to: capitalized reserves, loan fees, syndication costs, legal, accounting, audit, consultant fees, and developer fees paid from operating cashflow.

“Department” means the California Department of Housing and Community Development.

“Developer” means the entity that the **Department** and the **Council** rely upon for experience, **Site Control**, and capacity, and which controls:

- 1) **Rental AHD** during development through occupancy;
- 2) **HRI** and homeownership **AHD** during development through completion;
- 3) **STI** during development through operation; or
- 4) **TRA** during development through operation.

“Disadvantaged Community” (DAC) is defined by the following conditions (See [Priority Populations Map](#) for more information):

- 1) Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0;
- 2) Census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores;
- 3) Census tracts identified in the 2017 SB35 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0; and
- 4) Lands under the control of federally recognized Tribes. For purposes of this designation, a Tribe may establish that a particular area of land is under its control even if not represented as such on CalEPA’s DAC map and therefore should be considered a DAC by requesting a consultation with the CalEPA Deputy Secretary for Environmental Justice, Tribal Affairs and Border Relations at [TribalAffairs@calepa.ca.gov](mailto:TribalAffairs@calepa.ca.gov).

“Employment Benefits and Outcome Reporting” means activities undertaken by **Local Agencies** and **Recipients** to coordinate and monitor the development of **Capital Projects** and **Programs** funded by the **AHSC Program** award as well as submission of data about the jobs and related benefits created by the AHSC investment as required by the 2018 Funding Guidelines for Agencies Administering California Climate Investments.

“Enforceable Funding Commitment” or “EFC” means a letter or other document evidencing, to the satisfaction of the **Department**, a commitment of funds or a reservation of funds by a project funding source for construction or permanent financing, including, but not limited to, the following:

- 1) Private financing from a lender other than a mortgage broker, the **Applicant**, or an entity with an identity of interest with the **Applicant**, unless the **Applicant** is a lending institution actively and regularly engaged in residential lending;
- 2) Deferred-payment financing, residual receipts payment financing, grants, and subsidies from public agencies;
- 3) Funds awarded by another **Department** program. Proof of award must be issued prior to final rating and ranking of the Program application;
- 4) A land donation in fee for no other consideration that is supported by an appraisal or purchase/sale agreement (“Land Donation”) or a local fee waiver resulting in quantifiable cost savings for the Project where those fees are not otherwise required by federal or state law (“Local Fee Waiver”) shall be considered a funding commitment. The value of the Land Donation will be the greater of either the original purchase price or the current appraised value as supported by an independent third-party appraisal prepared by a Member- Appraisal-Institute-

qualified appraiser within one year of the application deadline. A funding commitment in the form of a Local Fee Waiver must be supported by written documentation from the local Public Agency. A below market lease that meets the requirements of UMR section 8316 would be considered a land donation (\$1 per year).

- 5) Owner equity contributions or developer funds. Such contributions or funds shall not be subsequently substituted with a different funding source or forgone if committed in the application, except that a substitution may be made for up to 50 percent of deferred developer fee. The **Department** may require the applicant to evidence the availability of the proposed amount of owner equity or developer funds.
- 6) For homeownership **Affordable Housing Developments** only: Construction loans which will be repaid with revenue from the sale of homes to low- or moderate-income homebuyers.
- 7) Funds for transportation projects which are programmed for allocation and expenditure in the applicable capital improvement plan consistent with the terms and timeframes of the Standard Agreement.
- 8) Enforceable Funding Commitment Letters must contain the following:
  - A. The name of the **Applicant, Developer, or Program Operator**,
  - B. The **Project** name,
  - C. The **Project** site address, assessor's parcel number, or legal description; and
  - D. The amount, interest rate (if any), and terms of the funding source.
  - E. Signature of the **Applicant, Developer, or Program Operator** indicating acceptance of terms if the document includes an acceptance provision.

“Factory-Built Housing” as set forth in Health and Safety Code Section 19971 means a residential building, dwelling unit, or an individual dwelling room or combination of rooms thereof, or building component, assembly, or system manufactured in such a manner that all concealed parts or processes of manufacture cannot be inspected before installation at the building site without disassembly, damage, or destruction of the part, including units designed for use as part of an institution for resident or patient care, that is either wholly manufactured or is in substantial part manufactured at an offsite location to be wholly or partially assembled onsite in accordance with building standards published in the California Building Standards Code and other regulations adopted by the commission pursuant to Section 19990. Factory-Built Housing does not include a mobile home, as defined in Section 18008, a recreational vehicle, as defined in Section 18010.5, or a commercial modular, as defined in Section 18012.5.

“First-time homebuyer” is defined as a borrower who has not had an ownership interest in any principal residence or resided in the home owned by a spouse during the previous three years.

“Flexible Transit Service” means a form of transit for the public characterized by flexible routing and scheduling of small/medium vehicles operating in shared-ride mode (with at least two passengers) between pick-up and drop-off locations according to passenger needs. Flexible Transit Service includes vanpool, shuttle, paratransit, and feeder bus systems that reduce vehicle miles travelled.

“Floor Area Ratio” (FAR) means the square footage of the floor area of a building divided by the site square footage, excluding therefrom dedicated streets, sidewalks, parks, and open space. The floor area of a building is the sum of the gross area of each floor of the building, excluding mechanical space, cellar space, floor space in open balconies, enclosed parking and elevators or stair bulkheads. Multiplying the FAR by the area of the site produces the minimum amount of floor area required in a building on the lot. For example, on a 10,000 square-foot site in a district with a minimum FAR of 1.5, the floor area of a building must be at least 15,000 square feet.

“Greenhouse Gas Reduction” (GHG Reduction) means actions designed to reduce emissions of one or all the following gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

“Green Streets” means a sustainable stormwater strategy that meets regulatory compliance and resource protection goals by using a natural systems approach to manage stormwater, reduce flows, improve water quality, and enhance watershed health.

“Half Mile Buffer Communities” means **Low-Income Households** that are outside of, but within a half mile of, **Disadvantaged Communities**, or to projects located within the boundaries of, and benefiting individuals living in, **Low-Income Communities** that are outside of, but within a half mile of, **Disadvantaged Communities**. See the [Priority Populations Map](#) for more information.

“High Quality Transit” means a **Qualifying Transit** line with high frequencies AND permanent infrastructure as follows:

- 1) Frequency: High Quality Transit must have **Peak Period** headway frequency on the same route, in the same direction, of every 15 minutes or less (e.g., every departure is not more than 15 minutes from the last) and service seven days a week. This level of service must have been publicly posted by the provider at some point between January 2024 and the time of application.
- 2) Permanent Infrastructure: High Quality Transit must operate on a railway or meet the definition of **Bus Rapid Transit**

“Higher Opportunity Areas” means neighborhoods of opportunity, with high-performing school, greater availability of jobs that afford entry to the middle class, and convenient access to transit and services. Such areas are defined as ‘high’ or ‘highest’ resources areas in the [2023 TCAC/HCD Opportunity Map](#).

“Housing Related Infrastructure” means a capital infrastructure improvement required as a condition of approval of an **Affordable Housing Development** by a **Locality**, transit agency or special district such as sewer, water or utility system upgrades, streets, drainage basins, etc. or a capital infrastructure improvement allowed under Section 103(c).

“Indian Country” means (i) all land located in “Indian country” as defined by 18 U.S. Code (USC) 1151; (ii) all land within the limits of a Rancheria under the jurisdiction of the United States Government; (iii) all land held in trust by the United States for an Indian Tribe or individual; and (iv) all land held by an Indian Tribe or individual subject to a restriction by the United States against alienation.

“Infill Site” means a site that has been previously developed or at least three of four sides or 75 percent of the perimeter of the site adjoins parcels that are currently developed with qualified **Urban Uses**. Perimeters bordering navigable bodies of water and improved parks shall not be included in this calculation. To qualify as an infill site, the site must also be located in an urbanized area meaning that it fulfills one of the following requirements:

- 1) located within an incorporated city with a charter recorded with the State of California, OR
- 2) for unincorporated areas outside an urbanized area or urban cluster, the area shall be within a designated urban service area that is designated in the local general plan for urban development and is served by public sewer and water.
- 3) Applications from **Tribal Entities** may request an exemption to the requirement to be located within an urbanized area or urban cluster.

“Integrated Connectivity Project (ICP) Project Area” means a **Project Area** which includes at least one (1) **Transit Station/Stop** that is served by **Qualifying Transit**, but not **High Quality Transit**.

“Intelligent Transportation Systems” means electronics, communications, or information technology, used singly or in combination, to improve the efficiency, accessibility, or safety of the surface transportation system.

“Key Destinations” means vital community amenities and resources. The specification of each Key Destination is described in this definition. Key Destinations must be operational at the time of application. For scattered site projects, applicants should identify distance of Key Destinations around the single point identified for the **Project Area Map**.

- 1) Grocery store: either a full-service grocery store or neighborhood market that sells produce and is listed on the U.S. Department of Agriculture (USDA) [SNAP Retailer Locator tool](#)
- 2) Food bank: A distribution site for a food bank that is managed by a non-profit that distributes free food at least once a week on a publicly advertised schedule
- 3) Medical clinic: a medical clinic that accepts Medi-Cal payments or has an equally comprehensive subsidy program for low-income patients
- 4) Licensed childcare facility: infant center, school age childcare center, childcare center, childcare center preschool, family childcare home (small), family childcare home (large) as licensed by the Department of Social Services.
- 5) Pharmacy
- 6) Public Park: An open space accessible by the general public managed by a public agency. A public park shall not include 1) school grounds unless there is a bona fide, formal joint use agreement between the jurisdiction responsible for the parks/recreational facilities and the school district or private school providing availability to the general public of the school grounds and/or facilities, 2) greenbelts or pocket parks, or 3) open space preserves or biking parkways unless there is a trailhead or designated access point within the specified distance.
- 7) Community or Recreation Center that offers programming accessible to the general public and managed by a public agency or nonprofit
- 8) Public library: must be a book-lending public library that also allows for inter-branch lending (when in a multi-branch system)

- 9) Public elementary, middle, high school (which includes public charter schools as indicated by the California Department of Education) and non-profit university or non-profit community or junior college
- 10) Bank or credit union: Must include on-site staff
- 11) Post Office: United States Postal Service (USPS) Post Office location as indicated by the USPS Locator tool

“Lane Mile” means the total length of roadway or bikeway taking number of lanes into account. For scoring, consistency and reporting purposes, applicants are required to describe all bikeways and busways using Lane Miles. As an example, a project that installs a bikeway in only one direction along one mile of roadway would be considered having installed one lane mile. If the bikeway is bidirectional or on both sides of the roadway for one mile, the project would be considered having installed two lane miles (one mile each way).

“Locality” means a California city, unincorporated area within a county, or a city and county.

“Lower Income” has the meaning set forth in Health and Safety Code Section 50079.5, households with gross incomes not exceeding 80 percent of **AMI**.

“Low-Income Community” means a census tract with either 1) median household incomes at or below 80 percent of the statewide median income, or 2) median household income at or below the threshold designated as low-income by the **Department’s** State Income Limits pursuant to the Health and Safety Code Section 50093. See the [Priority Populations Map](#) for more information.

“Low-Income Households” mean individual households with either 1) household incomes at or below 80 percent of the statewide median income, or 2) household incomes at or below the threshold designated as low-income by Department of Housing and Community Development’s State Income Limits adopted pursuant to Health and Safety Code Section 50093.

“Micromobility” is a service type developed for AHSC. Micromobility refers to sharing-systems that makes bicycles, electric bicycles (e-bikes), electric scooters, and electric mopeds available to members on a short-term rental basis. Only **Zero Emission Vehicles** are eligible for funding.

“Mixed Use Development” means a building, combination of buildings, or building complex, designed to functionally and physically integrate non-residential uses such as retail, commercial, institutional, recreational, or community uses with residential uses, in a complementary manner.

“Moderate Income” has the meaning set forth in Health and Safety Code Section 50093, households with gross incomes not exceeding 120 percent of **AMI**.

“MHP” shall mean the Multifamily Housing Program authorized and governed by Sections 50675 through 50675.14 of the Health and Safety Code, and the MHP Guidelines dated May 18, 2023, or as amended.



“Natural Infrastructure” means improvements that result in the preservation and/or restoration of ecological systems, or utilization of engineered systems that use ecological processes, to increase resiliency to climate change and/or manage other environmental problems. Some examples relative to the **AHSC Program** could include street trees and greenspace for water catchment, infiltration and surface cooling; water treatment facilities that utilize ecologically functioning wetlands; flood mitigation systems that utilize the natural floodplain and stable shorelines used in tandem with constructed flood barriers.

“Net Density” means the total number of dwelling units per acre of land to be developed for residential or mixed use, excluding allowed deductible areas. Allowed deductible areas are septic system requirements and public dedications of land which are for public streets, public sidewalks, public Open Space, and public drainage facilities. Non-allowed deductible areas include utility easements, setbacks, private drives and walkways, general landscaping, common areas and facilities, off street parking, and traditional drainage facilities exclusive to a development project. Mitigations required for development will not be included in the allowed deductible areas.

“NOFA” means a Notice of Funding Availability issued by the **Department**.

“On-demand Transit Service” is a service type developed for AHSC. On-demand transit services include shuttles, vans, circulators, paratransit services, and private sector transit solutions commonly referred to as “microtransit.” The transit service must be demand-responsive (route and/or frequency of service are determined dynamically based on customer demand) and capable of serving multiple riders simultaneously (not only a single rider service). Only **Zero Emission Vehicles** are eligible for funding.

“Peak Hours” or “Peak Period” means the periods with the highest ridership during the entire transit service day as determined by the transit operator. Must include at least one hour during the morning commute hours and one during afternoon commute hours, Monday through Friday. Each Peak Period cannot be longer than three hours.

“Pedestrian Access Route” means a continuous and unobstructed path of travel provided for pedestrians with disabilities within or coinciding with a pedestrian circulation path as defined in the most recent Caltrans Pedestrian Accessibility Guideline for Highway Projects.

“Principal” means employees of the **Developer** who are in a position responsible for the oversight and management of development activities.

“Priority Populations” include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B of the GGRF Funding Guidelines for more information on the definitions. See the [Priority Populations Maps](#) for more information.

“Program Cost” means the cost(s) associated with 1) program creation, or 2) expansion or restoration of existing programs to serve new populations or offer new program service and implementation.

“Program Guidelines” or “Guidelines” means this document describing eligibility, scoring criteria, and definitions used by the **AHSC Program** in evaluating **Applications** for each round of the **AHSC Program** as adopted by the **Council**.

“Program Operator” means the entity that administers the day-to-day operational responsibilities for the **Program** for which the **AHSC Program** funding is sought.

“Project” means the proposed use of funds representing a combination of **Capital Projects** or **Program Costs** which are proposed by the **Applicant** to be funded the **AHSC Program**.

“Project Area” means the contiguous circular area measured from any single point inside the parcel of the **AHD**. For **TOD Project Areas** and **ICP Project Areas**, the radius must be no greater than a one (1.0) mile. For **RIPAs**, the radius must be no greater than a two (2.0) miles. The point may be chosen anywhere inside of the **AHD** site and must be used and referenced consistently through all application materials, in mapping and calculation of distances. If an **AHD Project** is a **Scattered Site Project**, then the applicant may choose which parcel they wish to use.

“Project Area Type” means one of the three categories of **Projects** funded by the **AHSC Program**. Project Area Types are determined by two main factors: The **AHD** proximity to **High Quality Transit** or **Qualifying Transit** and if the **AHD** is located in a **Rural Area**. Project Area Types are used to improve distribution of funds to a diverse type of communities throughout California.

“Public Agency” means a **Locality**, transit agency, public housing authority or redevelopment successor agency.

“Qualifying Transit” means a transit line serving the public that includes various forms of fixed transit service and **Flexible Transit Service**. A Qualifying Transit line requires service that departs two (2) or more times on the same route during **Peak Hours** as defined by the transit operator. This level of service must have occurred regularly at some point between January 2024 and the time of application. **Flexible Transit Service** is exempt from these **Peak Hours** frequency requirements. The Transit service must be operated by the following:

- 1) Directly operated by a public entity; or
- 2) Operated by a public entity via a contract for purchased transportation service with a private or non-profit provider; or
- 3) Operated by a private or non-profit entity as a grant Recipient or sub-recipient from a public entity

“Recipient” means the eligible **Applicant** receiving a commitment of **AHSC Program** funds.

“Regulatory Agreement” as set forth by UMR 8301(o).

“Restricted Units” as set forth by UMR 8301(q) for rental **AHDs** or the same as “Affordable Unit” for homeownership **AHDs**.

“Remaining Funds” means the funds available for **Project** awards after the **Project Area Type** Targets are met. These funds are to be used primarily for funding projects to achieve the statutory and **Council**-identified priorities of geographic and **Tribal Entity** targets.

“Rural Area” means the definition in [Health and Safety Code 50199.21](#)

“Rural Innovation Project Area (RIPA)” means a **Project** that meets the definition of **Transit Oriented Development** or **Integrated Connectivity Project** and is located within a **Rural Area**.

“Safe and Accessible Walkway” means a pedestrian corridor that meets or exceeds the most recent Caltrans Pedestrian Accessibility Guideline for Highway Projects.

“Scattered Site” means an **AHD Project** in which the parcels of land are not contiguous except for the interposition of a road, street, stream, or similar interposition.

- 1) For acquisition and **Substantial Rehabilitation AHDs** with one pre-existing project-based Section 8 contract in effect for all the sites, there shall be no limit on the number or proximity of sites.
- 2) For acquisition and **Substantial Rehabilitation AHDs** with any of the following:
  - a. Existing federal or state rental assistance or operating subsidies,
  - b. An existing **TCAC** regulatory agreement, or
  - c. An existing regulatory agreement with a federal, state, or local public entity, the number of sites shall be limited to five, unless the **SGC** Executive Director approves a higher number, and all sites shall be either within the boundaries of the same city, within a 10-mile diameter circle in the same county, or within the same county if no location is within a city having a population of five-hundred thousand (500,000) or more.
- 3) For new construction projects and all other acquisition and **Substantial Rehabilitation AHDs**, the number of sites shall be limited to five, and all sites shall be within a one (1.0) mile diameter circle within the same county.

“Secure Overnight Bicycle Parking” means bicycle parking that is not accessible to the general public, is completely enclosed and protects the bicycle from inclement weather and allows for the bicycle frame to be secured to the bicycle rack at two points. Examples of Secure Overnight Bicycle Parking include bicycle rooms, bicycle lockers, and bicycle cages.

“Site Control” means the applicant or **Developer** has control of the property as set forth in UMR 8303 and 8316 through one or more of the following:

- 1) Fee title;
- 2) A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit, prior to grant funding, compliance with all AHSC Program requirements. Where site control will be satisfied by a long-term ground lease, the Department will require the execution and recordation of the Department’s form lease rider, which shall be entered into by and among the ground lessor, the ground lessee, the Department, and any other applicable parties. In all cases, the lease rider shall be recorded against the fee interest in the Project property;

- 3) An enforceable option to purchase or lease which shall extend through the anticipated date of the Program award as specified in the NOFA;
- 4) An executed disposition and development agreement, right of way, or irrevocable offer of dedication to a public agency;
- 5) An executed encroachment permit for construction of improvements or facilities within the public right of way or on public land;
- 6) An executed agreement with a public agency that gives the applicant exclusive rights to negotiate with the agency for the acquisition of the site; provided that the major terms of the acquisition have been agreed to by all parties; or
- 7) A land sales contract or enforceable agreement for acquisition of the property.

“Smoke Free Housing” means an **AHD** that implements a policy banning the ignition and burning of tobacco products (including, but not limited to, cigarettes, cigars, pipes, and water pipes or hookahs) in all living units, indoor common areas, and all other interior spaces. The smoke-free policy must also extend to all outdoor areas within 25 feet of occupied buildings on the **AHD** property.

“Substantial Rehabilitation” means an **AHD** with reasonable direct rehabilitation construction contract costs of at least \$35,000 per residential unit. Substantial Rehabilitation shall include energy efficiency upgrades per residential units. Substantial Rehabilitation **AHDs** must fully and efficiently address all the physical needs of the **Project** for the term of the project loan and therefore merely meeting the minimum threshold cost amount of \$35,000 per residential unit may not, in and of itself, be sufficient to be considered Substantial Rehabilitation for purposes of the project loan.

“Sustainable Transportation Infrastructure (STI)” means **Capital Project(s)** that result in the improvement or addition of infrastructure that encourages mode-shift from single-occupancy vehicles by enhancing: 1) public transit service, 2) pedestrian networks, or 3) bicycle networks (includes public bike-share programs) as well as transit operations expenditures that directly support transit expansion, within the defined **Project Area** meeting the transit requirements detailed in Section 102.

“TCAC” shall mean the California Tax Credit Allocation Committee and the California Tax Credit Allocation Committee Regulations, Title 4 CCR, Division 17, Chapter 1, as adopted May 10, 2023.

“Transit Oriented Development (TOD) Project Area” means a **Project Area** which includes at least one (1) Transit Station/Stop that is served by **High Quality Transit**.

“Transit Signal Priority (TSP)” means an operational strategy that facilitates the movement of transit vehicles through traffic-signal controlled intersections. Objectives of TSP include meeting on time schedule performance and improved transit travel time efficiency while minimizing impacts to normal traffic operations. TSP is made up of four components: (1) A detection system that lets the TSP system where the vehicle requesting signal priority is located. (2) The detection system communicates with a priority request generator that alerts the traffic control system that the vehicle would like to receive priority. (3) Priority control strategies; and 4) System management software collecting data and generating reports.

“Transit Station/Stop” means a designated location at which the various **Qualifying Transit** service(s) drop-off and pick-up riders. If the Transit Station/Stop includes multiple entrances or includes a parking lot, the pedestrian entrance will be identified as the closest wheelchair accessible ramp by which a transit rider can access a boarding platform without intersecting with vehicle traffic.

“Transportation Demand Management” (TDM) means strategies that increase transportation system efficiency by encouraging shifting from single-occupant vehicle (SOV) trips to non-SOV transportation modes or shifting SOV trips off peak travel periods. Effective TDM strategies result in reduction of VMT by increasing travel options, providing incentives and information to encourage individuals and employers to modify their travel behavior to support these objectives, and/or by reducing the need to travel or reducing travel distance via location efficient development patterns. TDM strategies encourage travel by transit, biking, walking, or in shared vehicles.

“Transportation Related Amenities (TRA)” means capital improvements that are publicly accessible and provide supportive amenities to pedestrians, cyclists, and transit riders (e.g., bike parking, bus shelter, benches, street trees, etc.) within the defined **Project Area** meeting the transit requirements detailed in Section 102. TRA improvements encourage the use of the transit or active transportation activity.

“Tribal Entity” means an **Applicant** that is a Tribe or a tribally designated housing entity including any of the following:

- 1) An Indian Tribe as defined under USC Section 4103(13)(B) of Title 25; or
- 2) A Tribally Designated Housing Entity under 25 USC 4103(22); or
- 3) Listed in the Bureau of Indian Affairs Office of Federal Acknowledgement Petitioner List, pursuant to CFR Section 83.1 of Title 25; or
- 4) Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purpose of consultation pursuant to GC Section 65352.3

“Urban Forestry” means the cultivation and management of native or introduced trees and related vegetation in urban areas for their present and potential contribution to the economic, physiological, sociological, and ecological well-being of urban society.

“Urban Greening” means the incorporation of greenscaped pedestrian and bicycle trail systems, **Urban Forestry**, urban street canopy, green alleys, drought tolerant and native species landscaping and landscape restoration, green roofing, community gardens, **Natural Infrastructure** and stormwater features into public open spaces. Public open space must offer reasonable hours of use for the public, such as dawn to dusk. Community gardens where residents grow edible plants do not have to be publicly accessible as long as they are available to residents of the **AHD**.

“Urban Uses” means any residential, commercial, industrial, transit, transportation passenger facility, or retail use, or any combination of those uses. Urban uses do not include lands used for agricultural uses or parcels in excess of 15,000 square feet in size and containing only one single-family residence.

“Very-Low Income” has the meaning set forth in Health and Safety Code Section 50105, households with gross incomes not exceeding 50 percent of **AMI**.

“Water Efficiency” means controlling water at the source through design—both rainfall and storm water runoff through a decentralized system that distributes storm water across a project site to replenish groundwater supplies.

“Zero Emission Vehicle (ZEV)” means a vehicle equipped with clean technologies consistent with the State of California’s zero emission vehicle regulations and standards, including battery-electric vehicles (BEVs), hydrogen fuel cell electric vehicles (FCEVs), and plug-in hybrid electric vehicles (PHEVs).

## Appendix B. Tribal Eligibility

**A Tribal Entity** may qualify for AHSC funds if its proposed **Project** meets the following requirements:

- (a) Projects are located in **Indian Country**, or located on parcel(s) owned by a **Tribal Entity** in fee or held in trust for the benefit of a **Tribal Entity** within the state of California, or for which the **Tribal Entity** has leasehold security that satisfies the requirements of UMR 8316, and;
- (b) The **Applicant** meets the conditions of award funding to the extent applicable, and subject to any modifications or waivers approved by the **Department** Director or their designee pursuant to AB1010 (2019) (Health and Safety Code Section 50406, subdivision (p)) that may be set forth in a Standard Agreement. It is noted that these same conditions are not required to be satisfied initially to engage in the competitive award process:
  - (1) **BIA Consent.** The Bureau of Indian Affairs (BIA) has consented to the **Applicant's** execution and recordation (as applicable) of all **Department-**required documents that are subject to 25 CFR sec. 152.34, 25 CFR sec. 162.012, or 25 CFR sec. 162.388, et seq., prior to award disbursement. This requirement shall not apply to projects that are located on fee land not subject to a restriction by the United States against alienation.
  - (2) **Personal and Subject Matter Jurisdiction.** Personal and subject matter jurisdiction in regard to the Standard Agreement, **Project**, or any matters arising from either of them is in state court and the **Department** has received any legal instruments or waivers, all duly approved and executed, as are or may be legally necessary and effective to provide for such personal and subject matter jurisdiction in state court.
  - (3) **Title Insurance.** The **Department** has received title insurance for the property underlying the **Project** satisfactory to the **Department**. Notwithstanding the foregoing sentence, upon a showing of good cause, for **Applicants** unable to provide a conventional title insurance policy satisfactory to the **Department**, this condition may be satisfied by a title status report issued by the BIA Land Title and Records Office and pursuant to a title opinion letter issued for the benefit of the **Department** but paid for by the **Applicant**.
  - (4) **Recordation Requirements.** Where recordation of instruments is a condition of award funding or otherwise required pursuant to the Standard Agreement, the subject instrument will be deemed to be properly recorded if recorded with the Land Titles and Records Office at the BIA or in the appropriate official records of the county in which the **Project** is located, as may be applicable.
  - (5) **Site Control.** For all **Projects** subject to the terms of this Appendix, not located on trust or restricted land within **Indian Country**, the acceptable form of **Site Control** will be either: A) fee security, or B) leasehold security meeting the requirements of **UMR 8316**. If a **Department** loan or grant is secured on fee

land, then there must be a restriction preventing that land being put into trust until the **Department** loan or grant term is complete.

- (6) **Minimum Requirements for Sovereign Immunity Waivers.** Sovereign immunity waiver language shall be included in the **Department** Standard Agreement, and all other relevant **Department** agreements memorializing or securing the awards of funds, which may be accomplished by incorporating by reference a separately executed sovereign immunity waiver instrument. The **Tribal Entity** shall also provide or obtain a separate limited waiver of sovereign immunity instruments for both personal and subject matter jurisdictions which shall require, at a minimum, compliance with state construction standards and regulations or with respect to tribal housing **Projects in Indian Country**, compliance with tribal construction standards and regulations that are at least as stringent as state construction standards and regulations, subject to the **Department's** review and satisfaction



## Appendix C. Awardee Publicity Guidelines

**Recipients** are required to acknowledge **SGC**, the **Department**, and California Climate Investments (CCI) in all publications, websites, signage, invitations, and other media-related and public-outreach products and events related to the **AHSC Project**. Guidance on CCI logo usage, signage, and logo files contained in the **CCI Media and Communications Style Guide** are available at: [www.caclimateinvestments.ca.gov/logo-graphics-request](http://www.caclimateinvestments.ca.gov/logo-graphics-request). **SGC** and **Department** staff will provide their respective logo files and guidance on their usage directly to **Recipients**.

(a) Long-form written materials, such as reports, must include the following standard language about the **Council**, **Department**, **AHSC**, and **CCI**:

- (1) “The Affordable Housing and Sustainable Communities (AHSC) Program builds healthier communities and protects the environment by increasing the supply of affordable places to live near jobs, stores, transit, and other daily needs. This program is administered by Strategic Growth Council (SGC), which coordinates the activities of State agencies and partners with stakeholders to promote sustainability, economic prosperity, and quality of life for all Californians ([www.sgc.ca.gov](http://www.sgc.ca.gov)) and implemented by the Department of Housing and Community Development (HCD).

The AHSC program is part of CCI, a statewide program 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. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero emission vehicles (ZEV), environmental restoration, more sustainable agriculture, recycling, and much more. Find out more about the program at: [www.caclimateinvestments.ca.gov](http://www.caclimateinvestments.ca.gov).”

(b) Any informational materials that do not qualify as long-form, but include at least a paragraph of text, such as press releases, media advisories, short case studies, some flyers, etc., should include the following language:

- (1) Long version: “[Project Name] is supported by California Strategic Growth Council’s Affordable Housing and Sustainable Communities program with funds from [California Climate Investments](http://www.caclimateinvestments.ca.gov), 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.”

- (2) Short version: “[Project Name] is supported by California Strategic Growth Council’s Affordable Housing and Sustainable Communities program with funds from [California Climate Investments](http://www.caclimateinvestments.ca.gov)—Cap-and-Trade Dollars at Work”

(c) **Recipients** may at times produce promotional materials that are primarily visual in nature, such as banners, signage, certain flyers, and sharable images for social media. In such cases, when including the boilerplate language acknowledging CCI and SGC support is not practical, grantees should instead include the official logos of the **Council**, the **Department**, and CCI, preceded by the words “Funded by.”

- (d) **Recipients** are required to identify a point of contact for all press inquiries and communications needs related to the project and provide the name, phone number and email address of this individual to the **Council** and the **Department**.
- (e) **Recipients** are encouraged to distribute a press release after grant decisions are made at the **Council's** Public Council Meeting (or until notified by the **Council** when awards are embargoed) and for other major milestones throughout the lifecycle of the grant. All press releases must be approved by **SGC** Communications Office prior to distribution and the **Council** and **Department** must be alerted and invited to participate in any and all groundbreaking, grand opening, and press conferences related to the award by emailing [ASHC@sgc.ca.gov](mailto:ASHC@sgc.ca.gov), [AHSC@hcd.ca.gov](mailto:AHSC@hcd.ca.gov), [HCDSpeakerRequests@hcd.ca.gov](mailto:HCDSpeakerRequests@hcd.ca.gov).
- (f) **Recipients** are required to prepare one or more two-to-four-page documents that provide a summary of the Project components and tell the story of the AHSC proposal development process and/or implementation. All such materials must be approved by **SGC** Communications Office prior to distribution. These materials will be displayed on the **Council** website.
- (g) **Applicants** and **Recipients** are encouraged to use social media to share the process of creating an AHSC proposal and to inform the throughout implementation. @CalSGC, @California\_HCD, and @CAClimateInvest should be tagged on all posts related to the AHSC grant. Use of the hashtags #AHSC, #AffordableHousing, and #SustainableCommunities is encouraged.