

# AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

ROUND 9 PROGRAM  
GUIDELINES

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CALIFORNIA  
STRATEGIC  
GROWTH  
COUNCIL



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## Article I. Affordable Housing and Sustainable Communities General Overview

### Section 100. Purpose and Scope

The purpose of these **Program Guidelines** is to implement Division 44, Part 1 Chapter 2 of the California 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**.

Per the California Public Resources Code, 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:

- Reducing air pollution;
- Improving conditions in **Disadvantaged Communities (DACs)**;
- Supporting or improving public health and other co-benefits as defined in Section 39712 of the Health and Safety Code;
- Improving connectivity and accessibility to jobs, housing, and services;
- Increasing options for mobility, including the implementation of the **Active Transportation Program** established pursuant to Section 2380 of the Streets and Highway Code;
- Increasing transit ridership;
- Preserving and developing affordable housing for lower income households, as defined in Section 50079.5 of the Health and Safety Code; and
- Protecting **Agricultural Lands** to support infill development.

These **Program Guidelines** will serve as the primary document related to eligibility, scoring, and the application process for Round 9 of the **AHSC Program**. Unless stated in this document, previous versions of **AHSC Program 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Methodologies, Question and Answer (Q&A) documents, or personal communications with staff from previous rounds are superseded by this document and no longer in effect for **Projects** applying to Round 9.

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.

Individuals who seek clarity on portions of these **Guidelines** after **Council's** adoption, may pose questions and see publicly-available answers on the Round 9 Materials page of the **California Strategic Growth Council (SGC)** Website:

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

*The **AHSC Program** is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in **Disadvantaged Communities (DACs)**. The **AHSC Program** furthers the purposes of [AB 32](#) (Chapter 488, Statutes of 2006), [SB 375](#) (Chapter 728, Statutes of 2008), and SB 32 (Chapter 249, Statutes of 2016) by investing in **Projects** that facilitate **GHG Reduction** by supporting more compact, infill development patterns, encouraging **Active Transportation** and transit usage, and protecting **Agricultural Land** from sprawl development.*

### Program Administration, Implementation, and Coordination

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 **AHSC Program** reporting.

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

- Expenditure records to ensure investments further the goals of [AB 32](#).
- Investment targets in **DACs, 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.

### AHSC Program Scope

The **AHSC Program** provides grants and/or loans for **Projects** that achieve **GHG Reductions** and benefit communities across California, particularly **DACs, 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. **AHSC Projects** also promote carbon neutrality by requiring all electric design and incentivizing green building techniques, **Urban Greening**, and purchase of **Zero Emission Vehicles (ZEVs)**.

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**.

An overview of the **AHSC Program** is available on **SGC** Website: <https://sgc.ca.gov/grant-programs/ahsc/>.

#### Priority Population Benefits

California Climate Investment (CCI) Programs must target investments to priority populations, per AB 1550, and maximize benefits to **DACs**, per SB 535 and AB 1532. The investment minimums apply to the overall appropriations from the GGRF, rather than to each agency appropriation. CCI Programs are encouraged to meet minimum levels of investments to **Projects** that benefit residents of **DACs**, **Low-Income Communities**, and **Low-Income Households**, collectively referred to as “**Priority Populations**” to help ensure statutory requirements are met. These program targets for **Priority Populations** are outlined in the [2024 Funding Guidelines for Agencies that Administer California Climate Investments \(Funding Guidelines\)](#).

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 an area identified as a **DAC** 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 (AHD)** and will use the **Priority Population Benefit Assessment Tool** to determine if investments have a direct benefit to **Priority Populations**. The **Priority Populations** Map is available at: <https://www.caclimateinvestments.ca.gov/priority-populations>. **Priority Population Benefit Assessment Tool** for this **AHSC Program** will be available at: <https://www.caclimateinvestments.ca.gov/reporting-tools>.

#### Vision for Racial Equity

The **Council** 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](#).

## Section 100.1. Uniform Multifamily Regulations (UMRs) and Other Authorities Incorporated by Reference

- (a) The Uniform Multifamily Regulations (UMR) (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended, are hereby incorporated by reference as if set forth in full herein, with the exceptions of any UMR provision that would be inconsistent with these **Guidelines**.
- (b) The following administrative notices, policies, and guidance are hereby incorporated herein by reference and shall be deemed to have the same force and effect as if set forth in full herein:
- (1) The **Department's** "[Disencumbrance Policy](#)" (Administrative Notice No. 2022-02), dated March 30, 2022, as amended on December 19, 2022, and as may be subsequently amended (**AHD Award Recipients** will be subject to the Disencumbrance Policy);
  - (2) The **Department's** "[Negative Points Policy](#)" (Administrative Notice No. 2022-01), dated March 30, 2022, as amended on November 9, 2022 and April 3, 2023, and as may be subsequently amended;
  - (3) The **Department's** "[Repeal of Stacking Prohibition of Multiple Department Funding Sources](#)" (Administrative Notice No. 21-06), dated August 20, 2021, as amended on September 13, 2023, and as may be subsequently amended.
  - (4) The **Department's** "[Notice of Omnibus Program Guideline Amendments Supportive Services Costs Limits](#)" (Administrative Notice No. 24-05) dated October 7, 2024, and as may be subsequent amended.
  - (5) The **Department's** "[Pooled Transition Reserve Policy](#)" (Administrative Notice No. 23-01), dated January 3, 2023, as amended on August 8, 2023, and as may be subsequently amended.

## Section 101. Definitions

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

## Article II. Administration of Funds

### Section 102. Eligible Projects

- (a) 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 **TOD** and **ICP Project Area Types**.
- (1) **RIPAs** must be located within a **Rural Area**, as defined in Section 50199.21 of California Health and Safety Code.
- (b) **Projects** must include the following:
- (1) One **STI** component; and
- (2) One **Affordable Housing Development (AHD)** and/or **Housing Related Infrastructure (HRI)** component.
- (c) **Project** funds will be primarily utilized in the **Project Area**, which must:
- (1) Be a contiguous circular area measured from any single point inside the parcel of the **AHD**. The point may be chosen anywhere inside of the **AHD** site and must be referenced consistently through all application materials, including mapping and calculation of distances.
- (A) For **Scattered Site Projects**, **Applicant** must identify a single point in any one of the **AHD** parcels to establish the radius.
- (B) A **Project Area** may not contain more than one **AHD Capital Project**. A single **AHD Capital Project** may not include more than one **AHD**.
- (C) For **TOD Project Areas** and **ICP Project Areas**, the radius must be no greater than one (1.0) mile.
- (D) For **RIPAs**, the radius must be no greater than two (2.0) miles.
- (2) Include at least one **Transit Station/Stop** consistent with the requirements set forth below and be located no farther than one-half (0.50) mile from the **AHD** 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;
- (A) **TOD Project Areas** must include at least one **Transit Station/Stop** that is served by **High Quality Transit** at the time of application submittal. **TOD Project Areas** must not be located in a **Rural Area**.
- (B) **ICP Project Areas** must include at least one **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 **AHD** along a **Pedestrian Access Route**. **ICP Project Areas** must not be located in a **Rural Area**.
- (C) **RIPAs** must include at least one existing, or planned fixed route, **Transit Station/Stop** that is or will be served by the **Qualifying Transit** or **High Quality Transit** that is located no farther than one-half (0.50) mile from the **AHD** along a **Pedestrian Access Route**.
- (i) If proposing planned transit the **Applicant** must submit a letter on transit agency letterhead signed by an authorized signatory affirming that the planned **Transit Station/Stop** will be served by transit service that meets the criteria of **Qualifying Transit**



or **High Quality Transit** and will be operational by the **AHD** certificate of occupancy issuance.

(D) For all **Project Area Types**, if the **Pedestrian Access Route** is not in place at the time of application, the **Applicant** must affirm that the **Pedestrian Access Route** will be in place by the **AHD** certificate of occupancy issuance. The **Sustainable Transportation Improvements (STI)** components of the **Project** can fund this improvement.

(3) Include all AHSC-funded **Sustainable Transportation Improvements (STI)**;

(A) **STI** components (e.g., a bus-only lane, **Transit Signal Priority (TSP)**, 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**.

(B) If making an **STI** improvement to a fixed transit route that includes a portion outside of the **Project Area**, there must be a **Transit Station/Stop** on that route within the **Project Area** at the time of application.

(C) If making **STI** improvements to an **On-Demand Transit Service**, there must be a designated pick-up location in the **Project Area**.

(D) If making **STI** improvements to **Carshare** or **Carpool** service, the vehicles must reside at the AHSC funded **AHD** site.

(d) To be an eligible **AHD Capital Project**, it must:

(1) Contain five (5) or more Units. A single-family house is considered to be one Unit, and an apartment Unit in an apartment building is considered to be one Unit regardless of the number of bedrooms within the apartment Unit. The **AHD Capital Project** must consist of one or more of the following:

(A) New Construction

(B) 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.

(i) **Substantial Rehabilitation AHDs** with existing **Department** restrictions must comply with loan restructuring requirements pursuant to HSC Sections 50560 through 50562 and current Portfolio Restructuring Guidelines published by the **Department**. Restructuring transaction fees are set forth in UMR Section 8317

(C) **Adaptive Reuse** of one or more building structures.

(2) Demonstrate that the **AHD** will not cause the number of existing bedrooms to be reduced:

(A) Proposed **AHD** 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 **AHD** 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 **AHD** meeting the requirements of the UMRs Section 8303 (b).

- (B) The **Department** may approve **AHDs** 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 **AHD** completion.
- (3) Demonstrate that construction or **Substantial Rehabilitation** of the **AHD** has not commenced as of the application due date, except for emergency work or structural repairs.
- (4) Demonstrate that other development funding sources, including all tax credit equity generated by the **AHD**, are insufficient to cover **AHD** development costs.
- (5) **Rental** and **Homeownership AHDs** must include at least 20 percent of the total units as **Affordable Units**.
- (6) **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)**. 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 **AMI** and 10 units restricted to 60 percent **AMI** the calculation of the average affordability would be as follows:
- (A) 10 units @ 40% **AMI** is  $10 \times 40 = 400$ .
  - (B) 10 units @ 60% **AMI** is  $10 \times 60 = 600$
  - (C)  $400 + 600 = 1,000$ ; and
  - (D)  $1,000/20$  total **Restricted Units** = average affordability of 50%
- (7) **Homeownership AHDs** have no minimum overall **Project** average affordability requirements
- (8) The **AHD** must demonstrate a minimum **Net Density** as outlined in (i)-(ii) below. *Note: Applicants must calculate Net Density as the number of un-adjusted dwelling units per acre in the AHSC Benefits Calculator Tool.*
- (A) To calculate the **Net Density** based on the total number of dwelling units, the **Applicant** may use either:
    - (i) The un-adjusted total number of dwelling units in the **Project** based on the type of development and **Project Area Type**:
      - Residential Only **Projects**: **TOD Projects** must meet a minimum net density of 30 units per acre; **ICP Projects** must meet a minimum net density of 20 units per acre; and **RIPA Projects** must meet a minimum **Net Density** of 15 units per acre.
      - **Mixed Use Developments** may demonstrate consistency with the **Net Density** requirements through either the unit per acre, as stated above, or **Floor Area Ratio (FAR)**. **TOD Projects** must reach a

**FAR** greater than 2.0; **ICP Projects** must reach an **FAR** greater than 1.5; and **RIPA** must reach an **FAR** greater than 0.75.

(ii) 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

(B) 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 this section 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.

- (9) The **AHD Capital Project** or **Mixed Use Development** in the case that non-residential uses are included, must be powered entirely through electricity with no connections to natural gas infrastructure. **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., Renewable Natural Gas (RNG), Natural Gas (NG), Liquefied Petroleum Gas (LPG), and then Tier 4 compliant diesel.
- (10) The **AHD** must offer high speed broadband internet service to residents, with speeds listed in Section 103.1(g)(7), to each **Assisted Unit** for a minimum of three years, free of charge to the tenants, and available within six months of the **AHD's** placed-in-service date.
- (11) Must supply at least one **Secure Overnight Bicycle Parking** spot for every two residential units.
- (12) **AHD Capital Projects** may:
- (A) Include residential units that are rental or homeownership, but not both.
  - (B) Consist of a **Scattered Site** constituting a single, integrated **AHD**. **Rental AHDs** on a **Scattered Site** must meet all the requirements set forth by Section 8303(b) of the UMRs. For **Homeownership AHDs** on **Scattered Sites**, the individual sites must have a single owner at the time of execution of the AHSC grant **Standard Agreement**;
  - (C) Include nonresidential uses that are compatible under local zoning.
- (13) **AHD Capital Project** shall not include:
- (A) An **AHD** 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.
  - (B) An application proposing an **AHD** 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 an **AHD** 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 **AHDs**, each of which must submit an entirely separate application and qualify independently of the other.

- (C) Any **Project** that proposes a single **AHD** at application for scoring purposes, but after receiving an award letter attempts to split its single **AHD** into multiple **AHDs** with separate ownership structures or separate financing structures will be disencumbered as it no longer meets the requirements of the **AHSC Program**.

## Section 103. Eligible Applicants

- (a) Eligible **Applicant** entities shall include any of the following:
  - (1) 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.
    - (A) For **HRI** or **STI Capital Projects** to be completed by a non-Applicant, the **Applicant** must provide an executed agreement with the **Locality** or transportation agency non-Applicant for the completion of the **HRI** or **STI Capital Project**.
  - (2) **Program Operator**: for **PGM** components only
  - (3) **Developer**: for **Homeownership AHD, HRI, and STI Capital Projects** only
  - (4) **Sponsor**: for **Rental AHD** and onsite **HRI Capital Projects**
  - (5) A **Tribal Entity** whose **Project** meets requirements described in Appendix B.
- (b) The eligible **Applicant** for a **Rental AHD Capital Project** is a **Sponsor**
  - (1) The **Sponsor** shall be the legal entity that the **Department** and the **Council** rely upon for experience, **Site Control**, and capacity
    - (A) A **Sponsor** shall be any individual, joint venture; partnership; limited partnership; trust; corporation; cooperative; **Locality**; **Tribal Entity**; or other legal entity; or any combination thereof;
    - (B) **Sponsor** shall submit the application for **Department** funds and be the **Recipient** of the **Department's** award of funds;
    - (C) **Sponsor** shall be organized on a for-profit, limited profit, or nonprofit basis.
- (c) The eligible **Applicant** for a **Homeownership AHD Capital Project** is a **Developer**
  - (1) The **Developer** shall be the legal entity that the **Department** and the **Council** rely upon for experience, **Site Control**, and capacity:
    - (A) **Developer** shall be any individual, joint venture; partnership; limited partnership; trust; corporation; cooperative; **Locality**; **Tribal Entity**; or other legal entity; or any combination thereof;
    - (B) **Developer** shall submit the application for **Department** funds and be the **Recipient** of the **Department's** award of funds
    - (C) A **Developer** who is a nonprofit corporation must be a corporation whose exempt purposes for the two years prior to the date of application have included the activity for which it is applying
- (d) The eligible **Applicant** for an **HRI** or **STI Capital Project** is any entity type described in Section 103(a)(1) (except **Program Operator**) that meets all relevant requirements set forth in Section 103 that the **Department** and the **Council** may rely upon for experience, **Site Control**, and capacity.
- (e) The eligible **Applicant** for a **Program (PGM)** is any entity type.
- (f) **Applicant** eligibility is dependent upon meeting the experience requirement relevant to the specific **Capital Project** component proposed.
  - (1) **Applicants** must demonstrate experience by providing evidence of two projects that are similar to each proposed **AHSC Capital Project (AHD, HRI, and STI)**, as applicable, which have been completed by the **Applicant** proposing completion of that **Capital Project** component, during the ten

- years preceding the application due date. Experience is attributable to entities only, not individual persons.
- (2) For **AHD** components, completed projects submitted to demonstrate project completion and operational experience must include functionally equivalent:
    - (A) Unit type: including affordability, tenure, population, bedroom count, and other metrics;
    - (B) Project size: including the number of units in the building, including total units in the proposed **AHD** not to exceed two hundred (200) percent of the **Sponsor/Developer's** largest **AHD**;
    - (C) Scope: including the general services provided or amenities within the housing development; and
    - (D) Unit counts used for demonstration of experience may not be cumulative across multiple projects and phases.
  - (3) For **HRI** or **STI Capital Projects** to be completed by a non-**Applicant**, the **Applicant** must provide and executed agreement with the **Locality** or transportation agency non-**Applicant** for the completion of the **HRI** or **STI Capital Project**, thereby demonstrating that the **Locality** or transportation agency will be serving as the **HRI** or **STI Developer** for that **Capital Project**.
- (g) The **Sponsor/Developer** shall demonstrate capacity to acquire, develop, and own either affordable rental or homeownership housing at the time of application that is consistent with the housing type 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 development and 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**. The **Department** will exercise reasonable discretion in determining capacity. In all cases, the **Department** will base its capacity determination on the experience, past performance, and organizational documents of the **Sponsor/Developer**.
- (1) The **Department** may request any of the following subsequent to application submittal:
    - (A) Staff rosters, which include the job titles and duty statements of all staff positions, and payroll records;
    - (B) Certified audited financial statements for the past three (3) consecutive years;
    - (C) Certificates of Good Standing from the California Secretary of State, the California Franchise Tax Board, or the relevant regulatory agencies of foreign jurisdictions; and
    - (D) Any other documentary evidence that reasonably supports the **Applicant's** ability to satisfy the capacity requirement.
- (h) A **Locality's** controlled affiliate is an Eligible **Applicant** if it demonstrates experience, capacity and **Site Control** or if both the **Locality** and its affiliate are **Applicants** and between the two of them they demonstrate experience, capacity, and **Site Control**.
- (i) If **Applicant** is applying for a **Rental AHD**, the **Applicant** with experience must perform a substantial management role in the borrowing entity from the time of award through the full term of the Regulatory Agreement, as evidenced by the applicable organizational documents. Such role shall include the substantial management duties set forth at UMR Section 8313.2.
  - (j) For **HRI** and **STI** components only, an **Applicant** may demonstrate the requisite experience for Section 103(f) by using 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 **HRI** or **STI Capital Projects**.
- (k) A special purpose entity formed and controlled by the **Sponsor/Developer**, and which will serve as the ultimate borrower of **AHSC Program** funds, is not an eligible **Applicant**. A special purpose entity ultimate borrower meeting the requirements of UMR Section 8313.2 may be listed on the **AHSC Program** application in the appropriate, designated fields for listing such a borrower entity.
- (1) Single purpose entities not meeting the requirements of a special purpose entity pursuant to UMR Section 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** of **AHSC Program** funds.
- (l) 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.
- (m) All **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 Program** funds. Each **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.
- (n) All **Payees** shall execute the **Standard Agreement** generated in connection with the funds which they are to receive.

## Section 103.1. Threshold Requirements

To be eligible for **AHSC Program** funding, an application shall demonstrate to the **Department** all the following requirements.

- (a) The application includes an eligible **Project** that meets the requirements of Section 102;
- (b) The proposal is submitted by an eligible **Applicant** pursuant to Section 103;
- (c) All proposed uses of **AHSC Program** funds are eligible pursuant to Section 104;
- (d) The application is complete pursuant to Section 113;
- (e) The application satisfies funding limitations and terms per Sections 105, 106, 107, and 108;
- (f) 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 lawsuits or appeals will have resolved within 30 days after the application due date, including the expiration of all periods for filing lawsuits or appeals.
    - (A) **STI** component(s) of a **Project** are not required to certify completion and demonstration of approval of environmental clearances (NEPA or CEQA) as stated in Section 103.1(f)(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 Program** application deadline.
  - (4) The **Applicant** must document the status of local land use approvals by submitting the **Project's** local approvals and environmental review verification form. If the **Applicant** is applying for streamlined, ministerial approval under Section 65913.4 of the Government Code, the form must indicate that an application has been submitted to the relevant local government. The local approvals and environmental review verification form must be completed and signed by the local authority and must provide the status of all entitlements related to the **Project**, the applicability of the California Environmental Quality Act ("CEQA") and the National Environmental Policy Act ("NEPA") to the **Project**, and the status of the **Project's** compliance with CEQA and NEPA, to the extent applicable.



- (A) This requirement is not applicable where a **Tribal Entity Applicant** is proposing a **Project** that is located in **Indian Country**.
- (5) Environmental Site Assessment (ESA) reporting:
  - (A) A Phase I ESA must be completed and dated no more than 12 months prior to the Application deadline. The Phase I ESA must indicate that the **AHD** site(s) is free from severe adverse environmental conditions, such as the presence of toxic waste.
  - (B) If the Phase I ESA recommends a Phase II ESA or reveals known or potential contamination, a Phase II ESA is required to be completed and dated no more than 12 months prior to the application deadline. The forgoing Section 103.1(f)(5)(A) notwithstanding, if a Phase II ESA has been completed and dated within 12 months prior to the application deadline, the recommending Phase I ESA may have been completed and dated 12 months or more prior to the application deadline.
  - (C) For rehabilitation **Projects**, the following additional documents would be required:
    - (i) Physical Needs Assessment (PNA)
    - (ii) Capital Needs Assessment (CNA)
    - (iii) Lead-based paint, mold, and asbestos reports
  - (D) This threshold requirement is not applicable where a **Tribal Entity Applicant** is proposing a **Capital Project** located in **Indian Country**.
- (6) Applications that include a **Locality** as an **Applicant** must, at the time of application, have submitted their two previous housing element annual progress reports to the **Department** as required by Government Code section 65400.
- (7) The **Project** 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 **Agricultural Land** designation may be allowed for applications that submit documentation that substantiates a description of an **Infill Site**.
- (8) 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 all claims or actions undertaken by or against the **Applicant(s)**, the **Project** or the property.
- (9) Where approval by a local public works department, or other responsible local agency, is required for the **STI Capital Project**, the application must include a statement from that entity indicating that the **STI** is consistent with all applicable local rules, regulations, codes, policies, and plans enforced or implemented by that entity.
- (10) The **Applicant** must document compliance with or exemption from AB 680 (2021) Project Standards as described in Section 115(b).
- (g) **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 Program** application, displaying VMT and **GHG Reductions** for each **Project** component.
- (2) All proposed **AHDs** located in a jurisdiction that has fare-based transit must provide at least one transit pass or card to each **Assisted Unit** for at least three (3) years. If the transit agency does not provide passes with unlimited rides, the card or pass shall 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 104(d).
  - (3) The application must be sufficiently complete to assess the feasibility of the proposed **Project** and its compliance with **AHSC Program** and application requirements.
  - (4) The **Applicant** must demonstrate that the **Project** is financially feasible as evidenced by documentation including, but not limited to, **Enforceable Funding Commitments (EFCs)**, a market study (dated within one year of the application due date and consistent with **MHP** Guidelines Section 7309(c)), which for **Rental AHDs** meets the requirements specified in the **California Tax Credit Allocation Committee (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 **AHD**.
  - (5) The **Rental AHD Capital Project** is feasible pursuant to the underwriting standards in UMR Section 8310 and will maintain **Fiscal Integrity** consistent with either proposed and/or restricted **Rents**.
  - (6) The **Applicant** or **Locality** serving as the **Sponsor/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 parties as the **Department** may require. In all cases (with applicable exceptions made for **Projects** developed on trust or restricted real property), the lease rider shall be recorded against the fee interest in the **Project**

property. For **Projects** developed on trust or restricted real property, the **Department's** form lease rider, together with any and all other use restriction instruments, shall be approved by, and recorded with, the U.S. Department of Interior's Bureau of Indian Affairs ("BIA").

- (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
  - (i) For trust or restricted land, a current title status report issued by the BIA is acceptable in lieu of a title report.
- (7) **AHD** and **HRI** 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) **AHD** and **HRI** 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.
  - (C) 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.
- (h) All **Applicants** must:
  - (1) Certify that any **Rental AHD** development will be smoke free and demonstrate compliance by submitting a draft of the development's **Smoke Free Housing** lease addendum.
  - (2) Integrate applicable climate adaptation measures as described in Section 111 Narrative Based Policy Scoring (a).
  - (3) Demonstrate all of the following to the satisfaction of the **Department** if requesting **AHSC Program** funding for **AHDs** and **HRI Capital Projects**:
    - (A) **Rental AHDs** must meet the underwriting standards in the UMRs and **MHP** Guidelines Section 7312 and 7312.1.
    - (B) If any component of the **Projects** involves the demolition of existing units that are affordable to **Low-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.
  - (4) Demonstrate to the satisfaction of the **Department** that **AHSC Program** costs are infeasible without **AHSC Program** funds, and other committed funds are not being supplanted by **AHSC Program** funds.
  - (5) Demonstrate that other development funding sources, including all tax credit equity generated by the **AHD**, are insufficient to cover **AHD** development costs.
  - (6) Demonstrate that outreach and education on reducing potential health impacts of air pollution will be provided to residents of **AHDs**.

- (7) Demonstrate that where approval by a local public works department, or other responsible local agency, is required for the **HRI Capital Project**, the application must include a statement from that department indicating that the **HRI Capital Project** is consistent with all applicable local rules, regulations, codes, policies, and plans enforced or implemented by that department.

## Section 104. Eligible Use of Funds

The **AHSC Program** funds **Capital Projects** and eligible **Program Costs** within **TOD, ICP** and **RIPA Project Areas** consistent with requirements of Section 102, as follows:

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

Each **Capital Project** or **PGM** 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 **PGMs** are identified 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 (i.e., **AHD, HRI, STI, or PGM**):

- (a) **Eligible Costs for AHD Capital Projects** are limited to:
- (1) Loans for **Rental AHD**. Eligible loan costs for a **Rental Housing Development**, as specified in Section 7304 of the **MHP Guidelines**.
  - (2) Grants for **Homeownership AHD**. Eligible grant costs as specified in Section 400.2 of the **CalHome Guidelines** dated December 30, 2022.
  - (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) Bicycle parking at the **AHD** will be considered only as an eligible **AHD** cost.
- (b) **Eligible Costs for HRI Capital Projects** are limited to the following costs:
- (1) Capital improvements that are an integral part of, or necessary to facilitate the development of the **AHD** or required by a **Locality**, transit agency, or special district as a condition to the approval of the **AHD**.
  - (2) **Factory-Built Housing** components utilized in the construction of the **AHD**, including deposits required to initiate construction.
  - (3) **HRI** related soft costs such as those incidentally but directly related to the **HRI Capital Project** 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. **HRI** Soft costs shall not exceed 10 percent of costs associated with the **HRI Capital Project**.
  - (4) Required environmental remediation necessary for the **HRI Capital Project** where the cost of the remediation does not exceed 50 percent of **AHSC Program** award amount.
  - (5) Real property acquisition (not inclusive of the **AHD** site) of the **HRI Capital Project** site and associated fees. Real estate commissions for purchase or acquisition are not an eligible expenditure.
  - (6) 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.

- (7) The purchase and installation of on-site energy storage in the form of battery arrays, as certified by an energy consultant or architect.
  - (8) Examples of eligible **HRI** costs include:
    - Installation of energy efficiency and renewable energy capital improvements
    - Installation of broadband internet trunk line or fixed wireless infrastructure
    - Onsite publicly accessible **ZEV** Open Network charging infrastructure
    - **Urban Greening** and **Water Efficiency** capital improvements
    - Zero emission generators
- (c) Eligible costs for **STI Capital Projects** (including **Active Transportation** and transit infrastructure) are limited to the following costs:
- (1) Capital improvements that either:
    - (A) 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), as well as transit operations that directly support transit expansion, within the defined **Project Area**; or,
    - (B) 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**
      - (i) Any **STI** 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.
  - (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) **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**.
  - (4) Transit operations expenditures for up to 10 years that directly expand fixed route transit, **On-Demand**, or paratransit service by supporting new, restored, or expanded routes and may include wages, maintenance, and other costs to operate those services.
  - (5) All vehicles purchased using **AHSC Program** funds must be **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.
  - (6) Other **STI Capital Project** costs required as a condition of local approval for the **STI Capital Project**, as approved by the **Department**.
  - (7) Examples of eligible **STI** costs also include:
    - Installation of new or improved walkways that improve mobility and access of pedestrians
    - Installation of new or improved bikeways that improve mobility and access of cyclists
    - **Pedestrian Access Route** improvements

- Installation of new or improved pedestrian crossings or over-crossings
- Repaving and road reconstruction costs, only for the portion of the roadway where the new or improved walkway and bikeway is installed
- 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
- Street crossing enhancements including installation of accessible ramps or pedestrian signals
- Installation of traffic calming measures including development of curb extensions, roundabouts, median islands, traffic diverters, chicanes, “road diets”, and lane narrowing projects
- Signage and way-finding markers for pedestrians or transit users
- Bike sharing infrastructure and fleet
- Signage and striping of a dedicated bus lane
- Transit operations for new service or service expansion
- Transit **ZEVs**, charging, or transit vehicle storage infrastructure for new service or service expansion
- **ZEVs** and charging infrastructure for use in a **Carshare** program that provides its service for a reduced cost for low-income participants
- Transit related equipment to increase service or reliability, including software and related items necessary for managing public access to and use of **On-Demand Transit**
- **Transit Signal Priority (TSP)** technology systems
- Transit passenger amenities (e.g., Wi-Fi access, Digital or Integrated Fare Collection)
- Street furniture (e.g., benches, shade structures, etc.)
- Development or improvement of transit facilities or stations
- Real-time arrival/departure information systems
- Development or improvement of shelters or waiting areas at **Transit Stations/Stops**
- Transit fare machine purchase or improvements
- Publicly accessible bicycle parking or repair kiosks
- Bicycle carrying devices on public transit
- Station area signage capital improvements
- **Urban Greening** and **Water Efficiency** capital improvements associated with other **STI** eligible components.

(d) **PGMs**

- (1) **PGMs** 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. Access and availability of **PGMs** 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 102(d)(10), provided free of charge to the **AHD** residents are an eligible **PGM**.
- (2) The total grant amount for **PGMs** within a **Project Area** shall not exceed \$600,000. Costs incurred for required transit passes or cards described in Section

- 103.1(g)(2) will not contribute to this cap.
- (3) Examples of eligible **PGM** costs also include:
- Pedestrian and bicycle safety education programs
  - Activities listed under Section 111 QPS Anti-Displacement Activities
  - Development and implementation of “walking school bus” or “bike train” programs
  - School crossing guard training programs
  - Bicycle and pedestrian safety clinics or bike rodeos
  - Safe Passages Programs
  - Bike sharing program operations
  - **ZEV Carshare** programs
  - Transit subsidy and Universal ‘Mobility Wallet’ programs
  - Education and marketing of transit subsidy programs
  - **Transportation Demand Management (TDM)** programs
  - Air pollution exposure reduction program
  - Workforce development partnerships
  - Digital or financial literacy programs for **AHD** residents
  - Tenant education and support services (e.g., finances, legal, wellness, workforce)
- (e) 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.
- (f) Ineligible costs include, but are not limited to, all the following:
- (1) Routine maintenance or operations of transportation infrastructure unrelated to AHSC-funded transit service, including the general transit fleet;
  - (2) In lieu fees for local inclusionary housing programs;
  - (3) Ongoing operational costs beyond the term of the grant for **PGMs**;
  - (4) Costs associated with automobile or motorcycle parking (excluding **ZEV** charging infrastructure);
  - (5) Costs associated with fossil fuel-based backup power;
  - (6) Procurement, site preparation, installation, or operation of fossil fuel-based generators; and
  - (7) Re-syndication of an **AHD**.



## Section 105. Cost Limitations

- (a) When calculating per unit **AHSC Capital Project** 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 **AHD**;
  - (2) Ensure that rents or sale prices for **Assisted Units** comply with **AHSC Program** requirements; and
  - (3) Operate the **AHD** 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 limits on developer fee specified in UMR Section 8312 shall apply, except that:
  - (1) UMR Section 8312(a),(c), and (d) shall not apply
  - (2) For non-tax credit new construction projects, the total developer fee shall be consistent with Title 4 CCR, Section 10327(c)(2)(A).
  - (3) For projects utilizing 9 percent tax credits, the total developer fee shall be consistent with Title 4 CCR, Section 10327(c)(2)(A).
  - (4) For projects utilizing 4 percent tax credits, developer fee payments shall not exceed the amount that may be included in project costs pursuant to Title 4 CCR, Section 10327(c)(2)(B).
  - (5) In no event shall the total developer fee for acquisition basis exceed 5 percent of the unadjusted eligible acquisition basis.

## Section 106. Funding Terms

- (a) Loans terms for **Rental AHD** component are established in **MHP** Guidelines, Section 7306.
- (b) Grants for **HRI, STI, PGM, and Homeownership AHD** 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 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 **HRI Capital Project** grants:
    - (A) Conditions precedent to the initial disbursement of **AHSC Program** funds shall include:
      - (i) Receipt of all required **Public Agency** entitlements and
      - (ii) All construction funding commitments for the **AHD** supported by the **HRI Capital Project**.
    - (B) **Rental AHDs** supported by the **HRI 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 AHD** is to be located.
    - (C) **Homeownership AHD** supported by the **HRI Capital Project** shall be subject to a recorded **Covenant** providing a 30-year resale restriction, recorded on the fee interest of the real property on which the **Homeownership AHD** is to be located.
  - (5) For **Homeownership AHD** grants:
    - (A) Conditions precedent to the initial disbursement of **AHSC Program** funds shall include:
      - (i) Receipt of all required **Public Agency** entitlements;
      - (ii) The **Applicant** shall have **Site Control** of the proposed project property through the application award date (for evidence of **Site Control** see **CalHome Program** Guidelines Section 400.3);
      - (iii) All construction funding commitments for all costs to complete the **Homeownership AHD**;
      - (iv) The **Applicant** shall have met all other **Department** conditions for disbursement as stated in the **Standard Agreement**.
    - (B) All **Assisted Units** must be made available for sale to qualified **First-Time Homebuyers**.
    - (C) A **Homeownership AHD** must have a minimum of five units, and the term includes subdivisions or **Scattered Sites** with common ownership, development financing, and management.
    - (D) The **Recipient** is obligated to ensure long-term affordability of **Assisted Units** through a 30-year deed resale restriction.

## Section 107. Maximum Loan Amounts

- (a) Loans for **Rental AHD** component shall be subject to the following limits:
- (1) Per Unit Loan Limit
    - (A) 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 AHD**.
    - (B) 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 **AHD** is located.
    - (C) For an **AHD** 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:
      - (i) Units restricted under the **AHSC Program** at a lower rent level than required by the ordinance.
      - (ii) Units developed under a land dedication to the local government agency in which the project is located.
    - (D) For purposes of Section 107 (a)(1)(C), 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.
    - (E) **AHDs** developed pursuant to an inclusionary housing ordinance applying for any **Department** funds, including those meeting one of the above Section 107 (a)(10)(C) (i)-(ii), must disclose such at application, or the **Department's** award to the **Project** will be void.
  - (2) Per **Project** Loan Limit
    - (A) 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 **AHSC Program** funds available for award.

## Section 108. Maximum Grant Amounts

- (a) Grants amounts and calculations for **HRI**, **STI**, **PGM**, and **Homeownership AHD** are set forth in the **NOFA**

## Section 109. Transition Reserves

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

## Section 110. State and Federal Laws, Rules, Guidelines and Regulations

- (a) To the extent applicable and unless preempted by federal law, the **Applicant** or **Developer** of the **Project** must ensure compliance with the following requirements:
- (1) **AHDs** must comply with all applicable local, state, and federal laws, constitutions, codes, standards, rules, guidelines, and regulations, including, without limitation, those that pertain to accessibility, construction, health and safety, labor, fair housing, fair employment practices, affirmatively furthering fair housing, nondiscrimination, and equal opportunity, including the laws detailed in **MHP Guidelines Section 7314**.
  - (2) **Projects** must demonstrate a preference for **Accessible Housing Unit(s)** to persons with disabilities requiring the accessibility features of those units in accordance with CCR, Title 4, Section 10337(b)(2), as may be amended and renumbered from time to time.
  - (3) **Applicants** must demonstrate consistency with State Relocation Assistance Law (CA Gov Code Sec. 7260-7277). This requirement does not apply to tribes who are exercising their sovereignty on trust land or by utilizing the Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA) funding.
    - (A) **AHD Applicants** must also demonstrate consistency with relocation requirements detailed in **MHP Guidelines Section 7315**.
  - (4) 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.
  - (5) All proposed **Project** components are subject to all applicable codes, including the California Building Standards Code (CCR, Title 24).

## Article III. Application Procedures

### Section 111. Scoring Criteria

**AHSC Program** funds will be allocated through the process outlined in Section 112, 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, each with additional subcategories, for a total of 100 points. Scoring elements are detailed under AHSC Scoring Elements and Criteria. 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 103.1. **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**.

#### 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 (50 points)*

- Sustainable Transportation Infrastructure (20 points)
- Location Efficiency and Local Context (13 points)
- Housing Affordability and Funds Committed (9 points)
- Anti-Displacement Activities (4 points)
- Local Workforce Development and Hiring Practices (4 points)

##### *Narrative-Based Policy Scoring (20 points)*

- Climate Adaptation & Community Resiliency (7 points)
- Community Benefit & Engagement (6 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 the **AHSC Program** (e.g., an **Applicant** can only receive points related to an **AHD** 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 **AHSC 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 the **AHSC Program** 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 Program** 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** 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** 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:
- (A) Transit and Shared Mobility GHG
    - (i) Bin 1: 5 points
    - (ii) Bin 2: 4 points
    - (iii) Bin 3: 3 points
    - (iv) Bin 4: 2 points
    - (v) Bin 5: 1 point
  - (B) Project Area GHG
    - (i) Bin 1: 10 points
    - (ii) Bin 2: 8 points
    - (iii) Bin 3: 6 points
    - (iv) Bin 4: 4 points
    - (v) Bin 5: 2 points
  - (C) GHG Efficiency
    - (i) Bin 1: 15 points
    - (ii) Bin 2: 12 points
    - (iii) Bin 3: 9 points
    - (iv) Bin 4: 6 points
    - (v) Bin 5: 3 points
  - (D) 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 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 112.

#### Quantitative Policy Scoring – 50 Points Maximum

##### (a) Sustainable Transportation Infrastructure (STI) – 20 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**
  - (C) Note: **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**.
  - (C) Note: **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 multiple) of the following will be eligible for 2 points for each strategy. An **Applicant** may double the minimum thresholds (e.g. 2.0 miles or 10 bus shelters) for each strategy to achieve the full four points in this section. 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 improvement'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 hours a day, at least five days a week.
  - (B) 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 stops in the **Project Area**.
  - (C) Installation of level floor boarding infrastructure to ensure wheelchair users are able to access transit vehicles without the need for mechanical ramps.
  - (D) Installation of new or upgraded **TSP** hardware and software along all signals for one (1.0) consecutive **Lane Mile**.
  - (E) Installation of at least five new bus shelters where none currently exist in the **Project Area**.
  - (F) Procurement of at least one new transit **ZEV** that allows the provider to modify published schedules that will achieve headways of 20 minutes or less during **Peak Period** or reduce **Peak Period** existing headways by more than 10 minutes.
- (6) Up to 5 points for applications with an **AHSC Program** funds request for **STI** 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:
- (A) 5 points for at least \$9,000,000 or 30.0 percent of total funding request
  - (B) 2 points for at least \$6,000,000 or 20.0 percent of total funding request
- (b) **Location Efficiency and Local Context - 13 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 (1/3) of a point. For **RIPA Project Areas** each type of **Key Destination** is worth one-half (1/2) 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 or recreation 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

- (2) 3 points for **Projects** which provide documentation that their site is one or more of the following:
- (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) An **AHD** which is to be developed on land disposed of in accordance with Executive Order (EO) N-06-19: For excess state-owned property disposed of in accordance with EO N-06-19, the **AHD** must have been selected by the **Department** and the Department of General Services to enter into a long-term, low-cost ground lease with the state to create affordable housing on excess state-owned property.
  - (D) Utilizing Surplus or Exempt Surplus Land: An **AHD** which is to be developed on land declared surplus or exempt surplus by a local agency (“Surplus Land”) and land acquired from an agency of the State of California are eligible for these points as follows:
    - (i) Up to 3 points. For surplus or exempt surplus land owned by a local agency, including transit agencies, and state-owned land acquired through means other than EO N-06-19, points shall be awarded as follows:
      - a. 1 point for documentation either of acquisition directly from a state agency not pursuant to EO N-06-19, OR 1 point for acquisition or lease agreement from local agency with an HCD findings letter documenting compliance with Surplus Land Act (SLA), as defined in SLA Guidelines Section 500(c). All applications must include the letter directly in the application submission, even if it is available in the [Department catalogue of findings letters](#); and either
      - b. 1 point if the disposition is discounted at least 20 percent 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 (MAI) qualified appraiser within one year prior to the application deadline; or
      - c. 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.
- (3) Up to 3 points: For **AHDs** located in jurisdictions that have met either of the following criteria
- (A) 1 point will be awarded for **AHDs** located in jurisdictions that have adopted a housing element that has been found by the **Department** to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code pursuant to Section 65585 of the Government Code by application due date.
  - (B) 2 points will be awarded for **AHDs** located in jurisdictions that are

designated prohousing pursuant to subdivision (c) of Section 65589.9 of the Government Code, in the manner determined by the **Department** pursuant to subdivision (d) of Section 65589.9 of the Government Code by application due date.

- (4) Up to 5 points will be awarded to **Projects** as follows:
- (A) 5 points will be awarded for **Projects** where the **Tribal Entity** is the **Developer** for the **AHD** and/or **HRI** components, or the **Project** partner responsible for the **STI** components.
  - (B) 5 points will be awarded for a **Project** that includes an **AHD** located in an area identified as one of the following in the **CCI Priority Populations Mapping Tool 4.0**
    - (i) Disadvantaged community: CES, Disadvantaged community: Tribal land, Low-income community
    - (ii) Disadvantaged community: CES, Low-income community
    - (iii) Disadvantaged community: Tribal land, Low-income community
  - (C) 3 points will be awarded for a **Project** that includes an **AHD** located in an area identified as one of the following in the **CCI Priority Populations Mapping Tool 4.0**
    - (i) Disadvantaged community: CES
    - (ii) Disadvantaged community: Tribal land
  - (D) 2 points will be awarded for a **Project** that includes an **AHD** located in an area identified as one of the following in the **CCI Priority Populations Mapping Tool 4.0**
    - (i) Low-income community
    - (ii) DAC 1/2 mile neighbor: low-income community

(c) **Housing Affordability and Funds Committed - 9 Points Maximum**

- (1) Up to 5 points will be awarded to **Projects** based on housing affordability.
- (A) For **Rental AHDs**, the following shall apply:
    - (i) 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:
      - a. 15 to 19.9 percent of total **Units** = 1 points
      - b. 20.0 to 24.9 percent of total **Units** = 2 points
      - c. 25 percent or more of total **Units** = 3 points
    - (ii) 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** households as follows:
      - a. 10 to 19.9 percent of total units = 1 points
      - b. 20 percent or more of total units = 2 points
  - (B) For **Homeownership AHDs**, the following shall apply:
    - (i) Up to 5 points will be awarded for applications which restrict a percentage of units in a **Homeownership AHD** to **Low-Income (LI) households**. Points will be awarded based on the percent of total units restricted to **LI households** as follows:
      - a. 20 to 29.9 percent of total units = 2 points
      - b. 30 to 39.9 percent of total units = 3 points
      - c. 40 to 49.9 percent of total units = 4 points
      - d. 50 percent or more of total units = 5 points

- (2) 4 points will be awarded for applications demonstrating committed funding for all permanent financing, grants, 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 **EFC** 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 AHDs** 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.

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

- (1) Up to 4 points for **Projects** that document a commitment to implement at least one 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 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; 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** by either using the AHSC Anti-Displacement Tool or referencing 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 the indicated entity with dedicated **PGM** funding of a minimum \$150,000 per activity, unless otherwise indicated:

- (A) For AHSC **Homeownership AHDs Applicants: AHD Developer** or **Locality Applicant** has provided **Mortgage Assistance Loans** to qualified **First-Time Homebuyers** for a minimum of two years within the four years immediately preceding the application. This activity should be completed using another funding source.
- (B) An independent non-profit and/or **Locality** developing a Community-Driven, Neighborhood-Scale Anti-Displacement Plan.
- (C) An independent non-profit and/or **Locality** developing or implementing a pipeline or training programs that will build capacity for local affordable housing developers.
- (D) An independent 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).

- (E) An independent non-profit and/or **Locality** developing or implementing foreclosure or eviction prevention and landlord anti-harassment programs. If proposed program includes tenant legal counseling services, the services cannot be provided by the **Developer**, building manager, or related entity.
- (F) An independent non-profit and/or **Locality** developing, administering, or implementing rental assistance or voucher programs to residents of the **Project Area** who are not the residents of the **AHD**.
- (G) An independent non-profit and/or **Locality** developing or implementing a Small/Family Business Protection Program for community businesses in the **Project Area**.
- (H) An independent non-profit and/or **Locality** developing or operating a Community Land Trust or Land Banking activities.
- (I) An independent 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**.
- (J) An independent non-profit and/or **Locality** implementing a policy or action identified in a previously published Anti-Displacement Plan that is not listed above. **Applicants** should reference a specifically outlined goal, strategy, or action from the plan.

(e) **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 as stipulated in the **Standard Agreement**:

- (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 **Priority Populations**.
  - (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

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 (Section 65912.130 and 65912.131 of Government Code) 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 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 **High-Quality 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 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.



## Narrative Based Policy Scoring – 20 Points Maximum

The Narrative-Based Policy Scoring section of the application will be scored only for **Projects** that meet threshold requirements listed in Section 103.1. 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) **Climate Adaptation & Community Resiliency – 7 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 green building, **Urban Greening**, 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 must fill out the Climate Adaptation Assessment Matrix and related prompts.

(b) **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.

(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 112. Selection Process Criteria

Funds for **AHSC Program** will be decided per the objectives and policies listed below.

(a) 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:

(1) **Project Area Type** funding goals:

- (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 112(a)(1)(D) to ensure a distribution of total **AHSC Program** funds that allows for all geographic areas with a competitive application to receive funds, with a minimum of one **Project** 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**: To the extent qualifying **Projects** are received, the **Council** will seek to provide \$50M of funding for **Tribal Entities**, an amount equivalent to the maximum request available for one **Project**, per funding cycle to a **Tribal Entity**. To be considered for the **Tribal Entity Goal**, a **Tribal Entity** must be the **Developer** for the **AHD** and/or **HRI** components, or the

**Project** partner responsible for **STI** components. **Projects** where the only involvement of a **Tribal Entity** is as an **Applicant** for **PGMs**, the **Project** will not be considered for the **Tribal Entity** Goal. The **Project** must meet the requirements laid out in Appendix B to qualify for the **Tribal Entity** Goal. The **Project** must meet all **AHSC Program** requirements unless stated otherwise in **Guidelines** or which have been waived or modified pursuant to AB1010 (2019) (HSC Section 50406 subdivision (p)). Following the selection of **Projects** to meet this target, any remaining **Project(s)** involving a **Tribal Entity** will compete for the **Remaining Funds** along with all other **Projects**. Any funds not utilized under this target will be considered part of the **Remaining Funds** that can be used to meet any of the other designated targets and goals detailed in Section 112.

- (4) **Disadvantaged Communities (DAC)** Statutory Requirement: At least fifty (50.0) percent of **AHSC Program** expenditure for **Projects** that have direct and meaningful benefits to **DACs** and have the AHSC-funded **AHD** located within a **DAC**.
  - (5) Affordable Housing Statutory Requirement: At least fifty (50.0) percent of the annual proceeds appropriated for the **AHSC Program** shall be expended for **AHD(s)**. For the purposes of this set-aside, expenditures related to **AHD** and **HRI Capital Projects** shall count toward this requirement.
  - (6) A single **Project** may count toward any or all the requirements and targets in Section 112(a)(1)-(5).
  - (7) After all the requirements and targets in Section 112(a)(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) In the event there are insufficient **Projects** that have scored at least 70 points or to the extent applications received are insufficient to meet any of the targets detailed in Section 112(a)(1)-(5), the **Council** reserves the right to waive these targets at their discretion.
- (b) The following additional policies will inform the final decision of **Project** awards:
- (1) A single **AHD Developer** award limits per funding cycle are established in the **NOFA**. However, this limitation may be waived if necessary to meet **AHSC Program** statutory funding set-asides.
  - (2) **Projects** will not be partially funded. Given the interconnected nature of the **AHSC Program**, any unfunded portion of the **Project** would have a potential change to scoring. 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**.

### Section 113. 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 criteria set forth in these **Guidelines**.
- (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. Additionally, no-cost technical assistance may be available to help **Applicants** prepare their application materials, see the [AHSC Program webpage](#) for more information.
- (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 against the **Applicant** and all Responsible Parties, consistent with the **Department's** Negative Points Policy.
- (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) Applications are selected as outlined in Section 112.
- (i) **Applicant(s)** shall respond to all **Department** requests for information and/or deliverables in a commercially reasonable period of time following the award letter or risk disencumbrance of the award in the **Department's** sole and absolute discretion.
- (j) During application review, **Department** staff may request or accept clarifying information as set forth in the **NOFA**.

## Article IV. Operations

### Section 114. Legal Documents

- (a) Loans for **Rental AHD** shall be governed by one or more agreements, which shall ensure that the provisions of these **Guidelines** are applicable to the **Project** covered by the agreement(s) 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**.
- (1) **Standard Agreement**: Upon the award of **AHSC Program** funds to a **Project**, the **Department** shall enter into a **Standard Agreement** with the **Recipient** and **Payee**, which shall commit funds from the **AHSC Program**, subject to specified conditions, in an amount sufficient to encumber the approved **AHSC Program** grant amount. The **Standard Agreement** shall require the **Recipient** to comply with the requirements and provisions of these **Guidelines**, and generally applicable state contracting rules and requirements, and all other applicable laws. The **Standard Agreement** shall include, but not be limited to the following:
- (A) A description of the approved **AHD** and the permitted uses of **AHSC Program** funds;
  - (B) The amount and terms of the **AHSC Program** loan;
  - (C) The regulatory restrictions to be applied to the **AHD** through the **Regulatory Agreement**;
  - (D) Provisions governing the construction work and, as applicable, the acquisition of the **Project** site, and the disbursement of award proceeds;
  - (E) Special conditions imposed as part of the **Department's** approval of the **AHD**;
  - (F) Requirements for the execution and the recordation of the agreements and documents required under the **AHSC Program**;
  - (G) Terms and conditions required by federal and state law;
  - (H) Requirements regarding the establishment of escrow accounts for the deposit of documents and the deposit and disbursement of **AHSC Program** loan proceeds;
  - (I) The approved schedule of the **AHD**, including land acquisition if any, commencement and completion of construction or rehabilitation work, and occupancy by **Affordable Units**;
  - (J) The approved **Project** development budget and sources and uses of funds and financing;
  - (K) Requirements for reporting to the **Department**;
  - (L) Terms and conditions for the inspection and monitoring of the **Project** in order to verify compliance with the requirements of the **AHSC Program**;

- (M) 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. This requirement does not apply to **Tribal Entities** who are exercising their sovereignty on trust land or by utilizing the Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA) funding;
  - (N) Provisions relating to the placement of a sign on or in the vicinity of, the **AHD** site indicating that the **Council** has provided financing for the **AHD**. The **Council** may also arrange for publicity of the **AHSC Project** in its sole discretion;
  - (O) Provisions to ensure that the **Eligible Costs** and use of **AHSC Program** funds maintain the required **GHG Reduction** represented in the application;
  - (P) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program** and applicable state and federal laws;
  - (Q) Description of the conditions constituting breach of the agreement(s) and remedies available to the parties thereto;
  - (R) Provisions identifying the modification or waiver of state housing finance requirements for **Tribal Entities** pursuant to Appendix B, if applicable;
  - (S) 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:
    - (i) Compliance with all **Department** funding awards to the **Project** is a prerequisite of funding any of the **Department** funding awards; and
    - (ii) A default on any one award of **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**;
  - (T) Provisions expressly providing that if any **Project** components (**AHD**, **HRI**, **STI**, 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
  - (U) Any of the **Department’s** standard contractual terms that may be applicable.
- (2) **Regulatory Agreement:** For **Rental AHDs**, 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 **AHD** prior to the disbursement of funds. The **Regulatory Agreement** shall include, but not be limited to, the following:
- (A) The number, type and income level of **Assisted Units**;
  - (B) Standards for tenant selection pursuant to 25 CCR 8305;



- (C) Provisions regulating the terms of the rental agreement pursuant to 25 CCR 8307;
- (D) Provisions related to an annual operating budget approved by the **Department** pursuant to **MHP** Guidelines Section 7327;
- (E) Provisions related to a management plan pursuant to **MHP** Guidelines Section 7325;
- (F) 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;
- (G) Conditions and procedures for permitting rent increases pursuant to **MHP** Guidelines Section 7312;
- (H) Provisions for limitations on **Operating Income** pursuant to 25 CCR 8314 and on developer fees pursuant to 25 CCR 8312;
- (I) Provisions relating to annual reports, inspections, and independent audits pursuant to **MHP** Guidelines Sections 7326 and 7327;
- (J) Provisions regarding the deposit and withdrawal of funds to and from reserve accounts in accordance with 25 CCR 8308 and 8309;
- (K) Assurances that the **AHD** 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;
- (L) Description of the conditions constituting breach of the **Regulatory Agreement** and remedies available to the parties thereto;
- (M) Provisions governing use and operation of all Units including non-**Assisted Units** and common areas to the extent necessary to ensure compliance with **AHSC Program** requirements;
- (N) Provisions relating to enforcement of **AHSC Program** requirements by tenants;
- (O) Special conditions of loans approval imposed by the **Department**;
- (P) Provisions specifying that the **Regulatory Agreement** shall be binding on all assigns and successors in interest of the **Recipient** and that all sales, transfers, and encumbrances shall be subject to the terms of **MHP** Guidelines Section 7323;
- (Q) "Operations," **MHP** Guidelines Sections 7322 through 7327, shall apply to **Rental AHDs** assisted by the **AHSC Program**;
- (R) 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:
  - (i) Compliance with all **Department** funding awards to the **Project** is a prerequisite of funding any of the **Department** funding awards, and
  - (ii) A default on any one award of the **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**;

- (S) Provisions governing income from commercial uses pursuant to **MHP Guidelines 7327, 7304(b)(8), and 7304(c)**; and
  - (T) Other provisions necessary to assure compliance with the requirements of the **AHSC Program**.
  - (U) Health and Safety Code (HSC) provisions identifying the modification or waiver of state housing finance requirements for **Tribal Entities** pursuant to HSC Section 50406, Subdivision (p).
- (3) Promissory Note: All **AHSC Program** loans for assistance to **Rental AHDs** 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 **AHD** 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 **AHD** and the performance of **Applicant's AHSC Program** obligations.
- (4) Recipient Operating and Control Agreement: The **Recipient** and the borrowing entity must enter into a Recipient Operating and Control Agreement with the **Department** at or prior to permanent financing close of escrow. Pursuant to the Recipient Operating and Control Agreement, the **Recipient** shall be responsible for performing certain activities for the full term of the **Regulatory Agreement** and at no cost to the borrowing entity. Such activities are described in **MHP Guidelines Section 7322(d)**.
- (b) Grants for **Homeownership AHD** shall be governed by one or more agreements, which 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**.

(1) **Standard Agreement**

Upon the award of **AHSC Program** funds to a **Project**, the **Department** shall enter into a **Standard Agreement** with the **Recipient** and **Payee**, which shall commit funds from the **AHSC Program**, subject to specified conditions, in an amount sufficient to encumber the approved **AHSC Program** grant amount. The **Standard Agreement** shall require the **Recipient** to comply with the requirements and provisions of these **Guidelines**, and generally applicable state contracting rules and requirements, and all other applicable laws. The **Standard Agreement** shall include, but not be limited to, the following:

- (A) A description of the approved **AHD** and the permitted uses of **AHSC Program** funds;
- (B) Provisions governing the amount, terms, and conditions of the **AHSC Program** grant to **Recipient**;

- (C) Provisions governing the construction work and, as applicable, the acquisition of the project site, and the disbursement of grant proceeds;
- (D) The approved schedule of the **AHD**, including land acquisition if any, commencement and completion of construction work, and occupancy by **Affordable Units**;
- (E) Requirements for the execution of the agreements and documents required under the **AHSC Program**, which may include the Monitoring Agreement, Disbursement Agreement, and Covenant.
- (F) The scope of work performed by the **Recipient**, which shall consist of **Homeownership AHD** Grants undertaken by or on behalf of the **Recipient** and **Payee**, within the **Project Area**.
- (G) For a **Homeownership AHD**, the **Recipient's** responsibilities for the development of the project, including, but not limited to, number, type and income level of **Assisted Units**, marketing, expiration date, report submissions, file documentation, standards for homebuyer selection procedures, and purchasing price of **Assisted Units**;
- (H) Reporting requirements, including annual reports, progress reports in connection with the development plan and any updates to the timeline for completion of the **Project**, and all additional reporting requirements as detailed in the **AHSC Program Guidelines**, **NOFA**, or as deemed necessary by the **Department** to monitor compliance and/or perform **AHSC Program** evaluation;
- (I) Manner, timing, and conditions for disbursement of **AHSC Program** funds to **Recipients**;
- (J) 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;
- (K) Provisions relating to the placement of a sign on or in the vicinity of the **Homeownership AHD** site indicating that the **Council** has provided financing for the **AHD**. The **Council** may also arrange for publicity of the **AHSC Project** in its sole discretion;
- (L) Description of the conditions constituting breach of the **Standard Agreement** and remedies available to the parties thereto;
- (M) 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 **Homeownership AHD Grant**;
- (N) Provisions to ensure that the eligible costs and use of **AHSC Program** funds maintain the required **GHG Reduction** represented in the application;
- (O) Provisions identifying the modification or waiver of state housing finance requirements for **Tribal Entities** pursuant to Appendix B, if applicable;
- (P) 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:

- (i) Compliance with all **Department** funding awards to the **Project** is a prerequisite of funding any of the **Department** funding awards; and
  - (ii) A default on any one award of **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**;
- (Q) Provisions expressly providing that if any **Project** components (**AHD**, **HRI**, **STI**, 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;
- (R) Special conditions imposed as part of the **Department's** approval of the **Homeownership AHD**;
- (S) Terms and conditions required by federal or state law;
- (T) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program**; and
- (U) Any of the **Department's** standard contractual terms that may be applicable.
- (2) Disbursement Agreement

Upon the Award of **AHSC Program** funds, the **Department** shall also enter into a Disbursement Agreement with the **Recipient** and **Payee**, which shall govern disbursement of funds from the **AHSC Program** to ensure timely completion of the **Capital Project** and **AHD(s)**, subject to specified conditions, in an amount sufficient to encumber the approved **AHSC Program** grant amount. The Disbursement Agreement shall require the **Recipient** to comply with the requirements and provisions of these **Guidelines**, and generally applicable state contracting rules and requirements, and all other applicable laws. The Disbursement Agreement shall be executed prior to commencement of any construction except as may be allowed for emergency repairs to existing structures required to eliminate hazards or threats to health and safety. The agreement shall contain provisions relating to the use of funds, disbursement schedule, contractors and subcontractors, construction responsibilities, general conditions of disbursement, conditions precedent to individual disbursement, and other provisions which ensure an orderly disbursement of funds and timely completion of the **Capital Project** and **AHD(s)**.

- (3) Covenant
- (A) The **Department** shall enter into a **Covenant** with the **Developer** which shall ensure construction and long-term affordability of the **AHD(s)**, in consideration for the **AHSC Program** grant.
  - (B) The **Covenant** shall be executed and recorded on the fee title of any **AHD(s)** assisted by **AHSC Program** funds before any disbursement of funds no later than construction closing.
  - (C) **Homeownership AHD** supported by the **Capital Project** shall be subject to a recorded **Covenant** that includes a resale restriction (for which the

**Covenant** duration is at least 30 years), recorded on the fee interest of the real property on which the **Homeownership AHD** is to be located. The **Covenant** shall contain provisions which ensure that each **Affordable Unit** is deed restricted for the term of the **Covenant** so as to ensure any transfer of ownership is (1) to a household which complies with applicable occupancy restrictions; and (2) for a price which complies with applicable affordability restrictions.

- (D) For **AHDs** and **Capital Projects** on land held in trust by the BIA, the **Covenant** shall be recorded against an Indian Tribe's leasehold estate with the Land Titles and Records Office at the BIA and in the appropriate official records of the county in which the **AHD** property is located.
- (4) Monitoring Agreement: **Homeownership AHDs** supported by the **AHSC Program** grant shall be subject to a Monitoring Agreement with a duration of at least 20 years. The Monitoring Agreement shall contain, but may not be limited to, the following information:
- (A) An annual borrower certification;
  - (B) Insurance documentation, and;
  - (C) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program**
- (c) Grants for **HRI**, **STI**, and **PGM** 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) Upon the award of **AHSC Program** funds to a **Project**, the **Department** shall enter into a **Standard Agreement** with the **Recipient**, which shall commit funds from the **AHSC Program**, subject to specified conditions, in an amount sufficient to encumber the approved **AHSC Program** grant amount. The **Standard Agreement** shall require the **Recipient** to comply with the requirements and provisions of these **Guidelines**, and generally applicable state contracting rules and requirements, and all other applicable laws. A **Standard Agreement** shall include, but not be limited to, the following:
    - (A) A description and sources and uses of the approved **Project** and the permitted uses of **AHSC Program** funds;
    - (B) Provisions governing the amount, terms and conditions of the **AHSC Program** grant;
    - (C) 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;
    - (D) 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;
- (E) Provisions for the payment of prevailing wages if and as required by state or federal law;
  - (F) 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**;
  - (G) 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;
  - (H) 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;
  - (I) Remedies available to the **Department** in the event of a violation, breach or default of the **Standard Agreement**;
  - (J) 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;
  - (K) Special conditions imposed as part of **Department** approval of the **Project**;
  - (L) Terms and conditions required by federal or state law;
  - (M) Provisions to ensure that the **Project** maintains the required **GHG Reduction** as represented in the application;
  - (N) 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:
    - (i) Compliance with all **Department** funding awards to the **Project**, is a prerequisite of funding any of the **Department** funding awards; and
    - (ii) A default on any one award of **Department** funding constitutes a default of all other **Department** funding awards made to the **Project**;
  - (O) Provisions expressly providing that if any **Project** components (**AHD, HRI, STI, or PGM**) 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
  - (P) Other provisions necessary to ensure compliance with the requirements of the **AHSC Program**.
- (2) **Disbursement Agreement**  
 Upon the award of **AHSC Program** funds, the **Department** shall also enter into a Disbursement Agreement with the **Recipient**, which shall govern disbursement of funds from the **AHSC Program** to ensure timely completion of the **Capital Project** and **AHD(s)**, subject to specified conditions, in an amount sufficient to encumber the approved **AHSC Program** grant amount. The Disbursement Agreement shall require the **Recipient** to comply with the requirements and

provisions of these **Guidelines**, and generally applicable state contracting rules and requirements, and all other applicable laws. The Disbursement Agreement shall be executed prior to commencement of any construction except as may be allowed for emergency repairs to existing structures required to eliminate hazards or threats to health and safety. The agreement shall contain provisions relating to the use of funds, disbursement schedule, contractors and subcontractors, construction responsibilities, general conditions of disbursement, conditions precedent to individual disbursement, and other provisions which ensure an orderly disbursement of funds and timely completion of the **Capital Project** and **AHD(s)**.

(3) **Covenant**

Upon the award of **AHSC Program** grant funds, the **Department** shall also enter into a **Covenant** with the real property owner (“Owner” shall include all successors, assigns and transferees of any or all of the owner’s interest in the **AHD(s)** and the property on which it is located), which shall ensure construction and continued operation of the **AHD(s)**, in consideration for the **AHSC Program** grant.

The **Covenant** shall be executed and recorded on the fee title of any **AHD(s)** assisted by **AHSC Program** funds before any disbursement of funds no later than construction closing.

**Rental AHD(s)** supported by the **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 AHD** is to be located. The **Covenant** shall ensure construction and continued operation of the **AHD(s)** and shall contain provisions relating to the repair, maintenance, and insurance requirements of the property or improvements of the **AHD(s)**, encumbrances, liens, and charges, and such other provisions as the **Department** may require in order to ensure compliance with **AHSC Program** requirements. The owner shall remain the same for the duration of the affordability **Covenant**.

**Homeownership AHD** supported by the **Capital Project** shall be subject to a recorded **Covenant** that includes a resale restriction (for which the **Covenant** duration is at least 30 years), recorded on the fee interest of the real property on which the **Homeownership AHD** is to be located. The **Covenant** shall contain provisions which ensure that each **Affordable Unit** is deed restricted for the term of the **Covenant** so as to ensure any transfer of ownership is (1) to a household which complies with applicable occupancy restrictions; and (2) for a price which complies with applicable affordability restrictions.

For **AHDs** and **Capital Projects** on land held in trust by the BIA, the **Covenant** shall be recorded against an Indian Tribe’s leasehold estate with the Land Titles and Records Office at the BIA and in the appropriate official records of the county in which the **AHD** property is located.

## Section 115. Reporting Requirements

- (a) 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 any additional reporting requirements developed by the **Department**, the **Council** or CARB. The reports will be filed on forms provided by the **Department**.
- (1) For applications that include **Rental Housing Affordable Development** loans, **Recipients** shall also submit the reports required by **MHP** Guidelines Article 5. Operations as applicable.
  - (2) For applications that include **Homeownership AHD** grants, **Recipient** shall also submit the reports required by **CalHome Program** Guidelines Section 602.
- (b) As outlined in **CARB's** [2024 Funding Guidelines for Agencies that Administer California Climate Investments](#) (*Funding Guidelines*), AB 680 Workforce Standards apply to the **AHSC Program**. As such, **Projects** must comply with AB 680 Project Standards, unless the **Project** meets one of the criteria for a project-level exemption. The exemptions outlined here are abbreviated descriptions, see *Funding Guidelines* for a full description of project exemptions. **Applicants** will be required to submit evidence verifying eligibility for the exemption in their application submission.
- (1) A **Project** must satisfy one of the following requirements to qualify for a project-level exemption:
    - (A) Receive federal funding
    - (B) Conduct research
    - (C) Provide technical assistance
    - (D) **Applicant** is not an employer
    - (E) Create 100% units affordable to households whose income does not exceed 120% **AMI** and subject to an affordability restriction for 55 years excluding manager units (HSC 50093)
      - (i) If all units in the **AHD** qualify as affordable units (except manager units), the **AHSC Project** in its entirety (including **STI** and **PGM** elements) is exempt from the AB 680 Project Standards. If the **AHD** contains any units above 120% **AMI** (except manager units), the **Project** must comply with AB 680 Project Standards.
  - (2) If AB 680 Project Standards apply, **Applicants** will provide evidence of compliance with the following four project standards in their application package. Note these are abbreviated descriptions, see the *Funding Guidelines* for a full description of each of the following.
    - (A) Fair and responsible employer standards, meaning documented compliance with applicable labor laws and labor-related commitments concerning wages, workplace safety, rights to association and assembly, and nondiscrimination standards.
    - (B) Inclusive procurement policies that prioritize bids from entities that demonstrate the creation of **High-Quality Jobs**, or the creation of jobs in **Priority Populations** or California tribes.



- (C) Prevailing wage for any construction work funded in part or in full by the grant.
  - (D) Evidence of a community workforce agreement (CWA) for **Projects** over one million dollars (\$1,000,000) that involve a construction component.
- (c) **Recipient** is responsible for meeting the applicable **Project** reporting requirements of CARB’s *2024 Funding Guidelines*. These may include but are not limited to:
- (1) The administering agency will track and report **Project** metrics to CARB once a **Standard Agreement** with a **Project Recipient** is signed. The administering agency will report GHG emissions reductions, co-benefits and other information collected through the AHSC application, AHSC Calculator Tool, and **Standard Agreement**. The administering agency may contact awardees to collect such information.
  - (2) The administering agency will assess and report the benefits to **Priority Populations** using the Affordable Housing and Sustainable Communities **Priority Populations** Benefit Assessment Tool (BAT) found at: <https://www.caclimateinvestments.ca.gov/reporting-tools>
  - (3) Consistent with the *2024 Funding Guidelines for Agencies that Administer California Climate Investments*, **AHSC** funding **Recipients** must track and report the employment outcomes of their **Projects** to be reported to CARB once a **Standard Agreement** is signed.
    - (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) For **Projects** in which the total **Project** costs, including GGRF and other funding sources, exceed \$1,000,000. **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, and/or
      - (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** areas 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 developed by CARB and provided by the **Department**.
- (d) At any time from **AHSC Program** award through the term of **AHSC Program** loan or grant, 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, pursuant to the applicable legal document, the **Recipient** or owner 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.

## Section 116. Performance Deadlines

- (a) **Recipients** shall begin construction of the housing units and associated **HRI** improvements to be developed in the **AHD** 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** AHSC Program Manager 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** AHSC Program Manager, an extension of up to two 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 **AHD** 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** AHSC Program Manager 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** AHSC Program Manager, an extension of up to two years may be granted. Only one extension to the requirements of this section may be granted.
- (c) **STI** components must be placed in service or operational no later than five years from date of award letter. Transit operation expenditures must be disbursed within 10 years from date of award letter, as described Sec. 104 Eligible Costs (c)(4).
  - (1) **Recipients** may request an extension of this performance requirement by addressing a letter to **SGC's** AHSC Program Manager 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** AHSC Program Manager, an extension of up to two years may be granted. Only one extension to the requirements of this section may be granted.
- (d) **PGM** expenditures must be disbursed within three years from **AHD** placed in service.
- (e) **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**.
- (f) 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.
- (g) **AHD** award **Recipients** will also be subject to the **Department's** Disencumbrance Policy (as described in Section 100.1(b)(1)).

## Section 117. Defaults and Cancellations

- (a) In the event of a breach or violation by the **Recipient** of any of the provisions of the **Standard Agreement, Regulatory Agreement, the Promissory Note, or the Deed of Trust**, or any other agreement pertaining to the **Project**, 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 relevant document(s) 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**;
  - (3) Construction of the **Capital Project** or implementation of **PGMs** 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 award from the **Department**, the **Recipient** shall have the right to appeal to the Director of the **Department**.

## 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 **PGMs** incurred by a **Public Agency**. Eligible **Activity Delivery Costs** include project document preparation, project underwriting, construction management, inspections, or reporting to the **Department**.

“Adaptive Reuse” means the repurposing of building structures (e.g., offices, commercial spaces, business parks) for residential purposes. When referring to building structures, **Adaptive Reuse** means the retrofitting and repurposing of existing buildings in order to create new residential rental units, and expressly excludes an **AHD** that involves rehabilitation or any construction affecting existing residential units that are, or have been, recently occupied.

“Affordable Housing Development” or “AHD” means a **Capital Project** of residential development or the residential portion of a **Mixed Use Development**.

“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 **AMI**. For homeownership **AHDs**, 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**.

“Agricultural Land” means the following categories of farmland in the California Department of Conservation’s Farmland Mapping and Monitoring Program (FMMP) tool ([California Important Farmland Finder](#)): Prime Farmland, Farmland of Statewide Importance, Unique Farmland, Farmland of Local Importance, 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 103 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 housing unit that is subject to Program **Rent** or sale and/or occupancy restrictions as a result of financial assistance provided under the **AHSC Program**.

“Bus Rapid Transit” means a transit line as described in Public Resources Code (PRC) 21060.2 and is listed as a ‘major\_stop\_brt’ (under ‘hqta\_type’) in the dataset of the California Open Data Portal: <https://data.ca.gov/dataset/high-quality-transit-stops>.

“CalHome Program” or “CalHome” shall mean the **CalHome Program** authorized and governed by Sections 50650 through 50650.8 of the Health and Safety Code, and the **CalHome Program** Guidelines (or **CalHome** Guidelines) dated December 30, 2022, or as amended.

“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 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” provides 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

“Commercial Space” means any nonresidential space located in or on the property of an **Affordable Housing Development** that is, or is proposed to be, rented, or leased by the owner of the **Project** and that is or will be used to serve clients or customers. The income from the **Commercial Space** shall be included as **Operating Income**.

“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 \(see Caltrans Contextual Guidance for Preferred Bicycle Facilities\)](#) based on guidance from the Federal Highway Administration, American Association of State Highway and Transportation Officials, and the California Highway Design Manual.

- 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 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). **Applicants** must specify which speed and volume management measures are proposed for each proposed Class III bikeway they are seeking scoring or GHG quantification on the **Project Area** Map.
- 4) All Class III bikeways must be on roads that has a posted speed limit no greater than 30 miles per hour, as specified in the California Streets and Highways Code Sec. 891.9.
- 5) For **AHSC Program** scoring purposes, “Rural Main Streets” shall be considered any roadways within one-quarter (0.25) of a mile of federal, state, and or county highway within a **Rural Area**.
- 6) For **AHSC Program** scoring purposes and GHG Quantification, bikeways should be measured using **Lane Miles**

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

“Covenant” means an instrument which imposes development, use, and affordability restrictions on the real property site(s) of the **AHD(s)**, and which is recorded against the fee interest in such real property site(s). The **Covenant** is executed as consideration for the **AHSC Program** Award to the **Recipient**. For **Projects** located on Tribal Trust or Restricted Land, the **Covenant** shall be recorded with the Land Title and Records Office at the

Bureau of Indian Affairs (BIA) against an **Indian Tribe's** leasehold estate and in the appropriate official records of the county in which the **AHD** property is located, as may be applicable.

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

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

- 1) **Rental AHD** during development through **Department's** use restrictions. A **Rental AHD** Developer is also known as a **Sponsor**;
- 2) **HRI** and **Homeownership AHD** during development through sale of all units; or
- 3) **STI** 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 SB535 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 Program** investment as required by the *2024 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 **AHSC 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 **AHD** 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 AHDs** 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) **EFC** Letters must contain the following:
  - A. The name of the **Applicant, Developer, or Sponsor**,
  - 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 Sponsor** indicating acceptance of terms if the document includes an acceptance provision.

"Extremely Low Income" or "ELI" means households with Gross Incomes not exceeding 30 percent of Area Median Income as set forth in Health and Safety Code section 50106

"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.

"Fiscal Integrity" means that the total **Operating Income** plus funds released pursuant to the **Regulatory Agreement** from the operating reserve account is sufficient to:

- 1) Pay all current Operating Expenses;
- 2) Pay all current debt service (excluding deferred interest);
- 3) Fully fund all reserve accounts (other than the operating reserve account) established pursuant to the **Regulatory Agreement**; and
- 4) Pay other extraordinary costs permitted by the **Regulatory Agreement**. The ability to pay any or all of the permitted annual distributions shall not be considered in determining Fiscal Integrity.

“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.

“High-Quality Job” means a job that facilitates an individual’s economic mobility by providing, at minimum, compensation at or above the regional median wage and offers vacation and sick leave, training opportunities, and retirement benefits featuring an employer contribution (Health and Safety Code 38599.10(i)).

“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 20 minutes or less (e.g., every scheduled departure is not more than 20 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 2025 and the time of application.
- 2) Permanent Infrastructure: **High Quality Transit** must operate on a railway or meet the definition of **Bus Rapid Transit**

“Homeownership Affordable Housing Development” or “Homeownership AHD” means new construction, **Adaptive Reuse**, or **Substantial Rehabilitation** of housing units which shall initially be sold to and occupied by qualified households and shall be subject to either a resale restriction for at least 30 years or equity sharing upon resale, as described in Section 106(b)(5)(D) of these **Guidelines**. A **Homeownership AHD** must have a minimum of five units, and the term includes subdivisions or **Scattered Sites** with common ownership, development financing, and management.

“Housing Related Infrastructure” means a capital infrastructure improvement that is an integral part of, or necessary to facilitate the development of the **AHD** or required as a condition of approval of an **AHD** 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 104(b).

“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, the site 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 **Transit Station/Stop** that is served by **Qualifying Transit**, but not **High Quality Transit**.

“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**.

Applications where a **Tribal Entity** is a **Developer** for a **Capital Project**, may include destinations that perform similar function or use to those outlined below that serve Tribal specific needs or are specifically for Tribal members.

- 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 Retail Locator tool](#).
- 2) Food bank: A distribution site for a food bank that is managed by a non-profit that distributes free groceries or meals at least once a week throughout the year on a publicly advertised schedule
- 3) Medical clinic: a medical clinic that provides primary care services and 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), or 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 the **Department’s** State Income Limits adopted pursuant to Health and Safety Code Section 50093. Income levels verified and confirmed by the **Department** through the application workbook.

“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 residential and publicly available non-residential uses such as retail, **Commercial Space**, institutional, recreational, or community 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” means the Multifamily Housing Program authorized and governed by Sections 50675 through 50675.14 of the Health and Safety Code, and the **MHP** Guidelines published February 13, 2025, 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. Areas that are non-developable due to natural landscape features (ex: steep grade) are allowable deductible areas so long as the size and location of the non-developable area is identified by a licensed surveyor. 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” includes shuttles, vans, circulators, paratransit services, and private sector transit solutions commonly referred to as “microtransit.” The transit service must serve the general public and be demand-responsive (i.e. route and/or frequency of service are dispatched in real time based on customer demand) and capable of serving multiple riders simultaneously (not only a single rider service). Only **ZEVs** are eligible for funding.

“Operating Income” means all income generated in connection with operation of the **Rental AHD Capital Project** including rental income for **all** Units, all rental income for **Commercial Space** or commercial use, laundry and equipment rental fees, rental subsidy payments, and interest on any accounts, other than approved reserve accounts, related to the **Rental AHD Capital Project**. "Operating Income" does not include security and equipment deposits, payments to the **Sponsor** for Supportive Services not included in the **Department**-approved operating budget, cash contributed by the **Sponsor**, or tax benefits received by the **Developer**.

“Payee” means any entity to whom the **Department** disburses **AHSC Program** funds, which entity is (1) a **Recipient**; or (2) a special purpose entity controlled by the **Recipient/Sponsor** within the meaning of UMR 8313.2; or (3) a non-applicant entity who is party to an executed agreement described in Section 103(a)(1)(A)(i).

“Peak Period” means the two periods of the day with the highest ridership during the entire transit service day. Unless otherwise publicly documented by the agency, **Peak Period** means 7:00AM – 9:00AM and 4:00PM – 6:00PM Monday through Friday. If defined by the transit operator, each **Peak Period** cannot be longer than two 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.

“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 Communities** per AB 1550; or (3) a **Low-Income Household** per AB 1550. See Appendix A of *2024 Funding Guidelines for Agencies that Administer California Climate Investments* for more information on the definitions. See the [Priority Populations Map](#) for more information.

“Program Cost”, “Program”, or “PGM” 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 (PGM)** for which the **AHSC Program** funding is sought.

“Project” means the proposed use of funds representing a combination of **Capital Projects** or **PGMs** 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**. This 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. **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. 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 two (2.0) miles.

"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 includes existing **On-Demand Transit** at time of application. A **Qualifying Transit** line requires service that departs two or more times on the same route during **Peak Period**. This level of service must have occurred regularly at some point between January 2025 and the time of application. **On-Demand Transit** must commit to service the AHSC funded **AHD** specifically. The transit service must be operated by the following:

- 1) Directly operated by a public entity;
- 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).

"Rent" means the same as "gross rent," as defined in accordance with the Internal Revenue Code (IRC) (26 USC 42(g)(2)(B)).

"Rental Affordable Housing Development" or "Rental AHD" means the same as "Rental Housing Development" in **MHP**.

"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.

"Reuse Account" means an account established pursuant to **CalHome Program** Guidelines Section 207 and additional requirements established in Section 106(b)(5) of these **Guidelines**.

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

“Rural Innovation Project Area (RIPA)” means a **Project** which includes at least one **Transit Station/Stop** consistent with Section 102(c)(2)(C) 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 **Department’s** 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 **AHSC 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.

“Sponsor” is consistent with the definition of “Sponsor” at UMR Section 8301(s).

“Standard Agreement” means an STD 213, Standard Agreement executed by the **Recipient** and the **Department** which commits funds from the **AHSC Program** subject to specified conditions, in an amount sufficient to encumber the approved **AHSC Program** grant amount. Further criteria are described in Section 114 of these **Guidelines**.

“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 **Rental AHD** loan or **Homeownership AHD** grant 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 or grant.

“Sustainable Transportation Infrastructure (STI)” means **Capital Project(s)** that meet the requirements listed in Section 104(c)(1).

“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 December 11, 2024.

“Transit Oriented Development (TOD) Project Area” means a **Project Area** which includes at least one **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.

“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 Program** funds if its proposed **Project** meets the following additional 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.
- (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 AB 1010 (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. 162.338, 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) **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** for land held in trust by the BIA or land subject to a restriction by the United States against alienation, 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**.
  - (3) **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. If any **Department** loan and/or grant documents are recorded in the chain of title for the fee interest in the **Project** site, then either:
    - (A) There must also be recorded in the chain of title for the fee interest in the **AHD** site, restrictions precluding such interest from being placed in trust with the BIA until term of the **Department's** affordability restrictions for the loan and/or grant have run, or;
    - (B) Subsequent to the **Department's** loan and/or grant document(s) being recorded in the chain of title for the fee interest in the **AHD** site, such fee interest may thereafter be placed in trust with the BIA, subject to the **Department's** previously recorded loan and/or grant document(s), which

recorded **Department** loan and/or grant documents the BIA must approve to the extent such approval is required by law.

- (4) 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.

## Appendix C. Awardee Publicity Guidelines

**Recipients** are required to acknowledge **SGC**, the **Department**, and 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 (DACs). 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, ZEVs, 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 (GHG) 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 Program** 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 Program** 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.