

*Date: September 8, 2021*

**Subject:** Amend the February 26, 2021 Affordable Housing and Sustainable Communities Program (AHSC) Notice of Funding Availability

**Reporting Period:** April 2021 – September 2021

**Staff Lead:** Saharnaz Mirzazad, Deputy Director of Community Investment and Planning

## **Recommended Action**

Approve directing the Department of Housing and Community Development (HCD) to amend the Notice of Funding Availability for the Affordable Housing and Sustainable Communities Program issued on February 26, 2021 to reflect an additional \$380M (approximate) revenues from recent Greenhouse Gas Reduction Fund auctions to reflect a total amount of \$785M. Due to change in the NOFA amount, the amended NOFA should reflect the new award timeline and maximum developer loan amount.

## **Summary**

SGC staff is requesting the Council to amend the February 26<sup>th</sup>, 2021 NOFA to increase the total available amount to \$785M. The additional revenues will be available to projects that meet program criteria and the program's statutory obligations. SGC will reserve and rollover into future funding rounds any revenues not expended under the amended NOFA.

## **Background**

HCD/SGC issued the Round 6 NOFA on February 26, 2021 with a plan to issue another NOFA in Fall 2021 using Round 6 Guidelines to make extra \$380M from recent auctions available for developing affordable housing. Due to legislative mandates, SGC cannot use the Round 6 Guidelines for another NOFA. Since updating the Guidelines is not a feasible option and the Round 6 applications are very high quality, the staff is requesting to amend the NOFA to add extra \$380M available through recent auctions. AHSC Round 6 award requests total \$1.1B, while the current NOFA amount is \$405M; and there are approximately additional \$380M revenues from FY 20/21 Greenhouse Gas Reduction Fund auctions available.

SGC is committed to having an annual AHSC NOFA, however multiple legislative mandates taking effect in July 2021 have impacted SGC's ability to meet previously estimated timelines for 2021. Therefore, SGC expects major changes in the Program Guidelines in the next round. SGC and HCD will plan to announce the next NOFA in Fall 2022 after HCD's planned "Super NOFA" announcement.



## **Council Recommendation**

The SGC hereby directs that the Department of Housing and Community Development (HCD) amend the Notice of Funding Availability for the Affordable Housing and Sustainable Communities Program issued on February 26, 2021 to reflect an additional \$380M (approximate) revenues from recent Greenhouse Gas Reduction Fund auctions to reflect a total amount of \$785M. Due to change in the NOFA amount, the amended NOFA should reflect the new award timeline and maximum developer loan amount.

## **Attachments**

Resolution Directing the Department of Housing and Community Development to Amend the February 26, 2021 Affordable Housing and Sustainable Communities Program (AHSC) Notice of Funding Availability.