

Date: January 26, 2022

Subject: Item 6 | Round 6 Affordable Housing and Sustainable Communities Program: FY 2019-2020 Recommended Awards

Reporting Period: 2019 - 2022

**Staff Lead: Saharnaz Mirzazad, Deputy Director of Community Investment & Planning
Marc Caswell, AHSC Program Manager**

Recommended Action

Award \$808,303,114 from FY 2019-2020 and FY 2020-2021 cap-and-trade revenues and funds unused in previous rounds to 37 projects in accordance with the staff recommendation contained in this report and in Attachment A.

Summary

The California Strategic Growth Council's (SGC) Affordable Housing and Sustainable Communities Program (AHSC) provides grants and loans for programs and capital development projects, including affordable housing development and transportation improvements that encourage walking, bicycling, and transit use resulting in fewer passenger vehicle miles travelled (VMT). Reducing VMT through these projects also reduces greenhouse gas (GHG) emissions and benefits Disadvantaged and Low-Income Communities. Due to the Council's September 2021 action where additional funds from the FY 2020-2021 auction proceeds augmented existing funds from FY 2019-2020, AHSC's sixth round amended NOFA included **\$785,000,000**, the largest amount of available funds in the history of the program.

The initial Round 6 NOFA (February 2021) advertised \$405 million, but FY19-20 auction proceeds were certified at a total of \$413,481,300. The amended NOFA (September 2021) included an additional \$380 million of FY20-21 funds, bringing the combined auction proceeds for Round 6 to a total of \$793,481,300.

In addition to the FY19-20 and FY20-21 auction funds, HCD staff identified an additional \$14,821,814 in unused funds (through both disencumbered and project scope changes) from previous rounds to fully fund additional projects beyond the amended NOFA amount. This decision was made to both ensure that the program fully expended all auction funds without partially funding a project, as well as to include a project that was incorrectly disqualified in the final phase of review process after the initial publication of the staff report. Totaling the combined auction proceeds for Round 6 (\$793,481,300) and the identified unused funds (\$14,821,814), brings the total amount for recommended awards to **\$808,303,114**.

This staff report provides an overview of AHSC, its application process, and a summary of applications recommended for award in accordance with the Round 6 FY 2019-20

AHSC Program Guidelines (Guidelines), which were approved by the SGC on February 24, 2021

Staff recommends that the Council award \$808,303,114 for the Round 6 Affordable Housing and Sustainable Communities program to the 37 projects identified in this report. Together, these diverse projects provide blueprints for sustainable, affordable developments in California's many types of communities, including at least one project in each of the eight geographic areas identified in the Guidelines. To target California's diverse communities, AHSC funds three Project Area Types: Transit-Oriented Developments (TOD), Integrated Connectivity Projects (ICP), and Rural Innovation Project Areas (RIPA).¹ Of the 37 projects, 13 awards are to TOD, 19 awards to ICP, and 5 awards to RIPA. One of these awards is to a project from a Federally Recognized Native American Tribal entity. Staff recommend these awards based upon the competitive process described in the Guidelines and meeting the program's statutory objectives.

Following Council approval of awards, California Department of Housing and Community Development (HCD) staff will develop contractual agreements to disburse funds to awardees, leading to the development of 4,463 units near transit, over 90 percent of which will be available at deeply affordable rents. The transportation projects will include a diverse array of projects – Class IV protected bikeways, Class I shared use paths, sidewalks, restoration of transit service to pre-pandemic levels, low-income community transit service expansion, and commuter rail expansion. The \$12.2 million for community programs will provide transit passes to residents of the affordable housing developments and surrounding communities, environmental justice and activism programming, bicycle education workshops, ZEV car sharing, and multiple workforce training programs.

Background

The AHSC Program provides competitive grants and loans to projects that will achieve GHG emission reductions through the development of affordable housing and related infrastructure, active transportation infrastructure, capital transit improvements, and related programming, the majority of which directly benefit Disadvantaged and Low-Income Communities. AHSC encourages partnerships between local municipalities, transit agencies, and housing developers in order to achieve the integration of affordable housing and transportation projects.

Upon approval of this round of awards, AHSC will have invested approximately \$2.4 billion in communities across California. AHSC awarded over \$1.6 billion to support 127 projects in the first five rounds of the program, and we recommend another 37 projects for Round 6. These 164 awards will support over 16,400 housing units, more than 92 percent of which are affordable; more than 230 miles of new or

¹ Definition of Project Area Types may be found under the Investment Targets section of this report.

improved bike lanes; and more than 1,500 new or improved crosswalks. Beyond increasing housing and transportation options, projects improve climate resilience through water and energy conservation, more resilient infrastructure, low-impact development, and community programming. Most projects also incorporate local workforce development strategies, often by partnering with job training programs or Workforce Investment Boards. Across all six rounds, the projects are estimated to reduce over 4.3 million metric tons of CO₂ equivalent and more than 220,000 pounds of criteria air pollutants.

Investment Targets

A set of statutory and council-identified targets guide AHSC investments, directing them toward specific communities, infrastructure, and project area types.

Project Area Types: The Round 6 AHSC Program Guidelines adopted by the Council on February 24, 2021, includes three project area types:

- Transit-Oriented Development (TOD) projects – 35 percent of funds available as designated in the NOFA target: Projects located within ½-mile walking distance of high-frequency transit that operates on dedicated infrastructure, such as light rail or bus rapid transit lanes.
- Integrated Connectivity Projects (ICP) – 35 percent of funds available as designated in the NOFA target: Projects located within ½-mile walking distance of transit with frequent service during peak hours.
- Rural Innovations Project Area (RIPA) projects – 10 percent of funds available as designated in the NOFA target: Projects located in rural areas within ½-mile walking distance of transit with frequent service during peak hours or served by on-demand or flexible transit service.

Combined, the first 80 percent of funds available as designated in the NOFA are allocated competitively to top scoring projects within each project area type. The remaining 20 percent of funds are unprogrammed with the intent of fulfilling AHSC's statutory and programmatic objectives and targets should the first 80 percent not achieve these goals.

Per statute, a minimum of half (50 percent) of the total AHSC Program expenditures must be dedicated to affordable housing.² Additionally, a minimum of half (50 percent) of total AHSC Program expenditures must also be invested to benefit Disadvantaged Communities³, as identified by the CalEnviroScreen tool. These set-asides are not mutually exclusive.

² Health & Safety Code § 39719 (b)(1)(C).

³ Pub Resources Code § 75214.

While statute requires that at least 50 percent of AHSC funds benefit Disadvantaged Communities, SGC staff also collaborates with California Air Resources Board (CARB) staff to set AHSC targets for investments within priority population communities that build on the minimum requirements for AHSC. These program-specific targets support statutory requirements set by Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016) for the entire suite of California Climate Investments programs. The AHSC investment targets for Fiscal Year 2021-22 prioritize at least 75 percent of AHSC funds to be located within and benefiting priority population communities, including 60 percent within Disadvantaged Communities, 10 percent within Low-Income Communities or Households but do not qualify as a DAC, and 5 percent within Low-Income Communities or Households located within ½ mile of a Disadvantaged Community.

In addition to these statutory targets, the Guidelines establish additional programmatic objectives as approved by the SGC Council. These include Project Area Type Targets; awarding at least one project from a Federally Recognized Native American Tribal entity; as well as awarding at least one project from each of the eight geographic areas across the state, all while still maximizing GHG reductions. The list of recommended projects in this staff report satisfy all these requirements.

Round 6 Application Process

As the implementing agency for the AHSC Program, HCD issued a Notice of Funding Availability (NOFA) of approximately \$405 million available for AHSC Round 6 on February 26, 2021. The application period remained open through June 8, 2021, with a total of 54 applications submitted. On September 8, 2021, the SGC Council approved an additional \$380 million in funding for Round 6, bringing total funding available for Round 6 to approximately \$785 million. Ultimately, FY19-20 GGRF auction proceeds were finalized at an amount higher than initially expected, which provided Round 6 with a total amount of \$793,481,300 in potential awards. Since there has been challenges with partially funding projects in previous AHSC rounds, the team has determined that a partial award was not recommended. HCD AHSC team identified an additional approximate \$6 million in unused funds from previous cycles that were available to allow us to fund the 36 projects recommended in our first release of this document. However, after posting the staff recommendations, HCD determined that they had incorrectly disqualified one project, and have identified an additional \$8.75 million in unused funding to award this project and remedy this error. This brings to total amount of recommendations for award to more than \$808 million for 37 projects.

All 54 applications were considered through a competitive process, beginning with threshold review for application eligibility with all projects advancing to scoring review. After threshold review, one project voluntarily withdrew their application from consideration, bringing the total projects for consideration down to 53 applications. After further financial review during Phase 3 of the NOFA, another project, 1880 Walnut in Pasadena, was determined to be ineligible for award. **After initial publication of the Staff Recommendations, the HCD team determined that the 1880 Walnut project was incorrectly disqualified due to an error in the application quantifying the**

benefits and affordability ratios of homeownership projects. That project has been restored and is recommended for award in this updated version of the document as a high-scoring TOD project. Staff is requesting the Council to authorize using \$8,750,000 of unused funds from Round 1 and 2 to fund this additional project in excess of the NOFA due to this error. Authorizing use of these unused funds, will allow us to meet our commitment to fund all projects previously included in the staff memo originally posted on January 13th plus the newly added project for funding.

Details on each stage of the review process are available in Appendix C.



Recommendations

Of the funds available for FY 2019-2020 and 2020-2021 Round 6 AHSC Program NOFA, in addition to funds from previous AHSC rounds that were unused by recipients, AHSC staff recommends awarding \$808,303,114 in funding across the 37 projects detailed in Table 1, below. The projects recommended received top scores within each project area type and meet the project area type investment targets (Section 108(d)(3) of the Round 6 Guidelines) as well as the additional discretionary goals and targets. Scores are based on the GHG Quantification Methodology and related scoring, Quantitative Policy scoring, and Narrative Review scoring criteria in the Round 6 FY 2019-20 AHSC Program Guidelines.

Table 1A: AHSC Round 6 FY19-20 Staff Recommended Award: TOD Awards

Project Name	Final Score	Project Location (City)	AHSC Total Request	Total Units	DAC
Umeya Apartments	92	Los Angeles	\$30,000,000	175	Y
Grandview Apartments TOD	88.5	Los Angeles	\$14,004,838	100	Y
Locke Lofts	88	Los Angeles	\$30,000,000	150	Y
The Kelsey Civic Center	87	San Francisco	\$29,269,952	112	N
Dupont Apartments	86.16	San Jose	\$12,816,593	141	N
On Broadway Apartments	83.66	Sacramento	\$29,000,000	140	Y
Tamien Station	81.66	San Jose	\$28,749,949	135	Y
Balboa Reservoir	81.5	San Francisco	\$29,585,486	124	N
1880 Walnut Street Housing^o	78.66	Pasadena	\$8,750,000	58	N
501 601 E. Compton	78.5	Compton	\$20,897,952	290	Y
Longfellow Corner and Transit Improvements	78	Oakland	\$19,587,014	77	Y
Lake Merritt BART Senior Affordable Housing	78	Oakland	\$24,412,976	97	Y
Mayfair El Cerrito	77.16	El Cerrito	\$26,910,844	69	N

^o Indicates project restored after identifying project had been incorrectly disqualified after initial posting

Table 1B: AHSC Round 6 FY19-20 Staff Recommended Award: ICP Awards

Project Name	Final Score	Project Location (City)	AHSC Total Request	Total Units	DAC
Middlefield Junction	95	Redwood City	\$25,497,500	179	N
Richland Village	92	Yuba City	\$30,000,000	176	Y
The Hunter House	89.33	Stockton	\$27,007,070	120	Y
965 Weeks Street	89	East Palo Alto	\$19,787,125	136	Y
Renaissance at Baker	88.66	Bakersfield	\$14,677,150	85	Y
Lancaster	88	Lancaster	\$24,601,714	114	N
West Valley Connector and Pomona East End Village	87.66	Pomona	\$27,587,829	125	Y
West LA VA - Building 156 & 157 and Big Blue Bus Westside Expansion	87.33	Unincorporated Los Angeles County	\$19,199,142	112	N
Menlo Ave Apartments	85.33	Los Angeles	\$23,423,600	123	Y
Sunnydale HOPE SF Block 3A	84.66	San Francisco	\$21,205,299	80	N
Nellie Hannon Gateway Affordable Housing and Sustainable Transportation Improvements	84.66	Emeryville	\$20,015,822	90	Y
Central Terrace Apartments	84	Oxnard	\$23,796,689	87	Y
Lazulli Landing*	83.33	Union City	\$21,123,592	81	N
87th & Western Apartments*	82.66	Los Angeles	\$30,000,000	160	Y
Pacific Station North*	82.50	Santa Cruz	\$29,668,900	95	N
Vista Terrace*	82	Los Angeles	\$22,000,000	102	Y
Jordan Downs Area H2B*	82	Los Angeles	\$13,959,887	119	Y
Azuriik*	81.33	San Diego (National City)	\$16,500,000	400	Y
Jacaranda Gardens*	78.5	El Centro	\$15,807,473	96	N

* Indicates projects selected for discretionary funding after fulfilling Project Area Type goals in accordance with Section 108 of the Guidelines

Table 1C: AHSC Round 6 FY19-20 Staff Recommended Award: RIPA Awards

Project Name	Final Score	Project Location (City)	AHSC Total Request	Total Units	DAC
Escalante Meadows	86.33	Guadalupe	\$19,375,180	80	N
Shasta Lake Downtown Revitalization [^]	86	Shasta Lake	\$16,540,259	49	N
Sugar Pine Village	86	South Lake Tahoe	\$17,359,470	60	N
Newmark Village Apartments	84.66	Sanger	\$10,660,240	72	Y
Los Arroyos Housing and Transportation Improvement Project	84	Farmersville	\$14,523,570	54	Y

[^] Indicates a Federally Recognized Native American Tribal Project

When determining award recommendations, staff selected the top-scoring projects within each project area type until targets for each Project Area Type were met. Per Section 108 of the guidelines, Project Area Type Targets are calculated as a proportion of funds available as designated in the NOFA (\$785 million), and not of the total round’s expenditure. Whenever possible, SGC prefers to avoid making partial AHSC awards, so some categories slightly exceeded their goal. Before discretionary awards (see below), the initial breakdown of recommended awards compared to Round 6 available funding was: 38 percent to 12 TOD projects, 35 percent to 12 ICP projects, and 10 percent to 5 RIPA projects. Of these initial 29 projects, 62 percent of funds were recommended for award within Disadvantaged Communities, including one project that qualifies as a Tribal Project. *(Note: these calculations do not include the restored 1880 Walnut project, which will be fully funded out of the unused funds from previous rounds of funding.)*

Once project area type targets were met, approximately \$134.5 million (17 percent of available funds) remained for discretionary awards. AHSC staff recommends using discretionary funding to award two projects (Azuriik in San Diego Region and Jacaranda Gardens in Inland Southern California Region) to achieve the council-identified target of one project in each of the eight geographic areas. After awarding those two projects, discretionary funds are to be used to fund the highest scoring applications, as prescribed in Section 108(d). This would include the next five highest-scoring projects that were not funded in the initial project area type allocations. (See Table 1, above and Appendix A for details.) *(Note: these calculations do not include the restored 1880 Walnut project, which will be fully funded out of the unused funds from previous rounds of funding.)*

These 37 projects recommended for award meet all statutory and programmatic set-asides. More details about AHSC’s proposed awards and programmatic objectives appear in the tables below and Appendix A.

TABLE 2: Summary of AHSC Funding Recommended by Statutory Set-Asides and the Council-Adopted Targets *(Per Section 108 of the guidelines, the statutory set-asides are calculated as a proportion of expenditures; the council-adopted targets are calculated based as a proportion of funds available as designated in the NOFA).*

	Number of Awards	Proposed Awards	Percent of Total Funding Recommended
Total Funding Recommended (incl. unused funding)	37	\$808,303,114	
Affordable Housing*	37	\$506,300,299	63%
Disadvantaged Community	22	\$490,591,711	61%
	Number of Awards	Proposed Awards	Percent of Available Funding (NOFA)
Available Funding (NOFA)	-	\$785,000,000	
Transit-Oriented Development (TOD) Project Areas	13	\$303,985,604	39%
Affordable Housing*	13	\$196,263,016	
Disadvantaged Community	8	\$196,652,729	
Integrated Connectivity Project (ICP) Areas	19	\$425,858,791	54%
Affordable Housing*	19	\$265,234,370	
Disadvantaged Community	12	\$268,755,172	
Rural Innovation Project Areas (RIPA)	5	\$78,458,719	10%
Affordable Housing*	5	\$44,802,913	
Disadvantaged Community	2	\$25,183,810	
Total Funding Recommended (incl. unused funding)	37	\$808,303,114	103%

Note: Affordable Housing and Disadvantaged Community dollars are not mutually exclusive. Available Funding is based upon the original amended NOFA amount of \$785,000,000.

** Includes costs related to Affordable Housing Development and Housing-Related Infrastructure.*

Affordable Housing

Every recommended project will fund an affordable housing development. 63 percent of the total funds recommended for award will support affordable housing and housing-related infrastructure, exceeding statutory requirements to allocate at least 50 percent of the total AHSC Program expenditures for affordable housing. When completed, the recommended projects will provide 4,463 units of housing, 4,113 of which will be affordable across a range of incomes.

TABLE 3: Summary of Affordable Housing Units Funded by AHSC

Recommended AHSC Awards with Affordable Housing	37 awards
Total Units Funded	4,463 units
Extremely Low Income (At or less than 30% Area Median Income)	1,354 units
Very Low Income (Between 31-50% Area Median Income)	1,378 units
Low Income (Between 51-80% Area Median Income)	1,406 units
Supportive Housing	417 units
Senior Housing	97 units

Note: Income-Restricted Units and Supportive/Senior Housing Units are not mutually exclusive

Disadvantaged Communities

Of the AHSC program funds recommended for award this year, 61 percent of total expenditures, or more than \$490 million, will be for projects located within Disadvantaged Communities. Projects located within Disadvantaged Communities provide critically needed affordable, infill development near transit in some of California’s most pollution-burdened and under-served communities.

In addition to supplying income-restricted housing, the projects will increase safety for walking and bicycling, and expand transit, which low-income households use at higher rates than wealthier households. AHSC projects also emphasize local workforce development, anti-displacement strategies, community programming, and public engagement in project design, all of which provide additional benefits to current residents under-served communities

TABLE 4: Recommended AHSC Funding Providing Benefits to Projects in Disadvantaged Communities (as defined in SB 535)

	Number of Projects	Total Expenditures	Percentage of Total Expenditure
Total Projects	37	\$808,303,114	
Projects in Disadvantaged Communities	22	\$490,591,711	61%
CalEnviroScreen 3.0 Percentile 95-100	7	\$173,249,427	
CalEnviroScreen 3.0 Percentile 90-95	2	\$32,660,240	
CalEnviroScreen 3.0 Percentile 85-90	5	\$93,969,113	
CalEnviroScreen 3.0 Percentile 80-85	2	\$54,412,976	
CalEnviroScreen 3.0 Percentile 75-80	6	\$136,299,955	

Sustainable Transportation Infrastructure and Transit Improvements

All projects recommended for funding connect affordable housing and key destinations through walking and/or bicycling infrastructure, with nearly all projects also expanding transit service. More than \$289 million in funding, 36 percent of the total funding available, is recommended for bicycle and pedestrian infrastructure, transit station area improvements, transit service expansion, transportation demand management, and other transportation improvements supporting critical connectivity between housing, key destinations, and transit. Guidelines also require awardees to provide three years of discounted or free transit passes to all residents of AHSC-funded affordable housing developments; and many projects elect to offer these benefits to more people or for longer periods of time. All the recommended projects include transportation-related investments.

Of the recommended transportation investments, 84 percent, or more than \$242 million, would fund Sustainable Transportation Infrastructure (STI), capital improvements that increase public transit access, expand pedestrian networks, or expand bicycle networks. The remaining 16 percent, or more than \$47 million, would fund Transportation Related Amenities (TRA), which are capital improvements that provide supportive amenities to transit riders, cyclists, and pedestrians, such as bike parking, bus shelters, benches, and street trees. AHSC also funds transit ridership programs as well as active transportation education and outreach programs necessary to achieve transportation mode shift.

Geographic Distribution of Awards

Round 6 was the first time that the Guidelines included an authorization to use discretionary funds to promote broader geographic distribution by awarding at least one project in each of the eight geographic areas identified in the Guidelines. The AHSC award recommendations cover diverse locations across California, with projects that display creative solutions for reducing GHG emissions through affordable housing development and transportation investments in a variety of communities across the state. Projects in Bakersfield, El Centro, Farmersville, Guadalupe, National City, and Shasta Lake all demonstrate how low-VMT developments can fit into local contexts, particularly in areas without histories of dense, transit-oriented development.

For the Round 6 scoring process, it was only necessary to use discretionary funds for two projects (Azuriik in National City and Jacaranda Gardens in El Centro) to achieve the goal of funding one project in each of the state’s eight geographic areas. The other six geographic areas were achieved using the standard scoring structure of funding the requisite number of projects to achieve the Project Area Types, followed by highest scoring projects.

TABLE 5: Geographic Breakdown of Applications and Awards

Region	Dollars Requested	Projects Submitted	Projects Awarded	Award Amount	Pct. of Request Awarded	Pct. Of Total Funding Awarded
Central Coast	\$93,343,735	4	3	\$72,840,769	78%	9%
Coastal Southern California	\$320,475,44	15	12	\$264,424,962	83%	33%
Inland Southern California	\$86,909,337	4	1	\$15,807,473	18%	2%
North State & Sierras	\$36,617,097	2	1	\$16,540,259	45%	2%
Sacramento Area	\$105,910,470	4	3	\$76,359,470	72%	9%
San Diego Area	\$39,703,418	3	1	\$16,500,000	42%	2%
San Francisco Bay Area	\$375,557,828	16	12	\$278,962,152	74%	35%
San Joaquin Valley	\$82,477,958	5	4	\$66,868,030	81%	8%
Grand Total	\$1,140,995,291	53	37	\$808,303,114	71%	100%

For a historical review of the geographic distribution of awards throughout all 6 rounds of the AHSC program, please see Appendix D.

Technical Assistance

In Round 2, an AHSC pilot technical assistance (TA) program provided TA to applicants located in disadvantaged communities that were unsuccessful in securing funding in AHSC Round 1. SGC contracted researchers at UC Davis to conduct an evaluation of the AHSC TA Pilot, who recommended adjustments to the TA program design for future rounds.

AHSC staff selects TA recipients based on a variety of criteria, including whether projects would meet Threshold Criteria, the scope of TA needs, geographic diversity, location in Disadvantaged, low-income, and/or Tribal communities, and capacity of the applicant.

After the selection of Round 4 and Round 5 awards, the AHSC TA providers embarked on capacity building efforts in jurisdictions across the state that had seen less success or submitted fewer applications to AHSC. This model included roundtable workshops that brought together developers, local governments, and transit agencies to collaborate on AHSC Projects for Round 6, as well as to set up a pipeline of possible projects for future rounds of the program. Providers also worked with select jurisdictions to help develop requests for proposals for publicly owned land in order to prepare the housing site for a more competitive AHSC application.

Once TA recipients were selected, the SGC-contracted Round 6 TA providers built upon the partnerships and project scopes developed over the preceding months to help applicants prepare and submit final applications. Provided over a one-year period, this comprehensive TA resulted in the recommendation of 17 of 25 TA recipients for AHSC Round 6 awards. This represents above-average success when compared to the general applicant field.

Next Steps and Timeline

Following adoption of these awards, HCD staff will begin drafting award agreements as projects enter their final design and financing stages. SGC staff will inform awarded applicants about next steps related to jobs reporting and communication requirements. SGC will also offer to meet with all unsuccessful applicants to offer feedback and identify application strengths and weaknesses and discuss possible alternate funding sources.

Following Round 6 award determinations, AHSC staff will seek public comment to inform AHSC Round 7 Guidelines and application processes. Staff has already begun a large-scale public engagement process seeking feedback on how COVID-19 may be affecting applicants, project delivery, and investment types. Additionally, an interagency engagement effort will also begin in the Spring. Building on this feedback, staff will propose changes to the program Guidelines, with multiple opportunities for collaboration with both the public and our agency partners.

Staff Recommendation

Award \$808,303,114 from FY 2019-2020 and FY 2020-2021 cap-and-trade revenues and funds unused in previous rounds to 37 projects in accordance with the staff recommendation contained in this report and in Attachment A.

Should the Council agree with staff's recommendation, the following motion language is suggested:

“I move that the Council adopt the staff recommendation and award funds to the 37 projects identified in the staff report.”



ATTACHMENTS

Appendix A

A-1: Applications Recommended for Award

A-2: Applications Not Recommended for Award

A-3: Applications Eliminated at Threshold Review (note: no projects were eliminated at threshold review)

A-4: Award Summary Statistics According to Programmatic Objectives

Appendix B: Map of Round 6 AHSC Recommended Awards

Appendix C: AHSC Application Review Process

Appendix D: AHSC Historical Distribution of Awards Across Geographic Regions



Staff Recommendations: AHSC Round 6 Fiscal Year 2019-2020 and 2020-2021 Awards
Transit Oriented Developments (TOD)

Project Name	Applicants	Project Location	Final Score	Total Units	Income Restricted Units	Housing Funding	Programs Funding	Transportation Funding	Total AHSC Award	Disadvantaged Community	(GHG Reduction)/(AHSC Funding Request)
Umeya Apartments	LTSC Community Development Corporation; City of Los Angeles, Housing & Community Investment Department	Los Angeles	92	175	173	\$ 20,000,000	\$ 511,400	\$ 9,488,600	\$ 30,000,000	Y	0.001880
Grandview Apartments TOD	Abode Communities; City of Los Angeles, Housing & Community Investment Department	Los Angeles	88.5	100	94	\$ 9,054,838	\$ 319,200	\$ 4,630,800	\$ 14,004,838	Y	0.003169
Locke Lofts	Flexible PSH Solutions, Inc.; City of Los Angeles	Los Angeles	88	150	148	\$ 20,000,000	\$ 470,000	\$ 9,530,000	\$ 30,000,000	Y	0.001726
The Kelsey Civic Center	Mercy Housing California; City of San Francisco; County of San Francisco	San Francisco	87	112	98	\$ 20,000,000	\$ 269,952	\$ 9,000,000	\$ 29,269,952	N	0.001943
DuPont Apartments	First Community Housing	San Jose	86.16	141	107	\$ 7,979,600	\$ 208,000	\$ 4,628,993	\$ 12,816,593	N	0.002304
On Broadway Apartments	EAH Inc.	Sacramento	83.66	140	138	\$ 18,446,000	\$ 554,000	\$ 10,000,000	\$ 29,000,000	Y	0.002977
Tamien Station	Core Affordable Housing, LLC; Central Valley Coalition for Affordable Housing	San Jose	81.66	135	134	\$ 18,500,000	\$ 249,949	\$ 10,000,000	\$ 28,749,949	Y	0.001585
Balboa Reservoir	BRIDGE Housing Corporation; City of San Francisco; County of San Francisco	San Francisco	81.5	124	87	\$ 19,610,404	\$ 253,741	\$ 9,721,341	\$ 29,585,486	N	0.001213
1880 Walnut Street Housing	Heritage Housing Partners; City of Pasadena	Pasadena	78.66	58	25	\$ 4,375,000	\$ 30,000	\$ 4,345,000	\$ 8,750,000	N	0.004580
501 601 E. Compton	Keith B. Key Enterprises, LLC.; City of Compton	Compton	78.5	290	58	\$ 12,255,662	\$ 568,800	\$ 8,073,490	\$ 20,897,952	Y	0.002198
Longfellow Corner and Transit Improvements	Resources for Community Development; City of Oakland	Oakland	78	77	76	\$ 12,319,140	\$ 233,240	\$ 7,034,634	\$ 19,587,014	Y	0.001571
Lake Merritt BART Senior Affordable Housing	East Bay Asian Local Development Corporation; City of Oakland	Oakland	78	97	96	\$ 16,500,000	\$ 369,812	\$ 7,543,164	\$ 24,412,976	Y	0.001272
Mayfair El Cerrito	BRIDGE Housing Corporation; City of El Cerrito	El Cerrito	77.16	69	68	\$ 17,222,372	\$ 403,159	\$ 9,285,313	\$ 26,910,844	N	0.001174
Subtotal TOD Projects:				1668	1302	\$ 196,263,016	\$ 4,441,253	\$ 103,281,335	\$ 303,985,604		

Integrated Connectivity Projects (ICP)

Project Name	Applicants	Project Location	Final Score	Total Units	Income Restricted Units	Housing Funding	Programs Funding	Transportation Funding	Total AHSC Requested	Disadvantaged Community	(GHG Reduction)/(AHSC Funding Request)
Middlefield Junction	Mercy Housing California	Redwood City	95	179	155	\$ 14,860,000	\$ 637,500	\$ 10,000,000	\$ 25,497,500	N	0.001957
Richland Village	Sutter Community Affordable Housing; Sage Housing Group LLC	Yuba City	92	176	175	\$ 20,425,000	\$ 375,000	\$ 9,200,000	\$ 30,000,000	Y	0.001740
The Hunter House	Service First of Northern California	Stockton	89.33	120	119	\$ 17,240,556	\$ 293,460	\$ 9,473,054	\$ 27,007,070	Y	0.001652
965 Weeks Street	Mid-Peninsula The Farm, Inc.; East Palo Alto Community Alliance Neighborhood Dev. Organization; City of East Palo Alto	East Palo Alto	89	136	135	\$ 11,700,000	\$ 337,125	\$ 7,750,000	\$ 19,787,125	Y	0.001661
Renaissance at Baker	Vista Del Monte Affordable Housing Inc.; Housing Authority of the County of Kern; City of Bakersfield	Bakersfield	88.66	85	84	\$ 10,000,000	\$ 208,040	\$ 4,469,110	\$ 14,677,150	Y	0.001978
Lancaster	BRIDGE Housing Corporation; City of Lancaster	Lancaster	88	114	113	\$ 14,291,374	\$ 310,340	\$ 10,000,000	\$ 24,601,714	N	0.002726
West Valley Connector and Pomona East End Village	Vista Del Monte Affordable Housing Inc.; City of Pomona; San Bernardino County Transportation Authority	Pomona	87.66	125	123	\$ 18,432,668	\$ 332,840	\$ 8,822,321	\$ 27,587,829	Y	0.003416
West LA VA- Building 156 & 157 and Big Blue Bus Westside Expansion	Century Affordable Development, Inc. ("CADI"); City of Santa Monica - Big Blue Bus	Unincorporated Los Angeles County	87.33	112	110	\$ 10,157,108	\$ 232,500	\$ 8,809,534	\$ 19,199,142	N	0.001711
Menlo Ave Apartments	Omni America LLC; City of Los Angeles / Housing + Community Investment	Los Angeles	85.33	123	123	\$ 15,735,000	\$ 428,600	\$ 7,260,000	\$ 23,423,600	Y	0.001841
Sunnydale HOPE SF Block 3A	The Related Companies of California, LLC; Mercy Housing California; City of San Francisco; County of San Francisco	San Francisco	84.66	80	79	\$ 10,850,000	\$ 500,000	\$ 9,855,299	\$ 21,205,299	N	0.002142
Nellie Hannon Gateway Affordable Housing and Sustainable Transportation Improvements	Resources for Community Development	Emeryville	84.66	90	89	\$ 10,123,184	\$ 268,004	\$ 9,624,634	\$ 20,015,822	Y	0.001449
Central Terrace Apartments	Many Mansions	Oxnard	84	87	86	\$ 15,298,727	\$ 338,462	\$ 8,159,500	\$ 23,796,689	Y	0.001338
Subtotal ICP Projects:				1427	1391	\$ 169,113,617	\$ 4,261,871	\$ 103,423,451	\$ 276,798,939		

Rural Innovation Projects (RIPA)

Project Name	Applicants	Project Location	Final Score	Total Units	Income Restricted Units	Housing Funding	Programs Funding	Transportation Funding	Total AHSC Requested	Disadvantaged Community	(GHG Reduction)/(AHSC Funding Request)
Escalante Meadows	Housing Authority of the County of Santa Barbara; City of Guadalupe Community Revitalization and Development Corporation; Win River Hotel Corporation; City of Shasta Lake; ADK Properties LLC	Guadalupe	86.33	80	73	\$ 12,000,000	\$ 209,130	\$ 7,166,050	\$ 19,375,180	N	0.001078
Shasta Lake Downtown Revitalization		Shasta Lake	86	49	48	\$ 8,276,661	\$ 270,848	\$ 7,992,750	\$ 16,540,259	N	0.00044
Sugar Pine Village	The Related Companies of California, LLC; City of South Lake Tahoe	South Lake Tahoe	86	60	59	\$ 10,551,967	\$ 284,960	\$ 6,522,543	\$ 17,359,470	N	0.000840
Newmark Village Apartments	Pacific West Communities, Inc; City of Sanger	Sanger	84.66	72	71	\$ 6,700,000	\$ 302,240	\$ 3,658,000	\$ 10,660,240	Y	0.002089
Los Arroyos Housing and Transportation Improvement Project	Self-Help Enterprises	Farmersville	84	54	53	\$ 7,274,285	\$ 104,900	\$ 7,144,385	\$ 14,523,570	Y	0.004142
Subtotal RIPA Projects:				315	304	\$ 44,802,913	\$ 1,172,078	\$ 32,483,728	\$ 78,458,719		

Discretionary Funding

Project Name	Applicants	Project Location	Final Score	Total Units	Income Restricted Units	Housing Funding	Programs Funding	Transportation Funding	Total AHSC Requested	Disadvantaged Community	(GHG Reduction)/(AHSC Funding Request)
Lazulli Landing	MidPen Housing Corporation	Union City	83.33	81	74	\$ 13,500,000	\$ 488,958	\$ 7,134,634	\$ 21,123,592	N	0.001384
87th & Western Apartments	Innovative Housing Opportunities, Inc.; City of Los Angeles / Housing + Community Investment Department	Los Angeles	82.66	160	157	\$ 20,000,000	\$ 378,200	\$ 9,621,800	\$ 30,000,000	Y	0.00080
Pacific Station North	First Community Housing; City of Santa Cruz; Metro Santa Cruz	Santa Cruz	82.5	95	93	\$ 20,000,000	\$ 302,960	\$ 9,365,940	\$ 29,668,900	N	0.000491
Vista Terrace	Thomas Safran & Associates Development Inc.; City of Los Angeles / Housing + Community Investment	Los Angeles	82	102	101	\$ 12,000,000	\$ 381,800	\$ 9,618,200	\$ 22,000,000	Y	0.000917
Jordan Downs Area H2B	BRIDGE Housing Corporation; City of Los Angeles	Los Angeles	82	119	94	\$ 9,000,000	\$ 327,287	\$ 4,632,600	\$ 13,959,887	Y	0.000929
Azurik	Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc.	San Diego (National City)	81.33	400	396	\$ 11,350,000	\$ 200,000	\$ 4,950,000	\$ 16,500,000	Y	0.001189
Jacaranda Gardens	Chelsea Investment Corporation; City of El Centro	El Centro	78.5	96	95	\$ 10,270,753	\$ 254,720	\$ 5,282,000	\$ 15,807,473	N	0.001692
Subtotal Discretionary:				1053	1010	\$ 96,120,753	\$ 2,333,925	\$ 50,605,174	\$ 149,059,852		

**Applications Not Recommended for Award
Transit Oriented Developments**

Appendix A-2

Project Name	Applicants	Project Location	Final Score	Total Units	Income Restricted Units	Housing Funding	Program Funding	Transportation Funding	AHSC Funds Requested	Disadvantaged Community	(GHG Reduction)/(AHSC Funding Request)
Union	The Skid Row Housing Trust; City of Long Beach	Long Beach	77	160	123	\$ 13,500,000	\$ 392,248	\$ 6,507,204	\$ 20,399,452	Y	0.001113
Metrowalk at Richmond Station	Pacific West Communities, Inc.; City of Richmond	Richmond	74.83	150	96	\$ 20,000,000	\$ 397,504	\$ 9,499,506	\$ 29,897,010	Y	0.001082
Watts Station	Thomas Safran & Associates Development Inc.; City of Los Angeles	Los Angeles	73	87	86	\$ 10,000,000	\$ 354,800	\$ 6,689,800	\$ 17,044,600	Y	0.000722

Integrated Connectivity Projects

Project Name	Applicants	Project Location	Final Score	Total Units	Income Restricted Units	Housing Funding	Program Funding	Transportation Funding	AHSC Funds Requested	Disadvantaged Community	(GHG Reduction)/(AHSC Funding Request)
699 YVR and Sustainable Transportation Improvements	Resources for Community Development	Walnut Creek	81	97	96	\$ 12,778,838	\$ 369,668	\$ 7,248,660	\$ 20,397,166	N	0.001456
Sunnydale HOPE SF Block 3B	The Related Companies of California, LLC; Mercy Housing California; City of San Francisco; County of San Francisco	San Francisco	80.33	90	89	\$ 9,381,500	\$ 500,000	\$ 6,420,000	\$ 16,301,500	N	0.001541
Meridian at Corona Station	Danco Communities; City of Petaluma; Sonoma Marin Area Rail Transit (SMART)	Petaluma	77.16	131	130	\$ 20,000,000	\$ 180,000	\$ 9,820,000	\$ 30,000,000	N	0.001469
Mirasol Village Block D	McCormack Baron Salazar; Sacramento Housing Redevelopment Agency	Sacramento	76.33	116	90	\$ 19,750,000	\$ 262,000	\$ 9,539,000	\$ 29,551,000	Y	0.000586
Mt. Etna San Diego	Chelsea Investment Corporation; City of San Diego	San Diego	74.5	94	71	\$ 6,850,000	\$ 321,824	\$ 4,453,402	\$ 11,625,226	N	0.000540
The Hillcrest Housing and Mobility Project	DFA Development LLC; City of San Diego	San Diego	73.5	68	67	\$ 8,575,912	\$ 352,280	\$ 2,650,000	\$ 11,578,192	N	0.001258
Anaheim Beach-Lincoln	Affordable Housing Access, Inc.; City of Anaheim	Anaheim	71.16	100	99	\$ 12,000,000	\$ 622,958	\$ 5,983,477	\$ 18,606,435	N	0.000507
Citadel Village Townhomes	Citadel Community Development Corporation	Hemet	34.33	50	50	\$ 13,750,000	\$ 1,000,000	\$ 5,000,000	\$ 19,750,000	N	0.000000
Citadel Boulder Village	Citadel Community Development Corporation	Hemet	29.66	91	91	\$ 24,256,864	\$ 1,000,000	\$ 5,000,000	\$ 30,256,864	Y	0.000000

Rural Innovation Projects

Project Name	Applicants	Project Location	Final Score	Total Units	Income Restricted Units	Housing Funding	Program Funding	Transportation Funding	AHSC Funds Requested	Disadvantaged Community	(GHG Reduction)/(AHSC Funding Request)
Eureka Scattered Site Project	Linc Housing Corporation; City of Eureka	Eureka	77.16	107	93	\$ 12,804,620	\$ 386,158	\$ 6,886,060	\$ 20,076,838	N	0.000666
Barstow Mountain View Apartments	Milestone Housing Group, LLC; City of Barstow; Pacific Housing, Inc.	Barstow	71.5	81	80	\$ 14,095,000	\$ 497,400	\$ 6,502,600	\$ 21,095,000	Y	0.000209
Parlier Family Apartments	Danco Communities; City of Parlier; Fresno County Rural Transit Agency	Parlier	70	81	80	\$ 10,000,000	\$ 239,928	\$ 5,370,000	\$ 15,609,928	Y	0.000304
River Walk Terrace Apartments	Central California Housing Corporation; Housing Authority of the City of Paso Robles	Paso Robles	55.33	79	78	\$ 11,000,000	\$ -	\$ 9,502,966	\$ 20,502,966	N	0.000169

Applications that withdrew, failed threshold review, or were deemed ineligible

Project Name	Applicants	Project Location	Project Type	Issue(s)	AHSC Funds Requested
2111 Firestone	Domus Development; County of Los Angeles; Elsey Holdings LLC	Los Angeles	TOD	Withdrew application	\$ 15,712,644

AHSC Awards According to Programmatic Objectives

	Number of Awards	Proposed Awards	Percent of Total Funding Recommended
Total Funding Recommended	37	\$808,303,114	100%
Affordable Housing	37	\$506,300,299	63%
Disadvantaged Community	22	\$490,591,711	61%
Low-Income Community	6	\$128,750,822	16%
Low-Income Community w.in 1/2 mile of Disadvantaged Community	5	\$118,609,361	15%
Federally Recognized Native American Tribal Project	1	\$16,540,259	2%
	Number of Awards	Proposed Awards	Percent of Available Funding (NOFA)
Available Funding (NOFA)	-	\$785,000,000	
Transit Oriented Development (TOD) Project Areas	13	\$303,985,604	39%
Integrated Connectivity Project (ICP) Areas	19	\$425,858,792	54%
Rural Innovation Project Areas (RIPA)	5	\$78,458,719	10%
Total Funding Recommended	37	\$808,303,114	103%

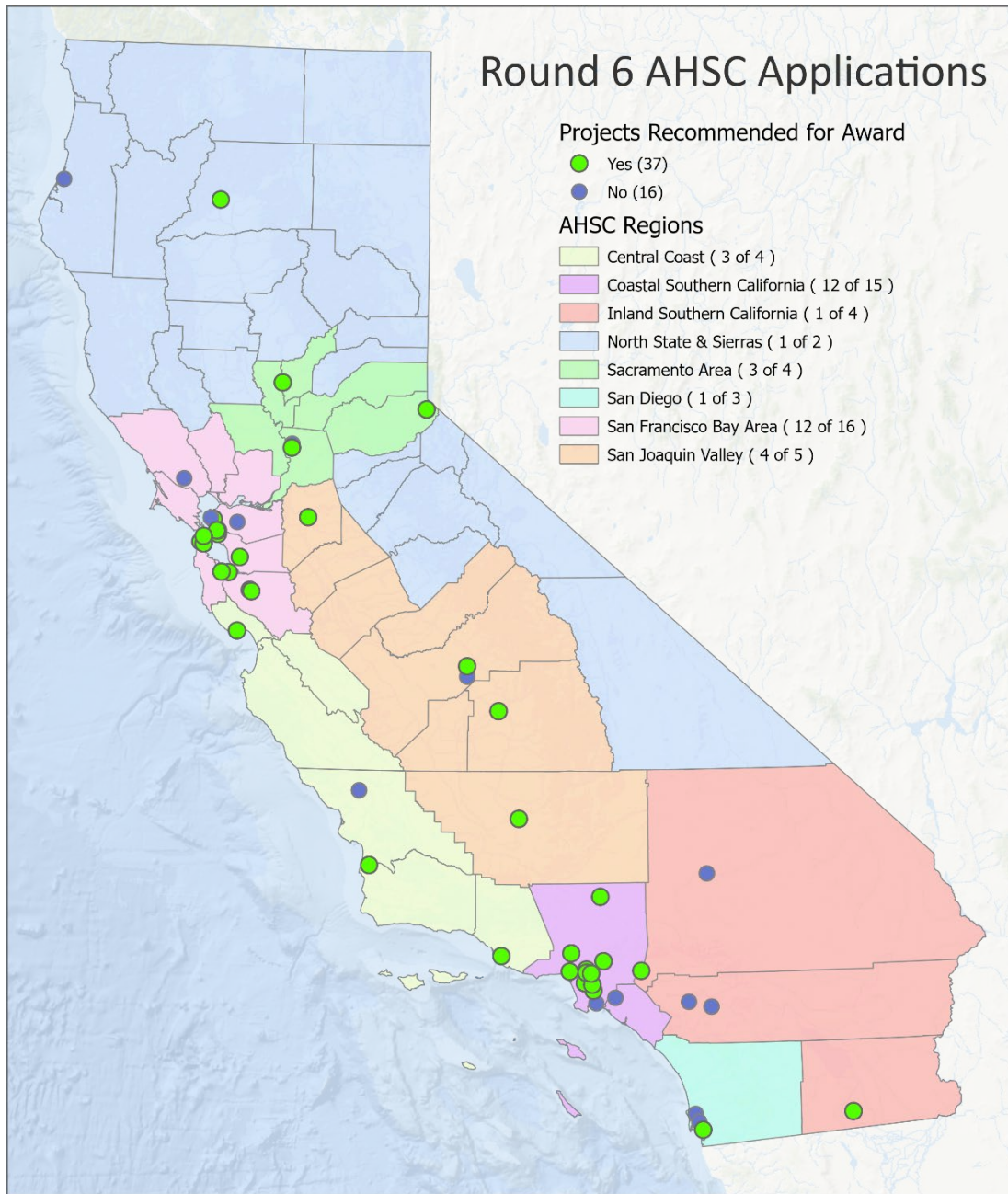
AHSC Housing Units Funded

Total Units Funded	4,463 units
Extremely Low Income (At or below 30% Area Median Income)	
Units Funded	1,354 units
Very Low Income (Between 31-50% Area Median Income)	
Units Funded	1,378 units
Low Income (Between 51-80% Area Median Income)	
Units Funded	1,406 units
Supportive Housing	
Units Funded	417 units
Senior Housing	
Units Funded	97 units

AHSC Awards- Disadvantaged Communities Breakdown

	Number of Projects	Total Dollars Funded	Percentage of Funding Awarded
CalEnviroScreen 3.0 Percentile			
95-100	7	\$173,249,427	21%
90-95	2	\$32,660,240	4%
85-90	5	\$93,969,113	12%
80-85	2	\$54,412,976	7%
75-80	6	\$136,299,955	17%

Appendix B: Map of Round 6 AHSC Recommended Awards



Appendix C: AHSC Application Review Process

The Round 6 AHSC application review process began following the June 8, 2021, application due date and concluded with the public posting of staff award recommendations on January 10, 2022. The phases of the application review process were as follows:

1. **Threshold Review (June – August):** Ensure compliance with program threshold requirements, including eligible costs, minimum density requirements, minimum levels of affordability, application materials, and leveraged funding among others. Applicants are allowed 10 days to dispute staff findings.
2. **Scoring Review (August – October):** Each proposal that passes threshold review advances to scoring, which is distributed across a variety of teams who work in various departments.
 - a. **GHG Quantification Methodology (QM) Review:** CARB staff review and verify inputs for the AHSC Benefits Calculator Tool, which produces estimates on each application's GHG, VMT, and criteria air pollutant reductions. All applications were then assigned a GHG score as outlined in the Guidelines Section 107(a). Together, GHG scoring categories were worth a total of 30 possible points. Applicants were allowed 7 calendar days (5 workdays) to dispute staff findings
 - b. **Quantitative Policy Scoring:** HCD and SGC staff reviewed and verified applicants' scores for the Program's Quantitative Policy Scoring criteria section. Scoring categories focus on the Program's policy objectives. Scoring categories include Sustainable Transportation Improvements, Transportation Related Amenities, Green Building and Renewable Energy, Project Location and Collaboration, Funds Leveraged, Anti-Displacement Strategies, Workforce Policies, Housing Affordability, and Programs. Fifty-five (55) points were possible across these categories. Applicants were allowed 7 days to dispute staff findings.
 - c. **Interagency Narrative Review:** Four small teams of subject-matter experts conducted the Interagency Narrative Review, evaluating applications within the categories of local government collaboration and planning, community benefits and engagement, climate resiliency, and air pollution exposure mitigation. Narrative review teams were comprised of staff from the Governor's Office of Planning and Research, CARB, HCD, California Department of Public Health, and California Department of Transportation. These qualitative assessments were based on the publicly posted AHSC Narrative Scoring Rubric. Fifteen (15) points were possible in this category and applicants were not allowed to appeal these scores.



- 3. HCD Financial Feasibility Review (Continuous):** HCD staff conducted a preliminary review of each proposal's cash flows and funding commitments, assessing each of the recommended project's ability to remain solvent through occupancy and financial feasibility of each project to ensure the housing components of the application are sustainable over the life of the investment.

AHSC received 54 proposals by the June 8, 2021, deadline, requesting a total of \$1,140,995,291 in funds. Of the 54 proposals reviewed, all passed this threshold review. One project voluntarily withdrew their application, and AHSC staff reviewed the eligibility and application materials of the 53 remaining proposals in accordance with Round 6 AHSC Program Guidelines, resulting in the scores and recommendations found in this staff report. During Phase 3 of Scoring Review, HCD had disqualified one project (1880 Walnut in Pasadena), but after initial publication of staff recommendations, HCD determined this project was, in fact, eligible for funding. To maintain our publicly stated commitments to other projects, HCD has identified unused funds from previous rounds of AHSC to fund this project along with the other 36 projects.



Appendix D: AHSC Historical Distribution of Awards Across Geographic Regions

TABLE D-1: Historical Regional Distribution Rounds 1 - 6

Region	Projects Submitted	Projects Awarded	Application Win Rate	Dollars Requested	Award Amount	Pct. of Request Awarded (per region)	Pct. of Total Funding Awarded
Central Coast	16	4	25%	\$202,108,014	\$91,734,499	45%	4%
Coastal Southern California	81	50	62%	\$1,148,110,112	\$716,786,099	62%	29%
Inland Southern California	22	8	36%	\$333,610,362	\$123,539,310	37%	5%
North State & Sierras	18	7	39%	\$208,180,131	\$91,089,749	44%	4%
Sacramento Area	21	8	38%	\$243,955,876	\$145,231,819	60%	6%
San Diego Area	21	7	33%	\$308,843,226	\$94,765,873	31%	4%
San Francisco Bay Area	99	53	54%	\$1,453,582,477	\$866,507,902	60%	35%
San Joaquin Valley	50	27	54%	\$582,134,781	\$341,417,924	59%	14%
Grand Total	328	163	50%	\$4,480,524,981	\$2,471,073,176	55%	100%

TABLE D-2: Distribution of Awards Round 1 – 6 Compared to Population

Region	Population Share (2020)	Share of Funds Awarded	Difference in Awards vs Population
Central Coast	5.9%	3.7%	-2.2%
Coastal Southern California	33.2%	29.0%	-4.4%
Inland Southern California	12.4%	5.0%	-7.4%
North State & Sierras	3.1%	3.7%	+0.6%
Sacramento Area	6.5%	5.9%	-0.6%
San Diego Area	8.4%	3.8%	-4.6%
San Francisco Bay Area	19.5%	35.1%	+15.7%
San Joaquin Valley	10.9%	13.8%	+3.0%
Median	9.7%	5.5%	-3.7%