

Feb. 25, 2026

Subject: **Affordable Housing and Sustainable Communities (AHSC): Round 10 Guidelines**

Reporting Period: October 2025 – February 2026

Staff Lead: Lisette Anzoategui, AHSC Senior Program Manager

Recommended Action

Adopt Round 10 Final Guidelines for the AHSC Program.

Summary

Staff submits the Final Guidelines for Round 10 of the AHSC Program for adoption by the Council. The AHSC Round 10 Final Guidelines, along with a Summary of Key Changes, is included in this Staff Report. Council materials were posted Feb. 13.

Background

About the AHSC Program

The AHSC Program, as part of California Climate Investments, provides competitive grants and loans to projects that will achieve greenhouse gas (GHG) emission reductions through the development of affordable housing and housing-related infrastructure, active transportation infrastructure, transit operations and capital improvements, and related social programming. Most of the funding provides direct and meaningful benefits within disadvantaged and low-income communities. AHSC is structured to encourage partnerships between local municipalities, transit agencies and affordable housing developers to achieve integrated affordable housing and transportation projects.

Over its 11 year history, the program has completed nine funding rounds, awarding more than \$4.9 billion to support the construction of over 15,000 homes, avoid 4.5 million metric tons of greenhouse gas emissions, and direct approximately 70% of investments to disadvantaged communities across the state. The AHSC program has continually received high quality applications, with usually 40 – 60% of applications receiving funding, making it a highly attractive program for the affordable housing development community. The program has funded some of the highest GHG-reducing projects and has received strong praise as one of the most impactful programs in the California Climate Investments portfolio.

Background on the Guideline Process

AHSC staff from the California Strategic Growth Council (SGC) have worked closely with partners from the California Department of Housing and Community Development (HCD) and the California Air Resources Board (CARB) to identify opportunities to update the guidelines to streamline the application process, clarify policies, and incentivize communities to craft innovative projects. Throughout the last year, the team continuously identified issues and clarifications raised by Technical Assistance (TA) providers, key interested parties and previous

applicants through AHSC’s Question and Answer document, Program survey, non-awarded debrief calls and reviewer panels.

Staff released Draft Guidelines on Dec. 18, 2025 for a 30-day public comment period. AHSC held two public workshops, one hybrid and one virtual, with over 175 attendees combined. In conjunction with AHSC’s TA team, the program has held four AHSC presentations to date and continues to meet with potential applicants and interested parties. The program received 40 public comment letters, with over 120 action items to consider. Staff has taken significant effort to review the comments posed by interested parties while also working to ensure the program meets the State and Council’s ambitious goals. AHSC Program staff focused on making minimal guideline revisions to enhance clarity and equity for applicants during this funding round, ensuring the program could award in 2026. Changes to Round 10 Guidelines are highlighted in Attachment B: Round 10 Summary of Key Changes. AHSC focused on making minimal guideline revisions to enhance clarity and equity for applicants during this funding round, ensuring the program could award grants in 2026.

Next Steps

Adopt Round 10 Final Guidelines for the AHSC Program as drafted by staff. Following the adoption of the Guidelines, HCD will release the Notice of Funding Availability (NOFA) for approximately \$650 million in funding for Round 10 of the AHSC Program for a 60-day application window. Awards are expected to be presented for adoption in December 2026. Following the December Council meeting, staff will inform applicants of their award status in time to plan for Spring deadlines of the California Tax Credit Allocation Committee.

Council Recommendation

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

“I move that the Council pass the consent calendar.”

Attachments

Attachment A: Final Round 10 Guidelines for the AHSC Program

Attachment B: Summary of Key Changes for Final Round 10 Guidelines for the AHSC Program