

Dec. 10, 2025

Subject: Affordable Housing and Sustainable Communities (AHSC) Program
Round 9 Project Awards

Reporting Period: May 2025 – December 2025

Staff Lead: Lisette Anzoategui, AHSC Program Manager

Recommended Action

The California Strategic Growth Council (SGC) adopts the allocation of \$835,318,208 in FY 23-24 Cap-and-Invest revenues and disencumbered funds to twenty-one projects listed in this report and Attachment A.

Summary

The AHSC Round 9 Notice of Funding Availability (NOFA) allocated approximately \$775 million for projects ranging from \$10 million to \$50 million that align with program goals. The program received 47 applications, of which 46 met threshold requirements after review. Of those eligible projects, AHSC staff recommend awarding 21 projects, totaling \$835,318,208 in funding. If approved, AHSC will invest more than \$4.8 billion in communities across California since the program's launch in 2014.

Background

About the AHSC Program

The AHSC Program is administered by the SGC. The California Department of Housing and Community Development (HCD) implements the transportation, housing and infrastructure components of the AHSC Program. SGC staff coordinates efforts with HCD staff, working closely with the California Air Resources Board (CARB) and the Council to administer the broader AHSC Program. This includes developing Program Guidelines, evaluating applications, preparing agreements, monitoring agreement implementation, and reporting on the AHSC Program. The Council coordinates 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 Disadvantaged Communities (DAC), Low-Income Communities, and Low-Income Households.

- Consistent methodologies for quantifying Greenhouse Gas (GHG) Reductions and other economic, environmental, and public health co-benefits.
- Project tracking and reporting.

The AHSC program, as part of California Climate Investments, offers competitive grants and loans to projects that aim to achieve 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. Funding must also provide direct and meaningful benefits to disadvantaged and low-income communities. AHSC is a unique California state-funded program structured to encourage partnerships between local municipalities, transit agencies, affordable housing developers, and civil society organizations to achieve the integration of affordable housing and transportation projects.

Background on the Application Process

The Council adopted the AHSC Round 9 Guidelines on Feb. 26, 2025, AHSC Round 9 NOFA was released on March 25, 2025, and AHSC Round 9 applications were due May 28, 2025.

All applications were considered through a competitive process, starting with a threshold review. Of the initial 47 submissions, only one project did not pass the Program Threshold Requirements, as it was considered fatally incomplete. This brought the total number of eligible projects available for consideration to 46 applications. Of those projects, 21 are recommended for award and have undergone detailed financial feasibility to confirm their potential to succeed. More details on each stage of the review process are available in the [AHSC Round 9 NOFA](#).

AHSC Goals and Targets

The AHSC Program includes project goals related to a variety of criteria beyond project scores, which are described in the [AHSC Round 9 Guidelines and NOFA](#). Section 112 of the Round 9 Guidelines outlines a clear process for meeting our program goals, where the highest-scoring projects are awarded, with deviations from this process made only to achieve the statutorily required and Council-approved goals. Below is a summary of these goals and the Round 9 staff recommendations for projects.

- **Statutory Requirement:** Housing Funds. A minimum of half (50 percent) of the total AHSC Program expenditures must be dedicated to affordable housing.
- **Statutory Requirement:** DACs. A minimum of half (50 percent) of total AHSC Program expenditures must also be invested to benefit DACs, as identified by CalEnviroScreen 4.0.
- **Council Goal:** Project Area Type. Ensure a minimum NOFA amount is awarded to each project area type
 - 35% Transit Oriented Development (TOD)
 - 35% Integrated Connectivity Project (ICP)
 - 10% Rural Innovation Project Area (RIPA)

- **Council Goal:** Geographic. Ensure at least one project is awarded in each of the eight geographic regions identified by Council.
 - Central Coast
 - Coastal Southern California
 - Inland Southern California
 - North State and Sierras
 - Sacramento Area
 - San Diego Area
 - San Francisco Bay Area
 - San Joaquin Valley
- **Council Goal:** Tribal. Provide \$50M of funding for Tribal Entities, an amount equivalent to the maximum request available for one Project.
- **Council Goal:** Prioritize project GHG reductions.

The 21 projects recommended for award in Round 9 achieve all but one of the five objectives listed above. Despite the state-funded Technical Assistance team working closely with Tribal applicants in advance of the NOFA, no Tribal entity submitted an application for Round 9, so there were insufficient applications to meet this set-aside. SGC staff continue to work with Tribal representatives and advocates to identify ways to increase tribal access to the program and will implement improvements for Round 10. According to one of our Technical Assistance providers, California Coalition for Rural Housing, the three Tribal projects chose not to pursue Round 9 funding for the following reasons:

- Difficulty in solidifying partnerships with the local transportation agency before the application deadline
- Tribal Council did not want to commit to a loan (preferred grant only)
 - Since the project was not seeking Low-Income Housing Tax Credit, a loan is not necessary
- Limited capacity to complete the application and authorize decisions during the application period due to tribal staffing changes

AHSC Round 9 had fewer applications for areas designated as a DAC in this round. In Round 9, 45% of the requested funds were allocated to projects located in a DAC, and staff utilized the DAC set-aside, which ultimately prioritized lower-scoring projects in the recommended list. While this represents a slight improvement on the previous round's percentage of 39%, staff were still required to award 12 of the 20 eligible projects that will be located in a DAC to meet this statutory requirement.

Recommended Projects for Award

The AHSC project review involves a multi-agency review team comprising SGC Staff, HCD Staff, and CARB Staff. A portion of the review is also covered by narrative reviews, which are composed

of State Agency Subject Matter Experts. After carefully reviewing all submitted applications, the staff recommends that the Council award funds to 21 projects, totaling \$835,318,208.

Recommended Awards

Project Name	Applicants	Recommended Award Amount
Stardust Gardens	MidPen Housing Corporation; City of Alameda	\$44,550,361
285 12th Street	East Bay Asian Local Development Corporation; City of Oakland	\$35,873,066
Tupelo	Brinshore Development, L.L.C.; New Hope Community Development Corporation; Housing Authority of Yolo County	\$27,999,100
Clover Apartments	AMCAL Multi-Housing Inc.	\$49,389,675
1939 Market	Mercy Housing California; City and County of San Francisco	\$47,579,100
Ross Center*	Linc Housing Corporation	\$38,201,314
VTA Capitol Station	MidPen Housing Corporation	\$49,339,431
MOSA Apartment*	Homes at Gateway E. Smith and Company	\$43,350,739
1318 4 th Street	EAH Inc.	\$49,998,599
I Street Apartments	Community HousingWorks	\$33,280,576
Ontario Affordable Housing Phase Two	National Community Renaissance of California; City of Ontario	\$30,803,123

443 Soto Apartments	East LA Community Corporation	\$46,899,312
Alveare Terrace	The Related Companies of California; La Cienega LOMOD, Inc.	\$47,490,696
Treasure Island IC 4.3	John Stewart Company; Treasure Island Development Authority; Treasure Island Mobility Management Agency	\$45,109,140
1401 Imperial Apartments*	S.V.D.P. Management, Inc.	\$49,797,757
4th and Walnut Apartments	Cesar Chavez Foundation; Vista del Monte Affordable Apartments, Inc.	\$22,362,102
Watsonville Metro	MidPen Housing Corporation; City of Watsonville; Santa Cruz Metropolitan Transportation District	\$39,008,124
Silver Peaks Visionary	Home Builders of California, Inc.	\$26,462,682
Sunset Heights	Parcel 1-Rural Communities Housing Development Corporation (RCHDC); City of Eureka	\$21,785,035
Park Lane Homes*	Abode Communities; City of Desert Hot Springs	\$36,301,486

**Amount requested reduced during application review*

A detailed award list and application data are located in Attachment A

Round 9 NOFA included approximately \$ 775 million in funding. In addition to the NOFA, an additional \$60 million is included from projects that were disencumbered. Combined, these

funds also enable the program to fully expend the NOFA amount while honoring the complex and complementary nature of each project by awarding only fully funded projects, as per AHSC Round 9 Guidelines Section 112.

These funds will support the creation of 2,393 new rent-restricted homes, with almost two-thirds of those units dedicated to Extremely or Very Low-Income households. In addition to creating housing in 17 jurisdictions across the state, these projects will also support the purchase of over 30 new Zero Emission Transit Vehicles, installation of approximately 150 new bus shelters, construction of more than 45 miles of bikeways, as well as repair and construction of over 24 miles of sidewalks to create safe, accessible walkways. These projects will reduce an estimated 897,771 MTC02e of GHG through green building investments and transportation improvements.

The recommended projects provide blueprints for sustainable, affordable developments across California of the 21 projects, 10 awards are to TOD, seven to ICP, and four to RIPA. 12 of these projects are located in a DAC; one project in Central Coast; four projects in Coastal Southern California; two projects in Inland Southern California; two projects in the North State and Sierras; four projects in the Sacramento area; one project in the San Diego area; six projects in the San Francisco Bay Area; and one project in the San Joaquin Valley.

Next Steps

The program teams will provide applicant debriefs after the award is approved. The Department will engage in post award process.

The program teams have already begun efforts to update the guidelines and processes for Round 10 and are working with partner agencies and Technical Assistance partners to finalize the schedule. More details will be announced on the AHSC Program webpage and program newsletter in the coming months. Applicants can expect the Round 10 Draft Guidelines and public engagement process in early 2026, with the NOFA released around summer 2026, along with a 60-day application window.

Council Recommendation

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

"I move that the Council approve staff recommendations to award \$835,318,208 from FY 2023-2024 cap-and-trade revenues, along with disencumbered funds from previous AHSC rounds, to fund 21 projects per the staff recommendation in this report and in Attachment A."

Attachments

Attachment A: AHSC Round 9 Awards

Attachment B: Map of Round 9 AHSC Recommended Awards and Applicants

Attachment C: Project Descriptions for AHSC Round 9 Awardees