

TRANSIT-ORIENTED DEVELOPMENT (TOD) HOUSING PROGRAM

Round 4 Notice of Funding Availability (NOFA) Questions & Answers Document 1.0

The California Department of Housing and Community Development (HCD) has posted draft NOFA and Applications for the Transit-Oriented Development Housing Program (TOD). HCD have prepared NOFA and Applications in accordance with TOD Guidelines, Proposition 1 of the Veterans and Affordable Housing Bond Act of 2018, and Section 53560 of Division 31 of the Health and Safety Code. This document represents questions the TOD team received during the NOFA and Application webinar Q & A session held on May 19, 2020.

Item	Guidelines Section	Question	Department Responses
100 Purpose and Scope			
101 Program Overview			
102 Definitions			
1	Section 102(c)	Please discuss Area Median Income (AMI) and related rents. Should Tax Credit Allocation Committee (TCAC) rents be used in feasibility analyses?	The Department will utilize 2020 Multifamily Tax Subsidy Project (MTSP) income and rent limits in its analysis. The MTSP tables can be emailed by sending a request to the TOD email inbox.
2	Section 102(d)	Does “Assisted Units” only include units at 60% AMI or lower? Or, does it include all income-restricted units (e.g., units at 80% AMI)? Or, does it include all residential units, including the manager's unit?	Assisted Units means a unit that is subject to the Program’s rent and/or occupancy restrictions as a result of the financial assistance provided by the Program, limited to units at 60% AMI and below. A Manager’s Unit will may be considered to be an Assisted Unit for the purpose of allocating development costs.
3	Section 102(ss)(7)	Can an Exclusive Negotiating Agreement (ENA) demonstrate Site Control?	An ENA may satisfy the requirements for site control, if it meets the requirements described in Guidelines Section 102(ss)(7).

4	Section 102(tt)(3)(B)	How are you defining organizational capacity (vs experience)? What are the metrics?	<p>Experience as defined in the Guidelines, means the Sponsor has substantial and successful experience in developing and owning affordable rental housing. The Sponsor must provide evidence that it has completed at least two projects that are similar to the proposed Housing Development Project in scope and size.</p> <p>Capacity is defined by the Sponsor's present ability, competency, workforce, and resources to develop and own the proposed Housing Development.</p>
5	Section 102(yy)	How can I learn if a city is an urban center?	For locations that are not Large City Downtowns (as defined in Guidelines Section 102), a Census Bureau list of urban areas is available on the TOD webpage.
103 Eligible Projects			
6	Section 103(a)(3)	What is the minimum % of units that must be affordable in order to apply and what are the affordability levels?	To be eligible for funding under the Program, a Project must include 15 percent of the total residential units as Affordable Units, per Section 103 (a)(3). Affordable Units must be a maximum 60% Area Median Income, or below, to qualify as affordable.
	Section 103(a)(3)	Can the project contain market rate units alongside affordable units?	A Housing Development must include at least 15 percent of the total residential units in the development as affordable units. The remaining units may be market rate.
7	Section 103(c)(5)	Are rail station plaza improvements an eligible use?	According to 105(c)(5), transit linkages and facilities, including, but not limited to, related access plazas or pathways, or bus and transit shelters are eligible costs, if the rail station is the Qualifying Transit Station.
104 Eligible Applicants			
8	Section 104(a)	What triggers a transit agency having to be a co-applicant?	A transit agency should be an Applicant whenever an Infrastructure Project contemplates capital improvements on property controlled by the transit agency.
		If a public agency and private development partner are both applying for aspects of the "same" project do they need to apply separately or is there a joint application.	Projects that include both affordable housing and an infrastructure grant project are encouraged to submit a joint, single application. There is not a competitive advantage in the application scoring to applying separately.
		Will transit applications from localities compete directly against housing applications from developers using the same scoring system?	Yes, the scoring system is the same for all applications, whether housing, infrastructure, or both. Please note that Infrastructure Projects must support a Housing Development component per Guidelines Sections 104(c) and 109(b)(3).

9	Section 104(a)	Are single purpose entities acceptable, as commonly found in affordable housing?	Per Guidelines Section 104(a) eligible applicants for Rental Housing Development must be eligible developers (either for-profit or non-profit). Single purpose entities can be associated with a housing development project, however only the developer is eligible to apply for the loan, as it is the developer who can demonstrate experience.
105 Eligible Costs			
10	Section 105(b)	What are allowable uses for the funds? Land acquisition costs allowed?	Land/property acquisition costs for the rental housing development are allowable uses of funds per Section 105(b) of the TOD Guidelines and Section 7304 of the MHP Guidelines. Allowable uses for Infrastructure Projects are included in Guidelines Section 105(a) through 105(c)(14) for eligible cost/uses of funds. Per Section 105(d)(2), cost of land/site acquisition for Infrastructure Projects are ineligible.
11	Section 105(d)	Will social distancing measures for public transit be eligible costs?	Social distancing measures are not specifically defined as ineligible costs in the Guidelines and may be considered an eligible cost.
106 Assistance Terms and Limits			
12	Section 106	Is the \$10M maximum loan applied on a per project or per developer basis?	As stated in Section 106, the maximum Program Rental Housing Development Loan (“TOD Loan”) amount awarded for a single Housing Development or to a single Applicant, including any affiliates of such Applicant, will be \$10 million. The cap does apply to both. The same cap applies to Infrastructure Projects.
13	Section 106	Any chance the TOD per unit loan limits could be increased to match the other HCD housing programs?	The maximum loan amount was increased from previous rounds to better align with other HCD programs. The amount of funding available under this Notice of Funding Availability is limited, and the Department seeks to fund as many projects is possible. The Affordable Housing and Sustainable Communities program and the Multifamily Housing Program may be better sources of funding for larger scale housing developments.
14	Section 106	Do TOD loans always need to be repaid?	TOD loans are subject to MHP Guidelines Sections 7306 and 7308, and must be repaid according to those terms.
15	Section 106	Is there a different funding max for 9% and 4% tax credit developments?	The maximum Loan is \$10 million for a Rental Housing Development whether 4% or 9% tax credits are applied to the project.

16	Section 106(a)(3)	Is No Place Like Home (NPLH) considered HCD funds? This project received NPLH in Los Angeles through the County of LA. Can the units with NPLH have TOD funding on them?	NPLH funds are an HCD funding sources and may not fund the same units as TOD, including funds either awarded by the Department or by an Alternative Process County, per MHP guidelines Section 7302(h)(2)(D).
107 Performance Requirements			
108 Application Process			
109 Application Threshold Requirements			
17	Section 109(a)(7) & Section 109 (b)(6)	Could you describe in more detail "no supplantation of HCD funds"? Does this mean that if the project already has an AHSC or MHP award, I couldn't apply to replace those with TOD funds?	If other sources of funding are already available to fully fund the project, the project is not eligible for TOD funding. TOD funding is intended to fill funding gaps and may not supplant or replace other available funding sources.
	Section 109(a)(7)	If we exclude commercial costs from the request, can the project still be considered mixed-use?	The Project would not be considered mixed-used, nor would the application receive points as a mixed-use project. Excluding mixed-use development costs affects the feasibility of the Project.
18	Section 109(b)(3)	Can a Locality apply for Infrastructure Projects to prepare or induce a TOD site for future housing projects?	Infrastructure Projects must be associated with "one or more specifically identified Housing Developments" per Guidelines Section 103(c)(2). An infrastructure grant application with no specific affordable housing development associated with it will not receive a sufficient point score to be competitive.
19	Section 109(b)(3) & Section 109(b)(5)	Can infrastructure grant be used to "connect" existing affordable projects (15% of units restricted for affordability) to transit, be it High Quality Transit or METRO LRT?	The Infrastructure Project must facilitate connections between the Housing Development and the Qualifying Transit Station, such as pedestrian or bicycle access, or must be necessary for the development of the identified Housing Development. The TOD Program does not define High Quality Transit.
20	Section 109(b)(3)	What is an adopted housing element?	Housing elements are a mandatory component of a Locality's General Plan, per California Government Code 65580, and it must be adopted by the Locality's governing body. They are also subject to review and approval by the Department of Housing and Community Development. Per Guidelines Section 109(a)(5), TOD projects must be located in a Locality whose housing element has been approved by the Department.

110 Application Selection Criteria			
21	Section 110	Are you expecting projects to get max points? How do we know if our project is competitive?	It is difficult to accurately forecast whether any applications may receive the maximum allowable points. This round of TOD intentionally did not set a minimum score to receive funding in order to allow as many projects as possible to be competitive.
	Section 110(a)(2)	Could you give an example of what type of software would qualify a project for these points?	The objective of this sub-category is that a transit agency has a proprietary mobile application exclusive to its transit system that users may download and use.
22	Section 110(a)(3)	Real time trip info is available on an app, does that count for points?	This sub-category refers to electronic signage that provides real-time arrival and departure times and route map options available dynamic message screens.
	Section 110(a)(4)(A)	In application selection criteria 110(a)(4)(A), what counts as high-density?	The TOD Program does not define or set a quantifiable threshold for high-density affordable housing, but the housing should at minimum be zoned for multifamily residential development.
	Section 110(b)(2)	Points are awarded to applications where there is coordinated public and private investment in amounts that are sufficient to transform the area into a transit-oriented community. 1. How do we define the “area?” 2. If there was an affordable project that just started construction in this Specific Plan, does those commitment qualify for these public and private investment?	<ol style="list-style-type: none"> 1. The area may be defined by the Locality in which the project is located, through a planning document adopted by the Locality. 2. If the Housing Development is the project associated with and supported by the Infrastructure Project, that housing shall not have commenced construction.
23	Section 110(e)	Can an Infrastructure Project make improvements to meet scoring criteria for walkable corridor and bicycle features? If they already exist, do we need to provide evidence?	<p>Points will be awarded based on the extent to which the application demonstrates the features exist or will exist upon completion of the project.</p> <p>If improvements exist between the Housing Development and Qualifying Transit Station, a letter from the local jurisdiction, verifying the existence of such features, is requested and should be included as an attached document to the application.</p>
24	Section 110(f)	Regarding Application Selection Criteria Section 110 (f), what is the maximum for the category since the project either has zero parking or shared parking/car share parking?	Per 110 (f)(4) a maximum of 10 points will be assigned to applications where the Housing Development provides that propose zero parking spaces. The project may still receive 10 points for zero parking above the amount of car share parking per 110(f)(3), but not for shared parking, 110(f)(2).

25	Section 110(f)	Regarding Section 110 (f)(3) – dedicated parking spaces to carshare/car-sharing parking. 1. How many spaces must be dedicated for carshare or shared parking spaces? 2. What evidence must be provided.	1. The Guidelines do not require a minimum number of shared spaces. 2. The number of shared parking spaces must be identified in the Parking Alternatives and Micromobility section of the Supplemental Application Scoring tab. No supporting documentation is required, but awardees will be required to attest to this information in the Standard Agreement.
	Section 110(f)(1)	Does a project have to provide transit passes to all the residents or just for the residents in the TOD subsidized units?	Transit passes shall be provided, at no more than one-half the retail cost, to all Restricted Units, as defined in Section 102, to be awarded points in this sub-category.
26	Section 110(g)(1)	Per Section 110 (g)(1) – Enforceable Funding Commitments; it excludes tax-exempt bonds. Therefore, when comparing a 4% and a 9% Project, the 4% would receive more points since the bond are not included as part of this calculation.	The Department does not require documentation to demonstrate 4 percent tax credits and tax-exempt bonds as Enforceable Funding Commitments under this Round 4 TOD NOFA.
	Section 110(g)(2)(A)	If a project has not received environmental approvals does that disqualify the application?	Environmental approvals are not required at application, nor are a threshold requirement, but are a scoring category indicating readiness.
27	Section 110(g)(3)(A)	To receive points for consolidating multiple lots - does the lot consolidation need to have already been approved by the local jurisdiction?	Documentation from the Locality stating that a complete application has been received and is under review will be acceptable for this category.
28	Section 110(i)	How are points for Access to Qualified Employment Areas scored?	Points will be awarded based on the number of employees in a Qualified Employment Area (QEA) based on Census Bureau data.
111 Legal Documents			
Miscellaneous			
29	Project Scoring	Are the scoring points based on existing conditions or improvements being made from the project?	Guidelines Section 110(e) points for walking and bike corridors are awarded based on either existing features or features that will exist upon completion of the project.
30	Project Scoring	Are Housing Development applicants more competitive if they partner with a Locality/transit agency and include Infrastructure Projects?	There is no perceived competitive advantage towards applying jointly or separately if the affordable housing and Infrastructure Project are directly related.

31	Project Scoring	Are there separate funding pools for each of the three application types, and if so, at what amounts for each? If not, does there seem to be any scoring advantages for one application type versus another?	TOD funding under this NOFA is not allocated into different funding pools
32	Schematic Drawings	Are schematic drawings still required as part of the application?	Schematic drawings are not required.
33	Resolutions from Local Jurisdictions	Do you need a resolution from a local jurisdiction if the local jurisdiction is not requesting funding?	No resolution is needed from local jurisdictions for Housing Developments. Resolutions from a Locality or transit agency are only needed if the Locality or transit agency is requesting funds for an Infrastructure Project.
34	Future TOD Funding	Will there be future funding rounds for the TOD Program?	All available TOD funding from the 2018 Proposition 1 will be disbursed in this NOFA. There are no identified future funding sources for TOD.
35	Application	If I have issues or questions on the Applications, what I do?	Complete the Application Support worksheet and email their entire file to: appsupport@hcd.ca.gov .
36	Webinar	Can we get a copy of slide deck too?	We will provide copies of this presentation. It will be available on our website at www.hcd.ca.gov .