

Excess Sites Local Government Matching Grants Program

Listening Session

January 5, 2022





Agenda

- Session Purpose
- Introductions
- HCD's Goals for the Local Government Matching Grants NOFA
- Program Overview
- Threshold Requirements
- Considered Scoring Criteria
- Feedback Questions
- Open Q&A and Discussion



Session Purpose

- Meet with developers who were selected as part of an Executive Order N-06-19 RFQ or RFP, as well as the applicable local jurisdiction(s), to advance excess sites projects already underway.
- Describe preliminary details on the LGMG program and receive initial feedback.
- Partner on a shared vision of success for this program, with the intention of building support for future State appropriations.



Introductions

Name	Role
Michael Coulom	Senior Housing Policy Manager
Imaez Wahid	Housing Policy Specialist
Joshua Segui	Housing Policy Analyst
Gabriel Speyer	LeSar Development Consultants
Craig Adelman	LeSar Development Consultants

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HCD Goals for this NOFA

- Accelerate housing production on awarded Excess Sites.
- Incentivize participation by local governments in project development, community engagement and lease up.
- Foster creative approaches among local governments to financial support – loans, grants, fee waivers, etc.
- Exhaust all available funds in a timely and streamlined fashion.
- Demonstrate success with this round and build support for a possible future appropriation.



Program Overview

Statutory Requirements



Program Overview

Statutory Requirements

- Assembly Bill (AB) 140 of the 2020-21 Budget Act authorizes HCD to accelerate excess sites development by matching financial contributions from local governments with grants for predevelopment and development expenses.
- Up to \$10,000,000 per project.
- Approximately \$30,000,000 in total funding.
- Grant funding (not loans).



Program Overview Timeline

- **NOFA/Final Guidelines:** Late February / Early March 2022
- **Application Due:** Mid-Late April 2022
- **Awards:** May-June 2022
- **Funds must be expended no later than June 30, 2024.**
- **Funds may be used for predevelopment or development costs, but HCD will only reimburse expenses at close.**



Program Overview

Key Terms and Definitions

- **Local Government**

- Any City, County, City and County, or Public Housing Authority.

- **Eligible Applicants**

- Eligible Applicants are limited to Selected Developers and Local Governments.
- Selected Developers, who are Eligible Applicants, **shall** submit a joint application with the Local Government.



Threshold Requirements

- Projects which are already fully funded are not eligible.
- Applicants must have secured a commitment of Local Government contribution(s).
- Funds must be expended by June 30, 2024.

Note: Funds are not available as a permanent source.

Note: LGMG is strictly a capital grant, not operating subsidy or permanent financing.

- Applicants must have a certified Housing Element in substantial compliance with Housing Element Law.*



Considered Scoring Criteria

- Site Readiness
- Local Government Contribution as % of TDC
- Operating/Rental Subsidy Consideration
- But/For Test (Boost?)
- Prohousing Boost
- Tie Breaker



Discussion Questions



Discussion Item 1

Which local government contributions should LGMG recognize?

- Local Funding – loans or grants (“gap funding”), where the source of such funding is local (city or county) appropriations.
- HCD-Sourced Local Funding – same as above, except HCD is the ultimate funding source. Examples: NPLH, HHAP, PLHA.
- Fee Waivers – steps the local government can take to reduce total development costs.
- Operating / Rental Subsidy



Discussion Item 2

Where could LGMG funding best be deployed to make up for other funding gaps and/or solve problems? For example:

- A project is reliant on funds from one specific program and that program is over-subscribed.
- A project has a unique requirement, such as replacement parking or environmental mitigation / remediation.



Discussion Item 3

Based on your experience with other HCD programs and coinciding applications, how can we streamline LGMG application?

- Leverage project and applicant information provided during RFQ/RFP site award process.
- Collect some due diligence post-award, if practical and necessary.



Discussion Item 4

We recognize potential challenges in obtaining City Council and/or Board of Supervisors approval prior to the application deadline. We suggest obtaining an authorization / commitment to apply to LGMG. An enforceable funding commitment commensurate with the value of the local contribution will be required prior to LGMG award.



Open Q&A and Discussion



Program Contact

Dedicated Email Inbox:

ExcessSitesMatch@hcd.ca.gov

Program Website:

Forthcoming