


**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE**

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October 5, 2021

MEMORANDUM FOR: HCD Pipeline Project Sponsors

FROM: 
Jennifer Seeger, Deputy Director
Division of State Financial Assistance

SUBJECT: **California Housing Accelerator
Project Solicitation (Amended) – Tier I**

The California Department of Housing and Community Development (Department or HCD) is announcing the availability of approximately \$1.6 billion in California Housing Accelerator money for the purposes of supporting shovel-ready projects that, despite having received one or more awards from other HCD programs, are unable to move forward due to funding gaps that resulted from their inability to access tax-exempt bond allocations or low-income housing tax credits.

This project solicitation represents the first of two California Housing Accelerator solicitations. This solicitation is for projects prioritized as Tier I based on the criteria outlined below. It is the Department's intent to issue the Tier II Project Solicitation as soon as Tier I applications are processed and Tier I funding levels are finalized. Priorities for Tier II are currently under development and funding priorities for Tier II will be based on the outcomes of Tier I funding.

Background

A substantial share of the funding for HCD projects has traditionally been provided by equity raised from the sale of low-income housing tax credits, especially 4% tax credits. Due to various factors, these tax credits are now in short supply, which has delayed a number of shovel-ready projects with HCD awards. The purpose of the California Housing Accelerator is to enable these projects to quickly begin construction.

Funding available under this project solicitation is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2). Through the 2021–22 California state budget, the funds have been allocated to this program. The mechanism for accessing them is the same as for other federal programs; no bond sale or similar financial arrangements are involved.

Eligibility

Eligibility under this project solicitation is limited to HCD Pipeline Projects that meet the criteria for Tier I prioritization.

Specifically, Tier I projects must demonstrate:

- an award, issued on or after January 1, 2018, from at least one of the specified HCD multifamily housing programs,
- submittal of a CDLAC-TCAC Joint Application on or before July 1, 2021 which was unsuccessful in securing an allocation of bonds and tax credits, and
- evidence that, with a California Housing Accelerator award, the project will have complete financing and all entitlement approvals necessary to start construction within 180 days of award.

The Department has developed a list of the projects eligible for California Housing Accelerator funding. This list includes projects that potentially qualify under Tier I. This list, known as the “Multifamily Pipeline Tracker,” is available on the Department’s [California Housing Accelerator webpage](#). Sponsors with concerns or questions about the information on this list should notify the Department at accelerator@hcd.ca.gov. The Department reserves the right to verify eligibility for California Housing Accelerator funding and for Tier I prioritization at the time of application.

Application Submittal and Award Timeframes

Tier I applications will be accepted via the Department’s online application portal beginning October 5, 2021. Applications for Tier I will be accepted on an over-the-counter basis through November 3, 2021.

All application materials for Tier I projects **must be submitted electronically** via the application portal on the Department’s [website](#) no later than **5:00 p.m. Pacific Standard Time on November 3, 2021**. Specific submittal instructions will be included in the application form, which is expected to be available on the website no later than September 30, 2021. Personal deliveries will not be accepted. No facsimiles, late submittals, incomplete applications, application revisions, courier deliveries, or walk-in application packages will be accepted.

Webinar and Technical Assistance

The Department will conduct an online application workshop. The California Housing Accelerator application and online workshop details will be posted on the Department’s website accelerator.hcd.ca.gov. If you have any questions, please email accelerator@hcd.ca.gov.

Enclosure

CALIFORNIA HOUSING ACCELERATOR

TIER I

PROJECT SOLICITATION AND GUIDELINES



**Gavin Newsom, Governor
State of California**

**Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency**

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October 5, 2021

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I. Overview

A. Funding Available

The California Department of Housing and Community Development (Department or HCD) is announcing the California Housing Accelerator, which will make approximately \$1.6 billion available to shovel-ready projects that, despite having received one or more awards from other HCD programs, are unable to move forward due to funding gaps that resulted from their inability to access tax-exempt bond allocations or low-income housing tax credits.

Funding available under this project solicitation is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2). Through the 2021-22 California state budget, the funds have been allocated to this program.

B. Tier I Timeline

This project solicitation represents the first of two California Housing Accelerator project solicitations. This project solicitation is for projects prioritized as Tier I based on criteria outlined below. Priorities for Tier II are currently under development. It is the Department's intent to issue the Tier II solicitation as soon as Tier I applications are processed and Tier I funding levels finalized.

Tier I Timeline	
Project Solicitation Release	October 5, 2021
Application Release	October 5, 2021
Application O-T-C Period	October 5 to November 3, 2021
Award Announcements	Continuously as applications are approved, but no later than December 6, 2021
Funds encumbered through an executed Standard Agreement	No later than June 30, 2024
Permanent Loan Conversion	No later than November 30, 2026

C. Authorizing Legislation and Applicable Law

Assembly Bill No. 140 (Chapter 111, Statutes of 2021), which was signed by Governor Newsom on July 19, 2021, created the statutory basis for the California Housing Accelerator by adding Chapter 6.6 (commencing with Section 50672) to Part 2 of Division 31 of the Health and Safety Code.

Health and Safety Code section 50672.3 states, "In order to expedite the development of qualified rental housing developments that are ready to proceed to construction except for obtaining tax credit or bond allocations from the California Tax Credit Allocation Committee and the California Debt Limit Allocation

Committee, the department may adopt guidelines to administer this chapter. Guidelines adopted pursuant to this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).”

This project solicitation serves as the Department’s guidelines for administration of the California Housing Accelerator. As such, the project solicitation and guidelines (collectively, Project Solicitation) establish the terms, conditions, forms, procedures, and other mechanisms that the Department deems necessary to exercise its powers and to perform its duties pursuant to the California Housing Accelerator. The matters set forth herein are regulatory mandates and are adopted as regulations that have the dignity of statutes. (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal.4th 785, 799 [85 Cal.Rptr.2d 844].)

Any California Housing Accelerator awards will tie into the Existing HCD Commitment. Therefore, the regulations, guidelines, and other terms of the Existing HCD Commitment shall govern the Project’s recorded regulatory agreement and other loan documents. California Housing Accelerator-specific terms, conditions, and restrictions will be expressly incorporated into the Existing HCD Commitment’s loan documents. California Housing Accelerator-specific terms and conditions will be memorialized in either a separate Standard Agreement or in the Standard Agreement for the Existing HCD Commitment.

The Department will only amend this Project Solicitation as necessary and in accordance with the Department’s guideline authority pursuant to Health and Safety Code section 50672.3.

II. Program Requirements

A. Eligible Project

1. To be eligible for a California Housing Accelerator Tier I award, the Project must have received an award letter from a multifamily housing program administered by the Department no earlier than January 1, 2018, and the award must not have expired, been terminated, or disencumbered, or been otherwise held to be void.
2. Qualifying HCD funding programs include the following:
 - Affordable Housing and Sustainable Communities Program
 - Community Development Block Grant Program – Disaster Recovery
 - HOME Investment Partnerships Program
 - Housing for a Healthy California Program
 - Infill Incentive Grant Program of 2007 (with an Existing HCD Commitment to a Qualifying Infill Project)
 - Infill Infrastructure Grant Program of 2019 (with an Existing HCD Commitment to a Qualifying Infill Project)
 - Joe Serna, Jr. Farmworker Housing Grant Program
 - Multifamily Housing Program

- National Housing Trust Fund
- No Place Like Home Program
- Supportive Housing Multifamily Housing Program
- Transit-Oriented Development Implementation Program
- Veterans Housing and Homelessness Prevention Program

Community Development Block Grant-Disaster Recovery (CDBG-DR) projects must have received a notice to proceed or conditional approval from HCD to be eligible for Tier I.

HCD assistance to a Qualifying Infill Area (QIA) under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019 does not, by itself, qualify a housing development within the QIA for California Housing Accelerator funding. Rather, a qualifying housing development within the QIA must meet the California Housing Accelerator's definition of a Qualified Rental Housing Development.

No Place Like Home projects funded directly by Alternative Process Counties do not qualify for an award under the California Housing Accelerator, unless they have an award from another qualifying HCD program.

3. The Applicant must have submitted a CDLAC-TCAC Joint Application, no later than July 1, 2021, and been denied. Applicants that have received and returned an allocation, or otherwise withdrew an application recommended for an allocation, are not eligible for an award under this Project Solicitation unless a subsequent application was submitted by July 1, 2021 that was unsuccessful.

B. Eligible Applicants

All California Housing Accelerator applications must be submitted by and include all Sponsors in connection with the Existing HCD Commitment. However, where there is a public agency co-Sponsor, the application may be submitted solely by the public agency's co-Sponsor(s), provided that the public agency agrees to become a co-Sponsor prior to construction loan closing by executing the Standard Agreement as a co-Sponsor.

C. Eligible Uses of Funds

California Housing Accelerator funds shall be used only for expenses that would be categorized as project costs by the federal low-income housing tax credit program, including, but not limited to, commercial costs and reasonable reserves. The Department reserves the right to disallow costs that do not constitute reasonable project costs, as determined by the Department in its sole and absolute discretion. The Department reserves the right, consistent with applicable law, to require prior written approval from the Department for all reserve withdrawals, whether the reserve was required by the Department or not.

D. Threshold Application Requirements

1. Demonstrate readiness to commence construction within 180 days of award. Applicants shall provide a written certification in their application, in form and substance satisfactory to the Department, confirming site control, entitlements, approved site plans, environmental clearances, and complete financing.

For the purposes of the California Housing Accelerator, “commencement of construction” means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

2. Submittal of the CDLAC-TCAC Joint Application prior to July 1, 2021.
3. Compliance with the requirements specified in this Project Solicitation.
4. Submittal of a complete California Housing Accelerator application, using unaltered application forms and including all required attachments.
5. Each private entity Applicant shall submit an authorizing resolution that, in the Department’s reasonable determination, materially comports with the California Housing Accelerator requirements and is legally sufficient. In addition, each private entity Applicant shall submit a complete set of its organizational documents (and all amendments thereto).

Please note that the Department will not approve a California Housing Accelerator Standard Agreement until it receives a complete set of authorizing and organizational documents from the Applicant, as specified. This set of documents shall also include, as applicable, a legally sufficient authorizing resolution from any public agency Applicant.

E. Funding Amounts and Terms

1. Funds Available

The maximum amount of California Housing Accelerator funds available under this Project Solicitation, and subsequent solicitations for future tiers, is approximately \$1.6 billion.

Pursuant to Health and Safety Code section 50672.2, subdivision (a)(2), \$50 million shall be awarded to Projects with an award letter from the Joe Serna, Jr. Farmworker Housing Grant Program. The Department will reserve \$50 million to achieve the statutorily mandated set-aside.

2. Maximum Award Amount

The maximum award amount for each project will be calculated using formulas shown in the California Housing Accelerator application. It will be based on the

tax credit equity shown in the Applicant's most recent CDLAC-TCAC Joint Application for tax-exempt bonds and tax credits. This amount will be adjusted to reflect the following:

- a. Changes in construction costs, as supported by the California Construction Cost Index (CCCI) published by the California Department of General Services;
- b. Changes in financing costs, based on the Department's estimate of the typical net cost of substituting California Housing Accelerator funds and taxable financing for tax credit equity and tax-exempt financing;
- c. The Department's estimate of the typical incremental costs of prevailing wages, where California Housing Accelerator funds are the sole trigger for prevailing wage obligations, as supported by a legal opinion in form and substance acceptable to the Department in its reasonable discretion.

The maximum amount will also be decreased to reflect any decrease in developer fee resulting from the California Housing Accelerator limit on developer fees.

3. Application Evaluation Process and Criteria

Requests for California Housing Accelerator funds will be limited to Tier I eligible projects meeting all threshold requirements.

4. Application Fee

Per Health and Safety Code section 50672.2, subdivision (d)(1), the Department has established an application fee of \$40,000.00 per California Housing Accelerator application. This refundable fee aims to discourage project application submissions for projects that are not shovel-ready. The fee will be fully refunded if the project meets the California Housing Accelerator's 180-day deadline for commencement of construction, or if the project obtains a tax credit allocation prior to commencement of construction and the California Housing Accelerator funds are disencumbered.

Applicants shall provide the Department with a check made payable to "HCD" in the foregoing amount. Applications submitted without this fee will not be considered for review. All checks for application fees shall be sent to the address specified below:

Department of Housing & Community Development
Attn: Accounts Receivable
California Housing Accelerator Fee: [Project Name]
2020 W. El Camino Avenue, Suite 300 | Sacramento, CA 95833

5. Type of Assistance

For all projects, California Housing Accelerator assistance will be in the form of forgivable loans, with terms of zero percent interest for 20 years, with no residual receipts or periodic payment requirements during the life of the California Housing Accelerator loan.

The loan will be forgiven by the Department at the end of the 20-year loan term as long as all of the following are true, as determined by the Department in its sole and absolute discretion:

- the Sponsor remains in good standing with the California Secretary of State,
- the Project is not in default under the terms of any of the Department's loan documents for that project, and
- negative points have not been assessed against the Sponsor during the previous five (5) years in connection with any Department-assisted project.

The California Housing Accelerator loan shall be subject to repayment if, during the 20-year term, the Project is (1) converted to market rate housing; or (2) sold or refinanced with a distribution of net equity.

California Housing Accelerator funds will be disbursed through escrow at the time of the Project's permanent financing closing.

If a California Housing Accelerator Applicant receives a Tier I funding award and has a pending application with CDLAC and/or TCAC, and that application is thereafter recommended to receive bonds and/or tax credits, the California Housing Accelerator funds must be returned to the Department and will be reallocated as part of a subsequent Tier II Project Solicitation. If a California Housing Accelerator Applicant withdraws a pending application from CDLAC and/or TCAC prior to or after receiving an award of California Housing Accelerator funds, that Applicant will no longer be eligible for California Housing Accelerator funding.

6. Developer Fee Limits

Total developer fee for a Project shall not exceed the lesser of: (a) \$2,200,000; or (b) the sum of 15% of the project's unadjusted residential construction-related eligible basis, 5% of the project's unadjusted acquisition eligible basis and 15% of the eligible basis for the project's nonresidential costs.

7. Restrictions on Future Tax Credit Applications and Syndicating Losses

All California Housing Accelerator Sponsors are prohibited from applying for or receiving a tax credit allocation on a California Housing Accelerator funded Project for a period of 20 years from the California Housing Accelerator loan closing date for that Project. This prohibition will be memorialized, as appropriate, in all California Housing Accelerator terms and conditions.

If, following a California Housing Accelerator application and award, a Sponsor syndicates and sells a portion of their ownership interest to a partner or equivalent party seeking tax losses associated with the project, and such syndication was not set forth in the California Housing Accelerator application, nine-tenths of the gross proceeds of that sale shall be remitted to the Department as recaptured California Housing Accelerator funds. Exceptions to this requirement may be granted by the Department where a Sponsor demonstrates that such syndication proceeds would either (i) pay for the lowest reasonable development cost increase that is consistent with the project's original scope as identified in the original HCD application, or (ii) capitalize a services reserve for special needs projects. The Department's written approval of these exceptions is required prior to assignment, transfer, or conveyance of any ownership interest in the project.

8. Commencement of Construction Deadline

All California Housing Accelerator awarded projects must commence construction no later than **180 days from the date of award**. For the purposes of the California Housing Accelerator, commencement of construction means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building. The Department may, in its sole and absolute discretion, extend this deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.

Failure to meet the commencement of construction deadline, or any Department-approved extension, will result in the forfeiture of the application fee and the California Housing Accelerator award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for Department funding, unless the Sponsor secures a CDLAC/TCAC allocation, and the California Housing Accelerator funds are disencumbered by the Department's deadline.

Within seven (7) months of award, the Sponsor shall submit documentary evidence to the Department that construction commenced within the statutory 180-day time period. If the Department extends the deadline for commencement of construction, as authorized, the Sponsor's deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension for commencement of construction. Qualifying forms of documentary evidence include:

- Recordation of a notice of commencement,
- Date- and time-stamped photographs,
- Physical inspection report, or
- Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the application fee, forfeiture of the award,

and/or an assessment of negative points relative to any future application for Department funding.

9. Legal Documents

a. Standard Agreement

Upon the award of California Housing Accelerator funds to a project, the Department shall enter into one or more agreements with the Sponsor(s), including an STD 213, Standard Agreement, which shall encumber funds from the California Housing Accelerator, subject to specified conditions. The agreement or agreements shall include, but not be limited to, the following provisions:

- i. A description of the approved Project and the permitted uses of funds;
- ii. The amount and terms of the California Housing Accelerator loan;
- iii. The income, occupancy, and rent restrictions to be imposed on the Project through a regulatory agreement recorded against the property of the Project;
- iv. Performance milestones, and other progress metrics, governing the completion of the Project, along with the remedies available to the Department in the event of a failure to meet such milestones or metrics;
- v. Special conditions imposed as part of the Department's approval of the Project;
- vi. Terms and conditions required by federal and state law;
- vii. Requirements for reporting to the Department;
- viii. Remedies available to the Department in the event of a violation, breach, or default of the agreement; and
- ix. Provisions regarding Sponsor liability. Specifically, the Sponsor will remain liable to the Department for compliance with and the performance of all California Housing Accelerator requirements regardless of any Department-approved transfer or assignment of interest. Likewise, each co-Sponsor will remain jointly and severally liable to the Department for compliance with and the performance of all California Housing Accelerator requirements regardless of any Department-approved transfer or assignment of interest.

The agreement will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of the California Housing Accelerator.

b. Regulatory Restrictions and Loan Documentation

- i. California Housing Accelerator terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Commitment.
- ii. The Department will append and incorporate an California Housing Accelerator exhibit into the Existing HCD Commitment's loan regulatory agreement to be recorded on the property. The exhibit will set forth the project's California Housing Accelerator-specific requirements, terms, and conditions. The exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent unsuccessful application to TCAC/CDLAC, and it will require the same service amenities that were represented in that application. The Department may, however, expressly approve alternative California Housing Accelerator restrictions and required service amenities for the purpose of maintaining consistency with the Existing HCD Commitment. The regulations, guidelines, and other terms of the Existing HCD Commitment shall govern the integrated regulatory agreement.
- iii. California Housing Accelerator requirements, terms, and conditions will also be incorporated into the promissory note and deed of trust of the Existing HCD Commitment, as well as any other of the Existing HCD Commitment's loan documents, as necessary and appropriate. All such documents will be executed and recorded, as appropriate, at permanent financing close of escrow. For projects secured by leasehold security, leases must meet the requirements of UMR §8316, and both the borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.
- iv. Cross-Default. If, in connection with the California Housing Accelerator-funded Project, the Sponsor defaults in the performance or observance of any Department term, condition, or restriction during the term of any Department contract or regulatory period, and such default continues beyond any cure period provided with respect thereto, the Department will avail itself of any and all remedies available to it under any and all Department terms, conditions, restrictions, and agreements relative to the Project, to include those of the Existing HCD Commitment.

10. Reporting Requirements

In addition to the reports required in connection with the Existing HCD Commitment, Sponsor shall annually submit a report that details and certifies to the Department the following:

- a. Project met all terms and conditions recorded in its regulatory agreement and any Department covenants;
- b. no change in ownership or amendments to the organizational documents of the project has occurred during the reporting period;
- c. no tax credits, tax-exempt bond funds, or federal grants or loans with interest rates below the applicable federal rate have been used in the project since it was placed-in-service;
- d. services specified in the regulatory agreement were provided to the tenants during the reporting period; and
- e. the Project met all the terms and conditions, and is not currently in default, of any lender financing to the Project.

In addition, the Sponsor shall report data on the households occupying the Project, including information on rents charged and project income and expenses, and shall provide information sufficient to determine whether any cash flow limitation in the Department's regulatory agreement has been met.

Sponsor shall also submit such other periodic reports as deemed necessary by the Department to monitor compliance with the regulatory agreement and all California Housing Accelerator requirements. Such reports include, without limitation, a schedule of rental income, in form and substance satisfactory to the Department. Sponsor shall also duly submit all information required by the U.S. Department of the Treasury, which administers the federal funds allocated to the California Housing Accelerator.

11. Defaults and Cancellations

In the event of a breach or violation by the Sponsor, the Department may give written notice to the Sponsor to cure the breach or violation. If the breach or violation is not cured to the satisfaction of the Department within a reasonable time period, the Department, at its option, may declare a default under the relevant document and may seek legal remedies for the default including the following:

- a. The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation, the appointment of a receiver to complete the project in accordance with California Housing Accelerator requirements, or the commencement of foreclosure proceedings under the power of sale clause in the deed of trust; and
- b. The Department may seek such other remedies as may be available under the relevant agreement, at law, or in equity.

III. Other State and Federal Requirements

A. Article XXXIV

Article XXXIV, section 1 of the California Constitution (Article XXXIV) is not applicable to development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the Health and Safety Code. (Health & Saf. Code, § 37001, subd. (h)(4).) As such, Article XXXIV is not applicable to California Housing Accelerator-funded projects.

B. Prevailing Wages

Applicant's contemplated use of California Housing Accelerator funds is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Applicants are urged to seek professional legal advice about the law's requirements. Prior to disbursing the California Housing Accelerator funds, the Department will require a certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and all Project Sponsors.

C. Environmental Review

Guidance by the U.S. Department of the Treasury indicates that an environmental review under the National Environmental Policy Act (NEPA) is not required as a result of California Housing Accelerator funding. However, California Housing Accelerator projects may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

The California Environmental Quality Act (CEQA) is still applicable to any award made under this program.

D. Relocation

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons or entities do not suffer a disproportionate impact as a result of projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the California Housing Accelerator Standard Agreement will be executed, Sponsor must have either: (1) a Department-approved relocation plan; or (2) a Department-issued Certification Regarding Non-Application of Relocation Benefits and

Indemnification Agreement, which has been duly executed and approved by the Department. The Department will identify its submittal requirements for these relocation documents in the California Housing Accelerator application materials. Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by the Department in writing.

E. Accessibility and Non-Discrimination

All projects must adhere to the accessibility requirements set forth in California Building Code (CBC) Chapter 11A and 11B, except as follows:

1. Instead of the minimum requirements established in 11B 233.3.1.1 and 11B 233.3.1.3, all new construction projects must provide a minimum of fifteen percent (15%) of the restricted units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and a minimum of ten percent (10%) of the restricted units with communications features, as defined in CBC 11B 809.5.
2. Rehabilitation projects shall provide a minimum of ten percent (10%) of the restricted units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and four percent (4%) with communications features, as defined in CBC 11B 809.5. The Department may approve a waiver of this requirement, provided that the Applicant and architect demonstrate that full compliance would be impractical or create an undue financial burden. All waivers must be approved in advance by the Department.
3. At least one of each common area facility type and amenity, as well as paths of travel between accessible units and such facilities and amenities, the building entry and public right of way, and the leasing office or area shall also be made accessible utilizing CBC Chapter 11(B) as a design standard.

Projects must also comply with the Americans with Disabilities Act of 1990 (ADA), Title II, and either the Uniform Federal Accessibility Standards (UFAS), Code of Federal Regulations (CFR) 24 CFR Part 8, or the U.S. Department of Housing and Urban Development's (HUD) modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, the Federal Register (F.R.) 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the Project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Part 8.26.

Sponsors shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly

prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this Project Solicitation.

Sponsors shall comply with the requirements of the ADA of 1990, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Civil Rights Act, Government Code section 11135, Section 504 of the Rehabilitation Act of 1973, and all regulations promulgated pursuant to those statutes, including 24 CFR Part 100, 24 CFR Part 8, and 28 CFR Part 35.

F. Insurance Requirements

The Sponsor shall obtain, and maintain for the term of the loan, hazard and liability insurance for the project in accordance with the Department's requirements, including flood insurance, if applicable. The Department must be named as a loss payee or an additional insured on all such policies. Such policies must also provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. Prior to disbursement of the California Housing Accelerator loan, the Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

IV. Appeals

A. Basis of appeals

1. Applicants may appeal the Department's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's application (e.g., eligibility, award).
3. The appeal process provided herein applies solely to decisions of the Department made pursuant to this Project Solicitation.

B. Appeal process and deadlines

1. **Process.** To file an appeal, Applicants must submit to the Department a written appeal, which sets forth all relevant facts, arguments, and evidence in support of the appeal. Appeals are to be submitted to the Department at accelerator@hcd.ca.gov.
2. **Filing Deadline.** Appeals must be received by the Department no later than five (5) business days from the date of the Department's written determination regarding the subject application.

3. **Decision.** The requirements of this Project Solicitation and all other applicable law will govern the Department's determination. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

V. Award announcements and contracts

A. Award announcements

The Department intends to announce awards as individual projects are approved, but not later than December 6, 2021.

B. Disclosure of Application

The application is a public record and is subject to disclosure pursuant to the California Public Records Act (CPRA) (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). After final California Housing Accelerator awards have been issued under this Project Solicitation, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By volunteering such information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

VI. Other Terms and Conditions

A. Conflicts

In the event of any conflict between the terms of this Project Solicitation and applicable state or federal law, the terms of the applicable state or federal law shall control. By submitting a California Housing Accelerator application to the Department, Applicants acknowledge that they have read and obtained legal advice regarding this Project Solicitation and all applicable state and federal laws, and that they fully understand the requirements thereof.

VII. Definitions

Below are the definitions for purposes of the California Housing Accelerator:

"Applicant" means the entity or entities applying to the Department for California Housing Accelerator funding of their Qualified Rental Housing Development. Such entity or entities must also be the Sponsor of the Qualified Rental Housing Development, except as allowed under II.B. of this Project Solicitation. Upon receiving an award of California Housing Accelerator funds, the Applicant or co-Applicants will, both individually and collectively, be referred to as the "Sponsor" for purposes of this Project Solicitation.

“Area Median Income” means the most recent applicable county median family income, adjusted by household size, published by the California Tax Credit Allocation Committee.

"Department" or "HCD" means the California Department of Housing and Community Development.

“Existing HCD Commitment” means the existing commitment of Department funds to the Qualified Rental Housing Development, as well as the Department loan program making that commitment.

“Homeless Household” means a household that meets one of the (1) – (4) criteria set forth at California Code of Regulations, title 4, section 10315, subdivision (b), unless the Existing HCD Commitment is based on a different definition of this or a similar term, in which case the definition associated with the Existing HCD Commitment shall apply.

“Project” or “Rental Housing Development” means the following: (i) a “qualified low-income housing project,” as defined in Section 42(g) of the Internal Revenue Code (26 U.S.C § 42(g)); or (ii) a Qualifying Infill Project, as defined under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019, that meets the requirements of those programs.

“Qualified Rental Housing Development” is defined in accordance with Health and Safety Code section 50672.1, subdivision (e), and means a rental housing development that received an award letter from any multifamily housing program administered by the Department.

“Sponsor” is defined in accordance with Health and Safety Code sections 50675.2 and 50669. The Sponsor may comprise one or more entities, and it shall include the local public agency that agrees to become a co-Sponsor prior to construction loan closing by executing the Standard Agreement as a co-Sponsor. Such entities shall, in their individual and collective capacity as the “Sponsor,” be bound by the California Housing Accelerator Standard Agreement and each and every one of the California Housing Accelerator terms, conditions, and restrictions.

“UMR” means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.