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## Affordable Housing and Sustainable Communities (AHSC) – Housing Allocation Program Under the Housing Development and Finance Committee (HDFC): What’s Changing for Applicants

### Key Changes for AHSC – Housing Allocation Program Applicants

In 2026, Senate Bill 193 and Assembly Bill 179 changed the administration of the Affordable Housing and Sustainable Communities program. The program is now subdivided into two components – a Housing Allocation and a Sustainable Communities Allocation – and administered by separate California State agencies. The Housing Development and Finance Committee (HDFC) administers the Housing Allocation, and the Strategic Growth Council administers the Sustainable Communities Allocation.

Beginning with the first HDFC funding round expected in early 2027, AHSC – Housing Allocation funds will be awarded through HDFC’s single application, which is intended to streamline and simplify the process for accessing State multifamily housing funds. The AHSC – Housing Allocation will fund affordable homes in places where residents have greater transportation options and places that enables them to drive less, which reduces greenhouse gas emissions. Under the [draft HDFC regulations](#), which are currently out for public comment, several requirements have changed in how projects qualify and compete compared to previous rounds of AHSC.

Applicants who have used AHSC in the past should review the changes below before applying.

**Table 1. Summary of Key Changes for AHSC – Housing Allocation Program Applicants**

| Topic                         | Previous AHSC rounds                                                                                                                                                                 | AHSC – Housing Allocation under HDFC (as proposed in draft HDFC regulations)                                                                                                                    |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project Categories</b>     | Applicant projects were categorized into one of three Project Area Types: Transit-Oriented Development, Integrated Connectivity, or Rural Innovation Project Areas.                  | No Project Area Types. All projects compete under the same standards. Regional goals and set-asides are established by the HDFC regulations and apply across programs.                          |
| <b>Eligible Project Types</b> | Affordable housing and sustainable transportation projects were funded in one consolidated application.                                                                              | Only affordable housing and related uses are eligible under HDFC; standalone offsite transportation projects may be funded in the new Sustainable Communities allocation of AHSC at SGC.        |
| <b>Transit access</b>         | Required for eligibility, where all projects must be within .5 miles of a transit station or stop, but criteria for qualifying transit station or stops varied by Project Area Type. | Required for eligibility, where all projects must be within 0.5 miles of a transit station or stop, with multiple qualifying definitions for transit station or stop available to all projects. |

| Topic                                            | Previous AHSC rounds                                                                                                                                                                                                                    | AHSC – Housing Allocation under HDFC (as proposed in draft HDFC regulations)                                                                                                                                                                                                                      |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Greenhouse Gas (GHG) Emissions Reductions</b> | Estimated using CARB’s AHSC Benefits Calculator Tool. Considered transportation, active transportation, and solar projects in addition to housing. For housing, considered the GHG impact by evaluating building-level characteristics. | Estimated using CARB’s new draft Affordable Housing Benefits Calculator Tool. Considers the GHG impact of the housing location, through inputs tied to local driving patterns and neighborhood characteristics.                                                                                   |
| <b>GHG Reductions Scoring</b>                    | Estimated GHG emissions reductions accounted for 30% of total score of a project.                                                                                                                                                       | Project must show estimated GHG emissions reductions to be eligible for AHSC funds. Additionally, HDFC projects seeking AHSC funds are eligible to compete for a GHG reduction benefit tie-breaker boost, which measures GHGs reduced per unit, using the Affordable Housing Benefits Calculator. |

## How GHG Quantification Has Changed

Both the previous and new approaches estimate how much less residents will drive as a result of the project, then convert that to GHG emissions. They differ in what they measure and what they compare a project against.

### The Previous AHSC Benefits Calculator Tool

The previous AHSC Benefits Calculator Tool (used through AHSC Round 10), measured the expected GHG emissions reductions and other co-benefits of an AHSC project’s housing, transportation, active transportation, and solar components. The previous AHSC methodology for housing accounted for building-level characteristics like project density, affordability, job density, and parking. Using these inputs and others, the calculator estimated a project’s reduction in vehicle miles traveled (VMT) as a percentage reduction from what a typical housing project would generate, using a county-average trip length as the starting point. The attributes of the project itself, rather than the surrounding neighborhood, heavily influenced the GHG output of the calculator.

In the AHSC program through Round 10, the results of the AHSC Benefits Calculator Tool were used to score projects, where applications were ranked against one another and placed into scoring groups or “bins”.

### The New Draft Affordable Housing Benefits Calculator Tool

The new Affordable Housing Benefits Calculator Tool, which will be used for the AHSC – Housing Allocation Program, quantifies the expected GHG and VMT impacts of affordable housing only. CARB updated the methodology based on research it commissioned with researchers at the University of California, Berkeley in 2024 . The research recommended that CARB redesign the calculator so that the drivers of GHG reductions for affordable housing derive from inputs tied to transit access, local neighborhood characteristics, and local driving patterns, instead of building-level characteristics as in the previous version.

The new AHSC Affordable Housing Benefits Calculator Tool reflects those findings:

- **It is based on existing neighborhood characteristics:** It estimates household driving from six features of the project’s census block group: nearby retail and services, bus stop coverage, retail density, how well

transit competes with driving for reaching jobs, the number of jobs reachable by car, and street connectivity.

- **It compares neighborhood attributes for the project to regional averages:** Expected driving at the site is compared to the average for the surrounding metropolitan area (i.e., core-based statistical area (CBSA)).
- **Parking still influences GHG reductions:** Projects can achieve reductions in their base VMT if they provide less than 1 parking space per unit. Up to a 50% reduction in baseline VMT can be achieved by projects that provide zero parking spaces.
- **Proximity to rail influences GHG reductions:** Projects can achieve additional reductions in their base VMT if located within a quarter mile walking distance to a rail station.
- **It quantifies estimated GHG reductions from housing only:** The calculator quantifies the affordable housing and does not quantify transit, active transportation, or solar projects.
- **It measures absolute change over 30 years:** Results are reported as total metric tons of GHG reduced over a 30-year project life.

**Important note:** If a site is in a neighborhood where residents are expected to drive more than the metro average, the calculator will show a negative value for GHG emissions reductions, which can be interpreted as an emissions *increase*. GHG emissions-increasing projects will not qualify for AHSC – Housing Allocation program funds under the proposed new regulations. AHSC is statutorily required to fund projects that reduce GHG emissions.

### **What this means for project eligibility for the AHSC – Housing Allocation Funds**

To qualify for AHSC – Housing Allocation funds, the calculator must show a net GHG reduction (a positive value in its Total GGRF GHG Emissions Change output). In practical terms:

- Your site must be in a neighborhood where residents are expected to drive less than the average for your metro area, after accounting for rail access and parking.
- Because the result depends mostly on location, eligibility is largely decided when you choose a site. Building design, unit count, amenities, rail proximity, and reduced parking do not change whether a site qualifies.

Previous eligibility for the AHSC program does not guarantee eligibility for the AHSC – Housing Allocation. The vast majority of previously-funded AHSC projects would still be eligible for AHSC – Housing Allocation funds under the use of the new CARB benefits calculator, however eligibility is not guaranteed for every project submitted. A project that showed an estimated reduction under the previous building-characteristics method may not show one under the new location-based method, and vice versa. Applicants should run the new calculator for every site being considered to confirm eligibility.