

Housing for a Healthy California Program Article I  
National Housing Trust Fund Allocation  
2020 Notice of Funding Availability



<b>Question</b>	<b>Answer</b>
<p><b>1.) Q.</b> Can we apply for a Capitalized Operating Reserve only from HHC Article I?</p>	<p><b>A.</b> No, COSR funds can only be requested as part of the application for development of new projects. It is not considered a stand-alone activity for this NOFA.</p>
<p><b>2.) Q.</b> If my Project is "shovel ready" can I submit my Application prior to the June 25, 2020 Application due date?</p>	<p><b>A.</b> Yes. We would like to receive applications prior to the application deadline. This will allow us to begin the process earlier and make awards earlier than published. We have funds from HUD's FY2018 which are available with a commitment deadline of Feb.1, 2021. Projects that can meet that commitment deadline will receive funds from that allocation first. Applicants are asked to add a cover letter to their application indicating their willingness to accept these funds and meet the commitment deadline. If the commitment deadline is missed there may be no other source of funds available to extend their commitment deadline and the award will be at risk.</p>
<p><b>3.) Q.</b> Can a previously approved NEPA part 58 be used for HHC?</p>	<p><b>A.</b> Generally speaking no, HHC is not subject to Part 58. HHC has its own specific property standards that must be met. However, if other HUD funding is combined with HHC funding, then NEPA Part 58 is required in addition to the HHC property standards. To be acceptable the NEPA must have been completed within the past five (5) years and no additional work or changes of any kind had been performed on the site (e.g. grading, construction, alteration, demolition, etc.). The scope of work and project description in the NEPA is identical to the project description and scope of work as outlined and defined in the application. Applicants must ensure that the HHC property standards can be met prior to construction closing.</p>
<p><b>4.) Q.</b> Is stacking allowed for Article I?</p>	<p><b>A.</b> No. The Department does not allow stacking of multiple Department development funding sources on an HHC Assisted Unit. Please refer to HHC Guidelines Section 102(k).</p>

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<p><b>5.) Q.</b> How is “Target Population” defined?</p>	<p><b>A.</b> Target Population is defined under Section 101(ff) of the Guidelines. “Target Population” means a person who is Experiencing homelessness, or chronic homeless and a High-cost health user upon initial eligibility, is a Medi-Cal beneficiary, or is eligible for Medi-Cal, is eligible to receive services under a program providing services promoting housing stability, and is likely to improve his or her health conditions with Supportive housing.”</p>
<p><b>6.) Q.</b> Which Prevailing Wage do I use? State or Federal?</p>	<p><b>A.</b> Activities funded with HHC funds are not subject to federal prevailing wage requirements. If prevailing wages are required by another funding source, you must comply with those requirements.</p>
<p><b>7.) Q.</b> How do we address Tenant’s that become “Over-income?”</p>	<p><b>A.</b> Tenants whose income exceeds the maximum income requirements may continue to reside in the unit. However, please refer to 24 CFR Part 93.302(f) for guidance on how to bring the unit back in compliance.</p>
<p><b>8.) Q.</b> Please clarify if loan principle is deferred in addition to the accrued interest 104(a)(3)?</p>	<p><b>A.</b> The loan principle and interest repayments are deferred. However, if sufficient residual receipts exist, based on the UMR Section 8314, an annual payment in compliance with the UMR’s must be remitted to the Department.</p>
<p><b>9.) Q.</b> Could you clarify that an application cannot just be for a Grant for the COSR, is that correct? It must also include a request for a loan for acquisition or new construction?</p>	<p><b>A.</b> That is correct. See question #1 above.</p>
<p><b>10.) Q.</b> Can we stack HCC funding on the same unit we are using <u>non- competitive</u> No Place Like Home funding for?</p>	<p><b>A.</b> No. See answer to question #4 above.</p>
<p><b>11.) Q.</b> Is it required to Submit a Relocation Plan even if land is vacant?</p>	<p><b>A.</b> If land is vacant provide a summary with photos and maps to document the land is vacant. Our legal unit will review the documentation and make a determination of whether relocation is applicable.</p>

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<b>Question</b>	<b>Answer</b>
<p><b>12.) Q.</b> What is the definition of Supportive Housing?</p>	<p><b>A.</b> Supportive Housing is defined under Section 101(dd). “Supportive Housing” means housing with no limit on length of stay, that is occupied by the Target Population, and that is linked to onsite or offsite services that assist the Supportive Housing resident in retaining the housing, improving his/her health status, and maximizes his/her ability to live, and when possible, work in the community.</p>
<p><b>13.) Q.</b> Does Stacking apply to Scattered Site Housing?</p>	<p><b>A.</b> Yes, the stacking restrictions apply to all HHC assisted units. Please refer to Section 102(g) and (k).</p>
<p><b>14.) Q.</b> What measure will be used to determine/score Quality and Quantity of services of proposed Supportive Service plan?</p>	<p><b>A.</b> Selection Criteria Tab of the Supplemental Application Supportive Service Plan list measures used to determine/score Quality and Quantity. The services provided are appropriate for the Target Population. Staff experience, credentials and job duties includes appropriate skills in cultural competency and service delivery model, tailored to Homeless people impacted with one or more chronic health or behavioral health conditions. Additional guidance on Supportive Services Plan can be found under Section 111.</p>
<p><b>15.) Q.</b> What costs are eligible for Article I Capitalized Operating Subsidy Reserves (COSR)?</p>	<p><b>A.</b> Operating Expenses that are eligible to be paid from the COSR include: Insurance, Utilities, Real property taxes, Maintenance, and Scheduled payments to a reserve for replacement of major systems. Please also refer to HHC Guidelines, Section 108(g).</p>
<p><b>16.) Q.</b> Clarify number of bedrooms involving new construction requiring demolition of existing residential units?</p>	<p><b>A.</b> Proposed projects involving new construction and requiring the demolition of existing residential units are eligible only if the number of bedrooms in the new project is at least equal to the total number of bedrooms in the demolished structures. Please refer to Section 103(1)(b) and UMR Section 8302(a) for restrictions on demolition.</p>

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<p><b>17.) Q.</b> Is there per-unit Subsidy Cap?</p>	<p><b>A.</b> Yes. Page 3 of the NOFA instructs Applicants to consult the capital per-unit subsidy limits beginning on page 41 of the Department's per-unit loan limits table. <a href="http://www.hcd.ca.gov/grants-funding/docs/2019MTSPRegularLimits.pdf">http://www.hcd.ca.gov/grants-funding/docs/2019MTSPRegularLimits.pdf</a> This amount changes annually and is posted on HCD's website.</p>
<p><b>18.) Q.</b> What Income Limits do we use?</p>	<p><b>A.</b> Page 3 of the NOFA provides a link to the Income Limits <a href="http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/2019-NHTF-Income-Limits.pdf">http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/2019-NHTF-Income-Limits.pdf</a> They are posted on the Department's website and are updated annually. Refer to Guidelines Section 105(a).</p>
<p><b>19.) Q.</b> What documentation is required for HTF Provisions at Application Stage?</p>	<p><b>A.</b> Submit your HTF Environmental Provisions Checklist and supporting documentation at time of application. Please see HUD Notice CPD -16-14.</p>
<p><b>20.) Q.</b> Is the HOME Program an exception to the rule of no Stacking for Article I?</p>	<p><b>A.</b> Yes, stacking is allowed with HOME funds.</p>
<p><b>21.) Q.</b> How is Utilization of Funds to Off- set Request demonstrated?</p>	<p><b>A.</b> Applications will be scored based on the ratio of permanent affordable development funding attributable to Assisted Units from sources other than NHTF to the requested NHTF loan amount. Deferred developer fees and funds deposited in a reserve to defray scheduled operating deficits will not be counted in this computation. Land donations will be counted where the value is established by a current appraisal. For more information refer to Guidelines Section 111 (d).</p>

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<b>Question</b>	<b>Answer</b>
<p><b>22.) Q.</b> How many years is the Period of Affordability for HHC?</p>	<p><b>A.</b> The federal affordability period is 30 years beginning after project completion, the State adds additional affordability years. HHC assistance provided as post-construction permanent loans shall have an initial term of 55 years or longer to match the period of affordability restrictions under the tax credit program, commencing on the date of recordation of the HHC loan documents, except projects developed on Indian Reservation or Native American lands, which will be for at least 50 years. Refer to Section 103(c).</p>
<p><b>23.) Q.</b> What Poverty Guidelines Limits are used if they are on Medi-Cal?</p>	<p><b>A.</b> The federal affordability period is 30 years beginning after project completion, the State adds additional affordability years. HHC assistance provided as post-construction permanent loans shall have an initial term of 55 years or longer to match the period of affordability restrictions under the tax credit program, commencing on the date of recordation of the HHC loan documents, except projects developed on Indian Reservation or Native American lands, which will be for at least 50 years. Refer to Section 103(c).</p>
<p><b>24.) Q.</b> Can the experience of management level staff be counted for the Developer Experience section?</p>	<p><b>A.</b> Yes. Collectively, among the members of the Project Team, all the following minimum experience requirements must be met: Development, ownership, or operation of at least two permanent Supportive housing projects, or at least two affordable rental housing projects, in the last five years. Experience must be documented through contracts with public agencies, housing owners, or foundations for services provided to at least 10 households at any one time in either housing projects subject to agreements with public agencies restricting rent and occupancy, or through tenant-based housing assistance programs.</p>