

**2018 National Housing Trust Fund NOFA
FAQs as of 7-25-18**

Question	Response
<p>1 We are concerned that there is not enough time to apply for tax credits due to construction loan closing date of 7/31/19.</p>	<p>The 2018 NOFA includes both 2016 and 2017 NHTF allocations. Statute language requires that we commit NHTF funds within 24 months of receiving this federal commitment letter from HUD. This is a hard deadline. The applicant should carefully consider whether or not to apply.</p>
<p>2 On slide #67 - NHFT affordability period Federal 30 or State 55.</p>	<p>In order for projects to be eligible for funding, recipients shall comply with State length of affordability periods of 55 years for cities, counties, developers, and CHDOs; and 50 years for projects located on Native American Lands. These affordability periods are required and do not result in any additional points for eligible applications.</p>
<p>3 What if they lose project based on rental assistance do they have to keep rents the same?</p>	<p>NHTF Federal Regulations 24 CFR 93.302 (b) HTF rent plus utilities of an extremely low income tenant shall not exceed the greater of 30% of the federal poverty line or 30% of the income of a family whose annual income equals 30% of the AMI for the area as determined by HUD, with adjustments for the number of bedrooms in the unit.</p>
<p>4 If you have multiple HCD program funds in a single project are monitoring fees charged for each funding source?</p>	<p>Yes, the fees associated for each funding source will apply.</p>
<p>5 Mandatory .42% loan pmt. Do we still require this or did the monitoring fee take its place?</p>	<p>NHTF will not require the .42% fee of the NHTF loan principle annually; however, it will assess the flat monitoring fee announced in the NOFA.</p>

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<p>6</p> <p>Clarify NEPA requirements</p>	<p>HUD has posted Notice CPD-16-14 providing guidance for meeting environmental requirements when national Housing Trust Fund (HTF) money is used for new construction and rehabilitation. The HTF environmental provisions are found in the property standard parts of the HTF regulations and are similar to HUD-wide environmental review requirements.</p>
<p>7</p> <p>Can awards be announced before December 2018?</p>	<p>HCD will make every effort to make announcements before December 2018.</p>
<p>8</p> <p>Can a previously approved HOME NEPA be used?</p>	<p>Yes, if completed within the past five (5) years AND, no additional work or changes of any kind to the site (e.g. grading, construction, alterations, demolition, etc.) and, the current scope of work and project description is identical to the project description and scope work as outlined and defined in the prior NEPA.</p>
<p>9</p> <p>Does Davis-Bacon apply to NHTF projects?</p>	<p>No. The NHTF was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289). This statute did not make the labor standards of Davis-Bacon applicable to the NHTF.</p> <p>If NHTF funding is combined with another funding source, it is the applicant's responsibility to verify whether Davis-Bacon federal or State prevailing wage is applicable to the other funding requirements.</p>

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10 Is the NHTF NOFA using the HOME limits for a maximum per unit subsidies?	Yes. Per HUD’s Housing Trust Fund Allocation Plan Guide, Sections 91.320(k)(5) and 93.300(a), states may adopt limits used in other federal programs such as HOME. HCD will implement the maximum per-unit development subsidy amount as stated in the State HOME Regulations and defined in the federal HOME program regulations.
11 How old can the appraisal be?	The appraisal cannot be prepared prior to 2017, per page 51 of the NHTF Application Supplement.
12 I've developed affordable housing with funding other than HOME or CDBG, will my experience count for points?	Points will be given for prior applicant experience in the implementation of local, state or federal affordable housing or community development projects in the last seven years (calendar years 2011 – 2017) regardless of which program funded the project.
13 If you are just submitting for minority concentration then you just complete those worksheets correct?	Yes.
14 When is the next round of funding going to be announced?	Anticipated in 2019.
15 Is this going to be an annual allocation from HUD?	Subject to Congressional approval and the federal budget.
16 Does developer have to be a CHDO?	No
17 Can the CHDO partner with the developer?	Yes
18 Do CHDOs have to be certified?	Yes, CHDOs must be certified
19 How long does it take to get certified as a CHDO?	Approximately 45 days. For assistance with certification, contact Muri Bartkovsky at 916-263-1176 or mbartkovsky@hcd.ca.gov
20 Does the pet friendly act apply to all housing in California?	The NHTF Program funding is subject to the Pet Friendly Housing Act of 2017 (California Health & Safety Code, § 50466).
21 Does Article 34 only apply to the units assisted and restricted by NHTF?	No, Article XXXIV applies to development of most affordable housing projects.

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22 If using project based vouchers will Part 58 apply and require AUGF?	Yes, using project based vouchers will require compliance with Part 58 and require a AUGF.
23 Are there only specific types of litigation or all?	Any litigation that would impact the property or project that would put HCD at risk of losing our investment or the constructed housing must be disclosed at the time of application.
24 Does the person who is doing the market study need to visit site?	Yes
25 Can we use the same market study as they do for TCAC?	Yes, the market study must be in accordance with the current California Tax Credit Allocation Committee (TCAC) 2018 Market Study Guidelines. The TCAC Market Study Guidelines can be found on the TCAC website at http://www.treasurer.ca.gov/ctcac/mktstudy/2018.pdf
26 Can the environmental be for a larger site? And only a part will be developed?	Yes, as long as the scope of the environment review includes the portion that will be developed.
27 Clarify point deductions as related to HCD funded HOME projects.	All applicants start with 200 points. Performance Points are deductions from this total. The maximum point deduction for the Performance category is 200 points. Please see pages 15-16 of the NHTF NOFA for additional information.
28 What if all units are set at 20%? Do we still need to submit 2 applications?	Yes, if you are applying for Deep Affordability Targeting funds. All applicants must submit two sets of application documents as set forth in the Deep Affordability Targeting Documentation Checklist of the NHTF Supplement.
29 Future point deductions - What if we don't make the construction deadline and want to apply again can we get a waiver?	Waiver requests may be submitted with the NHTF application package. It does not guarantee the waiver request will be approved.
30 Deeper affordability target - how do you get that if already at 30% AMI? Just target 29% gets you eligible for Deeper Affordability?	Yes, you must be under/below AMI 30%.

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31 Are NHTF 30% rents the same as TCAC 30% rents?	Similar but not the same, but they are calculated differently.
32 Does a project also have to submit a State HOME application, and therefore it must be in a State HOME eligible jurisdiction or non-entitlement jurisdiction?	A project can be submitted just for National Housing Trust Fund by an entitlement jurisdiction or any developer building in an entitlement jurisdiction. State HOME non-entitlement jurisdictions can submit applications for both National Housing Trust Fund and State HOME funds and use both streams of funding on the same project.
33 Does the HOME application need to be completed as well in an entitlement jurisdiction, or only if State HOME funds are being sought?	An entitlement jurisdiction is not eligible for State HOME funds; therefore, they do not submit a State HOME application. If they want to access entitlement funds, they need to follow that process.
34 If an applicant is a tribal entity and they have a co-developer, can the applicant get experience points based on the co-developer?	The applicant must have the development experience.
35 For projects applying to both NHTF and HOME this NOFA round, can the HOME assisted units overlap (in some cases) with the 30% AMI units for which we are claiming NHTF subsidy?	Yes, NHTF does not restrict layering of funding sources.
36 I'm currently working on the application for NHTF, but I'm unable to find the specific instructions on binder and tabs for the application. Can you please provide me more information/instructions on what the tabs should be?	Please refer to the NHTF NOFA, pages 20-21 for instructions.

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<p>37 The NOFA specifies that NHTF is for projects serving “only ELI households <=30% ami”. I assume that means that you could have a project serving a range of income levels but we would calc the NHTF amount based on the number of <30% ami, correct? You don’t have to have the entire project only serving <=30% ami, right?</p>	<p>Not all of the project units have to be at 30% AMI or below, just the NHTF-funded units. A project can have up to four AMI income levels.</p> <p>Check the other funding sources for specific income requirements.</p>
<p>38 I don’t see any prohibition on using NHTF for projects / units that are being funded by other HCD funds like VHHP, and assume that is not an issue because these are federal funds. Is that correct?</p>	<p>NHTF does not restrict layering of funding sources. However, the applicant should verify if other HCD funds like VHHP allow layering with NHTF.</p>
<p>39 The Allocation Plan refers to “pairing” the program with State HOME. Are you accepting NHTF applications from projects that are not eligible for State HOME, i.e. they are in entitlement jurisdictions so therefore would not be State HOME applicants?</p>	<p>Yes. Entitlement jurisdictions are eligible for NHTF funds but not eligible for HOME funds.</p>
<p>40 Will the same rural area designation tests be used in NHTF as in HOME?</p>	<p>Yes</p>
<p>41 How do I find out if I missed a State HOME deadline?</p>	<p>Contact your HOME contract representative.</p>
<p>42 Will entitlement jurisdictions lose points for missed State HOME Project deadlines?</p>	<p>No</p>
<p>43 Can we raise rents after the expiration of the federal affordability period?</p>	<p>No, the state affordability period restricts rents for the entire affordability period. After the regulatory agreement expires, you will not be held to those rent levels.</p>
<p>44 What rents should I use if the TCAC and NHTF 30 percent AMI rents differ?</p>	<p>Use the lower of the two rent figures, the most restrictive rent.</p>

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<p>45 For a project to be considered complete for purposes of the NHTF Project Completion Report, do all project units have to be occupied?</p>	<p>No; however, all of the NHTF-funded units have to be occupied.</p>
<p>46 On slide #73 - Clarify "project completed"</p>	<p>Part 93 - Housing Trust Fund 93.2 Definition of Project Completion. Project completion means all necessary title transfer requirements and construction work have been performed, the project complies with the requirements of this part (including the property standards under 93.301 of this part), the final drawdown has been disbursed for the project, and the project completion information has been entered in the disbursement and information system established by HUD, except with respect to housing rental project completion, for the purposes of 93.402(d) of this part, project completion occurs upon completion of construction before occupancy.</p>
<p>47 If a project is receiving only NHTF funds and has no other federal funding triggering a Part 50 or Part 58 NEPA evaluation, will an Authority to Use Grant Funds (AUGF) be issued as evidence of completion of the NEPA?</p>	<p>An AUGF is not required to be issued if NHTF will not be used with any other federal funds that would normally require issuance of an AUGF. See: CPD Notice 16-14 for more information on NHTF environmental requirements when used alone or in combination with other federal funds.</p>
<p>48 Can the same projects be listed for the "Prior Applicant Experience" and "Prior Development Team Experience" rating factors?</p>	<p>Yes, the same projects can receive points under both rating factors as long as the specific criteria for each rating factor are met.</p>
<p>49 Is there a minimum point score projects need to achieve? What would be a competitive score? For example, our project does not require relocation or a relocation plan, so we would not be able to access the 30 points, is that correct?</p>	<p>The 2018 applicant pool will determine a competitive score for the 2018 NHTF applications.</p>