



PLHA Formula Allocation NOFA FAQ

This Frequently Asked Questions document represents key information and responses to questions asked by program applicants for the PLHA Program. The questions and answers published below provide clarification and additional detail on the PLHA Program Guidelines, statutory requirements, and application process.

This document is posted on the [California Department of Housing and Community Development](https://www.hcd.ca.gov/) website <https://www.hcd.ca.gov/>.

For additional questions regarding the PLHA Program, please email the PLHA Program Design and Implementation (PDI) staff at PLHA@hcd.ca.gov. Answers to questions received in this inbox will be answered via email.

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Application

1. What is the application period for the 2023 NOFA?

Answer: Our NOFA will remain open to eligible applicants through June 30, 2027, we have different dates depending on which allocation is being requested. Our online portal will be open from January 15, 2023 until June 30, 2027. Each applicant will have to apply for each of their new available allocation.

- a. Download our application forms (those that are applicable), and
- b. Submit forms and applicable documentation to our Online Portal: [Consumer Service Portal - CA Department of Housing & Community Development \(service-now.com\)](https://service-now.com)

Allocation Years	Application Deadline (expiring funds)	5-Year Plan Amendment Deadline	Disbursement Request Deadline
Year 2 (2020)	February 2024	June 30, 2024	April 30, 2025
Year 3 (2021)	February 2025	June 30, 2025	April 30, 2026
Year 4 (2022)	February 2026	June 30, 2026	April 30, 2027
Year 5 (2023)	February 2027	June 30, 2027	April 30, 2028

2. Is there a deadline to request our 2020 allocation funds?

Answer: Yes, for applicants to receive their 2020 allocations they must submit an application by February 29, 2024, and meet all of the program requirements (i.e., Housing Element and Annual Progress Report).

3. What is the timeframe for the next NOFA release date?

Answer: According to our 2023 NOFA, it will remain open through June 30, 2027. The NOFA will be augmented with additional Calendar Year funds as additional revenues are collected and made available.

4. This will be our first time applying to the PLHA NOFA (allocations 2020-2022), how will we receive our formula allocation for year-five?

Answer: Each NOFA releases a new application and streamlined application. Once the 2023 allocation funds become available, you'll submit a streamlined application (assuming you applied during the 2023 NOFA). The PLHA team will verify the applicant's threshold requirements, and then will issue an award letter for the subsequent allocation. Each applicant must apply every round for their new allocation.

5. Can the application be completed using Apple products (i.e., MacBook)?

Answer: No because certain formulas used in Microsoft Excel do not transfer well to Apple products.

6. Would a W-9 form be acceptable to submit, instead of our TIN form?

Answer: No, your W-9 Form cannot be submitted in place of the TIN form. There

is a [TIN form](#) link on our PLHA webpage, under our Forms tab.

7. Where may I find the link for the online submission portal?

Answer: It's available on our program website, under the Apply Now tab, and then select the *Portal to Apply Now Formula*. [Click here for the link](#).

Housing Element and Annual Progress Report Requirement

1. If our Housing Element is out of compliance, can we still apply for PLHA funding?

Answer: No, applicants have to have HE compliance before submitting an application. If applying for the 2020 allocation, applicants have until February 29, 2024 to be fully compliant in their Housing Element. If an applicant is applying for the 2021 allocation, they have until February 28, 2025 to achieve full compliance. If applying to the 2022 allocation applicants have until February 28, 2026 to achieve full compliance of their Housing Element and Annual Progress Report.

2. If a city enters into a legally-binding agreement with a County to administer its PLHA funds, and the City is not compliant with its Housing Element, will that affect the County's standing as the administrative entity?

Answer: When a Local government delegates its allocation to another Local government, both Local governments are required to be in compliance with Housing Element law and submission of the APR. Both Local governments have until February 29, 2024 to be in compliance if applying for 2020, 2021, 2022 allocations, or risk not obtaining their funds. Both Local governments have until February 29, 2024 to be in compliance if applying for 2020 allocations, or risk reversion.

3. When is the Housing Element APR due?

Answer: By April 1st each year.

4. Where may I find more information regarding the Housing Element and Annual Progress Report requirements?

Answer: You may find more detailed information on our NOFA's Appendix C.

Standard Agreements

1. We have not received our standard agreement and we applied for our 2021 allocation. When can we anticipate receiving it?

Answer: The standard agreements are currently being reviewed and awardees will receive an email from an Analyst in our Contracts Unit once the standard agreement is ready for signatures.

2. As new applicants, will there be a standard agreement for each year we apply since our PLHA plan is for years 2020-2023?

Answer: There will be one standard agreement that encompasses the 2020-2023 years of funding but will only be able to withdraw previous and current available allocations, not from future years. Then after, will receive an amended standard agreement for execution after each new NOFA round.

Resolutions

1. Can the “if applicable” language in the resolution template be removed if it does not apply to our activities?

Answer: The resolution template has been pre-approved by our legal department, and we do not recommend adding or removing language even if you do not think the language applies as this could prolong the approval process.

2. Does the resolution need to have the five-year amount stipulated?

Answer: Yes, the resolution needs to state the five-year funding amount, as listed on the Appendix B.

3. If we didn't apply for our 2019 allocation, does the resolution still need to include the five-year amount?

Answer: Yes, even if the applicant is not receiving their first allocation, the five-year amount still needs to be listed on the resolution.

4. Is there someone who would be able to review the PLHA resolution language before we submit it to our Board of Supervisors for approval?

Answer: There is a recommended template for the resolution posted on the PLHA webpage. If that format is adhered to there should not be any problem with the resolution. However, if time permits, a member of the PLHA team might be able to review the resolution if it is sent to PLHA@hcd.ca.gov.

5. Two cities agreed to designate their funds to the county; in this case, should the resolutions from the cities name a representative from the county to execute the PLHA program documents? Would the cities still need to include TIN forms? If so, should the Contact Person on the TIN form be the City Manager (designated as the Responsible Officer in the joint agreement) or the City representatives who are authorized to sign the joint agreement -- for one city it's the City Manager and for the other it's the Mayor.

Answer: If the city wants to delegate their entire allocation to the county, as is permitted by guidelines section 300(c), the city and the county just enter into a legally-binding agreement and the city is completely out of the picture. This means that the city submits nothing at all; no TIN, no resolution, nothing. Instead, the county submits the application on the city's behalf, and it's the county's resolution (applying for the city's allocation), the county's TIN, etc. The

county is 100% responsible, and the city has no responsibility nor authority, and that pertains to the entire five years (2019-2023 funding years). The cities can't change their minds in year 3.

6. Since the annual allocation amount is subject to revenues received, and that can change from year to year, what happens if the amount in the Resolution for the five years changes? Does that affect the application?

Answer: Fluctuation in revenues will not affect the application, but could affect the PLHA five-year Plan, unless it is written in a way to provide flexibility. The Plan example that we provide on our website shows the type of flexibility the Department recommends, so that jurisdictions don't have to amend their Plans.

7. When preparing our resolution for the PLHA grant, can we list just the title of the authorized representative and designee, or should we also be listing their names as well?

Answer: In the body of the resolution, we recommend listing only the title/position to avoid revising the resolution if the Authorized Representative changes during the process of standard agreement execution. We have a resolution template in our Forms tab, available on our [program website](#).

8. Is there a resolution template if we want to amend our PLHA Plan?

Answer: Yes, there is now a resolution template grantee's may use if they have made changes to their plan, it is available under our Forms tab, on our program website.

The PLHA Plan

1. If I want to make an amendment to my **2020 allocation**, is there a deadline for me to submit it?

Answer: Yes, applicants have until June 30, 2024 to submit a plan amendment specifically for their 2020 allocation. Plan amendments are not guaranteed if submitted late.

2. Is a public hearing required before submitting the PLHA application?

Answer: For new applicants, yes, as stated in the program guidelines, Section 302 Threshold Requirements (c)(4)(D). The PLHA Plan is required to undergo a public comment period and a public hearing to consider comments before the Plan is adopted at a public meeting by the Local government's governing board. All public hearings are required to be noticed pursuant to the local governing body's standard noticing requirements. A 10-day public comment period is required prior to the public hearing so that the public has adequate opportunity to review the Plan.

3. If we plan to amend our PLHA Plan by more than 10 percent, is a public hearing required?

Answer: Yes, the PLHA Plan must be formally amended, including discussion

and approval at a publicly noticed meeting of the Local government's governing board, and the Plan must be submitted to the Department for approval.

4. If we plan to amend our PLHA Plan by less than 10 percent, is a public hearing required?

Answer: No, if the allocation amendment is less than 10 percent, a public hearing or formal amendment to the Plan is not required. However, if a local jurisdiction amends their plan by less than 10 percent, a budget revision form will need to be submitted prior to disbursement of funds. Please work with your State Grant Management (SGM) Representative to submit a budget revision form.

5. Should the Plan identify specific housing projects by site location, project size, number of units, number of households, people served, target populations and potential funding sources?

Answer: It's not necessary to identify the specific housing projects by site location, project size, number of units, number of households in the Plan, however, the income limits of households to be served must be identified.

6. How much detail is required for the project descriptions and timelines in the Plan?

Answer: Fill out the application with sufficient details, enough to describe the desired outcomes or uses from the PLHA funds for the implementation and completion of the activity.

7. Should the PLHA 302(c)(4) Plan be presented within the provided Excel worksheet tab in the application, or would it need to be drafted with the details spelled out within a Word or PDF document?

Answer: The PLHA application and materials need to be submitted using the Department's documents. It is required by applicants to use the Excel template of the 302(c)(4) Plan in the application workbook. However, Local Governments may create a Word or PDF document of their PLHA Plan to facilitate review by the public.

8. If a jurisdiction's plan outlines programs or services aimed at near homeless or homeless and the application reflects this targeted population with eligible activities but does not advance RHNA in any way, how will the plan and application be received and evaluated by HCD?

Answer: There is no eligible activity to serve "Near-Homeless" persons. The activity permitted under PLHA Guidelines requires serving persons "At Risk of Homelessness" (which requires compliance with the federal definition) or who are actually homeless. If a Local Government chooses to allocate its funding to assisting persons who are experiencing or At-Risk of Homelessness, it is not a problem that these programs do not achieve RHNA goals, as stated in Guidelines Section 302(c)(4)(B). You can enter zero in this section of the application's Plan.

9. Does the Department have a template for the cities to use for resolutions to authorize delegating the five years of allocations to the County, and is there a template for the legally-binding agreement?

Answer: We do not have a template for a legally-binding agreement between the delegating and the administering jurisdiction(s), nor for a resolution that a Local government could use to authorize delegating its allocation to another Local government.

Eligible Applicants

1. If cities are not specifically listed in Appendix A of the NOFA, does that mean that they are not eligible for funds?

Answer: Cities not listed in Appendix A were participants with their Urban County in 2017. We have added Appendix E to list these Local Governments (PLHA Guidelines Section 200(c)). An Urban County may apply on behalf of the Local Governments listed in Appendix E and the Urban County's allocation can provide funding for eligible activities within the boundaries of these Local Governments, as well as the unincorporated area of the designated Urban County. The Urban County does not have to have a compliant Housing Element to apply for the funds, they may apply for the benefit of those members cities who are in compliance with their Housing Element.

2. What is the responsibility of an urban county for distributing to cities and towns from the entitlement communities? Could all funds be dedicated to one jurisdiction in the entitlement community?

Answer: Guidelines section 200(c) state that urban counties provide a proportional share of their allocations to cities within the county with which they had a three-year urban county cooperation agreement as of September 1, 2017, as long as those cities meet the threshold requirements. The County should discuss this with the cities that were members of the urban county in 2017 to make sure it has an equitable method for distributing funds.

3. We are a Non-Entitlement jurisdiction, is there a different NOFA we should apply under?

Answer: There are 2 NOFAs for which non-entitlement jurisdictions are eligible:

- i. the Formula Allocation NOFA and,
- ii. the Competitive Non- Entitlement NOFA.

4. Will the cities that are not listed as eligible recipients in Appendix A be eligible for the competitive NOFA later this year, or will eligibility be limited to the same non-entitlement recipients listed in Appendix A?

Answer: The Competitive Non-Entitlement NOFA has a list of eligible applicants in their Appendix A. Cities who were members of the Urban County are not non-entitlement jurisdictions, so they will not be eligible for the competitive NOFA.

Formula Allocation Component

1. Do the preliminary allocations included for the PLHA Program represent the annual projected revenue for PLHA or is this the total amount for the five-year period? How will subsequent year revenues be distributed?

Answer: The PLHA allocation in Appendix A of the 2023 NOFA is based on the revenues collected and deposited in the Building Homes and Jobs Trust Fund (BHJTF) for calendar year 2020, 2021, and 2022 only, and are actual amounts for those three years. Appendix C contains a projection of the five-year formula allocations for 2019-2023, which is the figure required to be used in the Resolution submitted with the PLHA application.

2. Will there be an opportunity for jurisdictions to access their formula allocations across funding years? For example, if a jurisdiction proposes using 80% of their 2020 allocation will the remaining 20% of that allocation still be available?

Answer: Yes, however, to receive an allocation, the grantee must show that PLHA funds are committed to a specific project for a specific amount of time. If you do not use PLHA funds as previously committed, you must work with your PLHA SGM Representative to show commitment of unused (previously committed) funds.

3. In an Entitlement jurisdiction that is a city, if the County is awarded non-entitled funds, is the County allowed to spend those non-entitled funds in the entitled jurisdiction (City)?

Answer: A county, whether entitlement or non-entitlement, is permitted under Activity 10 to provide PLHA funding to any city within it, whether it's entitlement or non-entitlement, if it's for an Affordable housing development Project in which the city has made an equal or greater investment. It doesn't matter if the city is an entitlement or non-entitlement.

4. May an eligible county apply on behalf of an eligible city within the county?

Answer: The city would have to delegate its allocation to the county, and both jurisdictions have to execute a legally-binding agreement for the county to assume the entire allocation for the five years encompassed by the PLHA Plan. That legally binding agreement has to be submitted with the application. See guidelines section 300(d).

5. Is a city's current CDBG participation agreement with a County to administer their CDBG services enough to serve as a binding commitment for delegation of the PLHA allocation?

Answer: A city/county will have to enter into a separate legally-binding agreement meeting the requirements of the PLHA guidelines. The agreement will have to specifically state that it's for PLHA implementation, with funding from 2019 (*if applicable*), 2020, 2021, 2022, and 2023. It should also state that the County is fully responsible for meeting all PLHA requirements and that the City cannot end

the agreement until all of the funding from the specified years is expended and the annual reports submitted.

6. A City plans to apply for the PLHA funds on behalf of another City, and the delegating City is requesting to have a clause added that allows either party to cancel with 180 days' notice. Is it permitted for either party to be able to cancel the agreement and stop receiving their portion of funds?

Answer: The legally-binding agreement can't have any termination at all. The guidelines require a permanent delegation of the five-year allocation. As stated in our NOFA II Program Requirements, A. Eligible Applicants, 1. Delegation of Formula Allocation.

7. If the County is applying on behalf of several cities, how would the provisions of Section 300 (e) work? In considering the uncommitted amount of formula PLHA funds - would this apply to the combined total allocations for all of the delegating jurisdictions, or would this apply to each city's allocation individually?

Answer: The individual formula allocations for each city and the county would be combined to determine whether the County is eligible to receive the new formula allocation for that city and/or for the County. If the cities have small allocations, this means those allocations might still be eligible, while the County's larger allocation might not be eligible for receipt until sufficient funds are committed.

Program Activities

1. If we have an annual NOFA for new affordable housing construction, can we simply add these funds into it, presuming the projects meet affordability thresholds? Do we need to designate specific projects or can we simply set the number and affordability of the units?

Answer: Yes, you could just add the PLHA funds to your annual funding amount for new affordable housing projects, as long as the rules pertaining to those housing projects satisfy the PLHA rules. Local governments do not need to designate specific projects in their PLHA Plan, but when they award funds, they will need to report on how much PLHA funding was awarded to each project, and they will have to report on the type of project, the affordability of the units assisted by PLHA (i.e., 50% AMI) to demonstrate that the PLHA requirements were met.

2. Can we use our allocation to reimburse the costs of bringing our Housing Element into compliance?

Answer: No, reimbursement for costs related to your jurisdiction's Housing Element is not an eligible PLHA activity.

3. Can we be reimbursed for the staff time that went into the development of the plan?

Answer: Yes, under the five percent administrative allowance.

4. For Activity 6 is there a restriction on Area Median Income (AMI)?
Answer: Yes, Activity 6 is restricted to those with an AMI of 30% or lower.
5. Is Predevelopment an eligible activity?
Answer: Predevelopment is not a PLHA eligible activity on its own. Activities 1 and 2 do include predevelopment costs so long as it results in the development, rehabilitation, and/or preservation of housing; otherwise, there is no actual housing outcome of the predevelopment assistance. Keep in mind, if funds used for predevelopment does not result in housing outcomes, those funds will need to be paid back to the Department.
6. Section 301(a)(5) allows the County to use PLHA funds for Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing. Is the use of PLHA restricted to permanent supportive housing or can it include transitional supportive housing?
Answer: This activity is specific to Permanent Supportive Housing.
7. Can you clearly delineate which activities are eligible for recipients with incomes above 60% AMI?
Answer: Activities 1, 2, 3, 4, 7, 8, 9, and 10 can serve households with incomes above 60% AMI.
8. Can these funds supplant other approved affordable housing dollars (redevelopment, HOME, etc.) or CDBG for homeless activities?
Answer: These funds may be used to augment current affordable housing projects or programs but must meet the PLHA requirements. However, only if the other program(s) permit this.
9. Can the Local Government allocate a certain percentage of the PLHA funds to the activity "Housing Trust Fund" without providing specifics?
Answer: No, the application requests applicants to provide a detailed and complete description of how allocated funds will be used for the proposed activity and to describe major steps for the completion of the activity.
10. If we wanted to sub allocate funds to a non-profit who has experience in operating a homeless shelter and have them as a sub-recipient of the City; is a "request for proposal" (RFP) process necessary?
Answer: The City would have to follow its normally required procurement process. It's customary for public entities to issue an RFP or RFQ before choosing a recipient and entering a contract.

11. Can assistance be targeted to only a specific number or percentage of total developed units?

Answer: Yes, it is likely that the PLHA funding might only equal one-quarter or one-third of a project's total cost, so it would be reasonable for one-quarter or one-third of the project's units to be restricted under the PLHA Regulatory Agreement.

12. Can you please explain how Eligible Activities #3 and #4 work? These are uses that discuss the match for local housing trust fund. What are the benefits of this option?

Answer: The language in Activity 3 is statutory. The legislature wanted PLHA to be able to be used as Match for the LHTF Program Funds, but only for Regional Housing Trust Funds. Nonetheless, a Local government can award funds to a Local (non-Regional) Housing Trust Fund, but those funds cannot be used as Matching Funds under the LHTF program. Activity 4 pertains to jurisdictions whose housing successor (to the Redevelopment Agency) still receives funds generated by housing assets.

13. What is the affordability period for mortgage assistance program? Will it follow RDA requirement of 45 years?

Answer: Each jurisdiction has to establish its own affordability period for mortgage assistance programs. The only affordability requirement imposed by the Department is a minimum 55-year affordability period for multifamily rental housing projects.

14. Must activities in the application be specifically names of projects or can they simply be a unit count and affordability requirements?

Answer: Local governments do not need to name specific projects in their PLHA Plan/application. At that stage, it's sufficient to just say that the jurisdiction intends to use the funds for a certain type of activity (i.e., multifamily rental housing development) that will be affordable to tenants at x% of AMI.

15. Can PLHA funds be used to continue existing services?

Answer: Yes, as long as the services fit into the list of at least one of the eligible activities in section 301 of the PLHA guidelines.

16. Can these funds be used for land acquisition for USDA Self-Help Homeownership Programs?

Answer: Land acquisition is not an eligible PLHA activity on its own, the Department expects a result in development, rehabilitation, or preservation of affordable rental or ownership housing. Jurisdictions must report on how funds were used for eligible activities in their annual report.

17. Can we use PLHA for default prevention? (Specifically, a program that would provide assistance to landlords who are experiencing financial impacts related to delayed or deferred rent payments because of COVID-19.)

Answer: Default prevention is not an eligible activity.

18. Is a manufactured home on a permanent foundation an eligible activity?

Answer: Yes.

19. If the County proposes to use PLHA funds to make first-time homebuyer loans, what are the deed restriction time frames?

Answer: It depends on how much the downpayment assistance program is offering by each individual loan. For example, for a \$25,000 loan, the minimum requirement of 10 years is sufficient. However, if the loan is closer to \$75k-\$100k, a deed restriction of 30 years is required. Please refer to chart below:

A. The loan being offered to the borrower represents 50% or less than the value of the home: Deed restriction should be for a minimum term of 10 years. SGM recommends 15 years.
B. The loan being offered to the borrower represents between 50% to 75% of the value of the home. Deed restriction should be for a minimum term of 15 years. SGM recommends 20 years.
C. The loan being offered to the borrower is greater than 75% of the value of the home. Deed restriction should be for a minimum term of 20 years. SGM recommends 30 years.
D. ADU's minimum term of 5 years.
E. Valuation of the home is determined by the purchase price or the average of two reliable sources obtained by the grantee. Reliable source could be Zillow or Redfin or a Broker Price Opinion. An appraisal is always acceptable but not required as they can be expensive. The reliable source is not something we would publish, but we could offer our opinion if the grantee asks.

20. Is homeownership assistance in the form of a low-interest loan or grant?

Answer: Homeownership assistance under Activity 9 may be in a form of a grant or loan, and in either form must have a deed restriction with a minimum of five years, and up to 30 years. Ownership housing under Activity 2 may be in the form of a low-interest loan or forgivable loan, (cannot be a grant) and have the five-year minimum deed restriction. Activity 9 serves private homeowners through downpayment assistance, and Activity 2 applies to developers for predevelopment, development, acquisition, rehabilitation, and preservation of ownership housing, including Accessory Dwelling Units (ADUs).

21. Can a loan to a housing developer be structured as a forgivable loan?
Answer: The Department does not recommend forgivable loans made to developers and owners of multifamily projects, but yes, the loan can be forgivable after the project has been in operation and compliant in an affordability period of 55 years.

Eligible Expenses

1. Does a developer or consultant preparing a site for development qualify as an eligible pre-development expense for affordable housing developments?
Answer: An administrative consultant would have to be paid from the 5% administrative cap. However, the following types of consultants are examples of those that are included in eligible project costs: Geotech study consultants, environmental consultants, and marketing consultants. Essentially, if a consultant is included in total project costs under low-income housing tax credit rules, they don't have to be paid with administrative funds, and the cost to pay those fees are eligible for reimbursement as predevelopment expenses.
2. Activity 6 indicates operating costs but want to confirm that utility costs for shelters is an eligible expense for this activity?
Answer: Yes, it is and reviewed on a case by case.

Homelessness Activities

1. Can you clarify Rapid Rehousing activities?
Answer: In conformance with federal rules contained in [24 CFR Section 576.104](#). Funds may be used to provide housing relocation and stabilization services and termed rental assistance as necessary to help a person experiencing or at-risk of homelessness or family move as quickly as possible into permanent housing and achieve stability in that housing. Rental assistance must be offered for a minimum of six months and functions similarly to Section 8 vouchers.
2. Can you clarify activities under Supportive Services?
Answer: Supportive services must be necessary to assist program participants obtain and maintain housing, which can include street outreach, mental health services, emergency health services, employment assistance and job training, life skills training, substance abuse treatment services. Case management assesses, arranges, coordinates, and monitors the delivery of individualized services to meet the needs of the program participants.
3. Can you please tell me the difference between emergency and regular rental assistance?
Answer: **Regular** rental assistance serves for a minimum term of six months and functions similarly to Section 8 vouchers--tenants apply for it, their incomes are verified, etc., and they are given the go ahead to find a place to rent--or could be project based rental assistance, where the jurisdiction makes a commitment to a

certain project to subsidize a certain number of units down so that the tenants only pay rent based on their ability to pay.

Emergency rental assistance, is temporary, and the recipients might not qualify under the at risk of homelessness definition in the HUD regulations. Emergency rental assistance is not eligible under PLHA.

4. Can we use the funds for emergency rental assistance to keep people in their current housing and prevent homelessness?

Answer: No, emergency rental assistance is not an eligible activity. However, funds may be used for regular rental assistance, with a minimum term of six months.

5. Can we use funds for hotel/motel vouchers on people experiencing homelessness?

Answer: No, this is not an allowable use and is not covered under any of the eligible activities.

6. For Activity 6, would funds for emergency shelter operations be grants versus loans?

Answer: When grantees are disbursing their funds to navigation centers or emergency shelters for operations, it can be a grant. For construction, or rehabilitation of navigation centers or emergency shelters it must be in the form of a forgivable loan, per the requirements of Section 302(c)(7). Further documentation will be required if funds are spent on construction or rehabilitation; please contact your SGM Representative.

Five Percent Administrative Costs

1. If the city decides to operate an emergency shelter with its PLHA funds, would costs associated with the staff member running the shelter be part of the Activity Delivery since they would be at the shelter performing all tasks associated with operation of the shelter or would any of that staff member's time have to come out of the five percent administrative cost?

Answer: If a staff member is assigned solely to running the shelter, their compensation would be Activity Delivery and come from program funds, not from the five percent admin allowance.

2. If we use our funds for rental assistance, does the five percent admin cost mean the third party we decide to administer the program?

Answer: No, if you hire an administrator for your activity, the five percent admin allowance is not eligible to cover your costs, but the programs funds can.

3. May a grantee request only the five percent administrative costs from their allocation?

Answer: No, the allowable five percent administrative cost must be requested

along with activity funds.

4. In the NOFA section D., it goes over “activity costs,” but would appreciate a little more guidance around what that looks like.

Answer: Activity costs depend on what activities you’ll be doing, but can mean necessary expenses for the operation of the business, and they are not directly related to the production of goods or services, like: accounting, legal expenses, administrative salaries, office expenses such as supplies, rent, security, and utilities.

Affordable Owner-Occupied Workforce Housing

1. Is the 20% of the PLHA funds requirement for Affordable Owner-Occupied Workforce Housing (AOWH) a state-wide goal?

Answer: It is a statewide requirement for the Building Homes & Jobs Trust Fund. Please note: If your five-year plan includes any of the following activities: 2, 3, 4, 7, 8, 9, or 10, the PLHA Annual Report question six of the Narrative Summary Tab asks grantees to provide an explanation about how they are targeting 20% of your allocation towards AOWH.

2. Does a local government have to meet the 20% set aside for AOWH on an annual basis? If the 20% set aside is not being met (at what point would this be determined? Would local governments be required to set aside a larger portion of their funds to meet this obligation? Would a local government that had been allocating and using the 20% set aside for the AOWH be required to allocate more funds toward the AOWH?

Answer: The 20% expenditure on AOWH is a statewide requirement for the Building Homes & Jobs Trust Fund. If the 20% requirement is not being met during the first couple of years, the Department will require a specific set aside in a future year, through issuance of a NOFA. If a local government had been allocating and using 20%, it might still be required to allocate more funds toward AOWH if the Department issues a NOFA requiring a large percentage or all of a funding year to be used for AOWH.

3. If the funds will be used for the development of AOWH, is it also required that the assistance be in the form of a loan to the original developer?

Answer: If the city chooses to fund the development of affordable ownership housing (either condominium or single-family homes), it implies that the city would make a loan to the developer to build that project. Typically, that developer loan is converted into individual loans to the homebuyers who buy units at that project when the project is completed. Conversely, the city could choose simply to assist the homebuyers with down-payment assistance loans. If the city chose the second method, the homebuyers would be free to choose a dwelling anywhere in the city--they shouldn't be limited to only that new project.

4. Can ownership housing be in the form of a grant or a loan under Activity 2, Affordable Owner-Occupied Workforce Housing (AOWH)?

Answer: It depends, it may be a grant or in the form of a loan, or a forgivable loan, and must have a deed restriction; please contact your SGM Representative for further assistance.

Expenditure Deadlines and Commitment Requirements

A chart with application and expenditure deadlines is included at the end of this section.

1. If we are applying for our previous years allocations this year, will the terms or expenditure deadlines be extended?

Answer: No, the terms and expenditure deadlines for each year's allocation remain the same regardless of when they were applied for. Please see the chart detailing the expenditure deadlines below. The Application Deadline is the last chance the applicant can request their allocation.

2. So, we must expend the 2019 allocation prior to the April 30, 2024 expenditure deadline?

Answer: Yes, the 2019 allocation (and all subsequent year's allocations) must be expended by the expenditure deadlines provided regardless of when you apply for them.

3. When can we spend funds and request reimbursement?

Answer: Immediately following the execution of your standard agreement, a State Grant Management Representative will reach out to you. Visit the PLHA SGM webpage for Reporting and Compliance documents: [Reporting and Compliance: Grant Programs | California Department of Housing and Community Development](#).

Please note: When grantees provide program funds in the form of a loan, SGM will request review of your draft loan documents. Also, supporting documentation will be requested to provide context to how program funds, by activity, are being expended. These documents must be reviewed and approved *prior to* processing your Request for Funds document to SGM.

4. If we wait until year two or three to apply, does the 58-month period to allocate start with the application date, or is it tied to the appropriation year?

Answer: The PLHA application with the Plan must be submitted within 48-months of the first day of the budget year (see table below). There's also a 58-month deadline for expenditure of the funds. There is a threshold requirement in the program Guidelines (Section 201(c)) that prohibits an Applicant from applying for more than three years of funding in one year. Lastly, Guidelines Section 300(e) prohibits more than a certain amount of funds to be uncommitted. If that amount is exceeded, the Local Government cannot receive its next year's allocation.

Allocation Years	Application Deadline (Expiring funds)	5-Year Plan Amendment Deadline	Disbursement Request Deadline
Round 2 (2020)	February 2024	June 30, 2024	April 30, 2025
Round 3 (2021)	February 2025	June 30, 2025	April 30, 2026
Round 4 (2022)	February 2026	June 30, 2026	April 30, 2027
Round 5 (2023)	February 2027	June 30, 2027	April 30, 2028

Program Income Reuse Plan

1. Is there any type of template for the reuse plan?
Answer: Program does not have a reuse plan template. Applicants just have to state how the interest earned from PLHA funds on deposit and repaid loans will be reused on their eligible activities, as they are listed in their standard agreement Exhibit E.
2. Can program income be used for long-term monitoring of Affordable Housing covenants for projects that were funded with SB 2 funds?
Answer: Program income cannot be used for long-term monitoring of Affordable housing projects.
3. Are jurisdictions able to reserve five percent of earned program income for administrative costs?
Answer: No, the five percent admin is specific to the total annual allocation, not any income earned. Any income earned should be put towards the eligible activity(ies) as listed in the PLHA plan.
4. If our rental projects charge a monitoring fee, are those funds considered program income?
Answer: No, monitoring fees that are specifically for monitoring rental projects are not program income, but residual receipts payments and interest payments are program income.
5. Can we create a revolving loan fund? If yes, how is program income handled?
Answer: Yes, as loans are repaid, the returned funds (program income) is required to be used for PLHA-eligible activities, so that is a type of revolving loan fund.
6. Can we allow for all eligible activities allowed in the PLHA program guidelines for our re-use plan, or are we limited to reusing the funds by the activities outlined in our PLHA Plan?
Answer: Each grantee's program income is limited to the activities listed on their executed standard agreement, which contains their PLHA Plan.

Income and Rent Limits

1. If the city loans the money to a project which has both 60% and below AMI and 80% to 120% AMI levels, can PLHA be used for both?
[Answer: Yes, a project can have units restricted to no more than 60% AMI as well as 80-120% AMI.](#)
2. For Affordable Owner-Occupied Workforce Housing (AOWH) what percentage of median income is that?
[Answer: The PLHA guidelines define AOWH as Low or Moderate-Income, which means up to 120% AMI \(or 150% of AMI in High-cost areas\).](#)
3. For ADU rehab or new construction, do the renters have to be low-income?
[Answer: Yes, as listed in Activity 2, to meet the needs of a growing workforce earning up to 120% of AMI, or 150% of AMI in high-cost areas.](#)
4. Which rent guidelines will this program follow?
[Answer: The MHP Income & Rent Limits must be followed for Extremely Low-Income, Very Low-Income and Low-Income Units, as stated in Guidelines section 101, definitions of these incomes. For Moderate-Income households, the "Official State Income Limits for xxxx \(year\)" must be used. Both sets of income limits are posted on the HCD website on this page: \[State and Federal Income, Rent, and Loan/Value Limits | California Department of Housing and Community Development\]\(#\)](#)
5. For our downpayment assistance program, can we use HUD or NSP income limits rather than the State posted limits?
[Answer: No, the PLHA guidelines require use of the income limits issued by the Department; available on the website: \[Income Limits | California Department of Housing and Community Development\]\(#\)](#)

Accessory Dwelling Units

1. How long is the affordability period for ADUs?
[Answer: The renter must income qualify, and the occupancy must be for a term of no less than 30 days, and with an affordability period of a minimum of five years.](#)
2. Are ADU's considered ownership units (AOWH) or rental units?
[Answer: ADU's are rental units and required to be rented to an income-eligible household. ADU's can support homeownership if they are built to house an income eligible homeowner and be deed restricted with a minimum of five years.](#)
3. Would the County need to monitor the ADU's each year (i.e. verify occupancy, income limit & unit upkeep)?
[Answer: Yes, the County would need to make sure the ADU complied with the county's own requirements. PLHA only requires a minimum 30-day rental](#)

occupancy, to prevent use as short term rentals, so that would have to be monitored for the number of years the county chooses.

4. Would we be required to enter into a regulatory agreement that is added to the deed of each ADU developed with the PLHA funds?

Answer: No, the ADU needs to be rented to an income eligible household, and there would need to be a deed restriction with an affordability period of a minimum of five years.

Regional Housing Needs Allocation Requirements (RHNA)/Credit

1. Explain how the unmet share of RHNA numbers are calculated. Are they the balance of RHNA numbers after the planned PLHA activities? And, if so, is it cumulative for all of the planned activities?

Answer: Unmet need for RHNA is calculated by subtracting all permitted units, (not just PLHA activities), by their affordability and income group from their RHNA by income group. Jurisdiction should utilize the same methods used in their annual progress reports pursuant to Government Code section 65400. For more information on annual reports, see our [HCD webpage](https://www.hcd.ca.gov/community-development/housing-element/index.shtml) at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml>.

2. If a jurisdiction allocates their funds to another jurisdiction or to a Regional Housing Trust Fund, who gets the RHNA credit for any housing built with those funds?

Answer: The RHNA credit for housing built with these funds would go to the Local Government within which the units were built.

Monitoring or Reporting

1. When is the PLHA Annual Report due?

Answer: The PLHA Annual Report is due on or before July 31st of each reporting year.

2. Is monitoring for an Accessory Dwelling Unit required to be discussed in the Annual Report?

Answer: Yes, monitoring activity would need to be reported in the Annual Report.

3. Does the 2019 allocation Request for Funds (RFFs) form have a deadline for submission?

Answer: Yes. RFF's for the [2019 allocation](#) must be submitted no later than March 1, 2024. If the project requires review of draft loan documents, documents must be submitted no later than January 15, 2024. For projects requiring review/approval of other supporting documents, please submit no later than February 1, 2024.

4. Is monitoring for Affordable Owner-Occupied Workforce Housing (AOWH) required?

Answer: Yes, if your five-year plan includes any of the following activities: 2, 3, 4, 7, 8, 9, or 10, please explain how you are targeting 20% of your allocation towards AOWH on question six (6) of the Narrative Summary Tab of the PLHA Annual Report. If your plan only includes activities 1, 5, or 6, please enter "N/A."

Other

1. Are we required to pay prevailing wage?

Answer: All HCD programs require compliance with all applicable law including the payment of prevailing wages unless the project meets one of the exceptions of Labor Code § 1720(c) as determined by the Department of Industrial Relations. For further assistance on this, we recommend you speak to your legal counsel.

2. Does the State Prevailing Wage apply to only construction and not rehabilitation?

Answer: We recommend you reach out to the Department of Industrial Relations regarding any clarifying information on Prevailing Wages. Link to their website: [Office of the Director - Research: Contact Us \(ca.gov\)](#)

3. Where may I find HCD habitability standards?

Answer: The PLHA Guidelines don't require specific PLHA habitability standards, but we recommend the [HUD REAC standards](#).

4. Jurisdictions that already have an EIN number, are they required to apply for a new number for PLHA?

Answer: Your EIN number and TIN number should be one and the same, HCD will accept valid numbers on the TIN form.

5. Will PLHA be extended beyond the five years and potentially become entitlement funding? (i.e. like CDBG funds)

Answer: PLHA is a permanent program, but the distribution of funds is mandated by statute. It is not totally entitlement funding, as there are non-entitlement jurisdictions that receive a portion of the funds, and only legislative action can change the distribution of funds.

6. Do you require inspections when using funds for rental assistance?

Answer: The Department recommends making sure the units leased by recipients of rental assistance are decent, safe, and sanitary, through inspections of those units.

7. Are cities required to use Homeless Management Information System (HMIS) to track individuals who receive Homeless assistance?

Answer: Under the PLHA program, cities are not required to use HMIS.

8. Are individuals allowed to receive assistance from multiple State or Federally funded programs concurrently? (i.e., PLHA and Bringing Families Home Program)
[Answer: The PLHA program does not have any limitation but check with the other programs if they do.](#)

9. Can allocation funds be rolled over (i.e., stacking funds)?
[Answer: No. You must reapply for, commit, and request each annual allocation. Each annual allocation is separate. Funds will not be added to subsequent allocations. Commitment of funds should be provided prior for each annual allocation prior to requesting funds.](#)