

2019 Healthy for a Healthy Homes Article I – National Housing Trust Program Workshop FAQ's



***Note: Questions appear as submitted**

Question	Answer
Q. Could HCD please consider notifying applicants when the application has been modified?	A. For any substantially technical revisions to the application all interested parties will be notified via listserv. Before submitting final application make sure you have the most recent version.
Q. Could a single Permanent Supportive Housing (PSH) project benefit from funding from HHC Article I, and the HHC Article II funding?	A. Not on the same units-with development dollars. However, Article II rental subsidies or COSR funds can be used in conjunction w/Article I.
Q. Can a Developer apply for a capital loan under the HHC Article I and not request a COSR grant with the expectation that the city or county will apply for rental assistance/rental subsidy under Article II funding?	A. This is possible. Keep in mind, HHC Article II rental subsidies would not count as leverage in the HHC Article I application's score, since they would not be considered "committed" rental subsidies at the time of application.
Q. Can a previously approved NEPA part 58 be used for HHC?	A. That depends on several factors, if other HUD funding is combined with HHC funding, NEPA is required. The NEPA must have been completed within the past five (5) years and no additional work or changes of any kind to the site (e.g. grading, construction, alteration, demolition, etc.), and the current Scope of Work and Project description is identical to the project description and scope of work as outlined and defined in the prior NEPA.
Q. Is Stacking allowed for Article I?	A. 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).
Q. How is "Target Population" defined?	A. Target Population is defined under Section 101(ff) of the HHC Guidelines. "Target Population" means a person who is Chronically homeless or is Homeless and a High-cost health user upon initial eligibility, is a Medi-Cal beneficiary, is eligible for Supplemental Security Income, 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."

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<p>Q. Which Prevailing Wage do I use? State or Davis Bacon?</p>	<p>A. Activities funded with HHC funds are required to comply with federal Davis-Bacon Wage requirements or State Prevailing Wages whichever is greater. Applicants are encouraged to contact the Department of Industrial Relations at https://www.dir.ca.gov/oprl/DPreWageDetermination.htm or seek professional advice on how to comply with state prevailing wage law.</p>
<p>Q. How do we address Tenant's that become "Over-income?"</p>	<p>A. Over-income tenant is explained under HHC Guidelines Section 106(c).</p>
<p>Q. Please clarify if loan principal is deferred in addition to the accrued interest 104(a)(3)?</p>	<p>A. Yes. The loan principle and interest repayments are deferred, it will be based on the UMR Section 8314, Use of Operating Cash Flow.</p>
<p>Q. Could you clarify that an application cannot just be for a Grant for the COSR, is that correct? It also must include a request for a loan for acquisition or new construction?</p>	<p>A. Yes. Applicants cannot apply for COSR only with Article I funds. The COSR shall be sized to cover anticipated operating deficits <i>attributable to the Assisted Units</i>. Please refer to Section 108 of the HHC Guidelines.</p>
<p>Q. Can we stack HCC funding on the same unit we are using <u>non-competitive</u> No Place Like Home funding for? The NPLH is being used for capital development and we would like to utilize HCC for COSR.</p>	<p>A. No, COSR is not considered "stacking", however you cannot use Article I funds to fund a COSR on a NPLH development.</p>
<p>Q. Is it required to submit a Relocation Plan?</p>	<p>A. Yes. If individuals or businesses will be displaced, the Applicant shall prepare a relocation plan conforming to the provisions of HHC Guidelines, Section 102(l), 24 CFR 93.352, and 24 CFR 93.201(f).</p>
<p>Q. What is the definition of Supportive Housing?</p>	<p>A. Supportive Housing is defined under Section 201(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>

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<p>Q. Does Stacking apply to Scattered Site Housing?</p>	<p>A. Yes. Stacking applies to all HHC assisted units. Please refer to Section 102(g) and (k).</p>
<p>Q. What measure will be used to determine/score Quality and Quantity of services of proposed Supportive Service plan?</p>	<p>A. Supportive Services Plan will be evaluated based on the requirements stated under Section 111(c).</p>
<p>Q. What costs are allowable for Article I Capitalized Operating Subsidy Reserves (COSR)?</p>	<p>A. In accordance to 24 CFR 93.201(e)(1), 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>Q. Clarify number of Units vs number of bedrooms involving new construction requiring demolition of existing residential units?</p>	<p>A. 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 Refer to Section 103(1)(b) and UMR Section 8302(a) for restrictions on demolition.</p>
<p>Q. Is there per-unit Subsidy Cap?</p>	<p>A. The total amount of NHTF assistance shall not exceed the maximum per-unit development subsidy amount established by HUD – this amount changes annually and is posted on HCD's website. http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml</p>
<p>Q. What Income Limits do we use?</p>	<p>A. The Income Limits are posted on the Department's website and are updated annually. Assisted units will be restricted per the Income Limits set forth in the Project Regulatory Agreement. Refer to Section 105(a).</p>
<p>Q. What documentation is required to attach with the application for CEQA requirement at the Application stage?</p>	<p>A. If CEQA is not completed by application submittal, attach the Local Jurisdiction and NEPA Responsible Entity Verification form included in the Supplemental Application (Tab-d). All required environmental must be completed by project commitment deadline.</p>

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<p>Q. Is the HOME Program an exception to the rule of no Stacking for Article I?</p>	<p>A. HOME was not specifically listed; however, all other Multi-family development program were including NHTF.</p>
<p>Q. How is Utilization of Funds to Off-set Request demonstrated?</p>	<p>A. In the Application's sources and uses.</p>
<p>Q. How many years is the Period of Affordability for HHC?</p>	<p>A. The federal affordability period is 30 years, 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>Q. What Poverty Guidelines Limits are used if they are on Medi-Cal?</p>	<p>A. Household income shall be determined in accordance with the rules in 24 CFR 93.151. At the time of move-in, the household income shall not exceed the established Extremely Low Income (ELI) limits or families with incomes at or below the poverty line (whichever is greater) pursuant to 24 CFR 93.250(a). The income limits are posted on the Department's website.</p>