October 30, 2018

MEMORANDUM FOR: All Potential Applicants and Other Interested Parties

FROM: Lisa Bates, Deputy Director Division of Financial Assistance

SUBJECT: Notice of Funding Availability No Place Like Home Program Amended Round 1 Competitive Allocation Funds

The California Department of Housing and Community Development (HCD) is pleased to announce the availability of approximately $400 million in Round 1 Competitive Allocation funds for the No Place Like Home (NPLH) Program. The NPLH program provides deferred payment loans to Counties applying independently and to Counties applying with a Development Sponsor for the development of Permanent Supportive Housing for persons with a serious mental illness who are Homeless, Chronically Homeless or At-Risk of Chronic Homelessness. NPLH funds may be used to acquire, design, construct, rehabilitate, or preserve Permanent Supportive Housing, which may include a Capitalized Operating Subsidy Reserve.

For Projects funded under this NOFA, Counties compete for available funds with other Counties of a similar population size. The initial amounts available under Round 1 within each population group are listed on the following page. These amounts have been amended from the version of the NOFA published on October 15, 2018. Adjusted allocation amounts reflect newly published 2017 homeless Point-in-Time (PIT) count numbers for Los Angeles County and the Tri-Cities of Pomona, Claremont, and La Verne, and movement of one County from the Medium County Allocation to the Large County Allocation due to an increase in its population in 2018. The Small County Allocation did not change because its actual allocation remains underneath the 8 percent minimum which it is guaranteed under the NPLH Guidelines Section 102 (d) (3).

The deadline for submission of applications under this NOFA has also been extended to January 30, 2019.

1 For more information on the NPLH program, please see the NPLH Program Guidelines dated July 17, 2017, and the Program statute beginning with Welfare and Institutions Code 5849.1 et.seq. Definitions of capitalized terms can be found in Section 101 of the NPLH Guidelines.
Large County (population greater than 750,000) $93,525,977
Medium County (population between 200,000 to 750,000) $52,445,511
Small County (population less than 200,000) $32,000,000

For a list of Counties within each population group, see Appendix A in the NPLH NOFA.

Eligible project applications to be submitted to HCD under this NOFA are multifamily rental projects of five or more units located in Counties other than Los Angeles, San Diego, San Francisco, and Santa Clara Counties. Projects in these four Counties must apply directly to their county for NPLH funds under the terms of that county’s NPLH application process. Adjusted allocation amounts reflect newly published 2017 PIT numbers for Los Angeles County and the Tri-Cities of Pomona, Claremont, and La Verne, and movement of one County from the Medium County Allocation to the Large County Allocation due to an increase in its population in 2018. For a list of these county contacts, see the NPLH Program website.

Los Angeles $155,230,056
San Diego $28,069,001
Santa Clara $20,478,901
San Francisco $18,250,554

NOTE: The Tri-Cities of Pomona, Claremont, and La Verne, and the City of Berkeley, are considered separate Counties under the NPLH program. Projects of five or more units located in these cities should be submitted directly to HCD.

Project applications submitted under this NOFA will be funded on a competitive basis, subject to the availability of funds. The NPLH application forms, Program Guidelines, and application training information are available on the NPLH Program webpage.

A complete original application and one electronic copy on CD or flash drive with all applicable information must be received by HCD no later than 5:00 p.m. Pacific Standard Time on January 30, 2019, delivered by a mail carrier service such as the U.S. Postal Service, UPS, FedEx, or other carrier service that provides a date stamp verification of delivery to the following address:

No Place Like Home Program
Division of Financial Assistance, NOFA Section
California Department of Housing and Community Development
2020 W. El Camino Avenue, Suite 500

2 Counties with five percent or more of the State’s homeless population can be designated by HCD to administer their own allocation of NPLH funds as Alternative Process counties (APCs). Round 1, the counties of Los Angeles, San Diego, San Francisco and Santa Clara have been approved as APCs.
Sacramento, CA  95833

Personal deliveries will not be accepted. No facsimiles, late applications, incomplete applications, application revisions, electronically transmitted, or walk-in application packages will be accepted.

Questions about this NOFA and application process can be directed to the NPLH email box at NPLH@hcd.ca.gov.

Attachment
NO PLACE LIKE HOME PROGRAM
2018 Notice of Funding Availability

Round 1
Competitive Allocation Funds

State of California
Governor Edmund G. Brown Jr.

Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency

Ben Metcalf, Director
Department of Housing and Community Development

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833
Telephone: (916) 263-2771
Website: http://www.hcd.ca.gov/grants-funding/active-funding/nplh.shtml

Program email: NPLH@hcd.ca.gov

October 15, 2018
Amended October 25, 2018
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APPENDIX A: ROUND 1 AMOUNTS AVAILABLE.............................................................................. 18
I. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (HCD) hereby announces the availability of approximately $400 million in Round 1 Competitive Allocation funds for the No Place Like Home (NPLH) Program (Program).\(^1\) This funding is conditioned upon voter approval of the No Place Like Home Act of 2018, Proposition 2, on the November 2018 ballot. If approved by voters, this measure would authorize the Legislature to appropriate funds to the Mental Health Services Fund for the NPLH program to begin making awards under this NOFA.

The outcome of the bond validation action (California Health Facilities Financing Authority, et al. v. All Interested Persons, Case No. 34-2017-00219002-CU-MC-GDS) and the reverse validation action (Bernard v. The California Health Facilities Financing Authority, et al., Case No. 34-2016-00203224) may also affect the availability or timeline of funding.

If the measure does not pass, or if the outcome of the above-referenced litigation impacts the NPLH program, then HCD will publish a notice on its website with advisement regarding the availability of funds.

The NPLH program provides deferred payment loans to Counties applying independently as a Development Sponsor, as well as to Counties applying jointly with another entity as a Development Sponsor, to finance the development of Permanent Supportive Housing for persons with a serious mental illness who are Homeless, Chronically Homeless, or At-Risk of Chronic Homelessness. NPLH funds may be used to acquire, design, construct, rehabilitate, or preserve Permanent Supportive Housing and fund Capitalized Operating Subsidy Reserves (COSR). Funding under this NOFA is provided through the sale of bonds with interest payments on the bonds funded through the Mental Health Services Act (MHSA). NPLH funds are available through a Noncompetitive Allocation and a Competitive Allocation process. This NOFA addresses funds that will be available through Round 1 of the Competitive Allocation. The NOFA for funds available to each County through the Noncompetitive Allocation was released August 15, 2018, and is available on the [NPLH Program webpage](NPLH Program webpage).

Defined terms within the NPLH Program Guidelines (Guidelines) are capitalized in this NOFA. Definitions of capitalized terms can be found in Section 101 of the Guidelines.

B. Competitive Allocation amounts

For Projects funded under this NOFA, Counties\(^2\) compete for available funds with

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1 For more information on the NPLH program, please see the NPLH Program Guidelines, July 17, 2017 at [NPLH Guidelines](NPLH Guidelines). Definitions of capitalized terms can be found in Section 101 of the NPLH Guidelines.

2 Section 5849.2, subdivision (f) of the Welfare and Institutions Code defines “County” to include, but not be limited to, a city and county, and a city receiving funds pursuant to Section 5701.5. Therefore,
other Counties of a similar population size. The initial amounts available under Round 1 within each population group are as follows:

<table>
<thead>
<tr>
<th>Population Group</th>
<th>Initial Amount Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large County (population greater than 750,000)</td>
<td>$93,525,977</td>
</tr>
<tr>
<td>Medium County (population between 200,000 to 750,000)</td>
<td>$52,445,511</td>
</tr>
<tr>
<td>Small County (population less than 200,000)</td>
<td>$32,000,000</td>
</tr>
</tbody>
</table>

*Adjusted numbers reflect newly published 2017 homeless Point-in-Time (PIT) Count numbers for Los Angeles County and the Tri-Cities of Pomona, Claremont, and La Verne, and movement of one County from the Medium County Allocation to the Large County Allocation due to an increase in its population in 2018. The Small County Allocation did not change because its actual allocation remains underneath the 8 percent minimum which it is guaranteed under the NPLH Guidelines Section 102 (d)(3).*

The total amount of funds available within each County population group is based on a formula that accounts for:

1. The proportionate share of Homeless persons among the Counties within each group based on the most recent PIT Count of both sheltered and unsheltered Homeless persons as published by the U.S. Department of Housing and Urban Development (HUD), and as compared to the state’s total Homeless population. This factor is weighted at 70 percent; and

2. The proportionate share of Extremely Low-Income (ELI) renter households that are paying more than 50 percent of their income for Rent using HUD’s Comprehensive Housing Affordability Strategy dataset. This factor is weighted at 30 percent.

Notwithstanding the above calculation, the Small County Allocation shall be no less than eight percent of the funds made available in the Competitive Allocation. For a list of Counties within each population group, see Appendix A.

C. Funds administration

NPLH Competitive Allocation funds can be administered in two different ways:

1. **HCD Projects:** Funds from the Competitive Allocation will be administered by HCD for Projects of five or more Units located in Counties not designated as Alternative Process Counties (APCs). As the Project lender, HCD will select Projects of five or more Units and administer NPLH funds based on the Program requirements.

2. **Alternative Process Counties:** If a County with five percent or more of the state’s homeless population wants to administer its Competitive Allocation funds, it can be designated by HCD as an APC. Once the County has been designated as an APC, the County, as the Project lender, will use its Competitive Allocation funds to select Projects of any number of Units based pursuant to Welfare and Institutions Code 5849.2 (f), the City of Berkeley and the Tri-Cities (Pomona, Claremont, and La Verne), qualify as counties for No Place Like Home funding.

3 For more information on the NPLH program, please see the NPLH Program Guidelines, July 17, 2017 at NPLH Guidelines. Definitions of capitalized terms can be found in Section 101 of these NPLH Guidelines.
on a method of distribution approved by HCD, and will monitor these Projects for the required period of affordability. Articles I and III of the Guidelines address NPLH requirements governing APCs. For 2018, four Counties have been designated to be APCs: Los Angeles, San Diego, San Francisco, and Santa Clara Counties.

Funds available under this NOFA to these four Counties are as follows.

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$155,230,056</td>
</tr>
<tr>
<td>San Diego</td>
<td>$28,069,001</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>$20,478,901</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$18,250,554</td>
</tr>
</tbody>
</table>

Adjusted numbers reflect newly published 2017 PIT numbers for Los Angeles County and the Tri-Cities of Pomona, Claremont, and La Verne, and movement of one County from the Medium County Allocation to the Large County Allocation due to an increase in its population in 2018.

Once a County has been designated by HCD to administer funds as an APC, proposed Projects located in the County, other than Projects located in the cities of Claremont, La Verne, and Pomona, must apply for NPLH funds through the County pursuant to the terms of the County’s application process. **HCD will not accept applications for Projects located in APCs under this NOFA, except for proposed Projects of five or more Units located in the cities of Claremont, La Verne, and Pomona.**

For a list of these County contacts, see the [NPLH Program webpage](#).

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4 See footnote 2 above.
Round 1 Allocation

$400,000,000

Alternative Program

Los Angeles $155,230,056
San Diego $28,069,001
San Francisco $18,250,554
Santa Clara $20,478,901

Large Counties $93,525,977

Medium Counties $52,445,511

Small Counties $32,000,000
D. Tentative program timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOFA release</td>
<td>October 15, 2018</td>
</tr>
<tr>
<td>Application deadline for Projects submitted to HCD</td>
<td>January 30, 2019</td>
</tr>
<tr>
<td>Award announcements</td>
<td>June 2019</td>
</tr>
</tbody>
</table>

E. Authorizing legislation, program guidelines, and regulations

The NPLH program furthers the purposes of AB 1618, (Chapter 43, Statutes of 2016), as amended by AB 1628, (Chapter 322, Statutes of 2016, effective September 13, 2016), and the 2018 No Place Like Home Act (AB 1827, Assembly Budget Committee). Guidelines implement, interpret, and make specific the NPLH statutes. These Guidelines establish terms, conditions, and procedures for the award of funds under the Competitive Allocation.

Except as otherwise provided in the Guidelines, multifamily rental housing Projects of five or more Units underwritten by HCD are also subject to HCD’s current Uniform Multifamily Regulations (UMRs). The Guidelines are available on the NPLH program website at Guidelines. The current UMRs are located at UMRs.

Applicants are responsible for complying with the NPLH program requirements set forth in the Guidelines and UMRs, as applicable. Applicants are advised to carefully review the Guidelines, UMRs, and information contained in this NOFA before submitting applications.

II. Program Requirements

This NOFA addresses individual Project threshold requirements and competitive application rating criteria for Projects of five of more Units to be administered by HCD using Competitive Allocation funds (see C.1 above). The following is provided as a summary and is not to be considered a comprehensive representation of the eligibility, threshold and application rating criteria, as well as other requirements or terms and conditions of the NPLH program. Terms that are defined in the Guidelines are capitalized.

A. Project requirements

Projects are eligible to receive funding if they meet the requirements of Section 202 of the Guidelines.

1. Eligible Applicants

Applications must be submitted by a single County independently as the Development Sponsor, or by a single County jointly with another entity as the Development Sponsor. Two or more Counties may apply together as joint Applicants if there is a commitment to collaborate in the provision or
coordination of supportive services or other resources to the Project and if
NPLH tenants from each of the Applicant Counties are expected to reside in
the Project.

If a County does not want to be the borrower on any NPLH loan documents,
then it must apply jointly with a Development Sponsor.

2. Development Team Experience

The minimum experience requirements set forth in Section 202 (e) of the
Guidelines must be met collectively among the members of the Project team
consisting of the Applicant (i.e., the County applying independently or the
County applying jointly with a separate Development Sponsor), the property
manager, and the lead service provider, if the lead service provider is not the
County. The experience requirements in Section 202 (e) vary based on
County population size.

3. Uses and Terms of Program Assistance

NPLH funds will be provided as post-construction permanent loans. All
NPLH funds shall be used for the development costs in California Code of
Regulations, title 25, section 7304, subdivision (b), and to refinance loans
used to cover such costs.

NPLH funds may be used to capitalize operating subsidy reserves for NPLH
Assisted Units pursuant to the requirements of Section 209 of the Guidelines
and under Section 8308 of the UMRs.

NPLH funds may be used to rehabilitate existing affordable housing. Projects
proposed for rehabilitation will be underwritten based on the number of NPLH
tenants the Project will house upon completion of the rehabilitation. The
proposed Project can be comprised of vacant Units or Units currently
occupied with tenants meeting the occupancy and income requirements
under Section 206 of the Guidelines.

Proposed Projects involving new construction and requiring the demolition
of existing residential space 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. The new Units may exist on separate parcels if all
parcels are part of the same Rental Housing Development and meet the
requirements of Scattered Site Housing described in Section 202 (i) of the
Guidelines.

Program assistance shall have an initial term of 55 years or longer to match
the period of affordability restrictions under the Low Income Housing Tax
Credit Program, commencing with the date of recordation of HCD’s NPLH
regulatory agreement. Program loans shall be secured by the Project’s real
property and improvements, subject only to liens, encumbrances, and other
matters of record approved by HCD consistent with Section 8315 of the
UMRs.

Other loan terms are described in Section 200 of the Guidelines. Additional requirements governing supportive services, tenant selection, and income and rent restrictions are discussed in the other sections of the NOFA below.

4. Maximum Loan Amounts and Per-Unit Subsidy Limits

The maximum loan amount per Project, including all eligible capital and COSR costs, shall be $20 million, including Competitive Allocation and any Noncompetitive Allocation funds. Funds from the County’s Noncompetitive Allocation and the Competitive Allocation may be used on the same multifamily Project as long as HCD’s NPLH Per-Unit subsidy limits are not exceeded.

5. Capital Per-Unit Limits

Counties and Project Development Sponsors should consult the NPLH Per-Unit subsidy limits table for 9 percent tax credits Projects and Projects without 9 percent tax credits for the current Per-Unit subsidy limits for Projects based on the Area Median Income (AMI) levels being targeted and the number of bedrooms per unit. NPLH per subsidy limits are located at: http://www.hcd.ca.gov/grants-funding/docs/2018MTSPRegularLimits.pdf. The NPLH capital Per-Unit subsidy limits begin on page 61 of the document hyperlinked above.

6. COSR Per-Unit Limits

For 9 percent tax credit Projects, the COSR Per-Unit subsidy limit cannot exceed 100 percent of the applicable Per-Unit limit for capital found on the 9 percent tax credit table hyperlinked above. For Projects not using 9 percent tax credits, the COSR Per-Unit limit for Projects funded under the 2018 NOFA cannot exceed $180,492 Per-Unit.

The Per-Unit capital and COSR amounts listed above are maximum amounts available. The actual amount that a Project receives is subject to the individual Project underwriting performed prior to the award of funds and at loan closing. The Universal Rental Project application form contains a COSR calculation worksheet that calculates the amount of each Project’s COSR consistent with COSR underwriting requirements in Section 209 of the Guidelines.

7. Financial Feasibility

Projects shall meet the underwriting requirements of HCD’s UMRs, as well as the Occupancy, Income, Rent Limits, and Transition Reserve requirements discussed below. Where there is a difference between the UMRs and the NPLH Program Guidelines, the provisions of the Guidelines shall prevail. See Sections 206, 207, and 208 of the Guidelines for more information.
8. Site and Unit requirements

All Project sites must be free from severe adverse environmental conditions, such as the presence of toxic waste that is economically infeasible to remove and that cannot be mitigated.

All Project sites must be reasonably accessible to public transportation, shopping, medical services, recreation, schools, and employment in relation to the needs of the Project tenants and what is typically available in that County.

Upon Project completion, all Assisted Units and other Units of the Project must be on a permanent foundation and must meet all applicable state and local requirements pertaining to rental housing, including, but not limited to, requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition.

Upon Project completion, all Projects must be accessible to persons with disabilities pursuant to the requirements set forth under Section 213 (b) of the Guidelines.

9. Supportive Services

For a minimum of 20 years, Counties must commit to make mental health services available to the Project’s NPLH tenants, and to coordinate the provision or referral to other services, including but not limited to, substance use services.

Each application for NPLH funds shall include a Project-specific supportive services plan developed by the County in partnership with the Project Development Sponsor, supportive service providers, and the property manager.

Participation in available supportive services by NPLH tenants shall be voluntary. Access to or continued occupancy in housing cannot be conditioned on participation in services or on sobriety. The supportive services plan must describe the services to be made available to NPLH tenants in a manner that is voluntary, flexible, and individualized, so that NPLH tenants may continue to engage with supportive services providers, even as the intensity of services needed may change. Adaptability in the level of services should support tenant engagement and housing retention.

See Section 203 of the Guidelines regarding supportive services that must be made available and information that must be provided in the supportive services plan.
10. Tenant Selection

At least one person residing in each NPLH Assisted Unit must qualify as having a Serious Mental Disorder or as being a Seriously Emotionally Disturbed Child or Adolescent as defined under Welfare and Institutions Code section 5600.3. That person must also be Homeless, Chronically Homeless, or At-Risk of Chronic Homelessness as defined under Section 101 of the Guidelines.

Referrals to NPLH Assisted Units shall be made through the local Coordinated Entry System (CES) for persons who are Chronically Homeless or Homeless. For persons At-Risk of Chronic Homelessness, CES or another comparable prioritization system based on greatest need shall be used.

Projects shall accept tenants regardless of sobriety, participation in services or treatment, history of incarceration, credit history, or history of eviction in accordance with practices permitted pursuant to Housing First practices set forth in Welfare and Institutions Code section 8255, or other federal or state Project funding sources. See Section 211 of the Guidelines for more information regarding tenant selection requirements.

11. Occupancy and Income Requirements

Total household income at time of move-in shall not exceed 30 percent of the County AMI. HCD has published the current income limits at 30 percent AMI and below. The NPLH income limits begin on page one of the document hyperlinked above. Documentation requirements for income and tenant eligibility are referenced in Section 206 of the Guidelines.

Household income may increase above 30 percent AMI over time, and households above 30 percent AMI can continue to reside in their Units. Counties can also choose to continue offering supportive services to tenants residing in these Units. However, Units with household income above 30 percent AMI shall no longer be designated by HCD as NPLH Assisted Units, unless the reason for the increase in income was due to changes in the Supplemental Security Income/State Supplementary Payment (SSI/SSP) rate or cost of living adjustment. See Section 207 of the Guidelines for more information concerning changes in tenant income.

12. Rent Limits

At initial occupancy, tenant-paid Rents for NPLH Assisted Units shall be restricted to no more than 30 percent AMI or below, as specified in the project regulatory agreement. HCD has published the current Rent limits at 30 percent AMI and below based on the county and the number of bedrooms Per-Unit. The NPLH 30 percent AMI and below Rent limits begin on page 16.
Projects shall have a transition reserve in the event that any project-based rental assistance is not renewed, or in the event that the Project COSR is exhausted and the Project cannot secure other sufficient rental or operating subsidies to continue without immediately raising Rents on the NPLH Assisted Units. The minimum amount of the transition reserve shall be the amount sufficient to prevent Rent increases for one year following the loss of the rental assistance or exhaustion of the COSR. In no event shall Rents on Assisted Units be increased above 50 percent AMI.

See Section 207 of the Guidelines for more information on permitted Rent increases and required actions after exhaustion of the transition reserve.

13. Integration

All Projects must demonstrate integration in accordance with the requirements of Section 202 (g) of the Guidelines. To promote integration of NPLH tenants with other Project tenants, in Projects of greater than 20 Units, HCD will fund no more than 49 percent of a Project's Units as NPLH Units. This limitation shall not be interpreted to preclude occupancy of any Project Units by persons with disabilities, or restrictions by other funding sources, including, but not limited to, restrictions imposed by the California Tax Credit Allocation Committee (CTCAC), that result in more than 49 percent of the total Project Units being restricted to persons with disabilities. See Section 202 (g) of the Guidelines for additional requirements.

14. Article XXXIV

All Projects shall comply with Article XXXIV, section 1 of the California Constitution, as clarified by the Public Housing Election Implementation Law (Health & Saf. Code, §§ 37000 - 37002). Article XXXIV documentation for loans underwritten by HCD shall be subject to review and approval by HCD prior to the announcement of award recommendations.

Article XXXIV requires local voter approval before any state public body can develop, construct, or acquire a low-rent housing Project in any manner. However, the Public Housing Election Implementation Law (California Health & Safety Code, §§ 37000 – 37002) provides clarification as to when Article XXXIV is applicable. Health and Safety Code section 37001, for example, lists a number of Project types that are not considered "low-rent housing projects."

Applicants must submit documentation that shows the Project’s compliance with or exemption from Article XXXIV. If a Project is subject to Article XXXIV, HCD requires an allocation letter from the locality that shows that there is Article XXXIV authority for the Project. A local government official with authority should prepare the allocation letter, and it should include the following:

a. The name and date of the proposition, and the number of Units that were approved;
b. A copy of the referendum and a certified vote tally;

c. The number of Units that remain in the locality’s “bank” of Article XXXIV authority (i.e., the number of Units that are still available for allocation); and

d. The number of Units that the locality will commit to this Project, including the manager Unit.

If a Project is statutorily exempt from Article XXXIV, HCD requires an Article XXXIV opinion letter from the Applicant’s legal counsel. The Article XXXIV opinion letter must demonstrate that the Applicant has considered both the legal requirements of Article XXXIV and the relevant facts of the Project (e.g., all funding provided by public bodies, including state, county, or city sources, the number of low-income restricted Units, and the general content of any regulatory restrictions). Any conclusion that a Project is exempt from Article XXXIV must be supported by facts and a specific legal theory for exemption that itself is supported by the Constitution, statute, and/or case law.

15. Relocation

All persons who are displaced as a direct result of the development of an NPLH Project shall be entitled to relocation benefits and assistance as provided in California relocation assistance law (Gov. Code, § 7260 et seq., Cal. Code Regs., tit. 25, § 6000 et seq.).

A relocation plan conforming to the provisions of California Code of Regulations, Title 25, section 6038 shall be prepared. The relocation plan or other relocation documentation shall be subject to the review and approval by HCD prior to the beginning of any construction or activity that will result in displacement.

16. State Prevailing Wages

Funds awarded under this NOFA are subject to California prevailing wage law (Lab. Code, §§ 1771, 1720-1781), and require the payment of prevailing wages unless the Project meets one of the exceptions of Labor Code section 1720 as determined by the Department of Industrial Relations. Applicants are encouraged to seek professional advice as to how to comply with state prevailing wage law.
B. Competitive Allocation application review process

The application review process consists of three phases: initial threshold review, rating and ranking, and Project feasibility review.

1. Initial Threshold Review

During the initial threshold review, applications will be evaluated based solely upon the materials contained within the application to determine completeness and compliance with the following requirements to be evaluated at application stage as set forth in Section 202 of the Guidelines:

a. Eligible Applicant
b. Eligible use of funds
c. Experience of the Project team
d. Site control through close of construction loan
e. Project integration
f. Compliance with Article XXXIV as discussed in section A. 14 above
g. Application completeness, including submission of all required reports, and other documents, including, but not limited to, the governing board authorizing resolution(s), supportive services plan, property management plan, and the initial relocation plan or a detailed explanation as to why relocation is not required.

2. Application Scoring

If the total amount of funds requested in a County population group set forth in Appendix A exceeds the amount of funds available for that group, those applications will be scored based on the application selection criteria in Section 205 of the Guidelines.

Within each County population group, the applications with the highest number of points shall be selected for funding, provided that all threshold and eligibility requirements are met. In the event of a tie between applications, funds will be awarded to the application with the highest overall readiness point score under Section 205(d). If a second tiebreaker is needed, funds will be awarded to the application with the lowest Per-Unit Total Development Cost pursuant to the calculation methodology under 25 CCR 8311.

A city receiving funds pursuant to the Bronzan-McCorquodale programs under Welfare and Institutions Code Section 5701.5 shall not be funded for more than one Project per funding round for a Competitive Allocation unless that Project is being submitted by the county in which that city is located within the county’s own population group. In addition, Projects located in these cities that do not receive maximum points in any of the application rating factors may receive a total of two additional points in the aggregate if the application was submitted through the County in which that city resides.
within the County’s population group rather than by the City within its population group.

The Competitive Allocation application rating criteria in of the Guidelines are summarized in the table below. Consult Sections 204 and 205 of the Guidelines for more information.

<table>
<thead>
<tr>
<th>Rating Category</th>
<th>Maximum Points</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Total Project Units Restricted to the</td>
<td>65</td>
<td>Percentage of total Project Units restricted as NPLH Units, and use of CES, or use of an alternate system to refer persons At-Risk of Chronic Homelessness to NPLH Units.</td>
</tr>
<tr>
<td>Target Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leverage of Development Funding</td>
<td>20</td>
<td>Ratio of the capital (non-COSR) portion of the NPLH loan to other sources of committed development funding attributable to the NPLH Units. Noncompetitive Allocation funds may count as leveraged funds.</td>
</tr>
<tr>
<td>Leverage of Rental or Operating Subsidies</td>
<td>35</td>
<td>Percentage of NPLH Units that have committed non-HCD project-based or sponsor-based subsidies with terms substantially similar to that of other project based rental or operating assistance.</td>
</tr>
<tr>
<td>Readiness to Proceed</td>
<td>50</td>
<td>Percentage of total construction and permanent financing committed; completion of Phase I/I Environmental Site Assessment and environmental clearances; obtaining all necessary local approvals.</td>
</tr>
<tr>
<td>Extent of On-Site and Off-Site Supportive Services</td>
<td>20</td>
<td>Points for case management provided on-site at the Project, use of evidence-based practices to assist NPLH tenants to retain their housing; offering more services than required, and implementing resident involvement strategies.</td>
</tr>
<tr>
<td>Past History of Evidence Based Practices</td>
<td>10</td>
<td>Points for development team prior experience implementing evidence based practices that have led to a reduction in homelessness or other related use of evidenced-based practices to serve special needs populations.</td>
</tr>
</tbody>
</table>

3. Financial feasibility

The highest scoring applications will be evaluated for financial feasibility in accordance with NPLH program requirements, including, but not limited to, the requirements referenced in Sections 206 through 209 of the Program.
C. Appeals

1. Basis of appeals

   a. Upon receipt of HCD’s notice that an application has been determined to be incomplete or fail the threshold, applicants under this NOFA may appeal such decision(s) to HCD pursuant to this section.

   b. No Applicant shall have the right to appeal a decision of HCD relating to another Applicant’s eligibility, point score, award, denial of award, or any other matter related thereto.

   c. The appeal process provided herein applies solely to decisions HCD made in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

2. Appeal process and deadlines

   a. To appeal a decision, Applicants must submit to HCD, by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. The Applicant must provide a detailed reference to the area(s) of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be accepted if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter.

   b. Appeals must be received by HCD no later than five (5) business days from the date of HCD’s eligibility, threshold review, or preliminary point score determination letters representing HCD’s decision made in response to the application.

   c. Appeals are to be submitted to HCD either via email at NPLH@hcd.ca.gov with copy to Shalawn.Garcia@hcd.ca.gov or at the following address:

   Shalawn Garcia, Manager, NOFA/Awards Section
   Department of Housing and Community Development
   2020 W. El Camino Avenue, Suite 500
   Sacramento, California 95833

   HCD will accept appeals via email or through a mail carrier service that provides date stamp verification of delivery such as the U.S. Postal Service, UPS, FedEx, or other carrier services. Deliveries must be received during HCD weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Standard Time. Emails to the email address listed above will be
accepted as long as the email time stamp is prior to the appeal deadline.

3. Decision

Any appeal of HCD’s decision shall be reviewed for compliance with the NPLH Guidelines dated July 17, 2017, the October 15, 2018 NPLH NOFA, and any subsequent clarifying documents such as the NPLH program’s responses to “Frequently Asked Questions.” It is HCD’s intent to render its decision in writing within fifteen (15) business days of receipt of the Applicant’s written appeal. All decisions rendered shall be final, binding, and conclusive and shall constitute the final action of HCD with respect to the appeal.

D. Project application submittal

The Competitive Allocation Project application consists of the following documents available on the NPLH Program website.

1. NPLH Program Supplement – This form contains information needed to evaluate application threshold compliance for Projects of five or more Units underwritten by HCD. The Program Supplement also contains information Counties must submit in order to utilize their Competitive Allocation funds.

2. Universal Rental Project Application Form – This form contains information needed to evaluate Project financial feasibility for Projects of five or more Units underwritten by HCD.

Project applications submitted under this NOFA will be funded on a competitive basis, as set forth in Section II. A. and B. above, subject to the availability of funds. HCD’s NPLH application forms, Program Guidelines, and application training information are available on the NPLH Program website.

A complete original application and one electronic copy on CD or flash drive with all applicable information must be received by HCD no later than 5:00 p.m. Pacific Standard Time on January 30, 2019, delivered by a mail carrier service such as the U.S. Postal Service, UPS, FedEx, or other carrier service that provides a date stamped verification of delivery to the following address:

California Department of Housing and Community Development
Division of Financial Assistance, NOFA Section
No Place Like Home Program
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833

Personal deliveries will not be accepted. No facsimiles, late applications, incomplete applications, application revisions, electronically transmitted, or walk-in application packages will be accepted. Applications received after the deadline will not be considered.
Modification of the application forms by the Applicant is prohibited. It is the Applicant’s responsibility to ensure the application is clear, complete, and accurate. After the application has been submitted, HCD staff may request clarifying information to determine compliance with NPLH program requirements.

E. Disclosure of application to the public

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (Act) (Gov. Code, § 6250 et seq.). As such, any materials provided may be disclosed to any person making a request under this Act. HCD cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality as to the submitted information, and consents to HCD’s disclosure of such information upon a request under the Act.

F. Award announcements and contracts

1. Award Announcements

This funding is conditioned upon voter approval of the No Place Like Home Act of 2018, Proposition 2 on the November 2018 ballot. If approved by voters, this measure would authorize the Legislature to appropriate funds to the Mental Health Services Fund for the NPLH program to begin making awards under this NOFA.

The outcome of the bond validation action (California Health Facilities Financing Authority, et al. v. All Interested Persons, Case No. 34-2017-00219002-CU-MC-GDS) and the reverse validation action (Bernard v. The California Health Facilities Financing Authority, et al., Case No. 34-2016-00203224) may also affect the availability or timeline of funding.

If the measure does not pass, or if the outcome of the above-referenced litigation impacts the NPLH program, then HCD will publish a notice on its website with advisement regarding the availability of funds.

2. Contracts

Successful Applicants will enter into a Standard Agreement with HCD. The Standard Agreement contains all the relevant state requirements, as well as specific information about the award and the work to be performed.

HCD will enter into a regulatory agreement with the County Applicant and/or a separate Development Sponsor that will contain specific provisions governing Project operations in accordance with NPLH requirements. See Section 215 of the Guidelines for a description of these agreements.

A condition of award will be that a Standard Agreement must be executed by the Awardee(s) within 90 days (Contracting Period) of the Awardees’
receipt of the Standard Agreement(s). Failure to execute the Standard Agreement(s) within the Contracting Period may result in award cancellation. The awardee(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the Awardee(s) shall be prohibited.

Questions can be directed to the NPLH email at NPLH@hcd.ca.gov.
### APPENDIX A: ROUND 1 AMOUNTS AVAILABLE

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>Population Estimated as of 1/1/2018</th>
<th>2017 PIT count</th>
<th>ELI Renter Cost Burden</th>
<th>Total Funding Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALTERNATIVE PROCESS COUNTIES</strong></td>
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<td>1 Los Angeles*</td>
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<td>54,227</td>
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<td>$155,230,056</td>
</tr>
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<td>$18,250,554</td>
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<tr>
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<td>$20,478,901</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,236,353</td>
<td>77,639</td>
<td>521,805</td>
<td><strong>$222,028,512</strong></td>
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<tr>
<td><strong>LARGE</strong></td>
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</tr>
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<td>24,325</td>
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<td>1,007,229</td>
<td>1,572</td>
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<td>7 Sacramento</td>
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<td>3,665</td>
<td>44,790</td>
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<td>8 San Bernardino</td>
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<td>16,805</td>
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<td>11 Ventura</td>
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<td><strong>Total</strong></td>
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<td>12 Tri-Cities (Claremont, La Verne, Pomona)</td>
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<td><strong>Total</strong></td>
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<td>19,174</td>
<td>107,490</td>
<td><strong>$52,445,511</strong></td>
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</tbody>
</table>

*The LA County PIT number includes the LA City and County CoC, and the Long Beach, Pasadena, and Glendale CoCs. It excludes the PIT numbers for the Tri-Cities of Pomona, Claremont, and La Verne, since the Tri-Cities is its own County under Section 5849.2, subdivision (f) of the Welfare and Institutions Code.*
<table>
<thead>
<tr>
<th>COUNTY</th>
<th>Population Estimated as of 1/1/2018</th>
<th>2017 PIT count</th>
<th>ELI Renter Cost Burden</th>
<th>Total Funding Allocated</th>
</tr>
</thead>
<tbody>
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<td>SMALL**</td>
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</tr>
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<td>1 Alpine</td>
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<tr>
<td>3 City of Berkeley</td>
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<td>4 Calaveras</td>
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<td>5 Colusa</td>
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<td>$400,000,000</td>
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**The Small County Allocation did not change because its actual allocation remains underneath the 8 percent minimum which it is guaranteed under the NPLH Guidelines Section 102 (d) (3).**