

**2018 HOME NOFA Projects  
FAQs as of 07/25/2018**

Questions		Answers
1	How many projects can a developer apply for on their own?	<p>Developers not applying through a state recipient may submit only one application in response to this NOFA. An application may consist of one activity as follows:</p> <ol style="list-style-type: none"> <li>1. One rental rehabilitation (RR) with or without an acquisition project</li> <li>2. One rental new construction project</li> <li>3. One FTHB project</li> </ol> <p>See 2018 NOFA, Section II,C</p>
2	Can a developer apply as a developer or do they have to apply as a CHDO?	<p>A developer is an eligible applicant for the HOME program and does not have to be a certified CHDO.</p> <p>See CCR 8204(a)3</p>

Questions		Answers
3	Can I apply through a locality for one project and then apply as a developer, resulting in two projects?	Yes, as long as the locality is an applicant.
4	Can a CHDO apply for program activities?	<p>No, A CHDO is not eligible to apply for program activities.</p> <p>However, a CHDO may be eligible for Acquisition with Rehabilitation. “To be considered a CHDO-eligible activity, the CHDO must assume the role of developer and own the property, completing the rehabilitation of the unit prior to selling the home to an eligible homebuyer.”</p> <p>Or</p> <p>A CHDO may be eligible for Infill New Construction. “To be considered a CHDO-eligible activity, the CHDO must assume the role of developer, own the property during construction, and sell the home to an eligible homebuyer within nine months of completion. All dwellings must be situated on land held in fee simple, leasehold, or another manner approved in writing by HCD and be affixed on a permanent foundation.”</p>
5	Is the conversion of commercial space to rental units considered rental new construction or rehabilitation?	<p>Conversion of a commercial space to rental units is considered a rehabilitation project in accordance with the 2018 NOFA, Section II (B)(1).</p> <p>Please also see California Code of Regulations (CCR), Section 8201(ee).</p>

Questions		Answers
6	If we have received an AUGF from HUD on a project, can we use it to satisfy HCD NEPA requirements? What date would be acceptable?	The HUD Authority to Use Grant Funds process includes verification of the project name and location of the project. While HCD would not duplicate a HUD-issued AUGF, HCD would review the AUGF to verify that the project being described in the AUGF and in the application are identical and the ATUGF was issued in the past 5 years.
7	Need clarification of commitment deadlines, not 12 months from date of standard agreement.	Commitment deadline for this NOFA will be as published in NOFA and incorporated in standard agreement.
8	Do we need a relocation plan for a vacant lot or if there is a structure on the property that is vacant?	No, but an applicant that asserts that its project does not require relocation must submit a detailed explanation, including supporting documentation, as to why no relocation (of tenants, farms, businesses, etc.) is required. See page 34 of the NOFA for additional information.
9	Can you use HOME/NHTF funds as subsidies on the same units?	Yes, as long as units meet all requirements of most restrictive.
10	May an eligible applicant (county) apply for two program activities? One application would be for TBRA and the other application would be for down payment assistance to first time homebuyers?	Yes, a county may apply for two program activities (TBRA and FTHB assistance). See page 12 of the NOFA.
11	Design Process: Our understanding of these requirements, per the HOME Rental Project Supplement, is that no plans have to be submitted as part of the application. All that is required is a contract with the architect and a letter from him stating the status of the plans that were used for the cost estimate?	According to page 77 of the supplement, that is correct. However, if the awardee misses the HUD commitment (close of construction) deadline, funds awarded will be lost. No exceptions.

Questions		Answers
12	Are 4% TCAC considered committed funding even if no application for said funds has been submitted by the time of the HOME application deadline	According to the supplement, page 80, projects proposing 4 percent tax credits automatically qualify for these points.
13	Can the scores of the awarded projects on the last round be provided?	In the last funding round, the highest score to be funded was 1427 and the lowest was 1394.
14	Can you provide a sample Article 34 Exemption Letter?	Please see Appendix B of the NOFA.
15	Do I need a Governing Board Resolution, even if I am not applying as a CHDO?	See page 34 of the HOME supplement “An executed resolution must be included with every application submitted to the Department no later than the application deadline.”
16	The cash flow in my project starts going negative in Year 5, due to the low rents and high OpEx in the area. We are going to rectify this by creating a capital operating reserve which will help fund operating deficits for a period of 20+ years. I was told at the workshop that this is an acceptable solution. Could you please confirm?	Yes, Page 23 of HOME Supplement states “If you are capitalizing the operating reserve at a higher amount than the minimum required amount, provide an explanation in the “Applicant Comments” section of the Development Budget for why the higher amount is needed. Also refer to Section 8308 of the UMRs.
17	My project is located in an area of opportunity per the summary table on CTCAC’s website (highest resource area). Does this mean I automatically qualify for an additional \$1 million?	It means that you may request up to \$1 million in addition to the maximum application amount of \$5 million. Please refer to NOFA, page 14 and Appendix I.
18	Do I need to submit any documentation for NEPA?	Phase I and/or Phase II site assessment reports as part of the Project Development Plan. See pages 56 and 60-61 of the HOME supplement and page 48 of the NOFA.

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19	Is the Word document “HOME-Supplemental-Application” to be completed along with the Excel file? Some of the language in the Word document implies information needs to be added to it, but we are curious to know if HCD actually means the Excel file instead.	Both the word document, HOME Supplemental Application, and the Universal Application excel file are to be completed and submitted together.
20	In the application Tab IX, Rural designation – it states to select “ <b>2011 SF1 100% Data</b> ” under data set. That is currently not an option in the dropdown menu. The “2010 SF1 100% Data” is an option but not 2011.	Part A – Program Activities Summary Application Instructions for Tab IX: Rural Designation (Exhibit A1) state on Step Two (d), Page 5, to use “2011 SF1 100% Data,” the US Census Bureau is not reporting this data through 2011. The most current data, as reported by the US Census, is through 2010. This information was corrected and posted on the HCD website.
21	Is a local non-profit (who is not certified as a CHDO) eligible to apply?	Eligible applicants for the HOME Program are restricted to: developers, cities and counties, and <i>a nonprofit that has been certified</i> as a Community Housing Development Organization (CHDO), as defined in the Code of Federal Regulations, Section 92.2.
22	Can you confirm the date for which we must be in compliance with our Single Audit?	In accordance with the 2017-2018 HOME NOFA, Section VII(A)(5), “HCD will make the determination on the status of compliance by the application due date by consultation with the SCO only.”

<b>Questions</b>		<b>Answers</b>
23	The county intends to apply for a FTHB down payment assistance program to be used in units within an affordable self-help project being developed using USDA financing by a local non-profit. Our question is whether the use of HOME funds for down payment assistance to qualified low-income purchasers would trigger prevailing wage in the project's construction?	Not allowed. County FTHB applicants must have community wide choice and cannot be steered to a "specific location."