



PLHA NOFA Q&A

This Questions and Answers (Q&A) document represents key information and responses to questions asked by potential 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 is the first Q&A document published in preparation for the first year of allocation funding. This document is posted on the [California Department of Housing and Community Development](https://www.hcd.ca.gov/) website <https://www.hcd.ca.gov/>. The answers immediately follow the questions.

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

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Application

1. If the applications are due within 48-months of the budget appropriation, then is the NOFA deadline still from April 27, 2020 to July 27, 2020?
Answer: In order to receive funding in 2020, the application must be submitted by July 27. Applications can only be submitted in response to a NOFA, and there won't be another opportunity to submit an application until sometime in 2021. That said, if jurisdictions are content to wait a year or two for their funding, the guidelines have an outside final deadline of 48-months from the budget appropriation date. For the funds being awarded under the 2020 NOFA, that date is 6/30/23.
2. If we submit our application in April, will our funds be available sooner?
Answer: Yes, the early applications will receive early awards and early funds.
3. When will HCD issue the PLHA NOFA for next year, 2021?
Answer: The Department is expecting to release next year's NOFA in early March, based on when the Department receives notification of the revenue received for 2020.
4. If I wanted to wait to apply for 2019 funds in year two, what is the deadline to apply?
Answer: The NOFA/application cycle will open again at some point in early 2021.
5. If we wait until year two or three to apply, does the 48-month period to allocate start with the application, or would year one money all have to be allocated within 48 months of July 2020?
Answer: There is a 48-month deadline for submitting an application for PLHA funds, but there is not a 48-month deadline for allocating the funds. There is a threshold requirement in section 300(e) that 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.
6. What makes this a competitive application? Is there scoring criteria?
Answer: The formula allocation NOFA is not competitive. There are threshold requirements, but no point scoring.
7. On the current application on tab "Instructions and Checklist", if the legally binding agreement (binder tab #4) does not apply, will we lose eligibility since it shows up in RED, which states that we failed to meet a requirement of the program.
Answer: This is an error in the application form and will be fixed.

8. The application asks for the agreement between delegating and administering local government. What if it's one and the same. In the application, N/A - scroll down option is not available.

Answer: This is an error in the application form and will be fixed.

9. If we aren't needing to submit an application for years two to five, having applied and received our year one allocation; then we will receive a letter from HCD extending allocation year to year, correct?

Answer: You will have to submit an acceptance form stating that you accept your 2nd year allocation (and 3rd year, etc). After you submit that acceptance form, HCD will verify that you have passed threshold, and then will issue a letter awarding your 2nd year allocation.

10. Is there a template of the Resolution for the PLHA program?

Answer: Yes, the Resolution is now available on our [PLHA website](#).

11. Did you say the Resolution needs to have the 5-year amount stipulated?

Answer: Yes, the Resolution needs to state the 5-year funding amount, to prevent having to amend the Standard Agreement every year.

12. Since the PLHA Plan is for 5 years, is there is a Standard Agreement for each year within this period?

Answer: No, there will be one Standard Agreement that encompasses all 5 years of funding. However, you cannot commit or spend the funding that is from future years.

13. Is there any possibility that HCD will accelerate the release of PLHA funds so that Cities can submit before April 27 and expect to access the funds within the next 30 days, or otherwise ahead of the expected August 2020 awards?

Answer: Yes, the Department will make awards on a rolling cycle, every couple of weeks. Jurisdictions that submit applications on April 27 will receive awards earlier than August.

14. Will NOFA deadlines be pushed back at all since many local government boards are not meeting and therefore it's difficult to approve the application for funds?

Answer: The Department would like to wait awhile before determining whether this might be necessary. The deadline is not until July 27.

15. Due to the situation with Covid-19, will there be an option to only provide an electronic copy?

Answer: Yes, due to COVID-19, the Department will accept an electronic only application. The hard copy wet signature Resolution and Signature Page of the application can be submitted somewhat later. They must be submitted before the Standard Agreement can be executed.

16. Can the application be completed using Apple products?

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

17. In our County, two of the cities and county intend to pool our funds; the county will be the designated applicant and administrative entity. Does HCD have a template for the cities to use for resolutions to authorize allocating the funds to the County, and is there a template for the written agreement?

Answer: The sample resolution is available on the PLHA website. We do not have a template for a legally binding written agreement between the delegating and the administering jurisdiction(s).

18. Since the annual allocation amount is subject to revenues received, and that can change from year to year, what happens if the amount requested for the 5-year changes? Does that affect the application?

Answer: Fluctuation in revenues will not affect the application, but could affect the PLHA 5-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.

Eligible Entities

1. If a City enters into an 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: If a City is not compliant with its Housing Element and/or APR submittal, it is not eligible for an allocation, since those are threshold requirements. Therefore, the City would not be permitted to delegate its PLHA allocation to the County.

2. 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 members of the urban county agreement with their counties in 2017. The PLHA Guidelines section 200(c) states: "It is recommended that Local Governments that were urban counties in accordance with the distribution of funds pursuant to the formula specified in 42 USC, section 5306 for the federal fiscal year 2017 provide a proportional share of their allocations to Local Governments within their county with which they had a three-year Urban County Cooperation Agreement as of September 1, 2017, provided that these Local Governments meet the threshold requirements of the PLHA and expend sub-allocated funds for eligible activities within the deadlines of the Standard Agreement governing the sub-allocation." These cities will have to discuss how they can access funding with the counties in question.

3. What is the responsibility 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.

4. 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 agreement meeting the requirements of the PLHA guidelines. It will have to specifically state that it's for PLHA implementation, and the term must be the full 5 years of the first Plan, so funding from 2019, 2020, 2021, 2022, and 2023.

5. Can we apply with other local jurisdictions, such as our Consortium?

Answer: Jurisdictions can partner on a jointly-funded project. Each jurisdiction has to submit its own application to do this.

6. 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: 1) the formula allocation NOFA issued February 27; and 2) the competitive non-entitlement NOFA which is scheduled for release in August.

7. 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: Cities who were members of the Urban County are not non-entitlement jurisdictions, so they will not be eligible for the competitive NOFA later this year.

8. May an eligible county jurisdiction 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. That legally binding agreement has to be submitted with the application. See guidelines section 300(d).

9. If we will be administering the program on behalf of a city and are a joint powers organization; who should the applicant be and whose TIN?

Answer: It is not clear that a joint powers organization is eligible to administer the program. Section 300(c) and (d) only permit either another Local government or a Local or Regional Housing Trust Fund to administer the allocation on behalf of the delegating Local government.

10. HCD does not have the correct cities that were part of our CDBG entitlement. How can we correct this? Who can I talk to about our specific issue?

Answer: Statute requires that the 2017 Urban County list be used, and since that is a 3-year agreement, it might have changed since 2017. However, even if it has changed, statute still requires use of the 2017.

11. To whom should I submit the 2017 Urban County Agreement, to show the correct cities?

Answer: Please submit it to the PLHA in box at: PLHA@hcd.ca.gov

Types of Activities

1. Can a loan to a housing developer be structured as a forgivable loan?

Answer: The Department does not recommend forgiving loans made to developers and owners of multifamily projects.

2. Can you clearly delineate which activities are eligible for users above 60% AMI?

Answer: Activities 1, 2, 3, 7, 8, 9, 10 could all facilitate use by households with incomes above 60% AMI.

3. Which rent guidelines will this program follow?

Answer: The MHP Guidelines must be followed for Extremely Low-Income, Very Low-Income and Low-Income Units, as stated in Guidelines section 101, definition of "Affordable."

4. Section 301(a)(3) says an eligible use includes "Matching portions of funds placed into Local or Regional Housing Trust Funds" – Can you explain the intent behind this section?

Answer: This language is statutory. The legislature knew that the Local Housing Trust Fund Program (LHTF) would receive new funding. They wanted PLHA to be able to be used as Match for the LHTF Program Funds. In 2019, the legislature passed a bill to allow PLHA funds to be used as Matching Funds for Regional Housing Trust Funds, and the bill was signed into law.

5. Can PLHA funds be used to create a day center for people experiencing homelessness?

Answer: Yes. Funds may be used for development and/or operations of navigation centers and emergency shelters, and to provide rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing; other eligible activities are mentioned in Sections 301 and 401 of the program Guidelines.

6. 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, but not required for each individual jurisdiction.

7. If the County proposes to use PLHA funds to make home buyer or homeowner loans, what are the deed restriction time frames?

Answer: The County is required to set its own standard for deed restrictions under PLHA.

8. Can these funds supplant other approved affordable housing dollars (redevelopment, HOME, etc.) or CDBG for homeless activities?
Answer: These funds can augment other affordable housing funds.
9. In homeless activities, would funds for shelter operations be grants versus loans?
Answer: The Department recommends funds for shelter operations be provided in the form of a grant, as shelters are unlikely to be able to repay these funds.
10. Can the Local Government or Housing Trust Fund allocate a certain percentage of the PLHA funds to the activity "Rental Housing Projects" without providing specifics?
Answer: No, income categories are also required to be stated, and the Local Government's rules regarding loan terms, interest rates, etc., must be specified.
11. Can the Local Government allocate a certain percentage of the PLHA funds to the activity "Housing Trust Fund" without providing specifics?
Answer: No, there has to be a limitation placed by the Local Government on how the trust fund can use the funds.
12. 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 5% administrative cost?
Answer: If a staff member is assigned solely to running the shelter, their compensation would be Activity Delivery, not administrative costs.
13. 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 contract, so yes, that would have to be done for this contract too.
14. 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.
15. 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 knew that the Local Housing Trust Fund Program (LHTF) would receive new funding. They

wanted PLHA to be able to be used as Match for the LHTF Program Funds. In 2019, the legislature passed a bill to allow PLHA funds to be used as Matching Funds for Regional Housing Trust Funds, and the bill was signed into law. However, PLHA cannot be used as Matching Funds for Local Housing Trust Funds. Activity #4 pertains to jurisdictions whose housing successor (to the Redevelopment Agency) still receives funds generated by housing assets.

16. 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.

17. 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. Please see the sample PLHA plan posted on the website.

18. Can PLHA 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.

19. Can we use funds for operating costs for a domestic violence shelter that provides transitional housing for at-risk adults? The allocation will keep the shelter open, reducing homelessness for adults that are at-risk. This allocation will keep the shelter open and operating for the next five years.

Answer: Yes.

20. What if we want to change to different eligible activities in Year Two?

Answer: In your PLHA Plan, you can list your first year's allocation for one activity and list your second year's allocation for a different activity. You could also list a different activity for your third year's allocation.

21. If we use our funds for rental assistance, does the 5% admin cost mean the 3rd party we decide to administer the program?

Answer: If you hire an administrator for your activity, you will have to pay them out of the 5% admin allowance.

22. How does homeless prevention fit into the requirement prioritizing investments that increase the supply of housing for households with under 60% AMI? It doesn't increase supply, but it is going to be needed post-COVID-19.

Answer: PLHA Guidelines section 302(c)(4)(B) states: "Programs targeted at households at or below 60 percent of AMI will be deemed to meet the

requirement" to prioritize investments that increase the supply of housing for households with incomes at or below 60% AMI. Persons at risk of homelessness are required to have incomes of no more than 30% AMI, so serving them meets the requirement to prioritize investments that increase the supply of housing for households with incomes at or below 60% AMI.

23. Please provide definition of "Sponsor".

Answer: "Sponsor" has the same definition as in the Uniform Multifamily Regulations: Sponsor means the legal entity or combination of legal entities with continuing control of the Rental Housing Development. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the Project, unless the seller will retain control of the Project for the period of time necessary to ensure Project feasibility as determined by the Department.

24. Can these funds be used for matching funds in local housing trust funds that would be a match for state housing trust funds?

Answer: No match is required for PLHA.

25. Are there other advantages to using matching fund activities (3 & 4) over directing the funds to the other activities? Does HCD anticipate any future programs providing funds to match Local Housing Trust Fund/Successor Agency funds?

Answer: There is no advantage to activity #4. If you have a Regional Housing Trust Fund in your jurisdiction, there is an advantage to allocating funds to the Regional Housing Trust Fund, because they are eligible as matching funds under the Local Housing Trust Fund program. The Department does not have and does not anticipate any other programs whose funds would be eligible as matching funds under the Local Housing Trust Fund program.

26. To confirm, we can use the funds for emergency rental assistance grant programs to keep people in their current housing and prevent homelessness?

Answer: There are other sources of funding available for emergency rental assistance. Allowing emergency rental assistance would require amending the PLHA guidelines, so the Department requests that Local governments pursue the other funding possibilities. Regular rental assistance is an eligible activity.

27. Can this be used to purchase trailers/RVs to temporarily house homeless people to prevent the spread of Covid-19?

Answer: If use of trailers/RVs are part of a long-term strategy to house the homeless, perhaps through screening persons who are homeless, or as additional navigation-type centers, the Department would consider this. But if this is just a temporary response due to COVID-19, there are other sources of

funding that can be used. Purchase of trailers is not a statutorily eligible activity under PLHA.

28. Regarding the agreement to allocate funding, is it permissible for the funds to be utilized for eligible project activities outside of the jurisdiction that has signed the agreement to delegate administration over to another jurisdiction?

Answer: If a Local government delegates its allocation to another Local government, the administering Local government is responsible for developing the PLHA Plan for that allocation and will determine how and where to use those funds.

29. For the homeownership 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.

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

Answer: Land acquisition is not a PLHA eligible activity on its own, so the Department recommends being very cautious about purchasing land unless all the sources of funding are committed and the project is definitely going to start construction. Jurisdictions have to report on how funds were used for eligible activities in their annual report, and if the homebuyer project doesn't move forward, the jurisdiction will not have any eligible activity to report.

31. Can funds be used to support an affordable ownership project that is already under construction?

Answer: This would beg the question: Why are PLHA funds needed now if they weren't needed before construction began? Was the housing project market rate and now it will become affordable? Failing an adequate response to those questions, it would seem the jurisdiction could simply use PLHA funds for a down-payment assistance program, and homebuyers could buy homes in that project or wherever else they choose.

32. The City is working with a developer to help assist with development of City owned property for a mixed income apartment complex--can PLHA be used for this type of development?

Answer: Yes, as long as the incomes in the apartment complex comply with the income limits set by PLHA.

33. Does a local government have to meet the 20% set aside for AOWH on 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, but not required for each individual jurisdiction. 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.

34. Do eligible pre-development expenses for affordable housing development include costs to pay a consultant to assist in working with a developer and preparing a site for development? We do not have housing staff and need a consultant to assist with those tasks.

Answer: An administrative consultant would have to be paid from the 5% admin cap. However, the following types of consultants are examples of those that are included in eligible project costs: financial consultants, environmental consultants, marketing consultants and relocation 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 if they would be eligible under predevelopment expenses PLHA rules.

35. Do you require inspections when using funds for rental assistance like the HOME program?

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

36. If the funds will be used for the development of affordable Ownership Housing, 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.

Commitment/Funding Requirements

1. How does HCD define commitment? As it pertains to Section 300(e) of PLHA Guidelines?

Answer: "Commitment" means that the Local Government governing body adopted a resolution to make a loan of a specific amount, at a specific interest rate with specific terms to a specific project at a specific address, owned by a named owner.

2. How long will cities have to commit the funds?
Answer: Local Governments can receive a 100% advance once the Standard Agreement is executed. There is a threshold requirement in section 300(e) that 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.
3. When can we spend funds and request for reimbursement?
Answer: 100% of funds can be advanced immediately following execution of the Standard Agreement, which could be as soon as October or November of 2020.
4. Can PLHA funds be wired?
Answer: No.
5. How much of the funds (if any) can be rolled over on a yearly basis?
Answer: Guidelines section 300(e) contains rules regarding this – the amount depends on the amount of the annual allocation to the Local Government.
6. Would a loan agreement count as funds expended/disbursed?
Answer: An executed, recorded loan agreement would document the expenditure of funds.
7. 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 the 2020 NOFA is based on the revenues collected and deposited in the Building Homes and Jobs Trust Fund (BHJTF) for calendar year 2019 only. Also, the revenues for subsequent years will be distributed on an annual basis because the amount allocated for the PLHA program is based on the revenues collected and deposited in the BHJTF in a given calendar year.
8. 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: Yes, Activity #10 states: Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the County, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing Project.

9. If we don't have the funds completely spent for year one can we receive the funds for year 2, etc.? What if they're committed?

Answer: There is a threshold requirement in section 300(e) of the guidelines that 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.

10. Do funds need to be spent by a certain deadline? Can we rollover PLHA grant funds to align with our federal CDBG grant timeline?

Answer: There is a 48-month deadline for submitting an application for PLHA funds, but there is not a 48-month deadline for allocating the funds. There is a threshold requirement in section 300(e) that 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.

11. 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 19-20 allocation will the remaining 20% roll into the jurisdiction's 20-21 allocation?

Answer: The PLHA Plan must describe how 100% of the allocation for every year will be utilized. However, that doesn't mean that the allocation has to be spent in one year. For example, the Plan could propose one activity that will be completed in the first year, and another activity that won't be completed until the second year.

12. Do we use the money amount just for this year even though the contract is for 5-years?

Answer: No, the PLHA Plan is required to show all 5 years of funding. Please show the same allocation amount received in 2019 as the amount for 2020, 2021, 2022 and 2023.

13. Since the application is for five years, are we expected to commit all funds in year one?

Answer: The application is for one year. You will have to submit an acceptance of your allocations in year 2, 3, 4 and 5. You are only required to commit the funds for year one--the rule regarding commitment is one year at a time.

14. If a jurisdiction has not applied yet and does not apply this year, does the funding "pile up" in an account permanently for future use?

Answer: No, the funding doesn't pile up permanently. Section 201(c) of the guidelines state that applicants can only apply for their formula allocation from the current year and two prior years. In addition, section 304(a) requires the initial PLHA application to be submitted within 48 months of the budget appropriation.

15. If one deposits PLHA funds into local housing fund, would that fulfill the definition of an expenditure?

Answer: In a sense, it would, but the Local Government would not be able to report on completion of any housing project or housing activity. At some point, that is likely to be a subject of question.

16. Also how do you show commitment for rental assistance since its to several households?

Answer: The Local government governing body resolution represents a commitment. If you are committing funds to a program activity, instead of a project, you will have to state in the Resolution the exact amount of funds that you are committing, to exactly what activity, what requirements you place on that activity, and how long those funds will be available. It can't be open-ended; there has to be a time limit like there is when you issue a commitment to make a loan to a project.

17. Since funds can be used for affordable housing construction, operating subsidies or to capitalize a supportive services reserve, is it understood that we can "save up" or bank a few years worth of allocations for that purpose?

Answer: Please refer to guidelines section 300(e) which limits how long awarded funds can be "saved up". Also, please refer to guidelines sections 201(c) and 304(a) which impose deadlines on how long a jurisdiction can delay in submitting an application.

18. Can we pre-commit the funds?

Answer: That would be very risky, as we don't know how much the funding will be from year to year.

The PLHA Plan

1. 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 location or number of units in the Plan, but the income limits of households to be served should be identified (i.e., 50% of the rental project will serve households not exceeding 80% of AMI and 50% will serve households not exceeding 60% AMI).

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

Answer: The Plan doesn't require a ton of detail; you will need to describe how you intend to use the funds – what are your top priorities. Here is the link to the [sample Plan](#).

3. Does the evidence of the Plan's authorization have to be through a public hearing or public meeting? Does it have to be advertised for 15 or 30 days prior to the hearing or meeting, or is the 72 hours agenda posting prior to the meeting adequate?

Answer: All hearings shall be noticed pursuant to the local governing body's standard noticing requirements. The Department recommends allowing 10 days of notice prior to the public hearing so that the public has adequate opportunity to review the Plan. Under normal circumstances, at a minimum, all public hearings must adhere to the requirements of the Brown Act of 2003 (please see questions 8 and 9 for amended rules to follow during COVID-19 emergency).

4. Should the five-year Plan be presented within the provided 302(c)(4) Plan's Excel worksheet format on HCD's website, or would it need to be drafted with the details spelled out within a Word or PDF document?

Answer: Local Governments might want to create a Word and PDF document to facilitate review by the public, but for the PLHA application, it is required that applicants use the Excel Plan template in the application workbook.

5. If an activity is allocated 100% of the funding for a given year, can up to 10% of the funding be reallocated without a plan amendment to another activity?

Answer: Yes.

6. If we already have a plan in place for downtown redevelopment, can we use these funds to add affordable units to that plan? If so, will we need to turn in the plan as part of the application?

Answer: The PLHA Plan is a threshold requirement for the application. Your PLHA Plan can be to use the funds to develop affordable housing in your downtown redevelopment area, but that has to be submitted on the form in the application, and has to comply with the public participation requirements stated in guidelines section 302(c)(4)(D).

7. 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.

8. Given the current public health concerns regarding COVID 19 (coronavirus), what is considered “adequate” in the application requirement to provide adequate time for the public to review and comment on our plan?

Answer: Under normal circumstances, all hearings are required to be noticed pursuant to the local governing body’s standard noticing requirements. The Department recommends allowing 10 days of notice prior to the public hearing so that the public has adequate opportunity to review the Plan. During the COVID-19 emergency, and the suspension of the Brown Act, the Department will allow a suitably noticed virtual public hearing. Once the COVID-19 emergency ends, all public hearings must adhere to the requirements of the Brown Act of 2003.

9. The Brown Act has been updated in light of COVID 19. Can you let us know if you will relax the requirement to meet the earlier Brown Act since it is uncertain when we will resume in person public meetings?

Answer: Yes, as stated in the previous question, the Department will allow virtual public meetings during the COVID-19 emergency.

Program Income

1. Can program income be used for Administrative costs?

Answer: Only 5% of program income can be used for administrative costs.

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. However, 5% of program income can be used for administrative costs, which include long-term monitoring.

3. On rental projects if we charge a monitoring fee, are those funds considered program income?

Answer: Yes, monitoring fees, residual receipts payments, and interest payments are all program income.

4. 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.

Median Income Requirements

1. If the city loans the money to a project which has both 60% and below AMI and 80% to 120% AMI levels, can the source 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. AOWH, what percentage of median income is that?
Answer: The PLHA guidelines define AOWH as Low or Moderate-Income, which means up to 120 percent AMI (or 150 percent of AMI in High-cost areas).
3. For ADU rehab or new construction, do the renters have to be low-income?
Answer: ADUs are listed in Activity #2, which requires "Affordable rental and ownership housing...that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent in high-cost areas."

Accessory Dwelling Units

1. How long is the affordability period for ADUs?
Answer: The Affordability period must be set by the Local Government.
2. Are ADU's considered ownership units (AOWH) or rental units?
Answer: ADU's are rental units.
3. Would the County need to monitor the ADU's each year (i.e. verify occupancy, income limit & unit upkeep)?
Answer: The county would need to make sure the ADU complied with the county's own requirements. PLHA only requires that it can't be used for short term rentals, so that would have to be monitored for the number of years the county chooses.
4. Is ADU monitoring activity required to be discussed in the Annual Report?
Answer: Monitoring wouldn't need to be reported in the Annual Report.
5. Aside from the 30-day use requirement, will there be any requirements for monitoring of tenant incomes if we use funds to construct ADUs? Are there any long-term use requirements for ADUs?
Answer: The Department has not imposed a long-term affordability requirement for ADUs built or rehabbed by income-eligible homeowners. The homeowner has to be income eligible, and it is up to the jurisdiction to set its own requirements for how many years the affordability period will run.

Regional Housing Needs Allocation Requirements/Credit

1. 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.

2. 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" or who are 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).

Reporting

1. When is the PLHA annual report due?

Answer: Due by July 31st of each year.

2. When is the Housing Element APR due?

Answer: By April 1st each year.

Other

1. Where can I find a copy of the PLHA Workshop Presentation slides?

Answer: It is available on our [PLHA website](https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml), <https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>.

2. 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.

3. How many jurisdictions in a regional housing trust fund?

Answer: This is not pertinent to the PLHA program but is applicable to the Local Housing Trust Fund Program, whose guidelines are not yet finalized. However, it is likely that the guidelines will require Regional Housing Trust Funds to include a minimum of 3 or 4 jurisdictions to be included, dependent on the population of the county.

4. Can cities use land value as a matching contribution for PLHA projects?
Answer: Inapplicable – there is no requirement for matching funds.
5. Is it allowable to use CDBG funds as a match in projects for the PLHA program?
Answer: No Match is required for PLHA.
6. Can the value of land as in-kind be considered?
Answer: Inapplicable – there is no requirement for matching funds.
7. Where do I sign up for all PLHA correspondence?
Answer: On the [HCD website](#), you may sign up for the list serve by clicking on “Email Sign Up” on the right side towards the bottom, then choose the programs you would like to sign up for.
8. Will the webinar be available online?
Answer: Yes, it should be posted the week of 3/30.
9. Can you define REGIONAL housing trust fund?
Answer: It is defined in the Local Housing Trust Fund guidelines, which are not yet finalized. A Regional Housing Trust Fund is likely to require 3 or 4 jurisdictions to be part of the Housing Trust Fund, depending on the population of the county. Please refer to LHTF guidelines when they are finalized.
10. Where can I find Appendix A?
Answer: Appendix A is found in the published NOFA available on our website under the PLHA program.