Questions from TA Session held on July 1, 2019

**CDS Application Questions. Sections below refer to sections in the application.**

**Section I Cover Page**

* Q. Can we apply for both NPLH and CESH?
  A. Yes, please check the appropriate boxes.

* Q. If there is a Sponsor with a Limited Partner as the Applicant/Borrower, and the Applicant doesn’t have a DUNS# or 2-years financial statement, but the Sponsor does, how would the County approach in case of compliance?
  A. We would look at the Sponsor’s information.

**Section III Project Information & Narrative**

* Q. For projects early in the design phase, is there flexibility for project amenities to change as the design progresses?
  A. Project the amenities to be provided as best as you can. You will have the opportunity to explain why things might change in the text box below the amenities table.

**Section IV Tenant Population**

* Q. In the unit table, should we input how many Project-Based voucher units we expect, even if they haven't been committed?
A. Yes, if you do not have a Project-Based voucher award but expect to obtain one prior to construction closing, please input what you expect to receive in the unit table. Where the application asks you to provide a budget, two should be provided - one showing the PBV scenario reflected in the unit table, and one showing how you would expect to make the project work if a PBV award was not realized. Your project budget narrative should also describe these two scenarios.

* Q. "PUPA"?
  A. Per Unit Per Annum (Per Unit Per Year). Auto-populated from other parts of the application.

Section V Site Information
* Q. If we applied last year and the Appraisal is slightly outdated, can we still use it?
  A. You can use it if it’s a few months too old versus NOFA requirements, but we would need a new one before drawing any funds from an AHF 7.0 award.
* Q. If it’s City-owned land, would we need an Appraisal from the City?
  A. If the City has provided you with an appraisal, you may use that one.
* Q. Is an Appraisal or three comps required?
  A. If you don’t have an appraisal available, please provide a minimum of three comps. If you have an appraisal, but it is slightly out-of-date, that would be preferable to provide versus comps.

Section VI Project Finance
* Q. If I’m able to allocate the funding sources of both budget categories, Construction and Permanent, can I upload the same Proof of Commitment document for both?
  A. Yes.

General Application Questions
* Q. How can I create a new application if you already have one in CDS?
  A. If for the same project, call CDS to copy application. If different, log into CDS and click “Apply for AHF 7.0” and it will generate a new application.

* Q. If you are applying for 2 different projects, should you create a second account, or can there be two applications under the same account?
  A. Do the first application, then call CDS to copy most information onto another application.
* Q. Can two people use the same account information to work on two separate projects/applications?
  A. Yes, they just can’t work on the same project/application at the same time.
* Q. Can we look at previous applications?
  A. Send a request to housing@smchousing.org.
* Q. Of the $27.6M available, is there an allocation to new construction of ownership housing?
A. Yes, $1M. However, if there are not enough competitive applications for the rental portion of the NOFA, then more funds could shift to the first-time home buyer category, and vice-versa.

**NOFA Questions. Sections below refer to sections in the NOFA.**

**Section VI. Qualification and Preference Criteria**

* Q. Will additional competitive points be awarded if more than 15% of units target households earning up to 35%AMI even if they are not otherwise considered a special population?
  A. Yes, if you’ve met the 5% homeless requirement and the 10% ELI requirement, and you target additional units to households at 35% AMI or below, those units will generate preference points. We give more preference points to Disabled/Homeless populations.

* Q. Is there some guarantee of the period that services will be available to County Clients? MOU?
  A. Most clients of County service agencies qualify for those services for life. Specific agencies may also be able to negotiate a MOU. An MOU is specifically required for CESH & NPLH funding, and would be drafted in partnership with County agencies after selection for an award of CESH or NPLH funds.

**Exhibit A. No Place Like Home**

* Q. Can preservation projects apply for NPLH?
  A. Yes, especially if it’s for an acquisition.

* Q. Are the funds strictly for projects serving the homeless?
  A. Yes, please see the definition of NPLH Units in Section IV of the NOFA. Not all units in the projects have to be NPLH Units in order to receive funding, so long as a portion of the units are set aside as NPLH Units.

**Questions received via email as of July 12, 2019**

* Q. My organization intends to apply for funding under AHF 7.0, but we have not discussed our project with the Department to-date. Can I still submit an application?
  A. Assuming the project fits an eligible project type, and your organization meets the qualification and experience criteria outlined in Section V.B of the NOFA, you may submit an application, but you will need to meet with staff at DOH to discuss the proposal before applying. Please reach out to the Department at housing@smchousing.org and to Ray Hodges at rhodges@smchousing.org as soon as possible to schedule a meeting before the application submission deadline.

* Q. Section I.A(5) in the Scoring Factor section (p.37 of the NOFA) notes that up to 5 preference points are available for applications that “propose a reasonable plan to partner with the County to submit an application for NPLH funds.” We are wondering if you can clarify what you mean by a “reasonable plan,” and where we can find more information on NPLH regulations?
A. The determination of whether a proposal to house NPLH-eligible tenants is reasonable will be made by DOH and our partner agency, the division of Behavioral Health and Recovery Services (BHRS) within the County Health System. The first step of that process is to schedule a joint meeting with DOH and BHRS by simultaneously reaching out to Ray Hodges of DOH rhodges@smchousing.org and Judy Davila of BHRS c_jdavila@smcgov.org to schedule a meeting prior to applying for AHF 7.0 funding. Programmatic guidance around NPLH funding can be found in the AHF 7.0 NOFA, especially in Exhibit A. However, applicants who will apply for NPLH funding should familiarize themselves with the program to a much greater degree by examining State HCD’s NPLH page and the materials found there, at http://www.hcd.ca.gov/grants-funding/active-funding/nplh.shtml.

* Q. My family and I are very interested in submitting a funding application to house two persons with special needs. Is this allowable under AHF 7.0?

A. Unfortunately, this would not be an eligible use of funds under our Affordable Housing Fund. The AHF finances multifamily affordable housing developments typically 40+ units in size. Applicants for the financing need to collectively include a developer, property manager, and service provider with similarly-sized developments in their portfolio (See Section V.B of the AHF7 NOFA). Please also note that AHF funding cannot be used to provide housing for a specific person or household. Instead, the public must be able to apply to live in housing financed by the County.

* Q. What is meant by Section VIII.A(1)(b) which reads “Regardless of the loan amount awarded to a Project, the maximum number of Units in a Project that can be restricted by DOH funding, including AHF funds, is 49% of the Units?” And how does that affect the total amount of funding that can be allocated to a project?

A. There is no formal cap on the amount of funds that can be awarded to any one project under the AHF. However, please note that leverage and the amount of County funding calculated on a per-unit basis are primary factors heavily weighted in our scoring consideration of the applications. Applicants are advised that the per-unit average for County awards in the last three AHF NOFAs was in the neighborhood of $70-$85,000 per unit.

The 49% limit on the number of Units DOH will restrict is due to Article 34. Regardless of the total amount of funding DOH allocates to a given Project, the Department cannot formally restrict rents for more than 49% of the Units under our regulatory agreement.

* Q. We have just acquired a property, but designs are not far along at this point. We have done massing studies, soil tests, unit count and size studies, etc., but do not have fully developed designs to submit. Will this prevent us from consideration for AHF7 funding?

A. For a project in early predevelopment stages seeking an early County commitment and predevelopment financing, as long as you have fully enforceable site control, you can submit designs that are as far advanced as they are at that time. So massing diagrams, unit count/size studies, etc. are OK to provide in lieu of fully developed building designs for projects seeking predevelopment financing. Projects that do have fully developed designs would score higher on design readiness, but this would not prevent your project from applying or being scored.

* Q. Does the AHF 7.0 NOFA include land for development?

A. No, the AHF is a funding-only NOFA. However, from time-to-time, the County may make land available for affordable housing purposes through separate RFPs which would also be posted on the DOH page under the "NOFAs, bids, & proposals" tab.

* Q. We have Phase 1 and Phase 2 environmental site assessments completed for our project. Do those satisfy the requirement for a NEPA Environmental Assessment described in V.E(1) and the Authority to Use Grant Funds described in V.E(2) of the application?
A. The V.E(1) NEPA form attachment is an environmental assessment that is only required if your project received HUD funding (HOME, CDBG, Section 8, etc.). The V.E(2) Authority to Use Grant Funds (AUGF) attachment is HUD’s approval of the NEPA process for your project. If your project has federal funding, you should have a NEPA form completed, and will need a AUGF in order to spend those funds. If you don't have federal funding, you won’t have anything to include for V.E(1) or V.E(2), and you can just upload a page saying you don’t have federal funding for those two attachments.

* Q. In the targeted populations chart, question #3 in the application, it asks us to show the number of units for the various target populations, and states that the total units in the chart should equate to our total units in the Project. However, if we were to do that, we would need to show the homeless units as a specific income level. Are we supposed to take the homeless units out of the 30% AMI units? For underwriting purposes, which bucket should we take the homeless units out of in the chart?
   A. In theory, you can underwrite the homeless units at any of the AMI levels you’d like. However, they don’t count toward the requirement for 10% of units at ELI. So if you have 5% of the units for homeless households, and you underwrite these units at 30% AMI, in theory you’d have 15% of the units underwritten at ELI (assuming those units did not have project-based rental assistance). That said, our intent with these general homeless/County client units is that applicants are comfortable underwriting them at something more like 50-60% AMI because they are referred to the project with a tenant-based voucher. If the tenant ever vacates the unit (taking the voucher with them), HACSM backfills the unit with another tenant holding a tenant-based voucher. Applicants underwriting these homeless units at less than 50% AMI should explain their reasoning in the project/budget narrative.

* Q. In the list of attachments in the application, it asks for Applicant References. I don’t recall this being required in the past, and I am not sure what we should include for this attachment.
   A. The Attachments section at the bottom of the AHF7 application includes a comprehensive list of uploads for different types of projects at varying phases – some may not be relevant to your application. In this case, the “Applicant References” is referring to a question in Section II.C. – Experience and Capacity of Key Parties, which asks whether this would be your first project to receive DOH financing in the last three years. If you click “Yes,” the question for references appears and you would need to provide two references. If it is not your first project in three or more years, you would click "No" and would not need to provide references.

* Q. We are proposing a scattered site syndication of two existing properties. One is an existing LIHTC project the other is not a LIHTC project but is deed-restricted with former RDA funding. Would AHF funds be applicable for the full syndication of both projects?
   A. If you will be applying LIHTC across both of the properties and there is no net acquisition cost associated with a transfer to the new LIHTC entity, we would consider it one resyndication-rehab project structure. Our goal with the resyndication-rehab funding is to support renovation and extension of affordability for deed restricted affordable housing in need of significant upgrades where AHF funds are needed to close a gap that cannot be covered by other sources.