

NPLH RFP Questions
Updated as of September 9, 2021

1. First, how important is it to have a committed allocation of PBVs in order to apply for NPLH? Could we perhaps provide a letter, which details the City's commitment to award PBVs to the project once they have secured those from HUD?

Although not having a commitment of Project Based Vouchers (PBVs) does not preclude an organization from responding to the RFP, VCBH will choose the most competitive projects to move forward with Round 4 competitive and non-competitive applications to the State.

2. VCBH require that we request a capital allocation in order to request the operating subsidy or can our application be only for operating subsidies? It's my understanding that this requirement defers from county to county.

Yes. Article II Section 200 of the October 2020 NPLH Program Guidelines specifically defines the uses permitted for funding. Subsection a) states that funds "shall be used to finance capital costs of Assisted Units" whereas subsection b) states that funding "may be used to capitalize operating subsidy reserves."

3. The Cares Act provides that projects funded through sources that fall under this legislation are exempt from this requirement. It is my understanding that NPLH does not fall under the Cares Act. Do you know if the exemption would carry over to the project under NPLH since the project will continue to be a Homekey project?

Article II Section 202 Subsection g of the October 2020 NPLH Program Guidelines states that "All projects shall comply with Article XXXIV."

4. Regarding the expenditure deadline for noncompetitive projects, can you clarify what event qualifies for meeting the expenditure deadline?

The qualifying event for meeting the expenditure deadline is defined in the Program Guidelines. The NPLH Program Guidelines Section 200 state that "NPLH funds shall be used to finance capital costs of Assisted Units in Rental Housing Developments, including but not limited to, costs associated with the acquisition, design, construction, rehabilitation, or preservation of Assisted Units consistent with the eligible costs set forth under 25 CCR 7304(b) except that NPLH funds cannot be used to capitalize reserves other than as set forth in subsection (b)." In a memo dated October 23, 2020 the State further defines the purpose of the non-competitive funding "NPLH funds for capital uses will be provided as post-construction permanent loans in Rental Housing Developments of five or more units serving qualifying members of the Target Population. All NPLH funds shall be used for the development costs identified in the California Code of Regulations (CCR), Title 25, Section 7304, Subdivision (b), and to refinance loans used to cover such costs." As set forth in subsection (d), the total amount of Program funds awarded shall not exceed the eligible costs associated with

Assisted Units. In determining these costs, the cost allocation rules in 25 CCR Section 7304(c) shall apply, but the term “Restricted Units” in such section shall be deemed to refer to “Assisted Units.”

5. Can you clarify if noncompetitive funding requests will be prioritized based on “shovel ready” status or the score (per prior HCD NOFA)?
The County will prioritize NPLH projects for non-competitive funding based on their shovel ready status.
6. Clarification: With the possibility of reapplying for NPLH, we intend to get the Project approved via the Supportive Housing Act for by right approval.
It is our understanding that the Supportive Housing Act applies to projects where supportive housing is a use that is permitted by right in zones where multifamily and mixed-use development is already permitted. The County will prioritize NPLH projects for non-competitive funding based on their shovel ready status.
7. Wanted to confirm that it would be ok to use 34 as the number of NPLH assisted units. NPLH can fund as few as 5 units and up to 49% of the total project. 49% of 70 units is 34.
8. Is it possible to include the PLHA funds as an operating subsidy only for the units that do not receive NPLH assistance? It would be a matter of changing cell D13 to 0% in the NPLH COSR Calculation tab. Yes, we believe that the COSRs can be separated. We will seek HCD confirmation and update our response if necessary.