



No Place Like Home (NPLH)  
NOFA Date: October 29, 2021  
Questions and Answers (Q&A)  
As of December 1, 2021

## **NPLH Program Frequently Asked Questions**

The questions and answers published below provide clarification and additional detail on the NPLH Program Guidelines and application process. Highlighted questions have been added, or answers modified in November 2021.

For additional questions and inquiries regarding the NPLH Program, please email the Program, Design & Implementation (PDI) / NPLH Team at [nplh@hcd.ca.gov](mailto:nplh@hcd.ca.gov).

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## **Application**

- 1. How should scattered site projects with different current owners evidence more than one form of site control? For example, we are assembling two parcels with different owners, and have a DDA with one owner and a PSA with another owner.**

Answer: Site control must be established through the expected award date. Additionally, each site must have control established by the time of construction to the same borrower, and the contract should be to Sponsor, Borrower or a sponsor-controlled affiliate. Site control must meet requirements set forth in UMR Section 8303. Site Control of scattered sites have the same requirements as a single parcel. Site control must be established through the appropriate document for each site (Purchase Agreement, DDA, ENA, etc.).

- 2. If we are applying for both competitive and non-competitive funds, do we just submit one application with the "both" box checked?**

Answer: Correct. If applying for both competitive and noncompetitive concurrently you will submit one application with the "Both" box checked.

- 3. On the Loan Amount and Unit Mix Tab of the Supplemental Application, if all NPLH tenant referrals are being made through CES, do all the NPLH Units get listed in the Homeless Column of the Unit Mix table?**

Answer: Depending on the CES referral, the NPLH units could fall within the Homeless, Chronically Homeless or At Risk of Chronic Homelessness column in the Loan Amount and Unit Mix tab. For purposes of completing the Loan Amount and Unit Mix Tab, the number of NPLH Units you put in each of these three columns should reflect the total amount per unit you expect to receive in Supportive Services Costs paid as part of the operating budget within the corresponding categories under UMR 8314 (e).

For Projects accepting referrals for all of their NPLH Units through CES, the unit numbers provided for each of the 3 NPLH Target Populations on the Unit Mix grid will not be part of the Project Regulatory Agreement to enable the NPLH Target Population mix to change depending on who ends up being prioritized through the CES assessment process.

- 4. Are city agencies allowed to apply and a non-profit can partner with them?**

Answer: No not unless the city is Berkeley, Claremont, Pomona, or LaVerne. These

four cities can apply directly for NPLH funds because they receive direct allocations of Mental Health Services Act funds; and therefore, are considered Eligible applicants under the NPLH statute.

- 5. If a County is submitting a combined application using both non-competitive and competitive, does the Board of Supervisors have to adopt two separate resolutions, one for each NPLH funding source?**

Answer: Yes, it requires two resolutions.

- 6. For Counties with multiple competitive and noncompetitive combo projects being submitted, can the County just adopt just one competitive and one noncompetitive resolution?**

Answer: No. The resolutions need to be project specific; so separate resolutions are needed for each project. In addition, for projects proposing to use both competitive and noncompetitive funds, separate competitive and noncompetitive resolutions must be submitted.

Please use the current Authorizing Resolution templates posted on our NPLH webpage. Failure to do so may result in delays in issuing your Standard Agreement. If you are using a current template for a project awarded NPLH funds in a previous funding round, contact us for the correct NOFA dates and amounts for that funding round.

- 7. If we have submitted a previous application to another program in the FAAST Application portal for the same project proposed for NPLH funding, can we copy some of the applicable attachments from the previous application into our current NPLH application submittal?**

Answer: Unfortunately, anything downloaded into FAAST cannot be copied over into another application.

## Appraisals

- 1. What is considered a current appraisal?**

Answer: Per NPLH Guideline Section 202(e)(6)(C), the Department generally follows TCAC requirements for preparation of the appraisal, including its requirements for how old an appraisal can be.

- 2. If we already own the site, do we need to submit an appraisal, or can we just submit settlement statements showing purchase amount?**

Answer: If you are including land cost/value on the development budget, you will need to submit an appraisal supporting the amount. See response to above question.

### **Article XXXIV**

**1. Can you confirm that we are not required to submit an Article XXXIV Legal Opinion if we have evidence of Article XXXIV Authority, even though both items are marked as threshold requirements?**

Answer: No Legal Opinion letter is needed if the locality has sufficient Article XXXIV authority. If your locality has an Article XXXIV referendum, you must submit the documentation requested in the NOFA under these circumstances; specifically, 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.

See Section II A.17 of the NOFA for more information on Article XXXIV.

**2. For the purpose of Article 34, is PLHA considered public funding?**

Answer: All low-rent housing projects must comply with Article XXXIV, Section 1 of the California Constitution, as clarified by the Public Housing Election Implementation Law (HSC Section 37000 -37002). Contact your HCD PLHA Representative for information on Article XXXIV compliance if your jurisdiction receives a direct allocation of PLHA funds or if it is a Non-entitlement local government in accordance with the requirements of the PLHA Guidelines and NOFA Documentation.

### **Documentation**

**1. If a document will only allow typed text, how would you suggest we insert a signature?**

Answer: HCD now accepts electronically signed documents known as eSignatures. Depending on individual system capabilities, if electronic signatures is not possible, any other document which requires a signature may be printed, signed, scanned and included as a PDF with the application submission.

**2. What kind of documentation do we need to include if we are using the CUAC**

**for our utility allowances? We will have documentation from our energy consultant – what specifically does their documentation need to include?**

Answer: You will need to provide the CUAC documents showing applicable utility allowances (including net zero, if applicable) to support the utility allowances included in your application.

**3. Do we need to submit a fully executed MOU for the Lead Service Provider of the project or will a letter of commitment be sufficient?**

Answer: A commitment letter from the Lead Service Provider will generally not suffice. Per Section 203 of the NPLH Guidelines, copies of draft written agreements or memoranda of understanding (MOUs) must be provided, which identify the roles and responsibilities of the County, the project owner, and service providers, and the property manager. Specific organizations do not need to be identified unless those organizations are used to satisfy the experience requirements required to submit an application. The draft written agreements or MOUs must be materially consistent with the information set forth in the supportive services plan.

**4. I submitted an application for the same project last year and was not awarded. Will the market study submitted at that time suffice or do I need to get it updated?**

Answer: Yes, you will need an update. The market study meeting TCAC requirements at Section 10322 (h) can be no older than 12 months from the application submission date.

**5. For site control, our PSA will not extend past the award date because we will be purchasing the property in February per our existing PSA. Will you need additional evidence that the property will be purchased, such as an acquisition loan term sheet? We want to ensure we provide all documentation you need to illustrate site control.**

Answer: Acceptable forms of site control are found in UMR 8303. The Purchase and Sale Agreement should extend at least through the anticipated NPLH award date to support site control. In the event that your anticipated sale is delayed we want to make sure that this delay does not disqualify you from getting funded because the form of site control submitted with the application has unintentionally expired.

## **Feasibility**

**1. The minimum debt service is 0.42% per year but does that payment go towards reducing interest followed by principal or is it simply collected as a fee?**

Answer: In NPLH, the 0.42 is a monitoring fee that does not go towards reducing the interest payment. It is collected only as a monitoring fee. Per Section 200 (k) (2) of the NPLH Guidelines, loan amounts shall bear simple interest at a rate of 3 percent per annum on the unpaid principal balance. This interest payment is separate from the 0.42 monitoring fee. All accumulated interest and principal payments shall be deferred for the term of the loan.

## **2. What programs trigger the new stacking rule?**

Answer: The new stacking rule discussed in [Admin Memo 21-06](#) applies to HCD programs only. There are 13 HCD programs that trigger this rule. See memo linked above for details.

### **General**

#### **1. Will Conversion of a Non-Residential Structure project type require any of the documents specified as rehab only? We will be rehabbing the structure and completing some of the required reports for rehab projects but want to know if it must be submitted as part of our NPLH application if our project is not an acquisition/rehab Project?**

Answer: Conversion of existing structures involving rehabilitation activity are considered rehabilitation projects, regardless of whether there is an acquisition involved. Hence application documents concerning those structures being rehabbed should be submitted as requested for rehabilitation projects. If a Project also involves new construction in addition to rehabilitation, documents for new construction projects should also be submitted covering those site(s) involved in the new construction activity.

#### **2. Could you please provide us with the NPLH Power Point that was presented during the webinar?**

Answer: The NPLH presentation can be found on the NPLH website under the Workshop heading.

#### **3. Under the Threshold Section: What type of documentation should be submitted under 202 (h) (6) (G): "Documentation of service provider and property manager experience meeting the applicable requirements of Section 202 (c)"**

Answer: If you have completed the experience section of the Supplemental Application in Project Threshold Requirements, adequately listing the Project Names and/or Experience Description, then it is not necessary to provide additional supporting documentation.

#### **4. Is project team requirement same for small counties?**

Answer: In Counties with populations of less than 200,000, the Experience requirements can be met by meeting the requirements of Section 202 (c) (1) or 202 (c) (2) of the NPLH Guidelines. However, when completing the NPLH Supplemental Application, please indicate the correct size of your County population by clicking the box in the upper-right corner of the threshold tab, this will populate the requirements appropriate for your County size. For populations of less than 200,000 there is added flexibility in how the experience of the Lead Service Provider and Property Manager can be satisfied, as indicated within these questions, related to serving other populations with barriers similar to that of the NPLH Target Population.

**5. When do the non-competitive funds actually get disbursed to the County? Is it when the application is deemed compete or is post acquisition/construction?**

Answer: The capital loan funds will be dispersed at permanent construction close/when the project has been completed, the NPLH units have been rented up, and there is a period of “stabilized occupancy”. If the County is applying independently, then funds are dispersed to them. However, if they apply jointly with a Development Sponsor, the funds are dispersed to the Development Sponsor or an entity controlled by the Sponsor (Ultimate Borrower). When tax credits are involved, we will often see the Ultimate Borrower is an LP controlled by the Sponsor. If you are applying for a COSR, those funds are dispersed annually based on a bifurcated audit.

Please consult our COSR Frequently Asked Questions document located at: <https://www.hcd.ca.gov/grants-funding/active-funding/nplh/docs/nplh-cosr-faq.pdf> for further information on the COSR disbursement process. Note that a tax-credit Project may designate an entity other than the Ultimate Borrower to receive the COSR disbursements. See the FAQ document linked above for further details.

**6. Are NPLH grants considered loans from a county perspective?**

Answer: For HCD-administered NPLH Projects funded under Rounds 3 or 4, the capital will be a loan to the project’s limited partnership and the COSR will be a grant to the LP or another entity designated to receive the COSR See response to above question.

**7. Maximum Award Amounts and Per-Unit Subsidy Limits The maximum award amount per Project, including all eligible capital and COSR costs, shall be \$20 million, including Competitive Allocation funds and any NCA funds awarded by the Department to the Project. Funds from the County’s NCA and the Competitive Allocation may be used in the same multifamily Project or on the same NPLH Assisted Units, as long as HCD’s NPLH per-Unit subsidy limits are not exceeded. Does this mean: A. That a project can have non-competitive NPLH on a specific unit, as long as this is within the HCD loan limits, and a separate competitive NPLH on the same unit as long as the second loan request also is within the per unit limits? For example, could**

**have \$200k/unit of competitive and another \$200k/unit of non-competitive on the same unit – assuming for this example that \$200k is the applicable per unit subsidy limit? Thus, it would have a total of \$400k NPLH on a single unit? or B. The sum of any competitive \$/unit plus any non-competitive \$/unit must not exceed the HCD subsidy limit? (For example, \$100k of non-competitive plus \$100k from competitive on the same unit = \$200k total, which would be within the HCD limit (assuming that limit is \$200k for this example)**

Answer: Option B is correct. Option A is incorrect. Noncompetitive and Competitive funds combined on the same Assisted Units will still be subject to one per unit cap, and if the Project gets funded, the Noncompetitive funds will be included in the total award amount and subject to total Project limit. Combining the funds makes your project more competitive, but it doesn't increase the overall award limits.

**8. The application doesn't reflect our COVID landscape and modifications such as telehealth/medicine and limitation on social activities. Can HCD speak to this?**

Answer: All NPLH activities should be carried out in compliance with local, state and federal guidance and requirements concerning COVID safety practices. There is nothing in the current Guidelines or NOFA that would impact the ability to do this.

For integration, does that mean NPLH units also have to be distributed between all unit types? e.g. 1BD, 2BD, 3BD? We don't usually have the need for 2BD or 3BD PSH units. - Smaller units may not be in all buildings, depending on the site constraints and building design.

Answer: A County's CES should prioritize the most vulnerable, with the most barriers to housing stability. Who gets prioritized through the CES assessment system should drive who gets priority for your NPLH units among the NPLH-eligible population. Counties do not have to have NPLH designated units across all bedroom sizes; however, to the extent possible you have to try and integrate those unit sizes in the same building/Project. For affordable housing developments built in phases, scattered site affordable housing developments or TCAC hybrid transactions consisting of more than one building, the Department may grant exceptions to this requirement on a project-by-project basis if it can be demonstrated to the satisfaction of the Department that NPLH-eligible tenants or other tenants meeting eligibility criteria similar to that of NPLH could also be eligible to reside within those buildings or other sites not proposed to be part of the NPLH-funded portion of the project. In determining whether or not an exception will be provided, the Department will consider such factors as proposed income targeting, other target population requirements, and other requirements or restrictions at the other buildings or sites.

**9. What happens to a family living in a designated NPLH unit, if the family**



**member who originally qualified as NPLH-eligible moves out, but the rest of the family wants to continue to live in that unit?**

Answer: They can continue to live in the unit, but they will have the rent increased to correspond to their new household AMI level and that unit will no longer be designated as an NPLH Assisted Unit for as long as they continue to reside in that unit without an NPLH-eligible household member. Hence, no further COSR assistance or, NPLH supportive services costs through the project budget, will be attributable to that unit until someone NPLH-eligible resides there again.

### **Environmental Reports and Clearances**

**1. Will HCD accept Environmental Reports (Phase I & II and Lead, Mold, Asbestos Reports) that are just a little over year?**

Answer: In order to remain consistent across other HCD Programs, the report must be dated within 12 months of the current application date.

**2. The subject site contains several structures that are over 70 years old. As a result, the Phase I we plan to conduct will likely suggest asbestos and lead-based paint testing as part of a Phase II. If a Phase II were recommended, we wouldn't have enough time to complete it before the application deadline. Would a Phase II also be required at the time of application submittal or could we submit that at a later time?**

Answer: No. Generally speaking, if the Phase I report calls for a Phase II, the Phase II must be submitted with your application. This is an application threshold requirement. We need both reports prepared in order to assess at application stage if enough has been budgeted for all needed environmental remediation. This relates to the project financial feasibility and underwriting evaluation.

However, if the nature of the required Phase II testing is such that you can't perform required testing until after the development activity has started, the Phase II will be required for Perm Close. Please include reasonable costs for mediation in the budget and include notes detailing the timeline for resolving the issues detailed in the Phase I.

**3. Regarding the mold study required for rehabilitation projects, does HCD have any specific requirements for what a mold study should include?**

Answer: The Department does not set forth criteria or specifications for the content of a mold report; however, the reports must be prepared by an independent third-party professional having knowledge and experience in the

preparation of such reports.

**4. What if the NEPA has been adopted by our Board but HUD hasn't issued the authorization to use funds?**

Answer: To qualify for points for this item you will need the Authority to Use Grant Funds (AUGF) from the Responsible Entity by the time you submit your NPLH application. If you do not have the AUGF, you can still apply but you will not get the 10 points for this item.

**5. if the only federal funding in my project is project-based rental assistance, do I need to do a full NEPA Environmental Assessment and receive the Authority to Use Grant Funds in order to get the points for completion of the required CEQA and NEPA?**

Answer: A more extensive NEPA environmental review may be required depending on the scope of the project, whether or not federal funds are used for development activities or only for rental assistance. The level of environmental review required under NEPA is determined by the NEPA Responsible Entity (RE) for your project. Contact this governmental entity for guidance, as they will also be the entity that must sign your Local and Environmental Approvals form within the Supplemental Application with respect to the NEPA item. Whatever level of review that RE determines is required, that HUD-required form of environmental clearance from the RE will be needed in order to secure the CEQA/NEPA points.

### **Organizational Documents and Resolutions**

**1. Which Organizational documents are required to submit with application vs which are encouraged to submit with the application?**

Answer: Sponsor and County organizational documents and authorizing Resolutions are required for application completeness. Org Docs and Resolutions for all entities appearing on the Borrower Signature Block must be submitted prior to Standard Agreement, and are encouraged (but not required) to be included with the application, to the extent possible, in order to speed up preparation of the Standard Agreement. Additionally, organizational documents may be necessary for demonstrating site control which is a threshold requirement.

Please use the current Authorizing Resolution templates posted on our NPLH webpage. Failure to do so may result in delays in issuing your Standard Agreement. If you are using a current template for a project awarded NPLH funds in a previous funding round, contact us for the correct NOFA dates and amounts for that funding round.

## Scoring

### **1. Is the alternative referral system for persons At-Risk of Chronic Homelessness only allowed if the jurisdiction doesn't have an existing Coordinated Entry System?**

Answer: All Counties are required to refer persons who are Chronically Homeless or Homeless through their Coordinated Entry System. This system must be operational no later than the date the County's first NPLH project receives its Certificate of Occupancy.

Persons who are At Risk of Chronic Homelessness (ARCH) may be referred through CES or through an alternate system that prioritizes those At-Risk of Chronic Homelessness for NPLH units based on those with the highest needs for Permanent Supportive Housing and greatest barriers to housing retention. If a County chooses not to use CES to refer ARCH, then in order to score maximum points for their tenant referral system, they will be required to serve at least 40% Chronically Homeless, and restricted to no more than 30% ARCH.

If a County chooses to refer all of their ARCH tenants through CES, then the Department will let the local CES assessment system dictate priority needs based on the above standard, and will not regulate minimum or maximum percentages of Chronically Homeless, Homeless, or ARCH to be served among the total number of NPLH units. All referral protocols for NPLH units for all eligible subpopulations must be developed in consultation with the local Continuum of Care (CoC) and approved by the CoC.

See sections 206 and 211 of the NPLH Guidelines for more information regarding occupancy and tenant selection requirements.

### **2. TCAC requires that developer fee in excess of their developer fee cash limit (paid from development fund sources) be contributed either as General Partner Equity or deferred developer fee paid from cash flow. The developer fee that is contributed as General Partner Equity is treated as a capital source for the project and is not repaid back to the sponsor. In the Leverage of Other Funds of the Scoring worksheet, it notes that deferred developer fee should be excluded from the scoring -- which we agree is reasonable. However, we would like to confirm that developer fee contributed as General Partner Equity will be counted in Leverage of Other Funds.**

Answer: Yes. GP equity will be counted in the capital leverage calculation.

Deferred developer fees, including developer fee contributions, are not included in leverage calculation for NPLH.

**3. If you have a permanent loan that is a tax-exempt bond loan is it considered committed without a CDLAC commitment?**

Answer: We do not need a CDLAC Reservation letter to count the 4% tax credit/bond proceeds as committed as long as an estimate of syndication proceeds is provided; however to receive points for Leverage and financing committed (Readiness) for the amount of your private bank loan, we do need an Enforceable Funding Commitment from the bank.

Contingencies in any commitment letter based on receipt of CDLAC or TCAC Reservations will not invalidate the letter as evidence of the commitment.

**4. If I am expecting an award of funds from another HCD funding source, but the award letters have not been issued yet by HCD, what documentation do I submit for Leverage and Financing Commitment points as my Enforceable Funding Commitment?**

Answer: In these situations, please attach a narrative in place of your Enforceable Funding Commitment. Prior to finalizing our preliminary point scores for the NPLH application, NPLH will check with the other HCD funding sources listed on your Development Sources Worksheet to see if the proposed project has been awarded funds from those other HCD sources, and to verify all amounts awarded.

**5. Sometimes, the Federal Home Loan Bank AHP is allowed to be counted even though it is not committed (due to timing issue of award). Would AHP be counted?**

Answer: No. Since AHP is not an HCD funding source, in order to receive Leverage and Readiness points for financing committed, you will need an EFC from AHP to be submitted with your NPLH application.

### **Supportive Services**

**1. Why does the current Supportive Services Plan (SSP) form in the Supplemental Application request a narrative response discussing training costs for each of the best practices and clinical interventions discussed in the SSP?**

Answer: Asking about training costs is connected to the overall purpose of the questions in the Service Delivery section, namely, for applicants to convey a clear, viable plan for providing clinical interventions and evidence-based practices. Part of that plan should include training staff (up front and ongoing) to be able to understand and then implement the interventions and practices. A clear, effective plan is one that for each intervention and practice explains what training resources exist. Training may be provided in-house or by an outside party, and may be free of

charge or fee based.

The training descriptions provided for each clinical intervention and best practice listed should demonstrate that applicants have researched training options, identified resources to pay and/or arrange for training where needed (i.e. does the proposed budget include training resources, either cash or in-kind?), and have established an approximate implementation schedule. Applicants providing the same generic description for each intervention and practice will not meet HCD's expectations for training plans.

**2. For the supportive services budget, is this only specific to the LSP? Or should that include any additional supportive services provided onsite by the developer?**

Answer: Any supportive services costs that are actually being paid for with income from the project should be included in the Operating Budget form within the Universal Application (UA). However, if income coming from the project is not being used to pay for those expenses then those costs should not be included in the UA Operating Budget. Nonetheless, all supportive services costs, whether paid by income of the project or not must be included in the Supportive Services Plan within the NPLH Supplemental Application.

**3. What is the LSP role in the preparation and submission of the annual audit?**

Answer: The Project's annual bifurcated audit must be prepared by a Certified Public Accountant and submitted to the Department by the Ultimate Borrower, The Lead Service Provider will need to maintain accurate expense records related to the supportive services that are paid for through the Project budget, which will need to be reflected in this audit.

**4. Can the estimate of supportive services costs required in Supplemental Application Checklist item 14(e) be included in the Supportive Services MOU?**

Answer: Yes, as long as the other detail required within that item is also included in the MOU,

**NPLH Capitalized Operating Reserve Subsidy (COSR)**

**1. When will additional guidance regarding the COSR disbursement process be released?**

Answer: Our Asset Management and Compliance (AMC) Division has released a Frequently Asked Questions document on the COSR disbursement process located at: <https://www.hcd.ca.gov/grants-funding/active-funding/nplh/docs/nplh-cosr-faq.pdf>. Among other issues, this FAQ contains information on the COSR advance option for

the initial disbursement, as well as information for tax credit projects seeking to designate a payee to receive COSR disbursements other than the Ultimate Borrower on the NPLH loan.

### **Financials and Use of Funds**

#### **1. Where to include the NPLH monitoring fee: Should the NPLH monitoring fee be included in the Operating Budget under Mortgage Debt Service?**

Answer: Please include it on line 126 (6890) under Misc. Financial Expense labeled as (HCD NPLH .42%) in the Operating Budget under Financial Expenses, just under the 3rd Mortgage Debt Service.

### **Project Homekey**

#### **1. Can Homekey funds and NPLH funds be used on different units in the same Project?**

Answer: Subject to the limitations on the number of HCD funding sources in any one project outlined in [Administrative Memo #21-06](#), which now apply to Projects submitted for Homekey or NPLH funding on or after July 1, 2021, NPLH funds can be used in a Homekey Project that is a Permanent Supportive Housing Project as defined in Section 101 of the NPLH Guidelines. NPLH funds cannot be used in any housing that is not currently Permanent Supportive Housing or that will not convert to Permanent Supportive Housing at the conclusion of the NPLH development activity. For example, NPLH cannot be used to finance Interim Housing, Transitional Housing, or Congregate Shelter as these terms are used in the Homekey program.

NPLH also cannot fund developments that are “Community care facilities” as set forth in Section 1502 of the Health and Safety Code, “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code, or other residential treatment programs.

All NPLH Projects must also be multifamily projects of five or more units. No Counties have been designated to use NPLH funds in a Shared Housing (1-4 unit) development.

NPLH assisted units must also be integrated with other non-NPLH assisted units in a Project and cannot be separated by building, floor, or portions of a floor unless a specific exemption has been granted in writing to the Project by the Department. See Section 202 (e) of the NPLH Guidelines for more information on the NPLH integration requirement

#### **2. Can NPLH and Homekey funds be used on the same units in a Project?**

Answer: Subject to the stacking limitations outlined in [Administrative Memo #21-06](#), which now apply to Projects submitted for Homekey or NPLH funding on or after July 1, 2021, Homekey and NPLH funds may be able to be used to fund the same units. However, where there are different requirements between the two programs, the most restrictive requirement must be followed.

The following are some key areas of distinction between the two programs. This list is not exhaustive so please review the Homekey and NPLH program documents before deciding whether to apply for NPLH funds in a Homekey-assisted project.

Target Population – As defined under the Mental Health Service Act, (Welfare and Institutions Code Section 5600.3 (a) and (b)), at least one member of all households residing in NPLH assisted units must be an adult or older adult with a Serious Mental Disorder or a Seriously Emotionally Disturbed Child or Adolescent. In addition, this household member must also be Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness as defined in Section 101 of the NPLH Guidelines

Although NPLH and Homekey use the same HUD definitions for Chronic Homeless and Homeless, the At-Risk of Chronic Homelessness eligible tenant category in NPLH is not the same as being At Risk of Homelessness as used by HUD or the Homekey program. NPLH cannot serve persons At-Risk of Homelessness.

A person At Risk of Chronic Homelessness is a person who is exiting an institution with a history of homelessness prior to entering the institution, or Transition-Age Youth experiencing homelessness or with significant barriers to housing stability, including, but not limited to, one or more evictions or episodes of homelessness, and a history of foster care or involvement with the juvenile justice system. (See Section 101 of the NPLH Guidelines for more detail on persons qualifying as At-Risk of Chronic Homelessness.)

There are no specific restrictions in the NPLH program related to COVID-19 impacts or other communicable diseases.

### Eligible Uses of Funds

In addition to the differences in eligible project types discussed above, it is important to remember that NPLH COSR funds cannot be used to support units that do not house NPLH-eligible tenants.

### NPLH Integration Requirement and Percentage of Restricted Units

Pursuant to Section 202 (e) (2) of the NPLH Guidelines, in Projects of greater than 20 units, NPLH can fund no more than 49% of the Project units, regardless of whether a Project has Article XXXIV authority or an exemption from Article XXXIV that would enable the Project to have more than 49% NPLH units.

In Projects of fewer than 20 units, NPLH can assist more than 49% of the Project units if there are sufficient grounds under Article XXXIV to do so. Unlike Homekey, NPLH is not exempt from Article XXXIV.

In addition, NPLH integration requirements also establish that in any Project where there are units not assisted by NPLH, NPLH units must be integrated with non-NPLH units unless the Department grants a specific written exemption to the Project from this particular requirement. This means, among other things, that NPLH-assisted units cannot be separated by building, floor, or a portion of the floor from other units in the Project. See Section 202 (e) for more details.