



## Local Housing Trust Fund Program

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Questions and Answers (Q&A)  
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# LHTF NOFA Q&A

This Questions and Answers (Q&A) document represents key information and responses to questions asked by potential applicants for the LHTF Program. The questions and answers published below provide clarification and additional detail on the LHTF Program Guidelines, statutory requirements and application process.

This is the first Q&A document published in response for the April 2020 NOFA 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 LHTF Program, please email the LHTF staff at [LHTF@hcd.ca.gov](mailto:LHTF@hcd.ca.gov). Answers to questions received in this inbox will be answered via email.

You will find a table of contents below in where questions are organized into subject categories:

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## **Matching Funds Requirements**

1. Would an existing Housing Trust Fund have to have \$5 million Matching Funds through a land donation or \$5 million from the land donation plus an average of \$100,000 ongoing yearly?

Answer: In order to be eligible for \$5 million of LHTF funds, if the source of the Matching Funds is a land donation, an existing HTF would have to have the \$5 million in Matching Funds from the land donation (supported by an appraisal that is no more than six months old) AND would also have to have an average of at least \$100,000 in Ongoing Revenue for three years after the date of the Program award.

2. Are local inclusionary funds an eligible local match?

Answer: Yes, local inclusionary funds are an eligible local match.

3. Can multiple qualified dedicated sources create the annual matching amount? For example, I may have five sources that are qualified and dedicated over a five-year period to create \$1 million annually.

Answer: Yes, you can have more than one dedicated source of funding to derive the required Matching Funds.

4. A City is contemplating establishing a LHTF with former Redevelopment Agency program income (former LMIH funds). Are LMIH funds eligible as matching funds?

Answer: LMIH funds are not an eligible source of Matching Funds for LHTF, because they are restricted by State law to use for housing.

5. I understand RDA LMIHF repayments are not matching funds. If a City dedicates the non-20% portion of a City-RDA loan repayment to affordable housing, is that portion considered matching funds?

Answer: HCD understands that all RDA assets were swept, so there shouldn't be any RDA loan repayments available to be used as Matching Funds.

6. Would the City's proceeds from the 2018 voter-approved affordable housing bond qualify as Matching Funds?

Answer: Yes, the proceeds from locally approved affordable housing bonds are eligible Matching Funds.

7. We may not know if we were awarded PLHA funds until after the LHTF application deadline. Is there any solution for this since the PLHA is non-competitive?

Answer: PLHA funds can only be used as Matching Funds for LHTF for Regional Housing Trust Funds. That said, HCD is permitting PLHA funds to be assumed to be committed for the current year plus the next 2 years of funding, as long as all of the jurisdictions that are members of the Regional Housing Trust Fund submit their PLHA applications by the July 27<sup>th</sup> PLHA deadline, and as long as all of them pass threshold.

8. Which sources would be considered “Matching Funds?”  
Answer: Matching Funds are defined in Section 101 of the LHTF Guidelines. They include Dedicated Sources of funds, including taxes, fees and loan repayments, and/or public or private contributions, including land donations, grants and bequests. Matching Funds do not include loans or lines of credit received by the HTF. Matching Funds do not include monies restricted for housing purposes under any federal or State law, except for the State Permanent Local Housing Allocation, which can be used as Matching Funds for Regional HTFs only.
9. Why the difference between the Local and Regional Housing Trust Funds in terms of using PLHA as match, particularly if a larger city with a high 6-figure annual amount of PLHA funds is located in an area in which it would be difficult to set up a Regional Housing Trust Fund under the Section 106(f)(6) requirements? In that case, the LHTF could be a meaningful match, but it looks like it could not be used because the city would only have a LHTF.  
Answer: The Legislature felt that Regional Housing Trust Funds would have a more beneficial impact on increasing the supply of affordable housing because they would have greater amounts of Matching Funds and could fund larger projects. For that reason, the Legislature amended the LHTF statute in 2019 to allow Regional Housing Trust Funds to use PLHA formula allocation funds as Matching Funds, as a way of incentivizing the creation of Regional Housing Trust Funds. Also, please note that Section 106(f)(6) is a rating factor, not a threshold requirement for being defined as a Regional Housing Trust Fund—the definition of Regional Housing Trust Fund requires fewer jurisdictions than the rating factor in Section 106(f)(6), which prioritizes RHTFs that serve MORE THAN the basic required number of jurisdictions.
10. Can we loan our local funds on one project and the LHTF funds on another project? (my question about "on deposit" assumed you didn't have to track the exact dollars on deposit but the total amounts)  
Answer: No, you can't use local Matching Funds on one project and the LHTF funds on a different project. That was permitted in the historic operation of the program, but no longer permitted due to statutory requirements on expenditure of Matching Funds. Guidelines Section 104(e) requires Matching Funds to be utilized on a dollar-for-dollar basis for the same Eligible Project for which Program Funds are used.
11. If a city has a Local Housing Trust Fund with impact fees, and that city loans a portion of its Local Housing Trust Fund to a Regional Housing Trust Fund, does the Regional Housing Trust Fund need to claim impact fees as the source of its funding?  
Answer: The city cannot loan Matching Funds to a HTF—the Matching Funds must be granted, with no requirement to be paid back. Loans and Lines of Credit are not eligible as Matching Funds.

12. Are 501(c)3 tax-exempt bonds allowed to be matching funds?

Answer: Mortgage revenue bonds are not an eligible form of Matching Funds because they are restricted by federal law and State law for housing.

13. If the City LHTF is dedicating land for an affordable housing project, does the City LHTF provide an appraisal to count the land value as Matching Funds for the State LHTF funds?

Answer: Yes, and the appraisal must be no more than 6 months old. If the land has been sold in the last few years, then the maximum amount of Matching Funds will be the lower of the last sales price or the current land value based on the appraisal.

14. We have land that was purchased for \$2 Million, and was donated to the HTF. Could the Escrow Settlement Statement be used to get program funds of \$2 million?

Answer: The sale transaction would have to be assessed, and an appraisal would be required to support the value, but if those were both adequate, the donation of the land would count as \$2 million of Matching Funds. The HTF would still have to meet all other requirements for Ongoing Revenue and establishment of the HTF.

15. When can I find information of what constitutes a legally binding agreement?

Answer: "Legally Binding Commitment", as defined in the Definitions of the Guidelines, means a fully-executed commitment letter or a fully-executed contract to provide Matching Funds, specifying the source(s) of the Matching Funds, the amount of Matching Funds from each source, the date upon which the funds will be deposited into the Local Housing Trust Fund or Regional Housing Trust Fund account, and remedies for not depositing the Matching Funds on that date.

16. The Matching Fund documentation listed is quite broad and it's not clear which type of documentation is required.

Answer: Documentation of Matching Funds On Deposit requires a current Trust Fund bank statement, as well as all back-up documentation. The back up documentation will vary depending on the type of Matching Funds, and whether the HTF is a public agency or a nonprofit. For example, if the HTF is a nonprofit and received a grant from a foundation, the award letter and all other documentation setting requirements on the grant are required. If the HTF is a city that receives development fees, the city would have annual fund summaries of available resources, accounting general ledgers to support the cash balances and the available resources of the funds, and an Annual Financial Report. If the ordinance establishing the HTF doesn't state that all development impact fees are directed to the HTF, the jurisdiction's Budget designating dollar amount of development fees for the HTF would be required. If the HTF receives a land donation, then an appraisal that is less than 6 months old and a preliminary title report showing the last arms' length transaction is required. In addition, for all HTFs, a spreadsheet is required, listing commitments made by the HTF which

have not yet been disbursed, so that the Department can evaluate how much of the funds On Deposit are actually available as Matching Funds for the new LHTF projects.

17. The City received an allocation of County A1 bond funds. Some of these funds were committed to my project. Would these count towards "Non-Residential Matching Funds"? What do we need to demonstrate for this to be considered "Non-Residential Matching Funds"?

Answer: Yes, General Obligation bonds issued by local governments are eligible Matching Funds, and count as non-residential Matching Funds. Non-residential matching funds are eligible Matching Funds that are not derived from residential development impact fees or residential in lieu fees.

18. Regarding local non-residential money match: does this mean money received from commercial linkage fees are not eligible?

Answer: Not at all. In fact, non-residential Matching Funds are prioritized in the statute.

19. Can a local jurisdiction count Measure A1 funds toward matching funds if it's the developer that receives the funds?

Answer: No, the Matching Funds must be received by the HTF and then loaned to the developer.

20. Do projects that we include in our application have to receive/be funded by eligible matching funds from the local jurisdiction before it can receive LHTF money?

Answer: Yes, if you specify projects that you made a commitment to in your application, your Matching Funds and the LHTF Program Funds are required to be used for those projects, or you may lose the points that you received based on the specific factors of those projects. You don't have to invest your Matching Funds PRIOR TO receipt of the LHTF Program Funds. Generally, all funds are invested through a simultaneous loan closing on the same day.

21. Can GO bond proceeds serve as a match even if it is not an ongoing revenue stream?

Answer: Yes. Ongoing Revenue isn't limited to solely eligible Matching Funds. Statute requires Ongoing Revenue sufficient to support the HTF's operations for at least 5 years after receipt of the LHTF award. The Ongoing Revenue could be derived from sources (such as federal housing dollars, like HOME and CDBG) that aren't eligible as Matching Funds, but which the HTF uses for housing activities, and which supports the HTF to remain in business for at least 5 years.

### **On-Deposit**

1. Would you clarify when Matching Funds have to be deposited in the trust fund?

Answer: Section 104(b) requires the Matching Funds to be deposited in the LHTF on application deadline, OR that the application includes a "Legally-binding

commitment” to deposit the required Matching Funds at a later date, but in no event later than when a disbursement of Program Funds will be needed. Matching Funds must be on deposit when a disbursement is requested.

2. How long do the matching funds need to be committed? Do they need to be committed before a certain amount of time?

Answer: The Matching Funds need to be set aside in the trust fund account from at least the LHTF application deadline until the project has reached at least construction loan closing, when they can be loaned to the project.

3. I'm unclear on how much we can apply for - what is meant by cash on hand? We push money out the door quickly.

Answer: Matching Funds must be On Deposit, as required by the definition, which means they must be in the HTF bank account, ready to be loaned on the application deadline, or that the HTF has a Legally Binding Commitment to receive eligible Matching Funds at a later date, but in no event can that later date be after the LHTF Program funds are proposed to be disbursed. All Matching Funds must be On Deposit prior to submitting a request for disbursement.

4. Sec. 104 states that an application must contain required documentation of the deposit in the LHTF of the local Matching Funds. Will executed/approved Affordable Housing Agreements that commit a developer to pay a certain amount of in-lieu fees count as Match?

Answer: Matching Funds must be “On Deposit” on the application deadline. Please refer to the definition of “On Deposit”. This Affordable Housing Agreement would have to meet the requirements stated in the definition of “Legally Binding Commitment” in order for the in lieu fees to be counted as “On Deposit”.

5. If we have made a commitment and legal documents are executed but funds not disbursed, are the funds "on deposit"?

Answer: If the Matching Funds are being used for the LHTF project to which you made a commitment and executed legal documents, then those funds would be considered On Deposit. But if the funds were committed to a different, non LHTF project, but just haven't been expended yet, then those funds cannot be used as the Matching Funds for the LHTF project because they are not actually available.

### **On-going Revenues**

1. Was the definition of “Ongoing Revenues” changed to remove the on-application funding requesting amounts needing to be greater than or equal to our two year history of annual receipts?

Answer: Yes, due to the public comments received, the definition of “Ongoing Revenues” was changed. Now the Guidelines require: 1) Existing HTFs to have sources of ongoing revenue totaling at least an average of \$100,000 per year for three years after the date of the Program award, and 2) New HTFs must have sufficient Ongoing Revenues to pay for 5 years of HTF operating expenses.

2. Should PLHA formula allocation funding be included in the list of Ongoing Revenues in the application?  
 Answer: Yes, PLHA formula allocations can be used as part of the Ongoing Revenues even for non Regional, public entity HTFs, even though it can't be used as Matching Funds.
  
3. Why would we report the Ongoing, non-matching funds?  
 Answer: To demonstrate that the HTF meets the threshold requirement of having sufficient Ongoing Revenue to stay in operation for at least 5 years after receipt of a LHTF award.
  
4. Can a Regional Housing Trust Fund have a different source of committed, legally binding funding for each of the five years? For example, a committed source for year one and a different committed source for year two and so forth.  
 Answer: In order to be ongoing, the source has to last for all 5 years. There could be several different sources of Ongoing Revenue, but they all must be ongoing, not one-time funds.  
 Please note: that the Ongoing Revenue requirement is different than the plain old Matching Funds requirement—Matching Funds can be from one-time sources (like a land donation), whereas the \$100,000 average of ongoing annual revenue has to be from a consistent, annual funding source.

### **Eligible Applicants**

1. Please clarify requirements for a Regional Housing Trust Fund. As long as the Trust Fund is structured in such a way Eligible Projects located in the minimum number of jurisdictions can utilize Program funds, is that adequate for the trust fund to qualify as a Regional Housing Trust Fund?  
 Answer: This is of particular significance since PLHA funds can only be used as match for a Regional Housing Trust Funds (Guidelines Section 104(c)). The Regional Housing Trust Fund definition requires the Trust Fund to include the minimum number of jurisdictions specified, which must be documented through a resolution or ordinance and the jurisdictions must provide Matching Funds.
  
2. If the City already has a LHTF, can a nonprofit establish one as well?  
 Answer: Yes, there can be a public HTF and a non-profit HTF serving the same city.
  
3. Are non-profit organizations able to apply for the funds? Or is this solely for cities and counties  
 Answer: Yes, nonprofits can create a Local Housing Trust Fund through a resolution, and then incorporate the HTF as a 501(c)(3), if there are local sources of Matching Funds that can be dedicated to the HTF. Without local Matching Funds, it would be very difficult to have a successful HTF.

4. Does the city apply for these funds independently or can they apply with a local nonprofit as co-applicant or sub-recipient?

Answer: Housing Trust Funds are the eligible Applicants for the LHTF Program. If a city has established a HTF, it could apply for the funds, and then issue a NOFA to select projects that it will make loans to. Through that method, a nonprofit could be a sub-recipient.

5. Can a joint powers authority specifically formed for housing apply for funding?

Answer: A HTF has to be either a public agency or a nonprofit 501(c)(3) or a Native American Tribe. If the Joint Powers Authority is one of those and receives specific local Matching Funds, and Ongoing Revenues sufficient to stay in operations for 5 years after the award of LHTF funds, then it probably would be eligible.

### **Regional Housing Trust Fund/New Housing Trust Fund Requirements**

1. Is a county a regional trust fund since it serves not only unincorporated areas but also cities within the county?

Answer: No, a county trust fund would have to meet the requirements of the definition of Regional Housing Trust Fund in Section 101, which is different depending on the population of the county and of the jurisdictions that are members of the trust fund.

2. If Regional trust was formed in March 2019, but did not have first meeting until June 2019, does this count as a New or Existing Trust?

Answer: A New HTF is one that was not formed until fewer than 365 days prior to issuance of the NOFA, so that means May 1, 2019. If it was formed in March 2019, it is not a New HTF.

### **Eligible Uses of Funds**

1. Section 50843.5(b)(1) says that HTF "Funds shall be used the predevelopment costs, acquisition..." Why did you say they can't be use for acquisition?

Answer: Predevelopment and land acquisition costs are eligible development costs and may be included as part of the construction loan and/or permanent loan. Loans made solely for predevelopment or acquisition are not permitted by the Guidelines, however. Only construction loans or permanent loans are permitted.

2. Can Matching Funds be used for administrative purposes (e.g., staffing)?

Answer: Up to 5% of Matching Funds and up to 5% of LHTF Program funds can be used for administrative costs.

3. Does the 5% limit on administrative costs apply to the whole local fund; or just the local Matching Funds? For example, if we have \$6 million in our fund, but are only using \$5 million for the match, and we don't use any of that for admin costs, but instead use some of our other funds for admin costs, is that ok?

Answer: The 5% is a limit on administrative costs for only the Matching Funds and the Program Funds. HCD will not be monitoring how you use your other funds, but if you submit an application next year, using those funds as Matching Funds, the 5% limit on administrative costs will have to be met.

4. Are prevailing wages triggered by the LHTF Program?

Answer: There is no waiver from prevailing wages for the LHTF Program, so you should consult your attorney regarding prevailing wages.

5. Would “tiny house villages” be allowed as emergency housing for people experiencing homelessness?

Answer: The definition in 24 CFR 576.2 that is cited in the LHTF guidelines states: "Emergency shelter means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG." This definition, combined with the rule that a 15-year loan and Regulatory Agreement must be recorded on the structure makes it difficult to see how a tiny house village could meet the LHTF requirement.

6. Can a LHTF provide rental assistance?

Answer: No, rental assistance is not an eligible use of LHTF funds, nor of Matching Funds.

### **Accessory Dwelling Units**

1. There was a mention of funding available for building ADU's. Who is eligible for that?

Answer: Any eligible Applicant can apply for LHTF funds to make loans to homeowners to build ADUs either as part of a homebuyer or homeowner activity, or as a stand-alone program, in which the local government operates an ADU program like a rental project, and takes responsibility for screening tenants, conducting tenant income certifications, and monitoring of the ADUs annually, including inspections.

2. Do HTFs have to have a specific program set up for ADUs?

Answer: It's advisable to have an ADU program set up so that you can assist a first-time homebuyer who chooses to build or rehab an ADU as part of her home purchase. If you choose to have a free-standing ADU program, that would definitely have to be set up so that you could market the program to potential homeowners who might be interested in building or rehabbing an ADU.

3. If my city establishes a Local Housing Trust Fund (LHTF) to help the creation and construction of ADUs that are deed restricted at the low- or moderate-income levels, would this be an allowed activity?

Answer: Yes, if the deed restriction is a minimum of 10 years, and it requires that

the households be income verified and that the rents be restricted at Affordable amounts, as published on the HCD website, this would be an eligible activity. The city or the Housing Trust Fund would have to monitor the incomes and rents for 10 years.

### **Increasing the Supply of Lower-Income Rental Housing Rating Factor**

1. Can Program Funds and Matching Funds be committed to a portion of a project and receive points for a portion of the project? For example, if a 30-unit project has 21 units at 60% AMI, and 8 units at 80% AMI, can it receive points on the 60% AMI units?

Answer: For this scoring factor, the projects have to have an average of 60% AMI restricted incomes and rents. These are projects that are eligible under the TCAC Low-Income Housing Tax Credit Program. The example you provided doesn't quite fit the requirement, but if, instead, the 30 unit project had: 4 units at 30% AMI, 4 units at 50% AMI, 14 units at 60% AMI and 8 units at 80% AMI, it would be an average of 60% AMI. To calculate the average affordability, please use the TCAC 2020 Non-competitive 4% TCAC Application for Low-Income Housing Tax Credits, Section III. Project Financing – Section 3: Income Information spreadsheet available on the [California's Treasurer website](https://www.treasurer.ca.gov/ctcac/2020/applications/2020-tax-credit-app.xlsx):  
<https://www.treasurer.ca.gov/ctcac/2020/applications/2020-tax-credit-app.xlsx>.

### **Readiness Points**

1. You mentioned the first phase funding process should follow the Guidelines and NOFA. Can you please clarify what is meant by "first phase funding completed?"

Answer: The concept of a two-phase funding process came from public comments received on the draft Guidelines. HTFs said that they don't make commitments to projects until AFTER they receive an award of LHCF funds. Instead, they said they have a preliminary process that doesn't require developers to expend much, if any, funds to submit the preliminary application. The HTF reviews the preliminary information submitted about the projects and makes a tentative approval for the project to move onto the final application process, which is when environmental studies, market studies, etc, are required. These HTFs said they post the results of the preliminary application process on their website, so it can be confirmed. Based on this description, the Department amended the draft Guidelines to remove the requirement for a commitment to a rental housing project, and instead only requires completion of a first phase funding process.

2. To get readiness points, do you have to have a two phase funding process? What if the jurisdiction only has a one phase process, and has made commitments to projects?

Answer: If the jurisdiction has completed its one-phase process and made a legally binding commitment to a multifamily rental project, and posted this information on its web site, that could be used in the Tie Breaker. For the Readiness rating factor, applicants must have granted preliminary approvals to at

least 2 times the LHTF application request in order to receive points, but if you have made commitments for that amount of funding to projects, yes, that could be used instead.

3. To get readiness points do we have to fund the projects identified as having application requests in with the awarded LHTF dollars?  
Answer: The implication is that you would fund a project that you have previously approved through an initial funding process, although a HTF could potentially fund a project that was approved through the prior year's initial funding process.
4. Is a Council resolution or staff report sufficient for Phase 1 funding commitment?  
Answer: If the Council resolution or staff report includes the specific project information required (Developer name, Project name, Project address, type of project, number of units, amount of LHTF funds and Matching Funds requested, amount and source of other proposed funding, and AMI level), and is posted on the city's website, it should be sufficient to demonstrate a first phase funding approval.
5. Regarding getting points for readiness of a project: can you describe in detail what HCD wants in terms of "status of project" they would like to be described on our websites?  
Answer: For projects approved to progress to the final application phase, the following specific project information is required to be posted on the HTF website: Developer name, Project name, Project address, type of project, jurisdiction of projects, number of units, amount of LHTF funds and Matching Funds requested, amount and source of other proposed funding, and AMI level.

### **Tie Breaker**

1. It sounds like you are assuming that all letters of intent identify the funding source for the loan, is that a requirement of the LOI to qualify for tiebreaker credit?  
Answer: We have consulted with our attorneys regarding this question. All commitment letters must identify the funding source, so if an LHTF commitment was issued, it would have to identify LHTF as the source of the funds.
2. If we have a commitment letter for a project, we should swap out the funding source to include LHTF?  
Answer: In order to have a level playing field, the Department will have to assess whether HTFs replace an original local funding source with LHTF for the purposes of succeeding in the tiebreaker competition. That isn't the goal of having the tie breaker, and there does need to be a fair competition.
3. How do we receive an LOI if we don't have the LHTF award to make available?  
Answer: Due to comments submitted on the draft LHTF Guidelines, the Department realizes that it's not likely that HTFs would have issued any LOIs for LHTF funds since most HTFs don't issue a NOFA until they receive a LHTF

award. That's why this was changed from a point score factor to a tie breaker. It may not be used at all, or only used between the last 2 applications with the lowest scores, who are tied. In that event, the Department favors selecting the more ready of the 2 applications.

### **Underwriting, Administration, and Reporting**

1. Are there any requirements for where the ATHF funds should sit (ie, a separate account) or as long as they can be identified in an account that has other funds, is that sufficient?

Answer: The reporting requirements may include an audit to be submitted concerning all incoming funds and outgoing funds to and from the HTF, so it would seem that the HTF would choose to have a separate account, although there is no requirement stated in the guidelines.

2. Where do we find what specifically must be included in the Local Fund authorizing Legislation as far as project underwriting requirements? What if our Fund is set up with an Ordinance (Inclusionary Zoning), and has ongoing dedicated revenues, but no specific underwriting guidelines for new Affordable projects funded by this?

Answer: Your HTF is required to adopt underwriting requirements and loan guidelines to guide your decisions about which projects and/or homebuyers to make loans to versus which are too risky. If you don't have time to develop your own, you are always welcome to use the Department's Uniform Multifamily Regulations (UMRs), which are a good safe harbor for rental project underwriting. The UMRs don't cover homebuyer underwriting, however.

3. I don't see anything in NOFA about site control being required before a commitment is made to a project, so are there no strict requirements for this?

Answer: The Department has left it up to the HTFs to set their own underwriting standards, which would include such items as site control. That said, the Department recommends that HTFs require all developers who submit applications for projects to have site control.

4. Do you have a sample template for the annual report due 7/31 of every year that we can follow?

Answer: The Annual Report template has not yet been created. When it is available, it will be posted on our web site and a list serv will be sent out notifying everyone on the list that it is available.

### **Other Application Questions**

1. Is there a minimum point score required to pass threshold?

Answer: No, there is no minimum point score required to pass threshold.

2. Where do we find the figures for Community Need?

Answer: The specific data source used is HUD CHAS. It's available on the U.S.

[Department of Housing and Urban Development \(HUD\) website:  
https://www.huduser.gov/portal/datasets/cp.html#2006-2016\\_data-collapse.](https://www.huduser.gov/portal/datasets/cp.html#2006-2016_data-collapse)

3. I have not begun completing the application. Does it assume you have project-specific info?

Answer: No project specific information is required, except in the Readiness point factor, for which basic project information is required to demonstrate that the HTF has approved a preliminary funding request for projects.

4. Would an application be more competitive if it includes more projects in its application? Or should we try to find one, highly competitive project to include in the application?

Answer: There is not a great deal of project specific information required except in the Readiness point factor. The scores are based on what the HTF commits to doing with the funds. If an HTF commits to, for example, expending all of its LHTF funds on rental projects that are affordable to households with average incomes of 60% AMI, and then does not make loans to these projects, the points will be deducted and the HTF will likely lose its award and suffer negative performance points the next time it submits an application.

5. Can a City request funds under LHTF for more than one project? In that case, would the application be evaluated as a whole, or individually for each project?

Answer: Yes, the city can request funds for more than one project. The application is evaluated as a whole—either all of it receives funding or none of it does.

6. Income verification cannot be used for occupancy in emergency shelters, so can they be assumed to serve ELI households?

Answer: Yes.

7. The City is seeking LHTF funds for a project which has other HCD sources committed. Would there be a subsidy layering issue?

Answer: The LHTF program doesn't require a subsidy layering analysis, but the other HCD programs probably do. The debt service coverage ratio requirement of the Uniform Multifamily Regulations (UMRs) would have to be complied with for most HCD programs. Also, some HCD programs cannot be layered with other HCD programs, but there is no such rule regarding LHTF.