

Frequently Asked Questions

Facility Hardship Program

Q. *What types of projects qualify for Facility Hardship Program funding?*

In order to qualify for Facility Hardship funding, your district must demonstrate that there is an unmet and ongoing need for pupil housing and that the condition or lack of facilities poses a clear and imminent health and safety threat to pupils. The imminent threat to health and safety must be clearly identified in a report from a qualified industry specialist, and an appropriate governmental agency must review and concur with the findings of the industry specialist report.

Q. *Does a Facility Hardship approval mean the project is 100 percent funded?*

No. A Facility Hardship application is treated identically to a New Construction (when a Replacement) or Modernization (when a Rehabilitation) project. In the same manner, the State/district contribution ratios are typically 50/50 or 60/40 funding, respectively, unless the district is a financial hardship district (up to 100 percent funding). Funding for Seismic Mitigation Program projects is provided on a 50/50 state/district contribution basis.

The only exception is when a district obtains financial hardship status; then the project may receive up to 100 percent state funding. More information regarding the Financial Hardship Program is available online at <http://www.dgs.ca.gov/opsc/Programs/financialhardshipprogram.aspx>. For more detailed information, please contact John Leininger, Financial Hardship Team supervisor, at 916.375.4610 or John.Leininger@dgs.ca.gov.

Q. *Is the Office of Public School Construction (OPSC) still accepting Facility Hardship Program applications?*

Yes, the OPSC will still accept Facility Hardship Program applications. Facility Hardship Program projects are funded through the bond authority designated for the New Construction and Modernization Programs. This bond authority is exhausted and therefore, Facility Hardship Applications submitted to OPSC will be placed on the "Applications Received Beyond Bond Authority List" until sufficient authority is returned to the program. Additional information regarding this list is available

online at <http://www.dgs.ca.gov/opsc/Resources/ApplicationsReceivedBeyondBondAuthority.aspx>.

Since the Facility Hardship Program funds projects that involve health and safety issues, the State Allocation Board (SAB) has decided that whenever bond authority for either the New Construction or Modernization Program is returned to the School Facility Program (SFP), that authority is made available first for any Facility Hardship Program applications on the Applications Received Beyond Bond Authority List. Once sufficient bond authority is available to fund the next project(s) on the Applications Received Beyond Bond Authority List, OPSC will process the Facility Hardship Application(s) and present them to the SAB in order of received date.

Q. *What is a Conceptual Approval?*

A Conceptual Approval allows the district to learn whether or not a project qualifies for funding under the Facility Hardship Program, and whether it is eligible for funding to rehabilitate a structure or to replace it. To apply for Conceptual Approval, the district must submit all of the forms listed on our website at <http://www.documents.dgs.ca.gov/opsc/attachments/conceptapp.pdf>. The district does not need to submit Division of the State Architect (DSA)-approved plans; however, some measurable documentation will be required to verify the district's cost estimate and/or square footage of the project. Please contact a Facility Hardship analyst for more details.

Q. *If the SAB approves my Conceptual Application, are funds reserved for my project?*

No funds are reserved at the time of a conceptual approval. Conceptual approval is not a mandatory step in the funding process, but allows a school district and its stakeholders to receive acknowledgement from the SAB that the project meets program requirements. Conceptual approval shows that a project is eligible to apply for funding if bond authority is available and all other application requirements have been completed.

Q. *My district has a facility hardship, but does not have funds available to have the reports prepared or to have plans designed. Is there any funding available for these costs?*

While advanced funding is not available through the Facility Hardship Program, costs associated with the obtaining the necessary Industry Specialist reports are eligible expenditures. The district may reimburse itself for those costs after the receipt of Facility Hardship Program funds. Additionally, a district that is also eligible for Financial Hardship Program funding may apply for a conceptual approval and for Facility Hardship Design funding concurrently (please note that any request for funding cannot be processed for SAB approval unless and until sufficient bond authority is first returned to the SFP). School districts should contact the Financial Hardship team supervisor prior to the expenditure of any funding. This is to ensure proper documentation is retained so that any potential Financial Hardship funding is not jeopardized.

Q. *How long is the Facility Hardship approval process for conceptual approval or for funding when bond authority is available?*

Many factors are involved when making a facility hardship determination. These are typically complex issues which require an in-depth, detailed analysis; however, these requests do receive a very high priority by OPSC and, due to the health and safety concern, are processed as quickly as possible. The OPSC Facility Hardship Team and the district's OPSC Project Manager will work closely with the district, its architect and other personnel to expedite the request. Time is required for analysis, SAB publication timelines, and other essential steps. At the earliest, Facility Hardship applications are generally scheduled for an SAB meeting 90 to 120 days following OPSC's receipt of the application, depending on workload and the availability of essential documentation.

Q. *The district has a health and safety concern and wishes to demolish a building as soon as possible. Can this be done prior to a Facility Hardship approval?*

The district must exercise caution in the timing of a building's demolition. OPSC is especially interested in visiting a potential facility hardship site to personally view the health and safety concern, but will also make every effort to facilitate a timely resolution of the district's facility hardship request. It is equally important for the district to have the appropriate State agency, such as the DSA, visit the site prior to demolition. If health and safety concerns, construction timelines, or other factors necessitate an expedient demolition of a building, and the essential site visits have been conducted, the district may choose to proceed with demolition prior to SAB approval, but with the understanding that there is no guarantee of approval or subsequent funding and that the district moves forward at its own risk. Also, before any construction or rehabilitation

work begins, the district must have DSA approval (if required) for the work in order to be eligible for funding/reimbursement through the Facility Hardship Program.

Q. *If insurance proceeds or site sale proceeds are realized in the course of a facility hardship project, are these monies a factor in the district's contribution?*

Yes. For Replacement projects, 50 percent of the amount collectable by the district will be reduced from the Facility Hardship grant. For Financial Hardship projects, up to 100 percent of the amount collectable by the district will be reduced from the Facility Hardship grant.

Q. *While undergoing a Modernization project, the district discovered extensive dry rot and termite damage that has severely compromised the structural integrity of the building. It appears that costs to mitigate this problem will be excessive and will dramatically increase the costs of the originally planned modernization work. Is there a possibility that Rehabilitation funds could be made available for this portion of the project?*

Yes. In some cases there may be a possibility of supplemental funding if the structural condition is such that it meets the requirements for Facility Hardship Rehabilitation, as defined in SFP Regulation Section 1859.83(e). If the district receives a conceptual approval for Rehabilitation, that approval will be for the minimum work necessary to mitigate the problem. The district would subsequently submit a complete Form SAB 50-04 funding application (for Rehabilitation). If funds are available at that time, the district will receive an approval that will be tracked separately from its Modernization application.

Q. *We need to provide interim housing during construction or repair. Can I get additional funding for interim housing?*

Districts may expend Facility Hardship Program funds on interim housing; however, projects are not provided any additional grants for this purpose.

Q. *What is the order in which projects are funded?*

Complete Facility Hardship Program funding request submittals are processed in order of received date to the SAB if and when bond authority is returned to the SFP. Because returning New Construction bond authority can only be used for replacement projects while returning Modernization authority can only be used for rehabilitation projects, a rehabilitation project received after a replacement project may be processed to the SAB first, or vice-versa.

Facility Hardship is a health and safety mitigation program; therefore, projects approved by the SAB are placed at the top of the Unfunded List (Lack of AB 55 Loans) and given priority for funding once cash becomes available.

Q. *What documents do I need to submit to OPSC to apply for Facility Hardship Program funding?*

In order to apply for Facility Hardship Funding, a district that has not previously obtained a Conceptual Approval must submit all of the documents required for conceptual approval as listed at <http://www.documents.dgs.ca.gov/opsc/attachments/conceptapp.pdf>, plus all of the documents normally required for any funding application, as listed at <http://www.documents.dgs.ca.gov/opsc/attachments/fullfunding.pdf>.