

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

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August 27, 2018

**MEMORANDUM FOR: ALL POTENTIAL APPLICANTS**

**FROM:** Niki Dhillon, Branch Chief  
Division of Financial Assistance

**SUBJECT: AMENDMENT #1 NOTICE OF FUNDING AVAILABILITY  
NATIONAL HOUSING TRUST FUND PROGRAM**

The Department of Housing and Community Development (Department) is announcing revisions to the Notice of Funding Availability (NOFA) dated June 5, 2018 regarding the availability of approximately \$30 million in funding for the National Housing Trust Fund Program (NHTF) as set forth below. A strikeout/underline version of the changes is included as an attachment. All other provisions remain in effect.

**I. State and federal requirements**

**A. Timeframes for use of funds**

Recipients of NHTF funds are subject to progress deadlines and expenditure deadlines as defined in the federal NHTF regulations and the state NHTF allocation plan and specified in the Standard Agreement. Projects must meet a July 31, 2019 commitment\* deadline and a July 31, 2022 permanent loan closing deadline or funding will be lost. HCD will not be able to accommodate extensions for the above deadlines.

\* Commitment as defined in 24 CFR 93.2 means an executed standard agreement with the Department for an identifiable project for which construction can reasonably be expected to start within 12 months of the agreement date. All necessary financing must be secured, budget and schedule established, and project set-up report submitted to HCD.

If a NHTF project fails to meet one or more of the deadlines outlined in the state NHTF allocation plan, the applicant (developer or CHDO), as well as the project's owner and managing general partner, may receive a performance points penalty on the next project application in which they are involved. If a project fails to meet three or more deadlines, the applicant shall be held out of future NHTF project funding rounds until that project is completed, occupancy is obtained, all

expenditures are made, and all necessary NHTF funds are drawn. The applicant and the project's developer, owner, and managing general partner may also receive a performance points penalty on the next project application in which they are involved.

Additionally, consistent with the communication sent through the Department's listserv, the application due date has been extended from August 6, 2018 to August 28, 2018.

If you have any questions, contact NOFA Manager, Charles Gray at (916) 263-1014 or [charles.gray@hcd.ca.gov](mailto:charles.gray@hcd.ca.gov).

\$20,150 or more. Unused funds in one group will be made available for the other group.

3. If a project does not score high enough on the Targeting factors to receive deep affordability targeting funds, it will be evaluated for overall NHTF rating purposes using the rents that are proposed in the non-Targeting NHTF financials.

For assistance on deep affordability targeting applications, please submit questions to [NHTFNOFA@hcd.ca.gov](mailto:NHTFNOFA@hcd.ca.gov).

## F. Forms of assistance

NHTF Program funds are provided as post-construction permanent loans. Program loans shall have an initial term of fifty-five years or longer to match the period of affordability restrictions under the Low-Income Housing Tax Credit Program. Permanent loans shall be secured by the project's real property and improvements, which may be subject only to liens, encumbrances, and other matters of record approved by HCD, and which are consistent with 25 CCR Section 8316 of the UMRs.

Project-related expenses for NEPA environmental review, architectural and engineering, and other professional services incurred within the 24 months prior to the commitment of funds may be reimbursed at the sole discretion of HCD after the project's loan closes. HCD may, in writing, permit reimbursement for other expenses incurred after the date of the award letter and prior to the effective date of the Standard Agreement upon the request of the applicant, on a case-by-case basis.

## G. Property standards

The NHTF recipient shall ensure that all NHTF-assisted units meet all applicable state and federal property standards. All NHTF-assisted units shall be maintained in compliance with 24 CFR 93.301 (a)(1) and (2) for the duration of the affordability period.

# III. State and federal requirements

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