

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

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April 16, 2015

MEMORANDUM FOR: ALL POTENTIAL APPLICANTS

**FROM: Laura A. Whittall-Scherfee, Deputy Director
Division of Financial Assistance**

**SUBJECT: AMENDMENTS TO THE EHAP-CD CONVERSION
NOTICE OF FUNDING AVAILABILITY (NOFA)**

1) NOFA Section A, Page 3: Amended as follows:

The Department reserves the right to supplement funds based on applicant demand and the availability of additional funds. Additionally, if any ~~non-urban~~ funds remain, the Department may reallocate these funds to applications submitted under this NOFA within to urban counties or nonurban counties as necessary to utilize available funds.

2) NOFA Section H, Page 10: Under the list of eligible uses of funds, amendments begin with item (12) as follows:

(12) A capitalized operating reserve, pursuant to the requirements of UMR 8308:

~~(4213)~~ Escrow, title insurance, recording and other related costs;

~~(4314)~~ Costs for items intended to assure the completion of construction, such as contractor bond premiums;

~~(4415)~~ Environmental hazard reports, surveys, and investigations;

~~(4516)~~ Costs of relocation benefits and assistance required by law;

~~(4617)~~ Any other costs associated with the conversion approved by the Department.

3) NOFA Section L, Page 13: Amended as follows:

The EHAP-CD conversion loan must be secured by the fee or a leasehold interest in the property acceptable to the Department. The term of a leasehold interest must be at least ~~90~~ 30 years, ~~and 65 years when the lessor is a public entity~~, from the date HCD's ~~documents are~~ regulatory agreement for the EHAP-CD Conversion loan is recorded. This term excludes any unexercised lease extensions. If the EHAP-CD Conversion loan is secured by leasehold, the owner of the fee and the borrower must sign HCD's form recordable lease rider without modification (see UMR Section 8316 for other leasehold requirements).

Questions regarding the EHAP-CD Conversion NOFA or Application should be directed to Jon Diedesch at: Jon.Diedesch@hcd.ca.gov or (916) 263-2561.