

Section 811 Capital Advance Webinar: FY 2023 Section 811 Supportive Housing for the Disabled: Notice of Funding Opportunity (NOFO)

November 30, 2023

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Administrative Info

- This webinar is being recorded.
- The recording and slides will be available on the HUD Exchange Learning Management System webpage.
- **Questions?** Submit your questions in writing via the “Questions” feature on your Zoom Webinar control panel. Questions will be addressed via a FAQ posted to the HUD Exchange Learning Management System webpage.



Today's Agenda

- Description of FY23 Section 811 Funding Opportunity
- Differences between last NOFO and FY23 NOFO
- Preparing Your Application
- NOFO Requirements
- Rating Factors
- Application Review and Award

FY 2023 Section 811 Supportive Housing for the Disabled

Notice of Funding Opportunity (NOFO)



This presentation provides a summary of information presented in the NOFO. Please refer to the NOFO document on HUD's funding opportunities website (https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingoppo) for complete information, including requirements for eligibility and submission.

Description of Funding Opportunity



- **NOFO Title:** FY 2023 Section 811 Supportive Housing for the Disabled Program
- **NOFO Reference:** FR-6700-N-49
- **Application Due Date:** 11:59:59 PM ET **February 12, 2023**
- **Eligible Applicants:** Private non-profit organizations that have tax-exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal revenue Code of 1986, and non-profit consumer cooperatives
- **HUD Goals:**
 - Produce housing that is physically designed to promote the long-term wellness of Disabled Persons (18 years+) and allow them to age in place; Provide a robust package of services that support the health and social well-being of Disabled Persons.

Description of Funding Opportunity (cont.)



- **Available Funding:** Up to \$106M in total funding for the development of supportive rental housing for very low-income persons aged 18 years or older.
- **Capital Advance**
 - Funds to finance **construction, reconstruction**, moderate or substantial **rehabilitation**, or **acquisition of a structure** with or without rehabilitation. Funds cannot be used to construct or operate assisted living facilities.
 - Capital Advance funds bear no interest and repayment is not required if housing remains available for occupancy by Very-Low-Income Disabled Persons for at least 40 years.
 - Capital Advance funds requested may not exceed the Total Development Cost (TDC) as published by HUD and is determined by building type and unit size.
- **Project Rental Assistance Contract (“PRAC”)**
 - Provide ongoing operating assistance and maintain affordability of covered units. PRAC funds are used to cover the difference between tenants’ contributions toward rent and HUD-approved operating costs.
- Applicants must request a Capital Advance amount and identify the number of units to be assisted under PRAC.

How is the FY23 Section 811 NOFO different from last NOFO?



- **Provides greater specificity** around the building design and supportive services components.
- **Updated ASTM language** in Phase I environmental requirements. Sec. III.14.b.
- Requires use of **HUD Environmental Review Online System (HEROS)** for environmental submittals.
- Maximum Capital Advance Funds per Award **increased** from \$2.5 million to \$5 million
- **Updated** requirements regarding the **Statement of Need**
- **Adjusts point levels** throughout:
- Replaces Leveraging of Resources with **Commitment of Sources as rating factor**
- **Removes Opportunity Zones & Promise Zones** as a category for preference points
- Adds **Physical Design** to rating factors
- Adds **Environmental Justice and Climate Change** as preference points
- Change from DUNS Number to the **use of UEI** through [SAM.gov](https://sam.gov)

Preparing Your Application

HELPFUL HINTS TO ENSURE THAT YOUR
APPLICATION IS SUCCESSFUL



How should I prepare for application submission?



- Systems
 - Register with System for Award Management (SAM.gov) and Grants.gov – this is a multistep process and can take up to 4 weeks – START THIS PROCESS NOW!
 - Ensure your Environmental Professional has HEROS access!
 - <https://files.hudexchange.info/resources/documents/Completing-a-HEROS-Access-Form-Request-Quick-Guide.pdf>
- Submit **complete** applications electronically unless applicant has good cause to submit in hard copy. Requests for a waiver of electronic submission must be submitted to HUD in writing to 811CAPAdvance@hud.gov, or by mail, at least 15 days prior to application deadline
- Follow page limit and formatting guidelines for narratives and other attachments



How should I prepare an application for submission?



- Submit each “Tab” of the application as a separate, clearly labeled PDF file
- Submit a table of contents listing the items included in each Tab
- Check that all required items are in your application – not all omissions are curable!

Table of Contents	
A. Eligibility and Articles of Incorporation	Attachments
	A.1: By-Laws
	A.2: Articles of Incorporation
	A.3: IRS Tax Exemption
	A.4: Evidence of Structure
B. Need	Attachments
	B.1: PDF of Table Used to Calculate Absorption ratio (with conditions)
C. Development Plan	
D. Development Budget	Attachments
	D.1: Sources and Uses
	D.2: Construction Cost Estimate from KBS
	D.3: LOI from Red Stone Equity Partners (4% LIHTC syndicator)
	D.4: LOI from SunTrust Bank (4% bond/construction lender and FHLB Atlanta application member)
	D.5: FHLB Atlanta application submitted 7/1/2019
	D.6 PBV Commitment from RRHA
	D.7 Seller Note from RRHA
E. Operating Pro Forma	Attachments
	E.1: Cash Flow Pro Forma
F. Capital Needs Assessment	

OtherNarrativeAttachments_1_2-Attachments-1234-2: 2530 Previous Participation Certification
OtherNarrativeAttachments_1_2-Attachments-1235-1: Table of Contents
OtherNarrativeAttachments_1_2-Attachments-1236-2: 2880
OtherNarrativeAttachments_1_2-Attachments-1237-3: Lobbying Form V1.1 Letter
OtherNarrativeAttachments_1_2-Attachments-1238-4: 92013 - Capital Advance
OtherNarrativeAttachments_1_2-Attachments-1239-Tab A
OtherNarrativeAttachments_1_2-Attachments-1240-Tab B
OtherNarrativeAttachments_1_2-Attachments-1241-Tab C
OtherNarrativeAttachments_1_2-Attachments-1242-Tab D
OtherNarrativeAttachments_1_2-Attachments-1243-Tab E
OtherNarrativeAttachments_1_2-Attachments-1244-Tab F
OtherNarrativeAttachments_1_2-Attachments-1245-Tab J
OtherNarrativeAttachments_1_2-Attachments-1246-Tab K
OtherNarrativeAttachments_1_2-Attachments-1247-Tab L
OtherNarrativeAttachments_1_2-Attachments-1248-Tab N
OtherNarrativeAttachments_1_2-Attachments-1249-Tab O
OtherNarrativeAttachments_1_2-Attachments-1250-Tab P
OtherNarrativeAttachments_1_2-Attachments-1251-Tab G
OtherNarrativeAttachments_1_2-Attachments-1252-Tab H
OtherNarrativeAttachments_1_2-Attachments-1253-Tab I
OtherNarrativeAttachments_1_2-Attachments-1254-Tab M

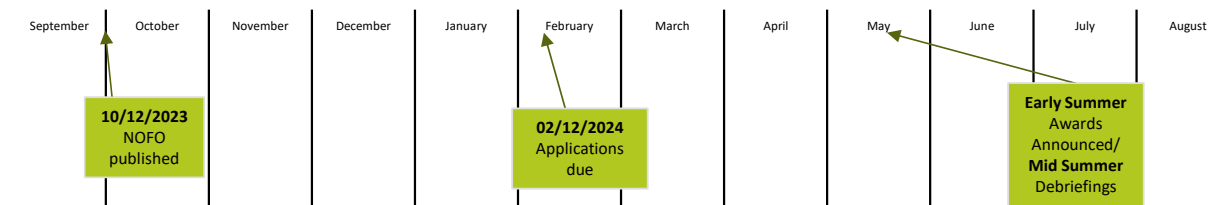
NOFO Requirements



Award Administration



- Applications are due **February 12, 2024 at 11:59:59 EASTERN STANDARD TIME!**
- Must obtain a Unique Entity Identifier number from SAM.gov.
- Apply via Grants.Gov @ WWW.GRANTS.GOV
- **Notifications will be sent by email to the person listed as the Authorized Representative in item 21 of the SF-424. This person MUST monitor their email box for information from the 811 CAPAdvance mailbox. Failure to do so will result in the applicant missing pertinent communications or deadlines from HUD.**
- Do not confuse this person with the Standard Authorized Organization Representative who is authorized to submit applications in Grants.gov on behalf of the organization. However, they can be the same person.
- Your organization **MUST** be a Nonprofit having a 501(c)(3) status with the IRS.



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Maximum Award Amount:
\$5,000,000 Per Project



Application Deficiencies



Application deficiencies are classified as one of the following:



Curable

- Can be corrected by the applicant.
- Does not influence how the applicant is ranked or scored.
- Not a threshold requirement, except for documentation of applicant eligibility.
- Applicants must email corrections to curable deficiencies to 811CAPAdvance@hud.gov.
 - The time allowed to correct deficiencies is between 5 and 14 days. Deadline will be specified in the notification.
- Subject line of applicant's response email must state "Technical Cure" and include the Grants.gov tracking number.

Examples:

- Missing a Partner Worksheet in HEROS
- List of board members not included with HUD-92041
- HUD-2991 signed by applicant rather than jurisdiction official
- Market tab missing site map



Non-Curable

- Cannot be corrected by the applicant.
- Correcting would change the applicant's score or rank.
- Will result in an application being ineligible, or otherwise adversely affect an application's score.

Examples:

- Missing documentation of committed funds
- Supportive Services plan does not address social isolation
- Market tab does not include walking/transit distance to amenities

We will send a notification of curable deficiencies to the contact on the SF-424 – ensure you fill this out carefully!

NOFO Requirement Categories



What types of requirements are in the NOFO?

1. Threshold

- Applications who fail to meet these requirements will be deemed ineligible and their applications will not be evaluated.
- 501©(3) designation letter from the IRS

2. Program Specific Requirements

- Requirements specific to the Section 811 Capital Advance program may require submission of supporting documentation
- Example: Lack of a written supportive services plan
- Demonstration of need

3. Statutory and Regulatory Requirements

- Eligibility requirements for all HUD programs. Detailed information for each requirement is posted on [HUD's Funding Opportunities Page](#).
- Example: No delinquent federal debts

Threshold Requirements (1 of 2)



Threshold Requirements are eligibility requirements that must be met for an application to be reviewed, rated, and ranked. Threshold requirements are not curable. Statutory and Regulatory Requirements affecting **are not curable**.

Threshold requirements are as follows:

1. **Timely Submission** – Applications submitted after **11:59:59 PM ET on February 12, 2024** that do not meet the requirements of the grace period policy will be marked late. Late applications are ineligible and will not be considered for funding.
2. **Complete Application** – HUD reserves the right to determine whether an application is substantially deficient and non-responsive to the NOFO application requirements. Section IV.B., “Content and Form of Application Submission” identifies the required documentation for submission for a complete application.

Threshold Requirements (2 of 2)



3. **Non-Profit Status** – Applicants must document their status as a private non-profit organization or as a mixed-finance limited partnership with one or more private non-profit organizations serving as the general partner (see 24 CFR 891.805) Tab A.
4. **Need** – Applicants are required to provide a Statement of Need. The statement must evidence the applicant’s understanding of the market need for housing for very low-income disabled noninstitutionalized persons and institutionalized persons seeking to transition to integrated housing. Very low-income disabled persons are defined as persons who are at least 18 years of age and no older than 62 years of age, have a disability and whose incomes are 50 percent or below the area median income. There must be sufficient sustainable demand for the number and type of units being proposed, which will not have a long-term adverse impact on very-low income persons with disabilities in the area of the project location. It is important that the Applicant determines that there is need/demand for the Section 811 project being proposed in a particular housing market area prior to submitting your application. If HUD determines that there is not sufficient sustainable demand for the proposed project without long-term adverse impact on very-low income persons with disabilities, the proposed project will be rejected. (See 42 USC 1437a(b)(2)(B) and 42 U.S.C. 8013(k)(2)).Tab B.

Program Specific Requirements



Refer to the NOFO for details regarding application requirements. Some of the required items include: (This list is NOT all inclusive. Please refer to the NOFO for the entire list)

- Development Plan
- Development Budget
- Committed Funds
- Operating Pro Forma Financial Statement
- Evidence Site Control
- Environmental Review (HEROS)
- Site and Neighborhood Standards
- Encumbrances
- Climate Resiliency

Required Forms



Required forms to be submitted include:

- SF-424 – Application for Federal Assistance and SF-LLL-Disclosure of Lobbying Activities (Grants.gov)
- HUD-2880 (Applicant/Recipient Disclosure/Update Report)
- HUD-2530 (Previous Participation Certification)
- HUD-92041 (Sponsor's Conflict of Interest Resolution)
- HUD-92042 (Sponsor's Resolution for Commitment to Project)
- HUD-92015 (Application for Capital Advance Summary Information)
- HUD-2991 (Certification of Consistency with the Consolidated Plan)
- THIS LIST IS NOT ALL INCLUSIVE. PLEASE READ THE NOFO FOR FURTHER INFORMATION

Rating Factors



Focus
Session

How is my application scored?



Rating Factor 1: Capacity of the Applicant & Relevant Org. Experience (25 points)	Rating Factor 2: Need/Extent of the Problem (8 pts)	Rating Factor 3: Commitment of Sources (10 pts)
Rating Factor 4: Supportive Services Plan (10 pts)	Rating Factor 5: Soundness of Approach (30 pts)	Rating Factor 6: Physical Design (17 pts)



Application Review & Award



CURABLE DEFICIENCIES

Curable Deficiencies may be corrected by the applicant with timely action. To be curable the deficiency must: Not be a threshold requirement, except for documentation of applicant eligibility; Not influence how an applicant is ranked or scored versus other applicants; and be remedied within the time frame specified in the notice of deficiency letter.



NON-CURABLE DEFICIENCIES

Non-Curable Deficiencies cannot be corrected by an applicant after the submission deadline. Non-curable deficiencies are deficiencies that, if corrected, would change an applicant's score or rank versus other applicants. Non-curable deficiencies will result in an application being ineligible for scoring and funding.



YOU'VE BEEN AWARDED A SECTION 811 GRANT!



- A fund reservation award constitutes preliminary approval of the application and does not constitute an approval of the site, pending full environmental review.
- Awarding of funds contingent on meeting “Period of Performance” requirements in Section II.D of the NOFO, including: (1) Agreement Letter and (2) Firm Commitment Application and (3) Having commitment for all identified sources of funds and having all required permits. Initial closing of the Capital Advance and start of construction are expected to be accomplished within 6-18 months after acceptance of the Agreement Letter.
- HUD considers the funds obligated when HUD issues the Agreement Letter which stipulates the terms and conditions of the Section 811 fund reservation. No later than 180 days after accepting the Agreement Letter, awardees are required to submit a Firm Commitment Application. Awardees should begin working on the Firm Commitment application as soon as they accept the Agreement Letter. HUD expects Sponsors to have commitments for all funds and required permits no later than 12 months following the acceptance of the Agreement Letter. Initial closing of the Capital Advance and start of construction are expected to be accomplished within 6-18 months after acceptance of the Agreement Letter.
- HUD may impose special conditions on awards when assessing applicant risk during the Firm Commitment Application process.
- Application debriefings will be available, if requested by the applicant, for a period of 120 days beginning 30 days after the public announcement of awards.

REVIEW



- Applicants must email corrections of Curable Deficiencies to 811 CAP Advance@hud.gov within the time limits specified in the notification. The time allowed to correct deficiencies will be no less than 48 hours and no more than 14 calendar days from the date of the email notification. The specified deadline will be listed in the deficiency letter. The start of the cure period will be the date stamp on the email sent from HUD.
- If the deficiency cure deadline date falls on a Saturday, Sunday, Federal holiday, or on a day when HUD's Headquarters are closed, then the applicant's correction must be received on the next business day HUD Headquarters offices in Washington, DC are open. The subject line of the email sent to 811CAPAdvance@hud.gov must state: Technical Cure and include the Grants.gov application tracking number or the GrantSolutions application number (e.g., Subject: Technical Cure - GRANT123456 or Technical Cure - XXXXXXXXXXXX). If this information is not included, HUD cannot match the response with the application under review and the application may be rejected due to the deficiency.

APPLICATION REVIEW



Initial Review. Reviewers will evaluate applications for threshold and minimum program compliance. If the application meets the threshold and minimum program requirements, it will be reviewed further. The applications will be reviewed based on the rating factors described in Section V.A of the NOFO. Reviewers will assign a score for each rating factor and an overall total score for the entire application by totaling each rating factor's score. HUD will then rank applications in descending score order. The applications will be funded in rank order, beginning with the highest scored application.

QUALIFYING



- Minimum scoring. To qualify for a Capital Advance Award, applicants must earn a minimum score of 75 points. Any application not earning the minimum scoring will not be ranked and will not be awarded a grant.

TIE SCORES:

- If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for Rating Factor 5 (Soundness of Approach).
- If a tie remains, HUD will select for funding the application(s) with the highest combined scores for Rating Factor 1, (Capacity) and Rating Factor 3 (Commitment of Sources).
- The final tiebreaker, if necessary, is a random selection from among the remaining applicants.

ALLOCATION OF FUNDS

Not less than 15 percent of the funds made available for assistance under this NOFO shall be allocated to non-metropolitan areas, unless there are insufficient eligible applications that meet the minimum score. Not less than 10 percent of the funds made available for assistance under this NOFO shall be allocated to each of the five Office of Multifamily Housing Programs administrative regions, unless there are insufficient eligible applications that meet the minimum score.



STEPS AFTER RECEIVING AN AWARD



- **STEP 1** - Agreement Letter is accepted by the Grantee
- **TIMING** - 30-45 days after Awards are made
- **STEP 2** - Grantee submits a Firm Commitment application
- **TIMING** - 180 days after acceptance of Agreement Letter
- **STEP 3** - Sponsor has commitments for all funds and has required permits
- **TIMING** - 12 months after acceptance of Agreement Letter
- **STEP 4** - Initial closing of the Capital Advance and start of construction
- **TIMING** - 6-18 months after acceptance of Agreement Letter
- **THE FIRM COMMITMENT APPLICATION WILL BE SUBMITTED TO THE HUD OFFICE THAT SERVICES THE LOCATION WHERE THE PROPERTY WILL BE LOCATED**

TROUBLE ACCESSING THE APPLICATION OR GRANTS.GOV ISSUES?



- Grants.gov Customer Support Grants.gov provides customer support information on its website at <https://www.grants.gov/web/grants/support.html>. **If you have difficulty accessing the application and instructions or have technical problems, contact Grants.gov customer support center by calling (800) 518-GRANTS (this is a toll-free number) or by sending an email to support@grants.gov. The customer support center is open 24 hours a day, seven days per week, except Federal holidays.** Individuals who are deaf or hard of hearing, or who have speech and other communication disabilities may use a relay service to reach Grants.gov Customer Support. To learn more about how to make an accessible telephone call, visit the webpage for Federal Communications Commission.

Other Sessions



Legal Requirements

Committed Funds

Environmental Standards/Physical Design

Site and Neighborhood Standards

**Best of luck to you
all regarding this
application
process!**



**THANK YOU FOR
YOUR INTEREST
IN HUD'S
PROGRAMS!**

