

# **FY 2023 Section 811 Capital Advance / Project Rental Assistance Contract (PRAC) Notice of Funding Opportunity (NOFO) Webinar: Housing Programs Rating Factors**

**December 5, 2023**

This resource is prepared by technical assistance providers and intended only to provide guidance. The contents of this presentation, except when based on statutory or regulatory authority or law, do not have the force and effect of law and are not meant to bind the public in any way. This presentation is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

**Larry Ferguson and Elaine Chavez**

HUD Office of Multifamily Housing  
Production



# Today's Agenda

- FY 2023 Section 811 Supportive Housing for Persons with Disabilities Capital Advance-PRAC NOFO Webinar – Emphasis on Housing Programs Rating Factors
- Introductions
  - **Larry Ferguson**, Capital Advance Program Coordinator, Multifamily Production
  - **Elaine Chavez**, Senior Underwriter, Multifamily Production
- APPLICATIONS DUE: February 12, 2024
- QUESTIONS? Please write to HUD at: [811CAPAdvance@hud.gov](mailto:811CAPAdvance@hud.gov)



# Overview

# Presentation Overview for this Webinar

## General Application Tips

**\*Selected Application Requirements and Rating Factors in Part A of Section V of the FY 2023 Section 811 Capital Advance-PRAC NOFO:**

- HUD's NOFO Application Requirements pertaining to **Housing Programs** as outlined in NOFO Rating Factors 1, 3, 4, & 5(a)

## Minimum scoring reminder:

To qualify for a Capital Advance-PRAC Award, applicants must earn a minimum score of 75 points. Any application not earning the minimum scoring will not be awarded a funding under this NOFO

\*Please note other HUD Webinars will cover additional aspects of HUD's application requirements under this Section 811 Capital Advance-PRAC NOFO





## **General Application Tips:**

The U.S. Department of Housing and Urban Development (HUD) issues this Notice of Funding Opportunity (NOFO) to invite applications from eligible applicants for the program and purpose described within this NOFO. You, as a prospective applicant, should **carefully read all instructions in all sections to avoid sending an incomplete or ineligible application.**

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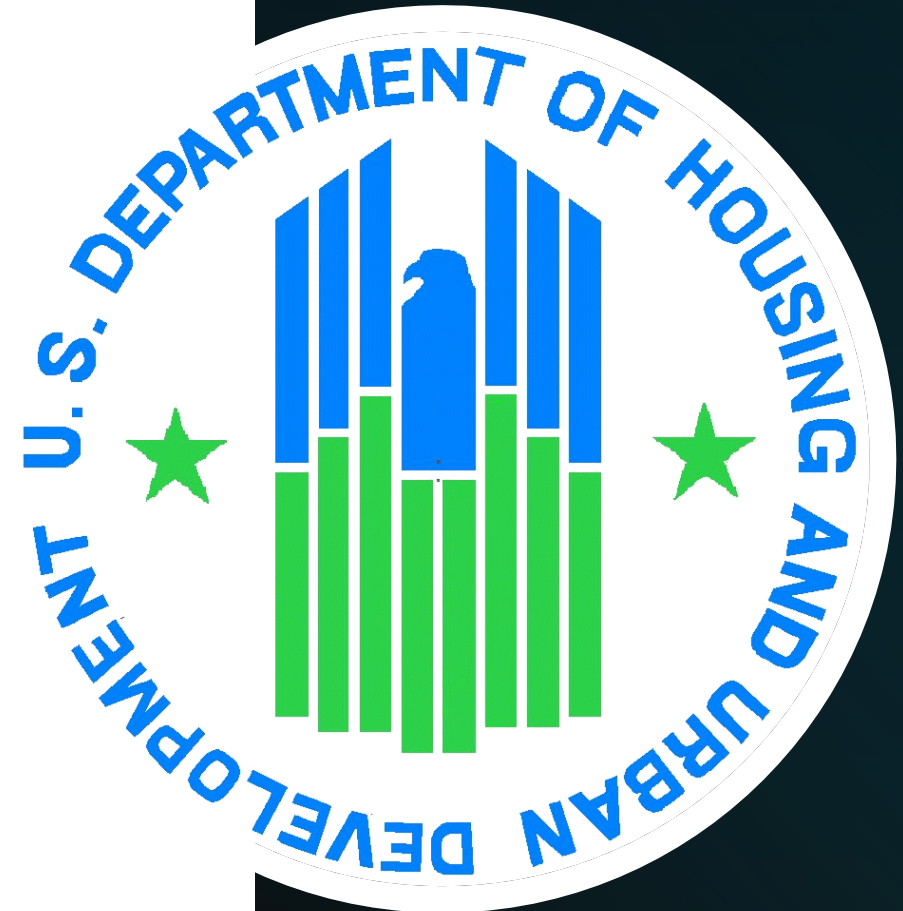
**Applications are DUE: February 12, 2024**



# Section 811 Capital Advance-PRAC

## NOFO General Tips (continued)

- **Minimum Score for Funding = 75 Points!**
- **Review this FY 2023 NOFO in its entirety**, and note changes from the prior Section 811 Capital Advance NOFO
- Double-check that **ALL NOFO “Threshold” items are completely addressed and included in your application.** (Not following this advice may lead to your application being rejected.)
- Be aware of Page limits for responses (see Page 52 of NOFO)
- Review the other NOFO Webinars such as Environmental and follow advice given, including the strong **suggestion** to hire 3rd Party contractors that have prior HUD experience especially with HEROS to ensure ALL requirements in this NOFO are met
- If you don't know what HEROS is, we strongly suggest you watch the Section 811 Capital Advance NOFO Webinar on Environmental requirements



## Section 811 Capital Advance-PRAC NOFO General Tips (continued)

- **Again, the Minimum Score for Funding = 75 Points!**
- Please Note: HUD **would** like to fund all applications that receive 75 or more points in scoring, *funds permitting*
- Don't forget the "Preference Points" on page 74 of the NOFO
- HUD may provide generic information, but NOT proposal-specific advice that might give one applicant an advantage over others – or the appearance of giving one applicant an advantage over other applicants.
- Allow plenty of time for studies, reports, UEI #, etc.
- Remember: **Applications are due: February 12, 2024**
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# **SECTION V. APPLICATION REVIEW INFORMATION (beginning on Page 63 of the NOFO)**

## **Review Criteria:**

### **Rating Factors**

Applications must respond to the rating factor criteria of the NOFO as the basis to be rated and ranked. Applicants must review and follow any documentation requirements provided in this Rating Factor Section and the instructions on application organization, content and submission provided in **Section IV.B.**

**NOTE:** HUD reserves the right to award fewer points for each demonstrated example if application or available performance data demonstrate low quality or partial implementation.





**FY 2023 Section 811 Capital Advance-PRAC**  
**NOFO SECTION V. APPLICATION**  
**RATING FACTORS**

Rating Factor	Maximum Point Value
Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience	Maximum Points: 25
Rating Factor 2: Need/Extent of the Problem	Maximum Points: 8
Rating Factor 3: Commitment of Sources	Maximum Points: 10
Rating Factor 4: Supportive Services Plan	Maximum Points: 10
Rating Factor 5: Soundness of Approach	Maximum Points: 30
Rating Factor 6: Physical Design	Maximum Points: 17



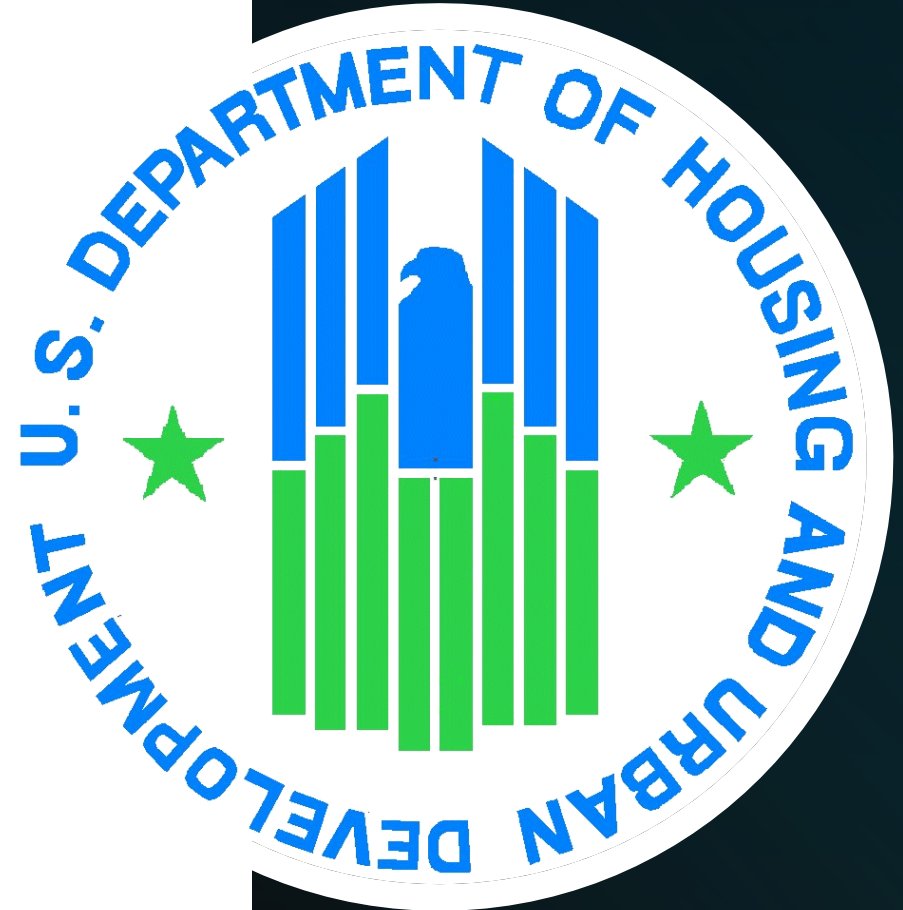
# Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience

## **Maximum Points: 25**

This factor addresses the extent to which the applicant has the experience and organizational resources to successfully implement the proposed activities in a timely manner. HUD will consider the extent to which the application demonstrates an ability to develop and operate the proposed housing on a long-term, basis. In the case of co-sponsored applications, the rating will be based upon the most experienced of the co-sponsors in the area under review.

**In rating this factor, HUD will consider the following:**

- a. **(3 points) Development Experience.** Applicants should show how the scope, extent, and quality of the Sponsor's and/or their consultant team's experience in developing and operating housing is consistent with the details of the proposed project. The evaluation will consider experience with LIHTC, Section 811 mixed-finance deals, and/or other complex financing development deals to the extent such expertise is relevant to the proposal as well as experience that shows familiarity with accessible housing and federal accessibility requirements. The description or firm resumes must include any rental housing projects and supportive services facilities that the applicant has sponsored, owns or operates, including relevant dates and roles taken.



# Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (continued)

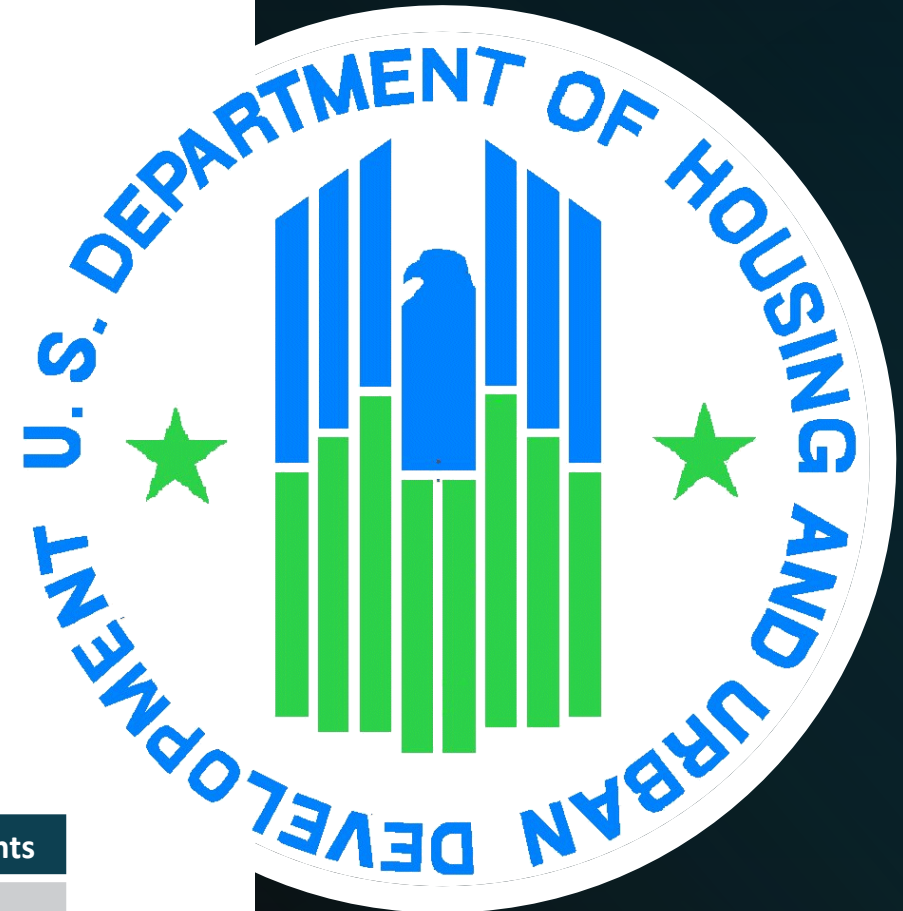
Number of Supportive Housing Projects for persons with disabilities – Placed in service within last five years by sponsor or development partner	Points
1 Project	1
2 Projects	2
3 or more Projects	3

Provide a list of properties developed by the development team that fit into the categories listed above.

**b. (4 points) Timely Capital Advance Funds Delivery.**

An application will earn up to four additional points if the sponsor (or a co-developer) has successfully developed a property with a Section 202 or Section 811 Capital Advance Funding Award.

Timely Capital Advance Funds Delivery	Points
Sponsor (or a co-developer) has reached permission to occupy (PTO) for a Capital Advance Funds Project within 3 Years of Award.	2
Sponsor (or a co-developer) has reached permission to occupy (PTO) for a Capital Advance Funds Project within 2 Years of Award.	4

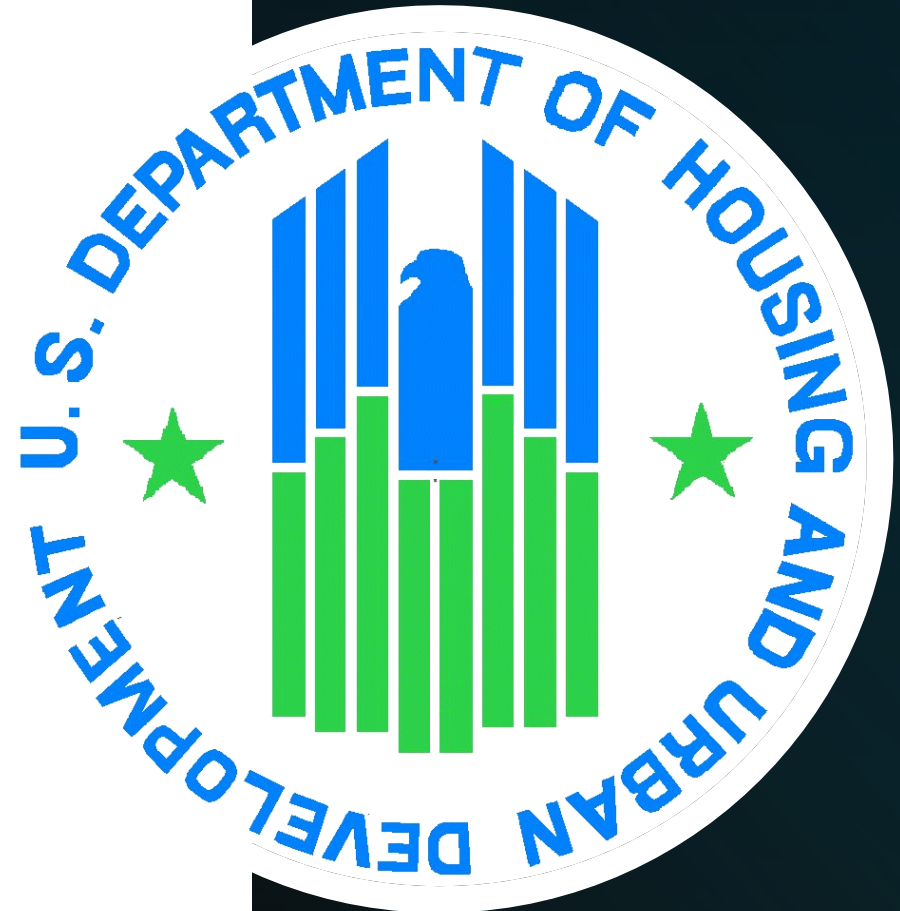


# **Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience** **(continued)**

Provide a list of properties developed by the Sponsor that fit into the categories listed above, including property name, property location, date units placed into service, number of units, type of development (i.e., new construction/acquisition of existing property), and, if HUD-affiliated, the FHA and/or iREMS number as applicable.

- c. **(4 points) Supportive Housing for Persons with Disabilities Experience.** The scope, extent and quality of the applicant's experience in providing supportive services similar to those proposed to be provided by the project (i.e., number of units, services and operation) in relationship to the applicant's demonstrated management capacity to provide a range of services in accordance with the needs of the population served.

**Please submit one specific example describing successful outcomes while providing supportive services to the population served.**





# Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (continued)

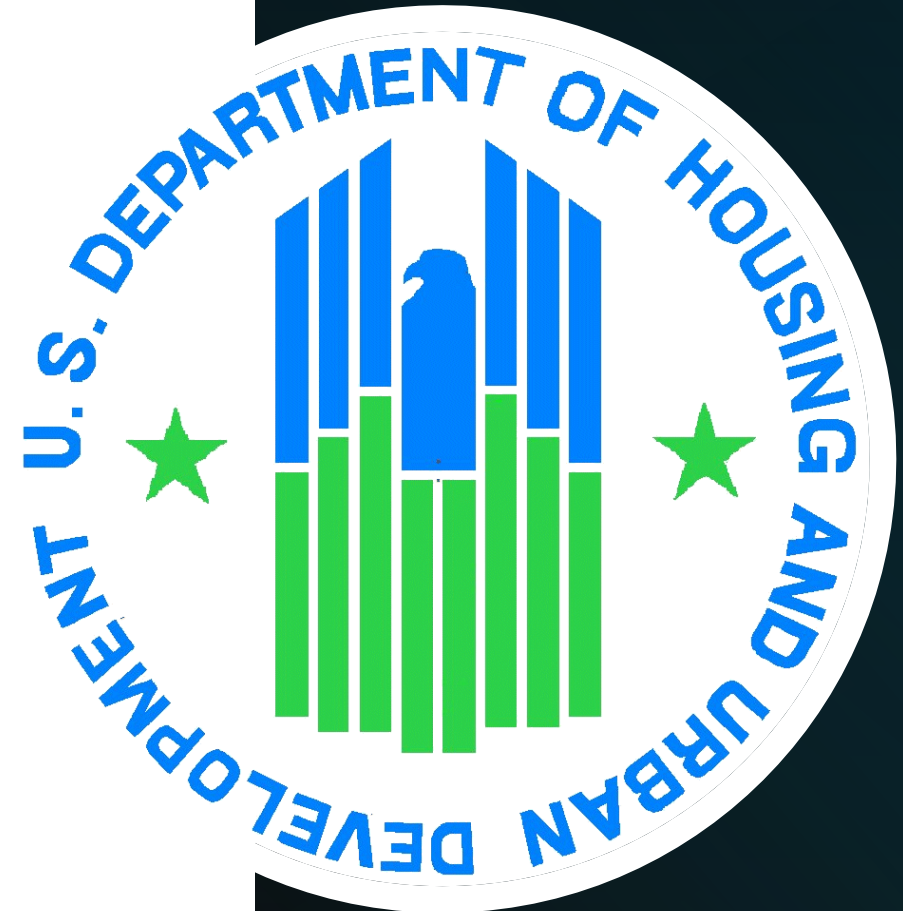
- d. **(3 points) Partnership Experience.** The extent of the applicant's experience in fostering and implementing innovative approaches to support an integrated affordable housing environment. HUD will consider the following:
- Evidence of well-established and currently active Medicaid and housing agency partnerships that provide a foundation for implementing housing-related services and supports. HUD will take into consideration partnership experience including but not limited to, state Medicaid agencies, homelessness assistance providers, health and human services agencies in the implementation of the Money Follows the Person demonstration, the Section 811 Project Rental Assistance Program, or similar programs that coordinate community-based housing assistance and supportive services for persons with disabilities.
  - Experience developing or adopting a referral and/or monitoring system to track referrals, applicants, and participants of supportive housing programs for persons with disabilities.



# Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (continued)

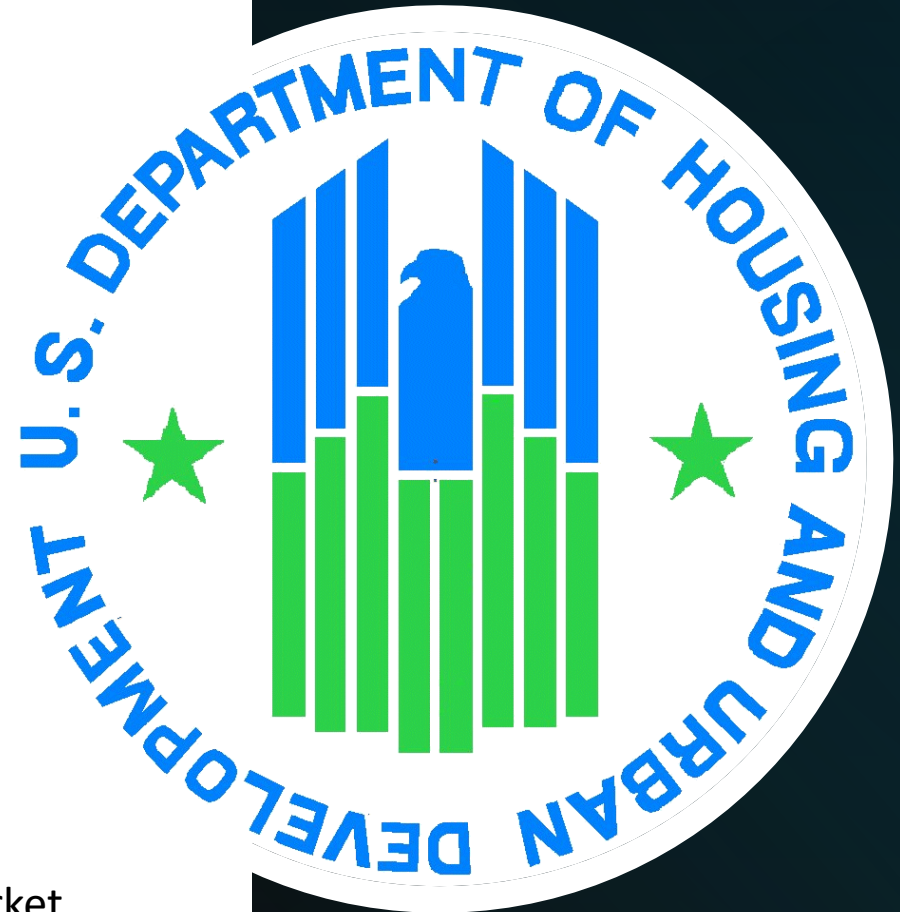
## d. (3 points) Partnership Experience (continued).

- Experience developing or adopting a referral and/or monitoring system to track referrals, applicants, and participants of supportive housing programs for persons with disabilities.
- Experience providing or leveraging resources from a partner organization to cover the cost of (i) modifications to make units more accessible, including any assistive technology, or (ii) assistance securing units to further the implementation of Olmstead settlements or similar initiatives to expand community-based setting options for individuals with disabilities, e.g., rent deposit, move-in costs, furniture.
- Partnerships with local government to provide tax credits or zoning incentives for the development of accessible housing units.
- Alignment of support goals with other housing and service activities in the state; and
- Commitment from appropriate housing agency leadership, demonstrated by the Letter of Commitment described above in Section III. F.9 Supportive Service Plan;



## Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (continued)

- e. **(1 point) Management of property assisted through a PRAC.** Identify whether the Sponsor and/or its partners has experience managing a property under PRAC requirements. Identify at least one property, including its iREMS number, where the most recent REAC score exceeds 80.
- f. **(4 points) Partner Agency Capacity.** The extent that the sponsor has partnered with one or more health and human and/or disability service agencies with a demonstrated capacity to coordinate outreach and recruitment of potential applicants, and to assist residents with disabilities in the referral and application processes and in the housing search by:
- Securing any accommodations
  - Transitioning persons with disabilities from at serious risk of institutionalization and other segregated settings to rental market units
  - Coordinating voluntary services and supports after the transition
  - Providing other similar assistance described in application



## Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience (continued)

- g. **(6 points) Housing and Service Experience.** The scope, extent, and quality of the applicant's experience in providing housing and related services to racial and ethnic minority persons or minority families and its ties to the community at large and to the minority and disability communities.
- i. **(2 points)** The scope, extent, and quality of experience in providing housing to minority persons or minority families.
  - ii. **(1 point)** The scope, extent, and quality of experience in providing services to minority persons or minority families.
  - iii. **(3 points)** The scope, extent, and quality of ties to the community at large and to the minority and disability communities.

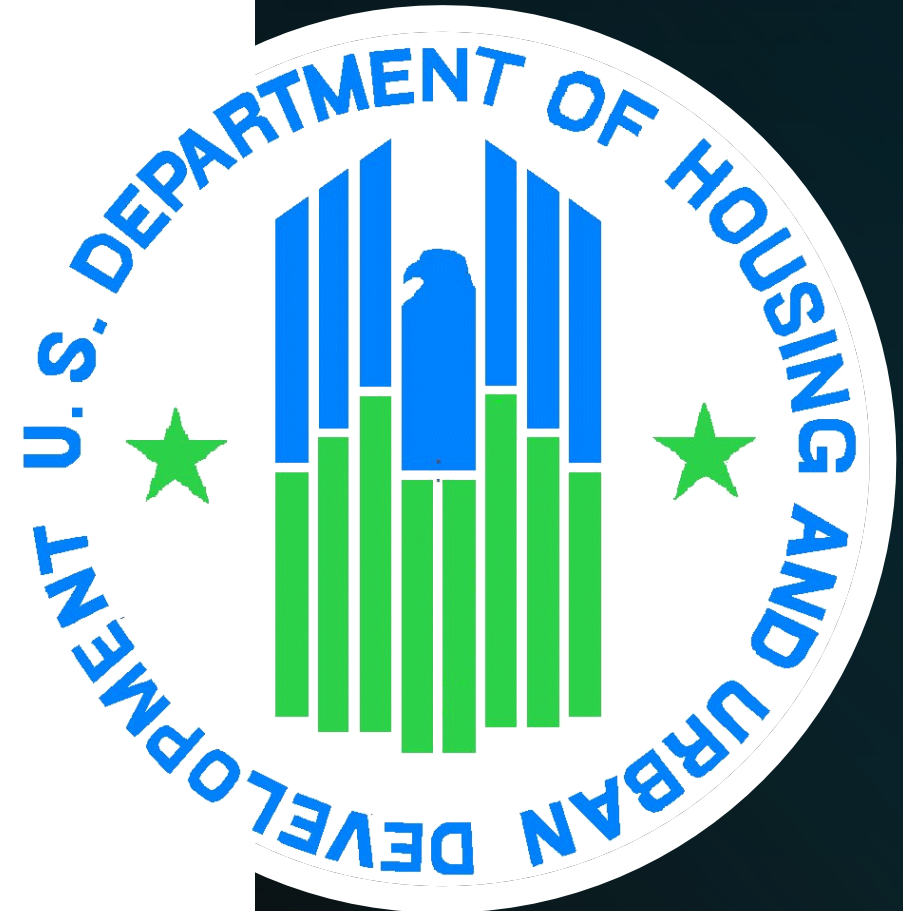




# **Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience** **(continued)**

## **g. (6 points) Housing and Service Experience (Continued).**

To earn the maximum number of points under sub criteria (g)(i) and (g)(ii) above, applicants must describe significant previous experience in providing housing and supportive services to minorities generally and to minority persons with disabilities. For the purpose of this competition, “significant previous experience” means that the previous housing assistance or related services to minorities, i.e., the percentage of minorities being provided housing or related services in the applicant’s current developments, was equal to or greater than the percentage of minorities in the housing market area where the previous housing and services occurred. To earn the maximum number of points under sub criterion (g)(iii) above, the applicant should submit materials that demonstrate its efforts to make housing available to the community at large and the minority and disability communities and the applicant’s relationships over time with the minority and disability communities.



# **Rating Factor 1: Capacity of the Applicant and Relevant Organizational Experience** **(continued)**

## **g. (6 points) Housing and Service Experience (Continued).**

Examples of documents that may be submitted to earn the maximum number of points under sub criterion (g)(iii), include letters of support from community leaders (including minority and disability community leaders) that give information about the applicant's relationship over time with the community (including the minority and disability community). The applicant may also submit copies of its affirmative marketing plan and the advertising/outreach materials used to attract minority communities (including limited English proficient communities), the disability community and the community at large. Regarding advertising/outreach materials, the applicant should identify when advertising/outreach materials are circulated, whom they are circulated to, where they are circulated, and how they are circulated. Also, descriptions of other advertising/outreach efforts to the minority (including limited English proficient communities) and disability communities, and the dates and places of such advertising/outreach efforts should be included. While broad media advertising to an entire region is helpful, HUD is also looking for additional specific methods of outreaching to these populations.

To score the highest number of points for this factor, the proposal must document significant previous experience for both the applicant and the partnering agencies.

**Applicants must provide the above required documents/information in the application under Tab K.**



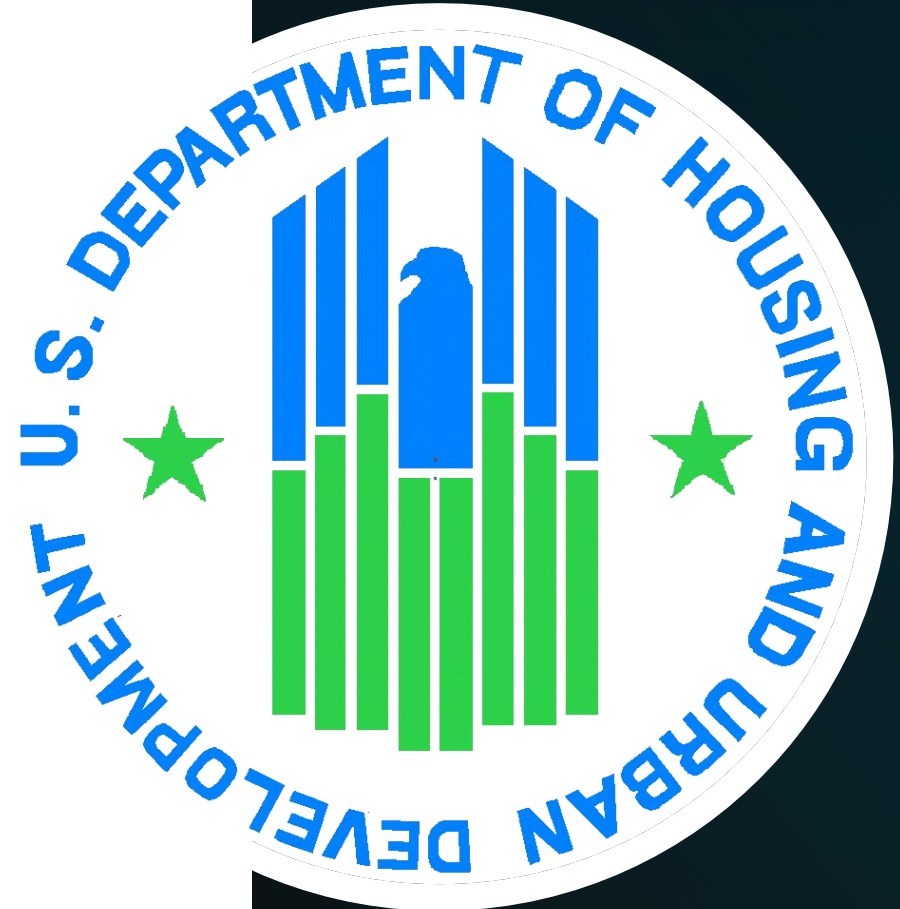
# **Rating Factor 3: Commitment of Sources**

## **Maximum Points: 10**

Applicants will be rated on the extent to which the non-Capital Advance funding sources proposed for the development have a high likelihood of being secured. Committed sources must be specifically identified so that they can be evaluated. Further, committed sources must be tied to the specific Section 811 application and have the ability to be extended reasonably to accommodate the development process. The following evidence must be submitted to HUD in order for a secured or anticipated source to be considered “committed” for the purposes of this rating factor:

### **Secured**

- A 9 percent LIHTC allocation with a pricing letter from an investor;
- A preliminary 42(m) letter or other allocation documentation from the housing finance agency for 4 percent tax credits and an executed letter of intent with an investor for purchase of the 4 percent tax credits;



## **Rating Factor 3: Commitment of Sources (continued)**

- A loan commitment letter
- Governmental resolutions, commitments, or other documentation of final award of grant or subordinate loan funds;
- Grant award letters;
- Owner equity, including the minimum required commitment specified in Section III.C;
- Binding commitment to donate land;
- Binding commitment to defer developer fee;
- Reasonable income from operations (in the context of an occupied rehabilitation project);and
- Other evidence of commitment acceptable to HUD.





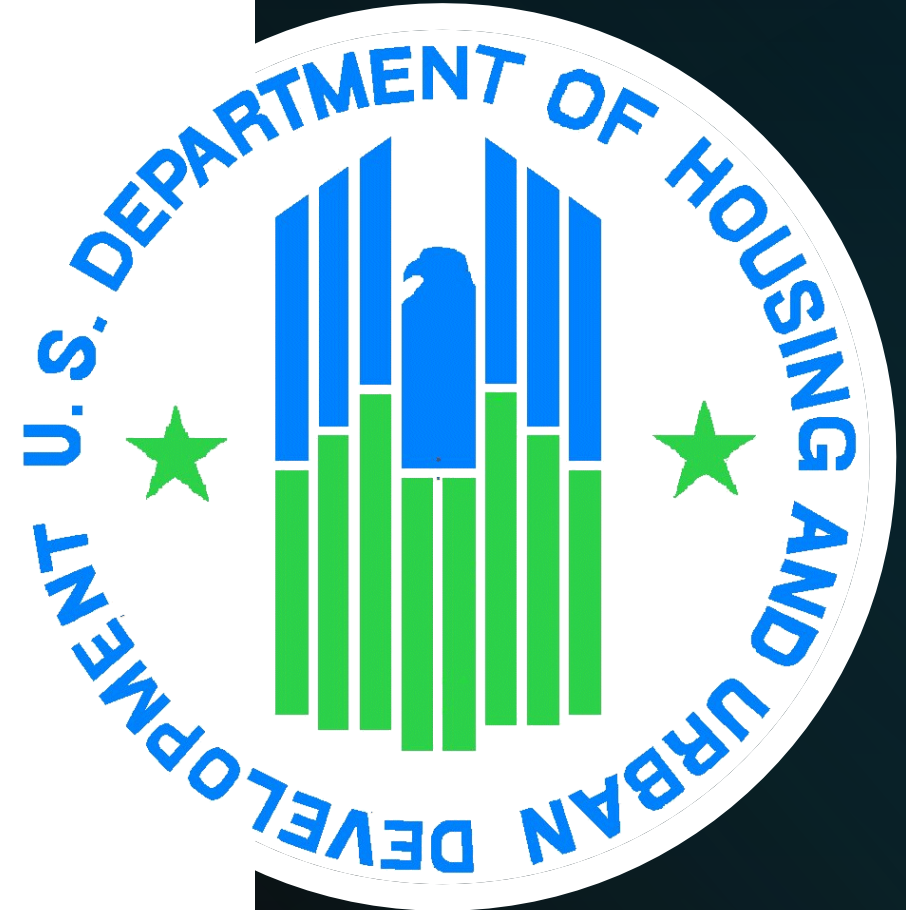
## Rating Factor 3: Commitment of Sources (continued)

### **Anticipated**

- A pricing letter from an investor for an anticipated 4 percent LIHTC approval. The applicant must show that they are eligible to submit, or have submitted, an application to the housing finance agency for 4 percent tax credits. The anticipated bond approval date must be within the project timeline; and
- A loan offer with reasonable terms.

Each Anticipated dollar is worth half of a Secured dollar when calculating Committed Funding, i.e., the formula for calculating committed funding is as follows:

Committed Funding = Secured Funding + (0.5 \* Anticipated Funding)

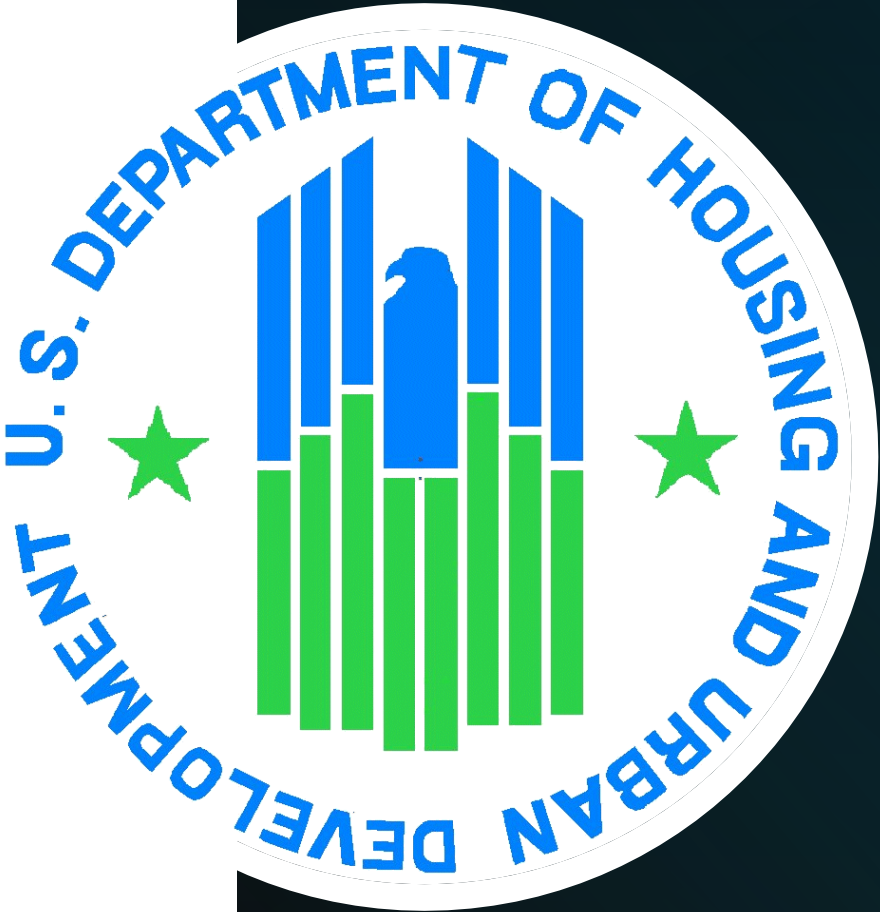


# Rating Factor 3: Commitment of Sources (continued)

Applicants will be scored on the scale below:

Points	Description
10 Points	90% or more of the total dollar amount of external sources are committed
8 Points	80% or more, but less than 90% of the total dollar amount of external sources are committed to the project
6 Points	70% or more, but less than 80% of the total dollar amount of external sources are committed to the project
4 Points	60% or more, but less than 70% of the total dollar amount of external sources are committed to the project
2 Points	50% or more, but less than 60% of the total dollar amount of external sources are committed to the project
0 Points	Less than 50% of the total dollar amount of external sources are committed to the project

Applicants claiming points for commitment of sources of funding must attach evidence of such commitments in the application under Tab M.



## Rating Factor 4: Supportive Services Plan

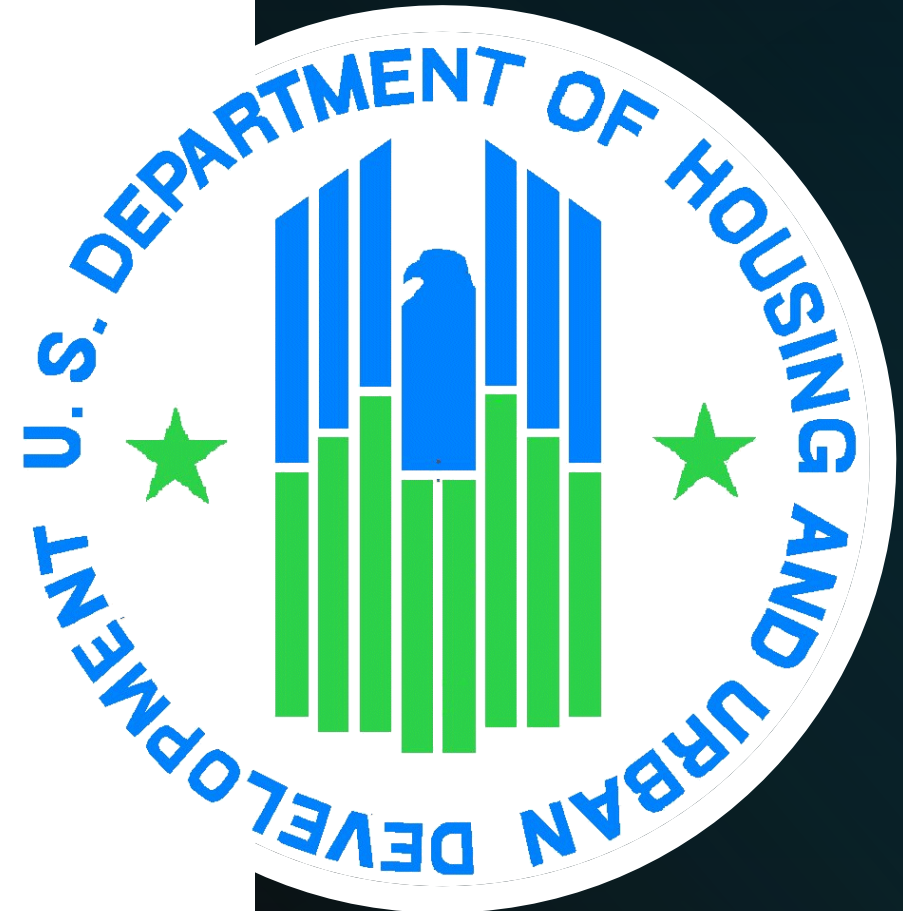
- a. **(4 points)** The extent to which the applicant has coordinated services with organizations not directly involved with this application with which the applicant shares common goals and objectives and are working toward meeting these goals and objectives in a holistic and comprehensive manner to serve the needs of the anticipated residents.
- b. **(2 points)** The applicant consulted with the relevant Public Housing Authority and/or the Continuum of Care organizations in the community in which the proposed project will be located and has developed ways in which the proposed project will assist persons and families with disabilities who have been experiencing chronic homelessness.



## Rating Factor 4: Supportive Services Plan (Continued)

- c. **(4 points)** The extent to which the proposed supportive services meet the identified needs of the anticipated residents, and the extent to which the proposed project will remain viable as housing with the availability of supportive services for the target population for the 40-year affordability period. This description should address the measures you would take should any of the following occur:
- i. funding for any of the needed supportive services becomes depleted.
  - ii. if, for any state-funded services for your project, the state changes its policy regarding the provision of supportive services to projects such as the one you propose; or
  - iii. if the need for housing for the population you will be serving wanes over time, causing vacancies in your project.

**Applicants must provide the additional information above in the application under Tab N which references how these areas exceed program requirements in Section III.F.9.**





# Rating Factor 5: Soundness of Approach

**Maximum Points: 30 (Note: This Webinar is addressing Rating Factor 5.a for 5 Points.)**

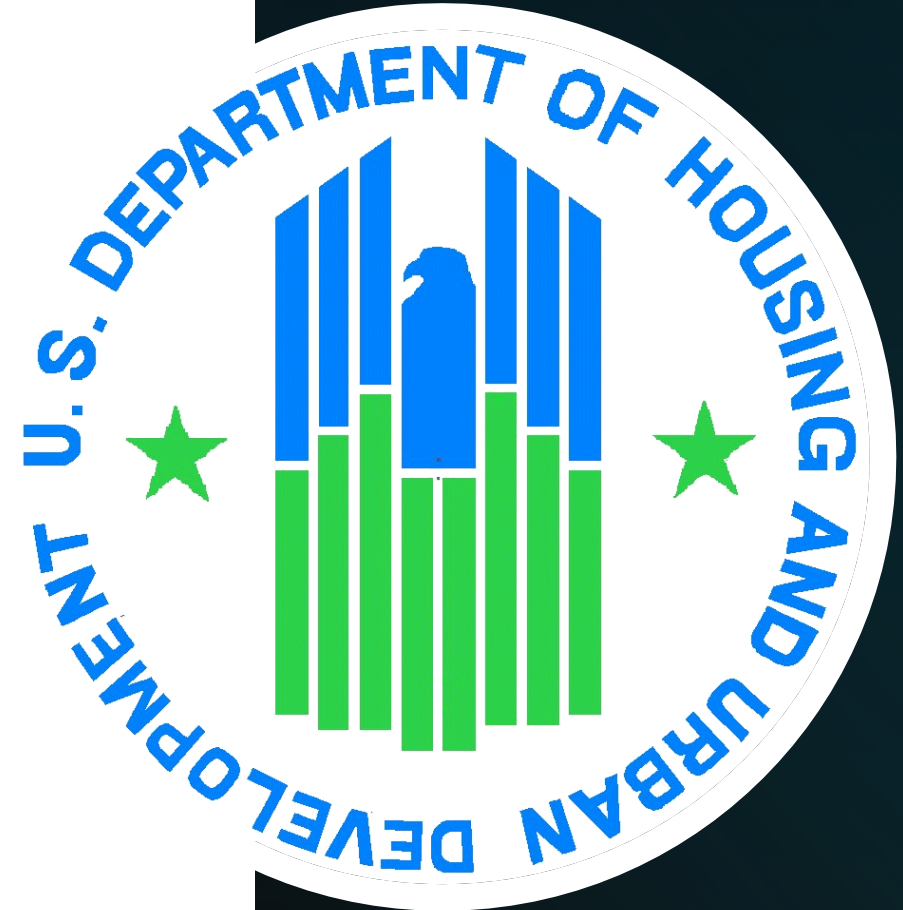
- This factor addresses the quality and effectiveness of the applicant's proposal, including access to transit and amenities; whether the site provides opportunities for residents to have access to supportive services; improved living environments through the use of universal design in the design, construction, rehabilitation of the proposed housing; and evidence of permissive zoning for the housing that is being proposed. There must be a clear relationship between the proposed design, the proposed activities, the community's needs, and purposes of the program funding for the application to receive points for this factor.
- **(5 points) Site approvability** – The extent to which the proposed project's proximity or accessibility to services and amenities as described below is likely to facilitate integration into the surrounding community and promote a resident's ability to live as independently as possible.



## Rating Factor 5: Soundness of Approach

**Neighborhood and Context.** Applicants must demonstrate that the location of the site supports independence and/or alleviates isolation while providing integration within the community. The applicant must identify the location, the proximity, and ease of access of the project site to amenities important to persons with disabilities including:

- i. health care and social service facilities (e.g., licensed adult or senior care, hospital, medical clinic or social service organization that offers services relevant to persons with disabilities)
- ii. grocery stores (e.g., supermarket or other store that sells produce and meat),
- iii. recreational facilities (e.g., parks and green space, community or senior center, gym, health club, or family entertainment venue, library),



## **Rating Factor 5: Soundness of Approach**

- iv. civic facilities (e.g., place of worship, police or fire station, post office),
- v. adult educational facilities, and
- vi. other neighborhood-serving amenities (e.g., public transportation, apparel store, convenience store, pharmacy, bank, hair care, dry cleaners, and restaurants).

Applicants must describe how residents could reasonably access critical amenities. Amenities will generally be considered readily available if they are within one-half mile walking distance or if they can be accessed by public transportation (within one-quarter walking mile) including accessible public transportation options, and/or affordable private door-to-door shuttle/van service that is reliable and accessible.

**Applicants must submit a map of the project relative to the described amenities as supporting evidence that the site is well-suited for and likely to attract residents.**



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# Questions?



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- Good luck with your applications, and thanks for your interest in this program that makes a positive difference in the lives of residents served!