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Program Office:
Office of Housing

Funding Opportunity Title:
FY 2022 Section 202 Supportive Housing for the Elderly Program

Funding Opportunity Number:
FR-6600-N-52

Assistance Listing Number:
14.157

Due Date for Applications:
01/25/2023

Summary
The U.S. Department of Housing and Urban Development (HUD) Strategic Plan sets the direction and focus of our programs and staff to create strong, sustainable, inclusive communities and quality, affordable homes for all.

HUD's Strategic Goals
HUD’s FY 2022-2026 Strategic Plan lays out this administration’s strategy for ensuring everyone has an affordable, healthy place to live. Over the course of the next four years HUD will pursue two overarching priorities focused on increasing equity and improving customer experience across all HUD programs. Five strategic goals undergird the Plan as follows:

- Strategic Goal 1: Support Underserved Communities
- Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing
- Strategic Goal 3: Promote Homeownership
- Strategic Goal 4: Advance Sustainable Communities
- Strategic Goal 5: Strengthen HUD’s Internal Capacity

The five goals of the FY 2022-2026 Strategic Plan present the core vision of what we hope to accomplish, the strategies to accomplish those objectives, and the indicators of success.

Overview
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. Prospective applicants should carefully read all instructions in all sections to avoid sending an incomplete or ineligible application. HUD funding is highly competitive. Failure to respond accurately to any submission requirement could result in an incomplete or noncompetitive proposal.

During the selection process HUD is prohibited from disclosing 1) information regarding any applicant’s relative standing, 2) the amount of assistance requested by an applicant, and 3) any information contained in the application. Prior to the application deadline, HUD may not disclose the identity of any applicant or the number of applicants that have applied for assistance.

For Further Information Regarding this NOFO: Please direct questions regarding the specific
requirements of this NOFO to the office contact identified in Section VII.

Paperwork Reduction Act Statement. The information collection requirements in this notice have been approved by OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection displays a valid OMB control number. Each NOFO will identify its applicable OMB control number unless its collection of information is excluded from these requirements under 5 CFR part 1320.

OMB Approval Number(s): 
2502-0267

I. FUNDING OPPORTUNITY DESCRIPTION.
A. Program Description.
   • Purpose

The Section 202 Supportive Housing for the Elderly program provides Capital Advance funding for the development of supportive rental housing for Very-Low-Income persons aged 62 years or older and project rental subsidies in the form of a Project Rental Assistance Contract (PRAC) to maintain ongoing affordability. This program provides elderly persons with the opportunity to live independently, but with important voluntary support services such as nutritional, transportation, continuing education, and/or health-related services. In addition, this year’s NOFO includes funding to support the development of intergenerational housing for elderly caregivers raising children. Intergenerational dwelling units are also referred to as 'intergenerational housing' in this NOFO.

Capital Advance funds must be used to finance construction, reconstruction, moderate or substantial rehabilitation, or acquisition of a structure with or without rehabilitation. Capital Advance funds bear no interest and repayment is not required provided the housing remains available for occupancy by Very-Low-Income Elderly Persons for at least 40 years.

Project Rental Assistance Contracts (PRAC) are used to cover the difference between the tenants' contributions toward rent and the HUD approved cost to operate the project, including the cost of employing a service coordinator and HUD approved service expenses (see 24 CFR 891.205).

HUD encourages applicants to use Capital Advance funds in combination with other non-Section 202 funding, but they may only be used in connection with units that will be assisted under the PRAC. PRAC units may be developed or placed within a property that also includes non-PRAC residential units (whether restricted as affordable or rented at market rates) and non-residential units (such as first floor commercial space).

HUD seeks to fund Section 202 properties that advance housing for the elderly as a platform for living independently and aging in community even as residents may require more assistance with activities of daily living over time. Through this NOFO, HUD seeks sponsors that:
   • Will produce housing that is physically designed to promote the long-term wellness of Elderly Persons and allow them to age in place;
• Can provide a robust package of services that support the health and social well-being of Elderly Persons; and
• Leverage Capital Advance funds with other financing sources to maximize the number of units created per dollar of HUD funding.

Per 24 CFR 891.809, Capital Advance Funds can NOT be used:

• For acquisition of facilities currently owned and operated by the Sponsor as housing for the elderly, except with rehabilitation as defined in 24 CFR 891.105;
• For the financing or refinancing of currently Federally assisted or Federally-insured units (this includes projects currently encumbered by FHA-insured debt and Flexible Subsidy Loans, as well as existing 202 Capital Advance and Direct Loan projects);
• For units in Section 202 direct loan projects previously refinanced under the provisions of Section 811 of the American Homeownership and Economic Opportunity Act of 2000, 12 U.S.C. 1701q note; and
• To construct or operate nursing homes, infirmaries, assisted living facilities, medical facilities, mobile homes, community centers, headquarters for organizations for the elderly, or residential units without individual kitchens and/or bathrooms (also known as "single room occupancy units" or SROs) that are not shared.

• **Changes from Previous NOFO.**

See Frequently Asked Questions for this NOFO located at [https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps) for additional information.

Funding for this program was last provided in 2021. This NOFO:

• Includes funding set aside for projects with an intergenerational component that would increase the supply of intergenerational housing for elderly caregivers raising children;
• Enhances minimum requirements all awarded properties must meet regarding energy and water efficiency and climate resilience and provides rating factor points for properties that achieve higher “greening” or climate resiliency standards;
• Incorporates rating points based on a measure of the poverty rate of the project’s neighborhood;
• Removes rating points based on the absorption ratio and establishes tighter absorption ratio criteria as an eligibility threshold;
• Moves the Section 3 hiring plan from Rating Factor 3 to a Program-Specific Requirement, as the Section 3 plan is a program requirement;
• Adjusts point levels throughout, including reducing points based on leverage; and
• Provides greater specificity around the building design and supportive services components of Rating Factor 1.

• **Definitions.**

  a. Standard Definitions
**Affirmatively Furthering Fair Housing (AFFH).** Affirmatively Furthering Fair Housing (AFFH) means taking meaningful actions, in addition to combating discrimination to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunities, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all program participant’s activities and programs relating to housing and urban development.

**Assistance Listing number** refers to the publicly available listing of Federal assistance programs managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA). Assistance Listing is a unique number assigned to identify a Federal Assistance Listings, formerly known as the CFDA

**Authorized Organization Representative (AOR)** is the person authorized to submit applications on behalf of the organization via Grants.gov. The AOR is authorized by the E-Biz point of contact in the System for Award Management. The AOR is listed in item 21 on the SF-424.

**Consolidated Plan** is a document developed by states and local jurisdictions. This plan is completed by engaging in a participatory process to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions with funding from formula grant programs. (See 24 CFR part 91 for HUD’s requirements regarding the Consolidated Plan and related Action Plan).

**Contract** means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. For additional information on contractor and subrecipient determinations, see 2 CFR 200.331.

**Contractor** means an entity that receives a contract as defined above and in 2 CFR 200.1.

**Deficiency** is information missing or omitted within a submitted application. Examples of deficiencies include missing documents, information on a form, or some other type of unsatisfied information requirement. Depending on specific criteria, deficiencies may be either Curable or Non-Curable.

- **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.

- **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 may result in an application
being marked ineligible, or otherwise adversely affect an application’s score and final determination.

**DUNS Number** is the nine-digit Dun and Bradstreet Data Universal Number System identification number assigned to a business or organization by Dun & Bradstreet and provides a means of identifying business entities on a location-specific basis.

**E-Business Point of Contact (E-Biz POC)** A user registered as an organization applicant who is responsible for the administration and management of grant activities for his or her organization. The E-Biz POC is likely to be an organization's chief financial officer or authorizing official. The E-Biz POC authorizes representatives of their organization to apply on behalf of the organization (see Standard AOR and Expanded AOR). There can only be one E-Biz POC per DUNS Number.

**Eligibility requirements** are mandatory requirements for an application to be eligible for funding.

**Expanded Authorized Organization Representative (AOR)** An AOR is a member of your organization authorized by the EBiz POC to submit applications in Grants.gov on behalf of the organization. An applicant user with the Expanded AOR role is authorized to submit any applications on behalf of the organization and has privileges that allow the user to modify organization-level settings in Grants.gov.

**Federal Financial Assistance** means assistance that entities received or administer in the form of:

1. Grants;
2. Cooperative agreements (which does not include a cooperative research and development agreement pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710a)).
3. Loans;
4. Loan guarantees;
5. Subsidies;
6. Insurance;
7. Food commodities;
8. Direct appropriations;
9. Assessed and voluntary contributions; and
10. Any other financial assistance transaction that authorizes the non-Federal entity's expenditure of Federal funds.

11. Federal financial assistance does not include amounts received as reimbursement for services rendered to individuals as described in section 200.502(h) and (i). *(2 CFR 200.1)*

**Federal award**, has the meaning, depending on the context, in either paragraph (i) or (ii) of this definition:

1. (i) The Federal financial assistance that a recipient receives directly from a Federal awarding agency or a subrecipient receives indirectly from a pass-through entity, as described in *(2 CFR §200.101)*; or
ii. The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 CFR §200.101.

2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2) of the definitions of Federal financial assistance in 2 CFR §200.1, and this NOFO, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

3. Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).

4. See also definitions of Federal financial assistance, grant agreement, and cooperative agreement in 2 CFR 200.1.

Grants.gov is the website serving as the Federal government’s central portal for searching and applying for Federal financial assistance throughout the Federal government. Registration on Grants.gov is required for submission of applications to prospective agencies unless otherwise specified in this NOFO.

Historically Black Colleges and Universities (HBCUs) The Higher Education Act of 1965, as amended, defines an HBCU as: “…any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation.” HBCUs offer all students, regardless of race, an opportunity to develop their skills and talents.

Non-Federal Entity (NFE) means a state, local government, Indian tribe, Institution of Higher Education (IHE), or non-profit organization that carries out a federal award as a recipient or subrecipient.

Point of Contact (POC) is the person who may be contacted with questions about the application submitted by the AOR. The POC is listed in item 8F on the SF-424.

Recipient means an entity, usually but not limited to non-Federal entities, that receives a federal award directly from HUD. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Small business is defined as a privately-owned corporation, partnership, or sole proprietorship that has fewer employees and less annual revenue than a corporation or regular-sized business. The definition of “small”—in terms of being able to apply for government support and qualify for preferential tax policy—varies by country and industry. The U.S. Small Business Administration defines a small business according to a set of standards based on specific industries. See 13 CFR Part 121.

Standard Authorized Organization Representative (AOR) An AOR is a member of your organization authorized by the EBiz POC to submit applications in Grants.gov on behalf of the organization. An applicant user with the Standard AOR role can only submit applications when they are a Participant of that workspace.
Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

System for Award Management (SAM) is the Federal Repository into which an entity must provide information required for the conduct of business as a recipient. Registration with SAM is required for submission of applications via Grants.gov. You can access the website at https://www.sam.gov/SAM/. There is no cost to use SAM.

Threshold Requirements are an eligibility requirement that must be met for an application to be reviewed. Threshold requirements are not curable, except for documentation of applicant eligibility and are listed in Section III.D Threshold Eligibility Requirements. Similarly, there are eligibility requirements under Section III.E, Statutory and Regulatory Requirements Affecting Eligibility.

Unique Entity Identifier (UEI) means the identifier assigned by SAM to uniquely identify business entities.

- Program Definitions.

For purposes of the Section 202 Supportive Housing for the Elderly Program, the following definitions apply. In the event of any conflict between such definitions and the provisions of 24 CFR part 891, the definitions in 24 CFR part 891 shall govern. For more definitions, applicants should reference the governing statute (12 U.S.C. 1701q) and regulations at 24 CFR part 891.

Activities of daily living (ADLs) means basic personal everyday activities including, but not limited to, tasks such as eating, toileting, grooming, dressing, bathing, and transferring. (42 CFR 441.505)

Capital Advance funds are funds made available and used by the Secretary of HUD for the development of supportive housing for Very-Low-Income Elderly Persons. Capital Advances are interest-free grants available to private, nonprofit sponsors that do not need to be repaid as long as the project serves very low-income elderly persons for 40 years and complies with other program requirements. They must be used for the construction, reconstruction, moderate or substantial rehabilitation, or acquisition of a structure with or without rehabilitation.

Child. For intergenerational dwelling units, an individual who is not older than 18 years of age and is not attending school or an individual who is not older than 19 years of age and is also attending school full or part-time.

Elderly Person is a household composed of one or more persons at least one of whom is 62 years of age or older at the time of occupancy.
Grandparent. With respect to a child, an individual who is a grandparent or step-grandparent of the child by blood or marriage, regardless of the age of such individual. In the case of a child who was adopted, the term includes an individual who, by blood or marriage, is a grandparent or step-grandparent of the child as adopted.

Instrumental activities of daily living (IADLs) means activities related to living independently in the community, including but not limited to, meal planning and preparation; managing finances; shopping for food, clothing, and other essential items; performing essential household chores; communicating by phone or other media; and traveling around and participating in the community. (42 CFR 441.505)

Intergenerational Dwelling Unit. Per definitions in the LEGACY Act of 2003 (Pub. L. 108-186, sec. 202; 12 U.S.C. 1701q note), an intergenerational dwelling unit is a qualified dwelling unit that is reserved for occupancy only by an intergenerational family. An intergenerational family is a family that (a) includes a child and (b) has a head of household who is either a grandparent of the child who is raising the child or a relative of the child who is raising the child. The head of household must be an elderly person.

Operating Costs are HUD-approved costs relating to the provision of housing and include administrative expenses (including the coordination of services), maintenance expenses, security expenses, utilities expenses, taxes and insurance, allowances for reserves, and allowances for services for the elderly. Operating costs do not include payments toward debt service. PRAC rents are established based on the Operating Cost Standards (OCS) listed in Appendix A.

Owner. An Owner, pursuant to 12 USC 1701q, is defined as a “private nonprofit organization that receives assistance under this section to develop and operate supportive housing for the elderly.”

Project Rental Assistance Contract (PRAC) is the contract entered into by the Owner and HUD setting forth the rights and duties of the parties under the contract with respect to project rental assistance payments.

Raising a child. With respect to an individual, the individual: (a) Resides with the child; and (b) Is the primary caregiver for the child: (1) Because the biological or adoptive parents of the child do not reside with the child or are unable or unwilling to serve as the primary caregiver of the child; and (2) regardless of whether the grandparent or other relative has a legal relationship to the child (such as guardianship or legal custody) or is caring for the child informally and has no such legal relationship with the child.

Relative. With respect to a child, an individual who is not a parent of the child by blood or marriage and is the relative of the child by blood or marriage regardless of the age of the individual. In the case of a child who was adopted, the term “relative” includes an individual who, by blood or marriage, is a relative of the family who adopted the child.

Sponsor means any eligible applicant that has been made an award of funds under this NOFO. Sponsor refers to either a Sponsor or a Co-Sponsor. The Sponsor must be approved by the
Secretary of HUD as to the administrative and financial capacity and responsibility to receive an award under this NOFO. A Sponsor that has one or more Section 202 projects under reservation, construction, or management in two or more different HUD geographical regions is a National Sponsor. (See a map of HUD regions here: https://www.hud.gov/localoffices/regions).

**Very-Low-Income** means household income that does not exceed 50 percent of the median family income for the area. See HUD’s Income Limits website (https://www.huduser.gov/portal/datasets/il.html). Click on the button for the most recent year (at the time of work in a unit being done) and, for that year, click the Data tab, and then click the link for MS EXCEL in “Data for Section 8 Income Limits in MS EXCEL”. The spreadsheet has a national list by state, metro area, and county or town name, and shows, in columns labeled IS0_1 through IS0_8, incomes that are 50 percent of the median family income for the area for families of sizes 1 through 8.

**B. Authority.**

The Section 202 Supportive Housing for the Elderly Program is authorized by section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act (Pub. L. 101-625), and any subsequent amendments. This authority provides for Capital Advances, project rental assistance contracts, amendments to contracts for project rental assistance, and the renewal of expiring contracts for such assistance, for supportive housing for the elderly. The funding for this NOFO is provided by the Consolidated Appropriations Act, 2021 (Public Law 116-260, enacted December 27, 2020), and the Consolidated Appropriations Act, 2022 (Public Law 117-103, enacted March 15, 2022).

**II. Award Information.**

**A. Available Funds**

Funding of approximately **$184,600,000** is available through this NOFO.

Of this funding, in accordance with the Consolidated Appropriations Act, 2021, and the Consolidated Appropriations Act, 2022, up to $15 million is available to support the development of intergenerational dwelling units for elderly grandparents or relatives as defined in the LEGACY Act of 2003 (Title II of Pub. L. 108-186; 12 U.S.C. 1701q note).

**B. Number of Awards.**

HUD expects to make approximately 35 awards from the funds available under this NOFO.

The precise number of awards will depend on the nature of the applications reviewed and the total available funds.

**C. Minimum/Maximum Award Information**

**Maximum Capital Advance Award Amount:** The amount of the Capital Advance funds for each award may not exceed the Total Development Cost (TDC) of the project (as determined by HUD), less the incremental development cost(s) associated with excess amenities and design features to be paid for by other source(s).

**Minimum Capital Advance Award Amount:** $1

In order to receive a PRAC, you must request at least the minimum Capital Advance Award.
amount of $1.

**Capital Advance Funds.** Applicants will include the requested Capital Advance funds in the SF424 and in the Development Budget (Section III.F.4.). The amount of the Capital Advance funds requested may not exceed the Total Development Cost as published by HUD (see [https://www.hud.gov/sites/dfiles/PIH/documents/TDCs_2022.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/TDCs_2022.pdf)). The Total Development Cost limit is determined by identifying the appropriate building type (e.g., elevator) and unit size(s) in the development proposal.

**PRAC Funds.** In addition to the above Capital Advance amounts, HUD will award a renewable PRAC. Funding under the PRAC will cover the difference between the PRAC rents (which are based on the HUD approved operating costs of the project which can be found in Appendix A) and the tenants’ contributions toward rent (30 percent of their adjusted monthly income). At the end of the initial 12-month contract term, renewals will be approved subject to the availability of appropriated funds.

Applicants do not need to request an amount of PRAC funding as it will be calculated based on the number of units for which they are requesting assistance by a PRAC and information supplied by the applicant in the 202 NOFO Toolkit.

Project Period in the below table refers to the estimated sum of funds awarded for each selected application for the Capital Advance and the initial year of the PRAC.

Estimated Total Funding:
$184,600,000
Minimum Award Amount:
$1
Per Project Period
Maximum Award Amount:
$20,000,000
Per Project Period

**D. Period of Performance**

HUD considers the funds obligated when HUD issues the Agreement Letter which stipulates the terms and conditions of the Section 202 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.

<table>
<thead>
<tr>
<th>Step</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement Letter is accepted</td>
<td>30-45 days after Awards are made</td>
</tr>
</tbody>
</table>
Applicant submits Firm Commitment application | 180 days after acceptance of Agreement Letter  
Sponsor has commitments for all funds and has required permits | 12 months after acceptance of Agreement Letter  
Initial closing of the Capital Advance and start of construction | 6-18 months after acceptance of Agreement Letter  

HUD reserves the right to revoke all award funds when it believes they are at risk of not being expended within the established deadlines. HUD reserves the right to make, but does not anticipate making, amendments to address gaps in financing. In planning your development, you should assume the Capital Advance amount awarded is the total of Capital Advance funds available for a specific project, and in the event that costs increase, you must secure other financing sources.

The Project Start Date is the estimated date of the Capital Advance Award Agreement Letter, and the Project End Date is the expiration of the first year of operations pursuant to a PRAC. These dates are estimates only and will be adjusted depending on the actual date of the Award commitment letter and the Length of the Project Period.

Length of Project Periods: N/A  
Estimated Project Start Date:  
12/01/2023  
Estimated Project End Date:  
03/31/2027  
Length of Project Periods:  
Other  
Length of Periods Explanation of Other:  
The project period consists of the time from award through construction completion, with an additional 12-months of operations under a PRAC.

**E. Type of Funding Instrument.**

Funding Instrument Type:  
G (Grant)  
Capital Advance Note and Project Rental Assistance Contract

**III. Eligibility Information.**

**A. Eligible Applicants.**

12 (Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education)  
25 (Others (see text field entitled "Additional Information on Eligibility" for clarification))

**Additional Information on Eligibility**

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 are the
only eligible applicants under this Section 202 program. The Owner corporation, when later formed by the Sponsor, must be:

1. A single-purpose and single-asset private non-profit organization that has tax-exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986;
2. A non-profit consumer cooperative; or
3. For purposes of developing a mixed-finance project pursuant to the statutory provision under Title VIII of the American Homeownership and Economic Opportunity Act of 2000, as amended, a for-profit limited partnership of which all general partner interests are held by a) one or more private non-profit organization(s) that have tax exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986, b) a corporation wholly owned and controlled by one or more private non-profit organization(s) that have tax exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986, or c) a limited liability company wholly owned and controlled by one or more private non-profit organization(s) that have tax exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986.

Non-profit entities associated with public bodies or tribes are eligible applicants.

**B. Ineligible Applicants.**

Individuals or any entity not listed above as an Eligible Applicant are ineligible to apply under this NOFO.

**C. Cost Sharing or Matching.**

This Program requires cost sharing or matching as described below.

**Owner Deposit for Minimum Capital Investment.** In accordance with 24 CFR 891.145, the Owner must deposit in a special escrow account one-half of one percent (0.5%) of the HUD approved Capital Advance Award, not to exceed $10,000, to ensure the Owner's commitment to the housing project. If an Owner has a National Sponsor or a National Co-Sponsor, the Minimum Capital Investment shall be one-half of one percent (0.5%) of the HUD approved Capital Advance Award, not to exceed $25,000.

**D. Threshold Eligibility Requirements.**

Applicants who fail to meet any of the following threshold eligibility requirements will be deemed ineligible. Applications from ineligible applicants will not be evaluated.

1. **Resolution of Civil Rights Matters.** Outstanding civil rights matters must be resolved before the application deadline. Applicants, who after review are confirmed to have civil rights matters unresolved at the application deadline, will be deemed ineligible. Their applications will receive no further review, will not be rated and ranked, and they will not receive funding.
   a. Applicants having any of the charges, cause determinations, lawsuits, or letters of findings referenced in subparagraphs (1) – (5) that have not been resolved to HUD’s satisfaction before or on the application deadline date are ineligible for funding. Such matters include:
1. Charges from HUD concerning a systemic violation of the Fair Housing Act or receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex, national origin, disability or familial status;

2. Status as a defendant in a Fair Housing Act lawsuit filed by the United States alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance under 42 U.S.C. 3614(a);

3. Status as a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities Act or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;

4. Receipt of a letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; or the Americans with Disabilities Act; or

5. Receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.

b. HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:

1. Current compliance with a voluntary compliance agreement signed by all the parties;
2. Current compliance with a HUD-approved conciliation agreement signed by all the parties;
3. Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;
4. Current compliance with a consent order or consent decree;
5. Current compliance with a final judicial ruling or administrative ruling or decision; or
6. Dismissal of charges.

2. **Affirmatively Furthering Fair Housing.** With some exceptions for federally recognized Indian tribes and their instrumentalities, the application must discuss how the applicant will carry out the proposed activities in a manner that affirmatively furthers fair housing in compliance with the Fair Housing Act and its implementing regulations. Applicants may propose activities that are consistent with their jurisdiction’s Analysis of Impediments (AI), an Assessment of Fair Housing (AFH), or other means of fair housing planning that meaningfully supports their AFFH certification.

If the applicant will carry out proposed activities in a jurisdiction with an accepted Assessment of Fair Housing (AFH), the proposed activities should be consistent with the AFH’s fair housing
goals and with fair housing strategies specified in the jurisdiction’s Consolidated Plan or Public Housing Agency Plan.”

3. Timely Submission of Applications. Applications submitted after the deadline stated within this NOFO 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. See Section IV. D. Application Submission Dates and Times.

4. Complete Application: Refer to Section IV.B. Content and Form of Application Submission for information on the required documentation for submission to ensure that your application is complete at time of submission. The “Required Documentation” tab of the Section 202 Toolkit also presents this information in checklist format. HUD reserves the right to determine whether an application is substantially deficient and non-responsive to the NOFO application requirements. HUD will not accept paper copies of the application.

5. Non-profit Status. Under Tab A, you must document your status as a private nonprofit 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). Applicants and any other organization(s) that is co-sponsoring the application must submit the following:

1. Articles of Incorporation, Constitution, Resolutions or other organizational documents;
2. By-laws;
3. A graphic organizational chart indicating the relationship among parties and a list of the applicants’ officers; and

HUD will review the applicant's 501(c)(3) or 501(c)(4) determination letter from the IRS, Articles of Incorporation, Constitution, By-Laws, organizational chart, or other organizational documents to determine, among other things, that:

- The applicant is an eligible private nonprofit entity and not a public body;
- The applicant's corporate purposes are sufficiently broad to provide the legal authority to sponsor the proposed project and to apply for Capital Advance funds and PRAC funds,
- Language is included in the documents stating that no part of the net earnings inures to the benefit of any private party, and
- The applicant is not controlled by, or under the direction of, persons seeking to derive profit or gain therefrom.

6. Need. HUD will assess the unmet housing needs in the proposed development area relative to the number of proposed assisted units. Applicants can complete the relevant section in the 202 NOFO Toolkit and provide supporting evidence under Tab B for the calculation of an Absorption Ratio by dividing the number of units in the proposed project by the number of income eligible households aged 62 years old or older with severe housing needs. If not submitting the Toolkit, the applicant must show their absorption ratio and how they calculated it in Tab B.

Calculating the number of income eligible households aged 62 years or older with severe housing needs.
Step 1: Start by calculating the 2022 Income Limit for your property’s location. Visit [https://www.huduser.gov/portal/datasets/il.html#2022](https://www.huduser.gov/portal/datasets/il.html#2022) and select the following inputs:

- Select "Click Here for FY2022 IL Documentation";
- Select a state, then select a county, and then select "View County Calculations" or select a FY 2022 HUD Metropolitan Fair Market Rent/Income Limit Area (HMFA) and "View HMFA Calculations";
- Identify the "Very Low (50%) Income Limit" for "Persons in Family" of 1
- Keep that number readily available as you complete the next steps

Step 2: Visit [https://www.huduser.gov/ast/index.html](https://www.huduser.gov/ast/index.html) and access the 2020 American Community Survey (ACS) 5-Year Census data for your jurisdiction and select the following inputs:

- Select the Core Based Statistical Area (CBSA) in which the project is located. For rural sites located outside of a CBSA, select the appropriate County; Press the “go” button.
- Select "Tenure Renters";
- Select "Age of Householder": 62 plus; Press the “go” button.
- Reference the second table entitled "With Conditions" which includes the number of renters paying more than 30 percent of income for gross rent or occupying a unit lacking some or all kitchen or plumbing facilities or occupying an overcrowded unit (1.01 persons per room or more). If the "With Conditions" table is not available, reference the table entitled "Total"

Step 3: Take the total number of 1-person households in the income range in which 50 percent of 2022 Income Limit falls (calculated above), and then add the number of 1-person households from all lower income ranges.

Step 4: Divide the total number of PRAC units in the project by this number to derive the Absorption Ratio.

Step 5: In Tab B, Applicants must provide a PDF of the second table (With Conditions) and complete the relevant section of the 202 NOFO Toolkit or otherwise document their calculations.

Applicants with an Absorption Ratio over 30% for the elderly population aged 62 years old or older will not meet the threshold requirement for need.

### E. Statutory and Regulatory Requirements Affecting Eligibility

**Eligibility Requirements for Applicants of HUD’s Grants Programs**

The following requirements affect applicant eligibility. Detailed information on each requirement is posted on [HUD’s Funding Opportunities Page](https://www.huduser.gov/portal/datasets/il.html#2022).

- Active Prime and Sub Recipient registration with SAM.gov
- Outstanding Delinquent Federal Debts
- Debarments or Suspensions, or both
- Pre-selection Review of Performance
- Sufficiency of Financial Management System
- False Statements
Mandatory Disclosure Requirement
Prohibition Against Lobbying Activities
In addition, each applicant under this NOFO must have the necessary processes and systems in place to comply with the Award Term in Appendix A of 24 CFR part 170 if the applicant receives an award, unless an exception applies as provided in 2 CFR 170.110.

F. Program-Specific Requirements.

1. Program Activities. As noted below, certain program-specific requirements call for submission of documents to demonstrate compliance. Program requirements will apply to all awardees, unless provided an explicit good cause waiver from HUD. In evaluating each application, HUD will determine if there are program specific curable deficiencies that can be remedied through email correspondence with the applicant. The applicant may receive more than one curable deficiency notification. If the applicant does receive more than one deficiency notification, the applicant's responses must be in accordance with the instructions contained in each deficiency notification (e.g., the applicant may not consolidate its responses). Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications or other minor omissions. These examples are non-exhaustive.

2. Funding for Intergenerational Housing. Under this NOFO, up to $15 million of Capital Advance funds will be set aside as funding for projects with intergenerational dwelling units. Intergenerational dwelling units can constitute the entirety of a project (i.e., 100% of units) or can be integrated as a portion of a larger project, including a project with both intergenerational dwelling units and other 202 Capital Advance / PRAC units requested under this NOFO. Projects proposing intergenerational dwelling units will be considered under a separate set-aside from applications not proposing Intergenerational Dwelling Units.

All threshold requirements, program requirements, and rating factors described in this NOFO will also be used to review and rank intergenerational applications, but projects proposing intergenerational dwelling units will be subject to the additional threshold criteria described below to be eligible under the set-aside.

To be eligible for the intergenerational set-aside, the greater of five units or 20% of PRAC-assisted units at the proposed project must be designated for intergenerational housing. Projects with fewer than this threshold should not be proposed under this set-aside. These units must:

1. Have at least two separate bedrooms;
   a. Notwithstanding 24 CFR 891.210, applications for intergenerational dwelling units under this NOFO are not limited to efficiency or one-bedroom units and Capital Advance funds can be used to finance the cost of units with two or more bedrooms.
   b. The PRAC rents listed in Appendix 1 will be adjusted for intergenerational units larger than 1-BR for each extra bedroom. 2-BR units will receive 1.15 times the baseline PRAC rents; 3-BR units will receive 1.15 times that 2-BR amount, and 4-BR units will receive 1.15 times that 3-BR amount, etc.

2. Be equipped with design features appropriate to meet the special physical needs of elderly persons; and
3. Be equipped with design features appropriate to meet the special physical needs of young children, as needed.

Applicants proposing intergenerational dwelling units will be evaluated separately from the applicants not proposing intergenerational dwelling units, and will compete only against other intergenerational proposals. HUD will award up to $15 million on qualified applications with an intergenerational component and that meet the minimum score. Applications will be reviewed for threshold eligibility and ranked based on overall score, and those with the highest scores proposing the greater of five units or 20% of PRAC units as intergenerational units will have the Capital Advance for their intergenerational units funded from the available $15 million. The PRAC and the Capital Advance for eligible non-intergenerational units will be awarded from funding available under this NOFO other than the $15 million intergenerational set-aside. HUD reserves the right to award less than $15 million if there are insufficient qualified applications that meet the minimum score requirements. Any funds not awarded to intergenerational units will be used for other eligible non-intergenerational projects that apply under this NOFO. Once all intergenerational funds are exhausted, any remaining intergenerational applicants in the intergenerational funding pool will not be awarded any funds under this NOFO. Applicants may not submit two NOFO applications for the same project, i.e., one design with intergenerational units and one without, for the purpose of competing against both the other intergenerational proposals and non-intergenerational proposals.

To be eligible for funds set aside for intergenerational housing, in Tab Q or the Toolkit you must submit a narrative (no more than 7 pages in length) that describes the following items:

1. The need for intergenerational housing in your area as well as your plan for leasing up the building and finding qualified households to live in the project's proposed intergenerational units. For example, an acceptable submission may include a written assessment of the intergenerational families' housing needs in the relevant community, completed in consultation with local child welfare agencies, caregiver support groups, Area Agencies on Aging, or other supportive service providers working with the families; information in the community’s or State’s Consolidated Plan, Analysis of Impediments to Fair Housing Choice, or other planning document that analyzes fair housing issues and need for intergenerational housing; a survey of the target population; waiting lists of other intergenerational housing in the community; or other documentation of the need and demand for intergenerational housing;

2. How your proposed project’s design will meet the special physical needs of young children as well as older adults. An acceptable submission may describe the features of the project that make the property appropriate for children (e.g., electrical outlet protections, handrails in the bathrooms and hallways, shower thermostats that keep the water from getting too hot, secure outside play areas visible from the dwelling units, and adequate, flexible community space that can accommodate varying uses, multiple ages being served, and the changing needs of the residents);

3. Services, programming, or other supports in place at the property that support children raised by older adults. For example, an acceptable submission may describe items such as individualized case management, support groups, mental health services, before- and
after-school activities, tutoring, safe and accessible transportation, recreational activities, or other programs designed for children; and

4. Prior experience of the project sponsor or its partners in owning, operating, developing, or managing intergenerational housing. An acceptable submission must identify rental housing projects and/or supportive services facilities that the sponsor or its partners own and/or operate that serve intergenerational families. The description should provide available information on successful performance of the project (e.g., occupancy rates, testimonials from residents or community leaders on the quality of the activities, etc).

HUD will disapprove an intergenerational application if an applicant does not show need, design adaptations, services, and prior experience in their responses to these questions.

3. Project Development Plan. The application must include in Tab C:

a. A description of the proposed property, including address, type of building (row/townhouse, walk-up, elevator, detached or semi-detached), type of project (new construction, rehabilitation, or acquisition), total units by bedroom size, total units by bedroom size that will be assisted with PRAC (which may not be less than five units), a description of common areas or office space(s), and a description of any commercial space at the site. The PRAC-assisted units, which will be developed with Capital Advance funds, must be one-bedroom or efficiency units, except for proposed intergenerational dwelling units or another exception listed at 24 CFR 891.210.

b. A project development timeline identifying the projected dates for the major development stages for the project including, as applicable, site acquisition; application for uncommitted financing; closing of financing; initial closing and start of construction/rehabilitation; and the full completion of the project, including final closing. Please note that the time between initial closing and start of construction/rehabilitation must be within 18 months of the fund reservation, although faster schedules are preferred. HUD may elect to extend the time frame on a project-by-project basis, as justified, after award of funds.

c. If applying for the intergenerational funding set-aside, include the narrative described in Section III.F.2.

4. Development Budget. The applicant should complete the sources and uses template included as part of the 202 NOFO Toolkit. When completing this section of the Toolkit, you should make sure to account for:

a. All committed or proposed sources, including debt, equity, and grants.
b. Proposed uses, including acquisition, construction costs, soft costs, reserves, and developer fees.
c. For mixed-finance projects, an operating deficit reserve sufficient to cover the operating expenses of the development for at least a three-month period in accordance with 24 CFR 891.860. (Any funds remaining at the end of the required term may be returned to the Owner).
All sources must equal the projected uses. HUD reviewers will be looking to ensure that the amount of Capital Advance requested does not exceed the per unit Total Development Cost described in the 202 NOFO Toolkit and separately available at https://www.hud.gov/sites/dfiles/PIH/documents/TDCs_2022.pdf multiplied by the number of PRAC units.

You do not need to submit a separate, more detailed development budget outside of completing the 202 NOFO Toolkit. Any supplementary development budget will not be used as the basis for any rating and ranking unless the applicant is not using the Toolkit. However, any additional materials can be submitted under Tab D.

Committed sources must be specifically identified in the relevant section of the Toolkit so that they can be evaluated as part of Rating Factor 3 of this NOFO. If not using the Toolkit, identify committed funds in Tab E.

Evidence of all commitments should be uploaded under Tab E. Please also include an index showing which letters correspond to each funding source. Any commitment must describe the allowed uses of the funds, the term for which the commitment is valid, and any repayment terms. The term during which the commitment is valid cannot expire earlier than 12 months from the Section 202 application deadline date. The applicant must commit to closing the transaction prior to the expiration of the term, and HUD may decide as to whether the applicant's proposed timeline to meet such commitment is reasonable. The applicant may change sources before final closing if this causes no material delay to the development schedule described in the Project Development Plan. Please also include evidence of the Owner Deposit for Minimum Capital Investment described in Section III.C.

Construction costs must be based on an estimate performed by a professional estimator. Except for new construction or substantial rehabilitation, applications must include a Capital Needs Assessment (CNA) identifying the rehabilitation needs of the property. New construction or substantial rehabilitation should include a professional cost estimate. A professional cost estimate or CNA must be provided in Tab F.

5. Operating Pro Forma. The applicant must present a cash flow pro forma, demonstrating the ability of the property to cover all expenses for the next 20 years. A separate pro forma is not required if the 202 NOFO Toolkit is completed, but applicants may submit any supporting documents related to their pro forma under Tab G.

Note:

a. Year 1 rents for PRAC units must be based on the Operating Cost Standards (OCS) in Appendix A. OCS establish the PRAC rents and assume all utilities are tenant-paid. Applicants must identify any utilities that will be project paid (i.e., not tenant paid and not included in the utility allowance), if applicable, and provide the reasonable per unit costs associated with those utilities. The per unit utility cost can be added to the OCS to form the PRAC rent used in Year 1 of the Operating Pro Forma. The 202 NOFO Toolkit will help you identify the correct OCS for your project.
b. The Operating Pro Forma included in this NOFO application may include debt service only if the project includes other revenue-producing residential units or commercial space. In the pro forma, the non-PRAC revenue must be sufficient to support the debt service payments consistent with lender and HUD underwriting criteria, including a debt service coverage ratio. Sponsors may not represent revenue from PRAC units supporting debt service in the NOFO application.

A sponsor may anticipate converting the PRAC to a project-based Section 8 Housing Assistance Payments (HAP) contract via the Rental Assistance Demonstration (RAD) (see Section IV of H-2019-09/PIH 2019-23). Notwithstanding the prohibition on PRAC units supporting debt service in the NOFO application, in the event of unanticipated changes in the project sources and uses following receipt of a capital advance award (such as the loss of anticipated but uncommitted funding or increased project costs), a sponsor implementing a RAD conversion may anticipate applying a portion of the revenue from converted PRAC units to support debt, subject to lender and HUD underwriting informed by the Operating Cost Standard for the property’s jurisdiction and the anticipated performance of the subject property and/or the performance history of similar properties. The HAP contract would be subject to the terms of a RAD conversion, including initial contract rent setting (based on the initial PRAC rents in Appendix A) and the 20-year limitation of rent adjustments by HUD’s published Operating Cost Adjustment Factor (OCAF).

6. Site Control. Applicants must demonstrate the Sponsor’s (or its affiliate or instrumentality) control of the site for which they are applying for Capital Advance funds in Tab H. Applicants can provide evidence of site control in one of the following ways:

a. A deed or long-term leasehold which evidences current title to, or a leasehold interest in, the site. If a leasehold, the term of the lease must be at least 50 years with renewable provisions for 25 years, except for sites on Indian trust land, in which case, the term of the lease must be at least 50 years with no requirement for extensions. The title or leasehold interest must commence prior to the application deadline date. A sublease is not considered an acceptable form of site control.

b. Contract of Sale for the site that is free of any limitations affecting the ability of the seller to deliver ownership to the applicant after the applicant receives and accepts the financing for the project. The Contract of Sale cannot require closing earlier than 12 months following the date of the Section 202 application deadline date unless the applicant has non-202 committed funds which are sufficient for closing on the land.

c. Option to purchase or option for a long-term leasehold, which must state a firm price, remain in effect for a minimum of six months from the date on which the applications are due and must be renewable for a minimum of an additional six-month term. The buyer must have sole discretion to exercise such renewal and any consideration for such option renewal must be stated in the option agreement. HUD strongly encourages applicants to have option terms with renewal provisions beyond six months to allow for delays in closing the Section 202 Capital Advance or that the applicants have non-202 funds sufficient for purposes of closing on the land. During the initial six-month term plus the additional six-month renewal, the only condition on which the seller may terminate the option is if the applicant is not
awarded a fund reservation, HUD finds the site environmentally unacceptable, or the applicant fails to make contractually required option payments.

For sites to be acquired from a public body, evidence is needed that the public body possesses clear title to the site and has entered into a legally binding Agreement to lease or convey the site to the applicant after receipt and acceptance of development funds. The same requirements for site control are applicable to sites to be acquired from public bodies as are applicable to sites to be acquired from other entities. Where due to time constraints of the funding round the applicant will not be able to obtain all of the required official actions (e.g., approval of Community Planning Boards) that are necessary to convey publicly-owned sites, the applicant may include in the application a letter from the mayor or director of the appropriate local agency indicating that conveyance or leasing of the site is acceptable without imposition of additional covenants or restrictions, and only contingent on the necessary approval action. Such a letter of commitment will be considered sufficient evidence of potential for site control but only if the commitment does not contain restrictions or qualifications that would be unacceptable in the case of other entities. In this case, HUD will require that the applicant provide within thirty (30) business days of an award notification, a legally binding agreement (conditional on an environmental review satisfactory to HUD) from the public body to lease or convey the site.

It is acceptable for a Contract of Sale or Option Agreement entered into prior to the NOFO application to contain provisions that allow an applicant to conduct reasonable due diligence, such as environmental reviews, site inspections, or appraisals, and an applicant may terminate the Contract of Sale or the Option Agreement, and not purchase the property for failure of the due diligence review.

A proposed project site may not be acquired or optioned from the general contractor (or its affiliate) that will construct the Section 202 project or from any development team member other than the Sponsor.

7. Environmental Review. This program is subject to the National Environmental Policy Act of 1969 (NEPA) and related Federal environmental authorities and regulations at 24 CFR part 50. As part of a review of an application under this NOFO, HUD will perform a preliminary environmental screen to assess major adverse environmental conditions. In order to complete this preliminary environmental screen, HUD requires all applicants to submit the environmental documentation listed below. All documentation must be submitted into the HUD Environmental Review Online System (HEROS) (see https://www.hudexchange.info/programs/environmental-review/housing/#202811-nofa-environmental-information for more information, training, and gaining access). All documents submitted into HEROS must be prepared by an environmental consultant with prior HEROS experience and HEROS access. Please note that HEROS is operational between the hours of 7:00 AM to 10:00 PM Eastern Time, Monday through Saturday. Users will not be able to log in outside of those times/days.

After the HEROS submission is complete, assign it in the system to Kara Williams-Kief, kara.s.williams-kief@hud.gov.

The purpose of HUD's preliminary environmental screen at the application processing stage is to
identify any adverse environmental conditions that cannot reasonably be mitigated. It does not constitute HUD's environmental approval of the project site. Any adverse environmental conditions that cannot reasonably be mitigated will result in the rejection of the application. Examples of such occurrences would be a project that proposes a Risk Based Corrective Action Plan or Complete Clean Up Plan, but lacks likely approval of such by the relevant regulatory authority; a project that would result in destruction of a valuable wetland; a project located in a Superfund area without an EPA comfort letter; a project located in a flood channel/floodway; or a project for which a noise barrier to reduce noise to acceptable levels appears to be necessary but is not proposed in the application and/or does not appear to be achievable. All applicants given a conditional award will be subject to a full Part 50 review before final award and closing.

Before an application is awarded and HUD approves the project site, the only actions that can take place on the site are those that qualify as routine maintenance (discussed in detail in Section 9.1.3.C.2.a of the Multifamily Accelerated Processing (MAP) Guide). The MAP Guide, or successor, as amended, is incorporated into this NOFO by reference. Any other activities, including ALL development or demolition activities, are strictly prohibited until HEROS is reviewed and approved by HUD. Failure to observe this requirement can render your site permanently ineligible for HUD funding. Existing multifamily properties may continue normal operations during the application process including leasing to new tenants, completing maintenance and repairs related to unit turnover, and regularly scheduled or emergency repairs.

**Applicants must provide a reference to the Project Name in HEROS, HEROS submitter name, and HEROS submitter email address in the Toolkit.**

The following environmental documentation is required to be submitted via HEROS:

- Preliminary HEROS submission, including the Related Laws and Authorities listed below.
- Phase I ESA Report (ASTM Standard E1527-13), including a vapor encroachment screen performed in accordance with ASTM E2600-15 and indication that HUD is an authorized user of the report.
- Phase II ESA, if required by the Phase I (ASTM Standard E1903-19).
- Phase III Clean-up Plan or equivalent (if required by the Phase II).

**a. Preliminary HEROS submission, including Related Laws and Authorities as identified below.** Applicants must complete the following screens in HEROS:

- Initial Screen
- Project Summary
- Level of Review
- Related Laws and Authorities (the following topics):
  - Airport Hazards
  - Coastal Barrier Resources Act
  - Endangered Species Act
  - Explosives
  - Flood Insurance
  - Floodplain Management
o Historic Preservation
o Noise
o Sole Source Aquifers
o Contamination and Toxic Substances (Multifamily)
o Wetlands Protection
o Housing Requirements

b. Phase I Environmental Site Assessment (ESA) Report: The Findings, Opinions and Conclusions sections of the Phase I ESA must be completed by an Environmental Professional in accordance with ASTM E 1527-13. (ASTM standards cited in this NOFO are available for a fee through https://www.astm.org/.) The Findings section shall list and discuss all:

(1) Recognized Environmental Conditions (REC), suspect REC, historical REC and/or de minimis conditions (with all such terms as described in ASTM E 1527-13), and
(2) Vapor Encroachment Conditions (VEC), suspected VEC, or instances where VEC cannot be ruled out (pursuant to ASTM E 2600-15).

The opinions section shall discuss each of these conditions as to whether each one is deemed to be or deemed not to be a REC and/or a VEC. Applicants are cautioned that even if the EP who prepares the Phase I ESA determines that there are no RECs and no VECs and you therefore decide not to prepare a Phase II ESA (see below), HUD will review the Phase I ESA report to confirm that such determinations are reasonably warranted based on the information presented. Should HUD not concur with the Phase I ESA conclusions and the Phase II was not conducted nor the Phase III clean-up plan or equivalent submitted, your application will be rejected.

The applicant must inform the EP of the HUD requirements that must be included in the Phase I ESA and any required subsequent report such as a Phase II. These requirements are described in greater detail in Section 9.4 of the MAP Guide.

A previous Phase I ESA report will be allowed provided that the Phase I ESA was conducted within 180 days of the application deadline date and the report meets the above referenced MAP Guide requirements.

c. Phase II ESA. If the Phase I ESA indicates the need for further study or identifies any type of contamination or other issues, then a Phase II ESA is required. The Phase II ESA must address all RECs and VECs identified in the Phase I ESA report. The testing and sampling design shall be based on scientific methodology and shall proceed to the point that a reasonable determination can be made regarding each of the RECs and VECs.

d. Phase III Clean-Up Plan. A clean-up plan is required if the Phase II ESA determines that hazardous waste, petroleum products, or VECs exist on the site or hazardous waste, petroleum products or VECs have migrated onto the site or are likely to do so in the foreseeable future. If the Phase II ESA determines that a Phase III Clean-Up Plan or equivalent is required, then a report is required to be submitted following the requirements of Section 9.4 of the MAP Guide. The clean-up plan must be detailed in nature and must include:
(1) An estimate of clean-up costs. These clean-up costs must be reflected in the budget (Section III.F.4);
(2) A description of the plan either to:

   (a) Completely clean up the site, other than for contamination that would remain solely in
       the ground water that is at least 25 feet below the surface to comply with statewide, non-
       site-specific federal or state standards with no active or passive remediation still taking
       place after either final closing or initial occupancy, whichever comes first, no capping
       over of any contamination and no monitoring wells; or
   (b) Clean up the site to federal or state Risk-Based Corrective Action (“RBCA”) levels. The
       RBCA must allow for no active remediation (such as flushing wells or digging up
       and/or hauling away of contamination) to take place after either final closing or initial
       occupancy, whichever comes first.

(3) Either an approval letter of the clean-up plan from the relevant federal or state authority
or a discussion of the feasibility of securing necessary approvals prior to HUD’s completion
of the environmental review and issuance of a Firm Commitment.
(4) A discussion of the feasibility of completing necessary work prior to final closing or
initial occupancy, whichever comes first.

NOTE: Before issuance of the Firm Commitment, HUD will require a final clean-up plan. The
final clean-up plan must include a remediation contract that specifies all clean-up costs and
timelines for clean-up to ensure that it is completed prior to final closing or initial occupancy,
whichever comes first, and approved documentation from the relevant regulatory authority.
Furthermore, the final clean-up plan will be required to meet specific HUD criteria as outlined in
the MAP Guide, Chapter 9, which is incorporated into this NOFO by reference.

e. Post-Award. As HUD only performs a preliminary environmental screen at the application
processing stage, site approval will not occur until an award under this NOFO is made,
HUD completes its environmental review, and HUD finds the site environmentally acceptable,
all of which must be completed prior to issuance of the Firm Commitment.

All agreement letters will incorporate the recipient's responsibilities under this section, and will
stipulate 1) that a Section 202 award constitutes preliminary approval of an application; 2) that a
Section 202 award does not constitute an approval of the site, which may occur only upon
completion of HUD's environmental review; and 3) that if HUD finds the site acceptable but
only with mitigation and the applicant cannot meet the mitigation requirements, or if HUD
determines that even with mitigation the site is unacceptable, the Section 202 Fund Reservation
award will be terminated. Therefore, it is extremely important that applicants evaluate the site
prior to application submission to ensure that it meets HUD's environmental requirements.

In accordance with 24 CFR 50.3(h), the applicant's submission of an application constitutes an
assurance that the applicant agrees to assist HUD with HUD's compliance with environmental
review regulations in 24 CFR part 50 and that the applicant shall:

   (1) Supply HUD with all available and relevant information necessary for HUD to perform
       any environmental review required by 24 CFR part 50. HUD will require all award recipients
to input any additional requested information into HEROS. Please note that if an application
is selected for funding, HUD will require information about additional laws and authorities for all projects and information about Environmental Assessment factors for new construction and substantial rehabilitation projects;

(2) Carry out mitigating measures required by HUD or select alternate eligible property; and

(3) Not acquire, rehabilitate, convert, demolish, lease, repair or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property until HUD approval of the site is received. Applicants may continue to perform obligations to sustain an existing leasehold or option to lease agreement.

HUD will complete an environmental review under part 50 following the guidance set forth in the MAP Guide. As part of this process, HUD will determine the correct level of environmental review (for example, categorically excluded or environmental assessment). When HUD continues its environmental review, it may find the site environmentally unacceptable, in which case the fund reservation may be cancelled.

Applicants must be in compliance with the National Environmental Policy Act of 1969 (“NEPA”) (42 U.S.C. 4321) and applicable related environmental authorities at 24 CFR 50.3(i) and 24 CFR 50.4, HUD’s programmatic implementing regulations at 24 CFR part 50 and 24 CFR 891.155(b), especially, but not limited to the provisions of information to HUD at 24 CFR 50.31(b). Applicants must also comply with any environmental “conditions and safeguards” at 24 CFR 50.3(c).

8. Site and Neighborhood Standards.
A) General. A proposed site must comply with all applicable site selection requirements in 24 CFR 891.125 and must also comply with all applicable civil rights authorities, including Title VI, Section 504, and the Fair Housing Act. Applicants that propose new construction must complete the relevant section in the 202 NOFO Toolkit and provide supporting evidence under Tab I that the site is:

(1) not located in an area of minority elderly concentration, or

(2) if the site is in an area of minority elderly concentration, that the site qualifies for an exception permitting new construction in an area of minority elderly concentration under 24 CFR 891.125(c)(2)(i) or (ii).

HUD may request additional information from the applicant before making its determination. In reviewing the applicant’s proposed site, HUD may rely on additional available information beyond the materials provided by the applicant to make its determination. To the extent additional available information is relied upon that results in a determination of ineligibility, HUD will notify the applicant and provide opportunity to submit a written response.

Additional information on the analysis of site and neighborhood standards, including frequently asked questions and responses to them, can be found on the Section 202 Funding Opportunities site at https://www.hud.gov/grants/. The FAQ materials are non-binding guidance to assist applicants in understanding what factors may be considered and should not be considered an exhaustive description of HUD’s site and neighborhood standards analysis. Readers should be aware that the Department is evaluating the definition of “area of minority concentration” to determine an updated definition which best effectuates the intent and purpose of the site and neighborhood standards regulations. Applicants and grantees should follow the guidance
applicable to the program and the specific funding opportunity.

B) “Area of Minority Elderly Concentration.” The term “area of minority elderly concentration" is defined as one where either of the following statistical conditions exists:

(a) The percentage of elderly persons of a particular racial or ethnic minority in the neighborhood is at least 20 points higher than the percentage of elderly persons of that racial or ethnic minority in the housing market area as a whole; or
(b) The total percentage of elderly persons of all racial or ethnic minorities in the neighborhood is at least 20 points higher than the total percentage of elderly persons of all racial or ethnic minorities for the housing market area as a whole. The “housing market area” generally corresponds to, as applicable:

(i) the Metropolitan Statistical Area (MetroSA);
(ii) Micropolitan Statistical Area (MicroSA); or
(iii) if the site is neither in a MetroSA or MicroSA, the county or statistically equivalent area.

C) Determination of Area of Minority Elderly Concentration.
Applicants must use the Section 202 Elderly Minority Concentration Tool to identify whether a site is in an area of minority elderly concentration (initially analyzed at the Census tract level). The Minority Concentration Tool is available publicly at www.huduser.gov/portal/maps/section202/home.html. The applicant must provide the report generated by the Minority Concentration Tool in Tab I of its Section 202 funding application. The Minority Concentration Tool analyzes demographics by census tract. An applicant may choose to use the “draw” feature in the Minority Concentration Tool to propose an alternative geography for the neighborhood when there is strong evidence that an alternative geography is more appropriate (except where the Minority Concentration Tool cannot generate a result for a specific location as described above). Typically, neighborhood boundaries are delineated by major streets, land uses and zoning, topographic features like rivers; do not encompass more than one municipal jurisdiction; and are less than two miles wide in any direction.

D) Site and Neighborhood Standards Eligibility. Applicants must provide the following information with respect to the location of a proposed Section 202 project and the results of the Minority Concentration Tool:

1. Where the Minority Concentration Tool identifies the site to be outside of an area of minority elderly concentration and not near the edge of a minority elderly-concentrated Census tract or separated from a significant portion of the occupied land in its census tract by a major geographic barrier, the applicant submits the report from the Minority Concentration Tool showing the site is in a census tract that is not minority elderly concentrated.
2. Where the Minority Concentration Tool identifies the site to be in an area of minority elderly concentration or the applicant self-identifies the site to be in an area of minority elderly concentration, the proposed site and, by extension, the application, are ineligible
for assistance under this NOFO unless an exception can be established. Specifically, in
order for such an application to be eligible with respect to Site and Neighborhood
Standards, the applicant must provide sufficient supporting documentation that the
proposed site qualifies for an exception to the prohibition against HUD approving a
Section 202 project in an area of minority elderly concentration as permitted under 24
CFR 891.125(c)(2) and described below.

3. Where the Minority Concentration Tool identifies the site to be outside of an area of
minority elderly concentration but the site is near the edge of a minority elderly-
concentrated Census tract or is separated from a significant portion of the occupied land
in its census tract by a major geographic barrier (such as a river or interstate highway),
the applicant must submit the report from the Minority Concentration Tool showing the
site is in a census tract that is not minority elderly concentrated and provide sufficient
supporting evidence that the census tract is an appropriate representation of the
neighborhood, propose an alternative geography as described below, or claim an
exception under 24 CFR 891.125(c)(2).

4. Where an applicant proposes an alternative geography for the neighborhood (other than
the census tract) and the alternative geography in the Minority Concentration Tool
identifies the site to be outside of an area of minority elderly concentration, the applicant
must provide a written explanation for claiming an alternative geography and HUD will
review the explanation, map, and any evidence during the application review period. If an
applicant claims an alternative geography that is not minority concentrated and the
Minority Concentration Tool reports that the proposed site is in an area of minority
elderly concentration based on the census tract, the applicant may still seek an exception
that would allow new construction in an area of minority elderly concentration (under 24
CFR 891.125(c)(2) and described below) to address the possibility that HUD does not
approve the use of the alternative geography.

5. For some geographic areas, the Minority Concentration Tool does not have sufficient
data to determine minority elderly concentration. Currently, this applies to Guam, the
Northern Mariana Islands, American Samoa, and the U.S. Virgin Islands. In any situation
where the Minority Concentration Tool cannot generate a result for a specific location,
the applicant, based on local knowledge and any available local data, must determine
whether the site is in an area of minority elderly concentration. The applicant must
include a certification stating that it has determined that the site is in or outside of an area
of minority elderly concentration as well as a description as to how it came to that
determination. Furthermore, the applicant must include a description of the analyses it
undertook, provide references to the sources of information, and maintain records of its
analysis and the data relied upon in making its determination. If the site is in an area of
minority elderly concentration, the applicant must claim an exception under 24 CFR
891.125(c)(2).

E) Exceptions for New Construction in Areas of Elderly Minority Concentration. A project may
be located in an area of minority elderly concentration only if: (1) sufficient, comparable
opportunities exist for housing minority elderly households in the income range to be served by
the proposed project, outside areas of minority concentration; or (2) the project is necessary to
meet overriding housing needs that cannot be met in that housing market area.
1. Pursuant to the “sufficient, comparable opportunities” exception, units may be considered comparable opportunities if they have the same household type (elderly) and tenure type (renter); require approximately the same total tenant payment; serve the same income group; are located in the same housing market; and are in standard condition. To meet this exception, the Applicant must provide a list of comparable properties in the 202 NOFO Toolkit and include in Tab 1 an explanation of the applicability of the factors specified in 24 CFR 891.125(c)(3)(iii)(A)-(G) and this NOFO. If not using the Toolkit, also include the list of comparable properties in Tab 1.

If the site is in an area of minority elderly concentration and the applicant claims the sufficient comparable housing opportunities exception, the applicant must provide descriptive information on the location and characteristics of housing opportunities it claims are comparable to the proposed Section 202 project. To the extent that such information is available, the applicant must provide:

- Property name and address;
- Total number of comparable units and number of comparable units in standard condition in the property;
- Racial demographics of the tenants living in comparable units;
- Household type (e.g., elderly, mixed elderly and disabled);
- Tenure (i.e., rental);
- Subsidy program;
- Income range served (as a percentage of area median income); and
- Tenant payment the same as Section 202 or something else (specified).

2. The “overriding housing need” exception (see 24 CFR 891.125(c)(4)) permits approval of sites:

a. That are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood where the proposed site is located (that is, a robust local area strategy where affordable housing is not the only or primary investment or anticipated outcome) (“revitalization strategy”). The applicant must provide evidence of an official, current, and reasonably achievable revitalization strategy that has started and will continue. Revitalization planning, marketing of investment opportunities through a neighborhood prospectus, or substantial new investments by the jurisdiction with a significant likelihood of occurring to address the needs of the neighborhood in areas such as economic opportunity, environmental quality, transportation, infrastructure, health care, and education would constitute such evidence of a revitalization strategy that has started and will continue; or

b. Where there is significant private investment in the neighborhood that is demonstrably changing the economic character of the area (“revitalizing area”). Applicants must show:

   i. Indicators of revitalization such as: low or declining poverty rates or violent crime rates; high or increased educational opportunities, median household income or
wealth, homeownership or employment rates; or indicators of gentrification such as housing costs or property values rising more sharply in the neighborhood relative to the jurisdiction overall; and disproportionate depletion of larger dwellings for families with children; and ii. Examples of public or private investment such as: new or improved retail or commercial centers, grocery stores, pharmacies, healthcare facilities, housing development, community centers, educational and recreational facilities, municipal services, and transportation serving the neighborhood.

The Minority Concentration Tool contains a revitalization report based on a few of these indicators that the applicant may use to inform this analysis. If the applicant has additional local knowledge or data as to whether the site is in a revitalizing area, the applicant should also provide this information in addition to the Minority Concentration Tool’s report. If there are no revitalization data available using the Minority Concentration Tool (which currently applies to certain of the U.S. Territories), the applicant, based on local knowledge and any available local data, must include in its NOFO application a narrative describing its determination that the site is in a revitalizing area based on evidence of financial investment or other activity prior to or during the period of improvement and the indicators of revitalization listed above, along with sufficient supporting documentation, such as maps, data, studies, articles, or statements.

In all cases, the site must be appropriate for residential use. An overriding housing need, however, may not serve as the basis for determining that a site is acceptable if the only reason the need cannot otherwise be feasibly met in another location is that discrimination on the basis of race, color, creed (religion), sex (including sexual orientation and gender identity), or national origin renders sites outside areas of minority concentration unavailable. Further, overriding housing need may not serve as the basis for approval if the use of this exception in recent years has had the effect of circumventing the obligation to provide housing choice.

If the site is in an area of minority elderly concentration and the applicant claims the overriding housing needs exception of “revitalization strategy,” the applicant must provide evidence demonstrating the following: (i) the proposed project is located in a defined geographic area that is the subject of an official, currently operational and realistically achievable plan for the improvement or revitalization of the immediate neighborhood (which plan may include areas beyond the immediate neighborhood); and (ii) the proposed project conforms to, and the site is integral to, the goals, strategies, and objectives of the improvement or revitalization plan. In determining whether there is an official, operational, and realistically achievable revitalization plan or strategy, applicants must show:

- The plan or strategy has been enacted, adopted, or ratified by a municipal, county, or state legislative body;
- There have been actions to implement the plan or strategy—e.g., public funding approval or expenditures, private funding or financing commitment or expenditures, construction permits, land use changes, site improvements, public infrastructure development, new construction, rehabilitation; and
• The plan or strategy includes objectives and initiatives related to the preservation or restoration of a geography larger than the proposed project site.

In addition, HUD may also consider evidence of:

• Approaches or activities under the plan or strategy are incorporated in current public, quasi-public agency or major institutional work plans;

• A jurisdiction has published solicitations or incentives for development projects in the improvement or revitalization area;

• The specific plan or strategy is incorporated in the applicable jurisdiction’s Consolidated Plan or other comprehensive community development plan;

• A jurisdiction has explicitly designated the geographic area for improvement or revitalization (e.g., Business Improvement District; Enterprise Zone designation; Promise Zone designation; Choice Neighborhoods designation);

• An implementing agency or private investor has retained a construction firm to break ground on the improvement or revitalization; or

• An implementing agency or private investor has secured financing, such as the issuance of bonds, final approval for tax increment financing.

If the site is in an area of minority elderly concentration and the applicant claims the overriding housing needs exception of “revitalizing area,” the applicant must provide the Revitalization Report from the Minority Concentration Tool, which includes data on indicators of revitalization, such as poverty rates, unemployment rates, and median household income, compared between the 2000 Census and 2012-2016 American Community Survey (ACS). Applicants may use this report to inform their analysis of whether their proposed project is in a revitalizing area. Applicants may also use other sources of data, including local data and local knowledge, when conducting this analysis.

In determining whether the site is located in a “revitalizing area,” applicants must show evidence that:

(i) The neighborhood has demonstrated signs of revitalization, through indicators such as low or declining poverty rates, low or declining violent crime rates or evidence of high or increased educational opportunity, high or increasing median household income, and/or high or increased employment; and

(ii) There is high private and public investment in retail, commercial, or housing development that has occurred or will imminently occur in the area which is relevant to improvements in the revitalization indicators above;

In addition, HUD may also consider evidence of:

• New or improved retail centers, grocery stores, pharmacies, healthcare facilities, community centers, educational and recreational facilities, municipal services, and transportation serving the neighborhood;

• Private and public investment or housing development that has occurred or will imminently occur in the area;
• Economic conditions that are impacting the preservation of affordable housing in the neighborhood, including indicators of gentrification such as housing costs rising more sharply in the neighborhood than in the jurisdiction overall, and disproportionate depletion of larger dwellings for families with children.

9. Real Property Acquisition and Relocation. The applicant must comply with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended 42 USC 4601 et seq., as implemented by 49 CFR part 24. Applicants must state whether the property was vacant or occupied at any time since the earlier of publication of this NOFO and securing of site control by the applicant. If the property was occupied, the applicant must state whether relocation did or would occur and must certify that the appropriate required General Information Notice ("GIN") was issued. Where the development proposal will require the relocation of businesses or residents from an existing site, the application must include under Tab J a relocation plan and budget in compliance with the URA. Such costs must be reflected in the project uses of funds or, if paid or anticipated to be paid outside the project budget, the applicant must provide binding documentation evidencing how relocation costs will be paid. The acquisition of real property for a project is also subject to the URA.

10. Certification of Consistency with the Consolidated Plan. This program requires a Certification of Consistency with the Consolidated Plan under 24 CFR 91.2, which must be provided by completing form HUD-2991 (https://www.hud.gov/sites/dfiles/CPD/documents/HUD-2991_Certification-of-Consistency-with-the-Consolidated-Plan_fillable.pdf). This certification means the proposed activities in the application are consistent with the jurisdiction's strategic plan and the location of the proposed activities is consistent with the geographic areas for such activities specified in the Consolidated Plan. The HUD-2991 should be signed by an official of the proposed jurisdiction and uploaded as an attachment under either the “mandatory” or “optional” upload tabs in Grants.gov.

Under 24 CFR 91.510, for competitive programs, a certification of consistency of the application with the approved consolidated plan for the jurisdiction may be required, whether the applicant is the jurisdiction or another applicant. If you fail to provide the certification, and you do not cure the omission as a curable deficiency, HUD will not fund the application.

11. Encumbrances. Following an award of Capital Advance, a Sponsor will need to produce a title report identifying any liens, encroachments, easements or other encumbrances on the property. HUD will revoke an award if an encumbrance will impede the development of the project or will adversely affect the use of the site for the 40-year Capital Advance period.

12. Affirmative Fair Housing Marketing (AFHM). Applicants are required to follow the AFHM requirements of 24 CFR part 200, subpart M and the implementing regulations at 24 CFR part 108; and the fair housing poster guidelines at 24 CFR part 110. See https://www.hud.gov/program_offices/fair_housing_equal_opp/advertising_and_marketing for additional information about fair housing advertising and marketing requirements.
13. Accessibility Requirements. The following authorities apply to physical accessibility in Section 202 properties:

1. Applicable required accessibility features under Section 504 of the Rehabilitation Act of 1973;
2. HUD's regulation at 24 CFR part 8, including the requirement to have a minimum of 5% mobility accessible units and 2% vision/hearing accessible units;
3. Either the Uniform Federal Accessibility Standards (UFAS) or the requirements of HUD's Deeming Notice, 79 Fed Reg 29671 (May 23, 2014);
4. The design and construction requirements of the Fair Housing Act. If the 202 property is a "covered multifamily dwelling" built for first occupancy after March 13, 1991, the Fair Housing Act applies to the design and construction of the development. 24 CFR part 100; and
5. Titles II or III of the Americans with Disabilities Act (ADA). If the ADA is applicable, the ADA, its regulations and applicable architectural standards will apply (UFAS, 1991 ADA standards and/or 2010 ADA Standards for Accessible Design). See 28 CFR part 35 (Title II) and part 36 (Title III).

In addition, reasonable accommodations and reasonable modifications are required under each of the foregoing authorities and laws. Under Section 504 entities must provide and pay for structural changes that may be necessary as a reasonable accommodation. Section 504 and the ADA require recipients to ensure effective communication with applicants, participants and members of the public and to provide appropriate auxiliary aids and services, including for electronic communication mechanisms and features where necessary to afford individuals with hearing, vision, and other communication-related disabilities an equal opportunity to access information. All projects must comply with physical accessibility requirements. When completing the Section 202 NOFO Toolkit, you will be asked to acknowledge compliance with all required elements and will be scored on the extent to which your design incorporates additional physical design features that support independent living among the elderly. See Rating Factor 1.

14. Energy and Water Conservation. Energy efficiency strategies and water conservation appliances and fixtures must be incorporated in the design, construction, and operation of all projects. For new construction or gut rehabilitation projects, the project must meet the most current standards established under the 2021 International Energy Conservation Code (IECC) for single family or low-rise multifamily properties (three stories or fewer) or the ASHRAE 90.1-2019 standard for mid to high-rise multifamily projects. In lieu of meeting this baseline requirement, applicants can receive rating factor points (see Rating Factor 1: Physical Design) for building to a “Net Zero Ready” or “Net Zero” certification. For rehabilitation projects, HUD requires that the project utilize Energy Star®, WaterSense® or Federal Energy Management Program (FEMP)-designated products and appliances if any such designation is available for the applicable system or appliance that is being replaced. Applicants will receive rating factor points for projects that will build to a certification demonstrating high energy efficiency or significant reductions in energy use intensity. See Appendix B for the specific certifications that qualify for rating factor points.

Provide documentation in Tab K.
15. Climate Resilience. Properties must incorporate climate resilience into design and operations planning. Resilience refers to "the capacity… to prevent, withstand, respond to and recover from a disruption" (US Climate Resilience Toolkit). For multifamily housing, this means both reducing property and resident exposure to climate hazards and supporting adaptability in the face of disaster. Ultimately, the goal of building climate resilience in the multifamily sector is to keep residents safe and healthy before, during, and after a hazard strikes.

Applications under this NOFO must:

a. Identify their proposed site’s climate risk using FEMA’s National Risk Index (NRI) At a minimum, the applicant must search for their site using the census tract view and provide a PDF in Tab K of the census tract’s risks using the “Create Report” button. Applicants may also consider climate projection tools as applicable: Climate Explorer, Flood Factor, NOAA Sea Level Rise Viewer, ClimateCheck, and Climate Central Coastal Risk Screening Tool (by year and/or water level).

b. Submit in their initial application a narrative in Tab K detailing how their design addresses or mitigates against the climate hazard risks faced by the proposed site. At a minimum, the narrative must address any risks identified by the NRI tool as “relatively high” or “very high” at the census tract level, or, if no risks are “relatively high” or “very high,” then address the two greatest risks.

c. Submit a narrative in Tab K detailing how they have assessed the viability and potential cost savings of renewable energy sources for the site. For example, the National Renewable Energy Laboratory (NREL) PVWatts tool evaluates solar, and the NREL REopt Lite tool evaluates the economic viability and cost savings of multiple renewable energy options. Other resources specific to your state or locality may also be helpful.

d. Commit to creating a property-wide disaster plan including an evacuation plan that includes safe egress route(s), plans for evacuating residents with disabilities, medical needs, or other needs, and clear communication of the evacuation plan and safety resources for residents, including effective communication for individuals with disabilities and meaningful access for individuals with Limited English Proficiency. For residents with special needs, plans must include a plan for emergency evacuation and relocation to a facility of like capacity that is equipped to provide critical needs-related care and services at a level similar to the originating facility.

e. Incorporate water storage into building design. Building should actively store one gallon of bottled water per resident plus have storage tank capacity for six additional gallons of water per resident, to be filled ahead of approaching hazard.

f. Incorporate flood resilience measures as applicable for location and project type:
Properties in the FEMA 500-year floodplain (or 100-year floodplain where FEMA has not mapped the 500-year floodplain): For all buildings that will be newly constructed (including substantial rehabilitation, where feasible) that are located in the FEMA 500-year floodplain (or 100-year floodplain where FEMA has not mapped the 500-year floodplain), all building mechanicals (HVAC, cogeneration, hot water heating, and other systems) and all residential units be designed to be at a height no less than the greater of the 500-year flood plain or two feet above the 100-year floodplain based on FEMA Flood Insurance Rate Maps (FIRMs). Any interior non-residential spaces - such as common areas, community centers, and lobbies – that cannot be elevated to this level, must at a minimum be floodproofed to at least two feet above the 100-year floodplain. For projects less than substantial rehabilitation, applicants should incorporate all practicable measures to minimize flood risk, such as improvements to stormwater management systems, incorporation of green infrastructure, and/or floodproofing as applicable.

Properties outside of FEMA floodplains: Owners/developers are encouraged to consult other sources (e.g., historical flooding of neighboring sites, NOAA Sea Level Rise Viewer, Flood Factor) to consider future flood risk and design accordingly.

Additionally, Rating Factor 1: Physical Design includes points for properties designed with resilience features.

16. Labor Standards.
a. All laborers and mechanics (other than volunteers under the conditions set out in 24 CFR part 70) employed by contractors and subcontractors in the construction (including rehabilitation) of housing with 12 or more units assisted under this part shall be paid wages at rates not less than those prevailing in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 3141).

b. Contracts involving employment of laborers and mechanics shall be subject to the provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701).

c. Sponsors, Owners, contractors, and subcontractors must comply with all related rules, regulations, and requirements.

17. Section 3 Employment Opportunities for Low- and Very-Low-Income Persons. This housing assistance is covered by the Section 3 statute (12 U.S.C. 1701u), and HUD’s implementing regulations at 24 CFR 75, Economic Opportunities for Low- and Very Low-Income Persons. To the greatest extent feasible, applicants must provide opportunities for training and employment arising in connection with the rehabilitation or construction of this supportive housing project to low-income (as defined in part 75) and Very-Low-Income Persons residing within the metropolitan area (or non-metropolitan county) in which the project is located. Awardees will be required to report to HUD on Section 3 outcomes. Applicants should submit under Tab M a description of planned activities to train and employ qualified people under Section 3.

G. Criteria for Beneficiaries.

This subsection G, “Criteria for Beneficiaries” is not applicable
IV. Application and Submission Information.  
A. Obtaining an Application Package.  

Instructions for Applicants.  
You must download both the Application Instructions and the Application Package from Grants.gov. You must verify that the Assistance Listing Number and Assistance Listing Description on the first page of the Application Package, and the Funding Opportunity Title and the Funding Opportunity Number match the Program and NOFO to which you are applying. The Application Package contains the portable document forms (PDFs) available on Grants.gov, such as the SF-424 Family. The Instruction Download contains official copies of the NOFO and forms necessary for a complete application. The Instruction Download may include Microsoft Word files, Microsoft Excel files, and additional documents.  
An applicant demonstrating good cause may request a waiver from the requirement for electronic submission, for example, a lack of available Internet access in the geographic area in which your business offices are located. Lack of SAM registration or valid DUNS/UEI is not good cause. If you cannot submit your application electronically, you must ask in writing for a waiver of the electronic grant submission requirements. HUD will not grant a waiver if the Applicant fails to submit to HUD in writing or via email a request for a waiver at least 15 calendar days before the application deadline. If HUD grants a waiver, a paper application must be received before the deadline for this NOFO. To request a waiver, you must contact:  
Name:  
202 Capital Advance  
Email:  
202CapitalAdvanceNOFO@hud.gov  
HUD Organization:  
MF HSG  
Street:  
451 7th St. SW  
City:  
Washington  
State:  
DC DISTRICT OF COLUMBIA  
Zip:  
20410  

B. Content and Form of Application Submission.  
You must verify that boxes 11, 12, and 13 on the SF-424 match the NOFO for which you are applying. If they do not match, you have downloaded the wrong Application Instruction and Application Package.  
Submission of an application that is otherwise sufficient, under the wrong Assistance Listing and Funding Opportunity Number is Non-Curable unless otherwise stated under the Threshold requirements section.
1. Content.

<table>
<thead>
<tr>
<th>Forms/Assurances/Certifications</th>
<th>Submission Requirement</th>
<th>Notes/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD Applicant Recipient Disclosure Report (HUD) 2880 Applicant/Recipient Disclosure/Update Report</td>
<td>Submission is required for all applicants by the application due date.</td>
<td></td>
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<tr>
<td>Application for Federal Assistance (SF424)</td>
<td>Submission is required for all applicants by the application due date.</td>
<td>Required for all applications.</td>
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<tr>
<td>Disclosure of Lobbying Activities (SFLLL), if applicable</td>
<td>HUD will provide instructions to grantees on how the form is to be submitted.</td>
<td>If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the applicant shall complete and submit the SF-LLL, &quot;Disclosure Form to Report Lobbying,&quot; in accordance with its instructions. Applicants must furnish an executed copy of the Certification Regarding Lobbying prior to award.</td>
</tr>
<tr>
<td>Previous Participation Certification, HUD Form 2530</td>
<td>Required (either a certification of submission through the electronic portal or the paper submission). If submitting</td>
<td>Form Link</td>
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<td>Submission Requirement</td>
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<td><strong>electronically,</strong> upload a copy as an attachment under either the “mandatory” or “optional” upload tabs in Grants.gov.</td>
<td><strong>Sponsor's Conflict of Interest Resolution HUD 92041</strong>&lt;br&gt;This is a mandatory form and should be uploaded as an attachment under either the “mandatory” or “optional” upload tabs in Grants.gov.</td>
<td>Form Link&lt;br&gt;Ensure you fill out the middle of page 1 and attach the required listing of names, titles, and beginning and ending dates of the term of all officers and directors.</td>
</tr>
<tr>
<td><strong>Sponsor's Resolution for Commitment to the Project HUD 92042</strong>&lt;br&gt;This is a mandatory form and should be uploaded as an attachment under either the “mandatory” or “optional” upload tabs in Grants.gov.</td>
<td>Form Link</td>
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<tr>
<td><strong>Section 202 Application for Capital Advance – Summary Information HUD Form 92015</strong>&lt;br&gt;This is a mandatory form and should be uploaded as an</td>
<td>Form Link&lt;br&gt;Please fill out all sections.</td>
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<td>This is a mandatory form and should be signed and uploaded as an attachment under either the “mandatory” or “optional” upload tabs in Grants.gov.</td>
<td>Form Link The bottom half of the form must be completed by a certifying official of the jurisdiction where the project is located.</td>
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Additionally, your complete application must include the following narratives and non-form attachments.

<table>
<thead>
<tr>
<th>Item</th>
<th>What to Submit</th>
<th>How to Submit</th>
<th>Page Limit</th>
<th>NOFO Section Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tab A: Eligibility and Articles of Incorporation</td>
<td>Organizational documents, bylaws, IRS tax exemption and evidence of structure</td>
<td>Upload as attachments. Include “Tab A” in the file name.</td>
<td>N/A</td>
<td>Threshold (Sections III.A. and III.D.4)</td>
</tr>
<tr>
<td>Tab B: Demonstration of Need</td>
<td>PDF of table used to calculate absorption ratio (with conditions) and corresponding 202 NOFO Toolkit completed (see <a href="http://www.hud.gov/grants">www.hud.gov/grants</a>)</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov. Upload tables</td>
<td>N/A</td>
<td>Threshold (Section III.D.5.)</td>
</tr>
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<tr>
<td>Tab C: Development Plan</td>
<td>Narrative of project development plan and timeline</td>
<td>Upload as attachments with “Tab C” in the file name.</td>
<td>3 pages max</td>
<td>Program (Section III.F.3)</td>
</tr>
<tr>
<td>Tab D: Development Budget</td>
<td>Complete corresponding sources and uses section in 202 NOFO Toolkit</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov. Upload evidence as attachments with “Tab D” in the file name.</td>
<td>N/A</td>
<td>Program (Section III.F.4) and Rating Factor 3 (Section V.A)</td>
</tr>
<tr>
<td>Tab E: Committed Funds</td>
<td>Evidence of committed and anticipated funds</td>
<td>Upload as attachment with “Tab E” in the file name. Include an index.</td>
<td>N/A</td>
<td>Program (Section III.F.4) and Rating Factor 3 (Section V.A)</td>
</tr>
<tr>
<td>Tab F: Capital Needs Assessment</td>
<td>If required (i.e., not new construction or substantial rehabilitation), a Capital Needs Assessment. Otherwise, a professional cost estimate.</td>
<td>Upload as attachment with “Tab F” in the file name.</td>
<td>N/A</td>
<td>Program (Section III.F.4)</td>
</tr>
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<tr>
<td>Tab G: Operating Pro Forma</td>
<td>Complete corresponding pro forma section in 202 NOFO Toolkit</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov. If additional documents are necessary, upload with “Tab G” in the file name.</td>
<td>N/A</td>
<td>Program (Section III.F.5)</td>
</tr>
<tr>
<td>Tab H: Site Control</td>
<td>Documents demonstrating evidence of site control</td>
<td>Upload as attachments with “Tab H” in the file name.</td>
<td>N/A</td>
<td>Program (Section III.F.6)</td>
</tr>
<tr>
<td>Tab I: Site and Neighborhood Standards</td>
<td>Output from Minority Concentration Tool; if applicable, evidence to justify exceptions.</td>
<td>Upload as attachments with “Tab I” in the file name.</td>
<td>N/A</td>
<td>Program (Section III.F.8)</td>
</tr>
<tr>
<td>Tab J: Real Property Acquisition and Relocation</td>
<td>Narrative description of response to requirements.</td>
<td>Upload as attachment with “Tab J” in the file name.</td>
<td>5 pages max</td>
<td>Program (Section III.F.9)</td>
</tr>
<tr>
<td>Tab K: Physical Design</td>
<td>Completion of 202 NOFO Toolkit which includes checklist of required and optional design features; schematic drawings; documentation of green standard or certification the applicant is building to; National Risk Index (NRI) output;</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov; Upload drawings and narrative as attachment</td>
<td>10 pages max; schematics, NRI output, and architect’s sign-off on green standard excluded from page limit</td>
<td>Rating Factor 1 (Section III.F.15, Section V.A.1.1, Appendix B)</td>
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<td>narrative describing documenting climate hazard risks and mitigation; narrative assessing renewable energy; and narrative on innovative design elements.</td>
<td>with “Tab K” in the file name.</td>
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<tr>
<td>Tab L: Supportive Services</td>
<td>Completion of corresponding section of 202 NOFO Toolkit which includes questions about supportive services; written supportive services plan; partner letters of support.</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov; upload services plan and letters as attachments with “Tab L” in the file name.</td>
<td>5 pages max for services plan; 2 pages max each for letters of support.</td>
<td>Rating Factor 1 (Section V.A.1.2)</td>
</tr>
<tr>
<td>Tab M: Section 3 Employment Opportunities for Low and Very-Low Income Persons</td>
<td>Written description of planned activities to train and employ or train individuals under Section 3</td>
<td>Upload as attachments with “Tab M” in the file name.</td>
<td>3 pages max</td>
<td>Program (Section III.F.17)</td>
</tr>
<tr>
<td>Tab N: Market</td>
<td>Completion of corresponding section of 202 NOFO Toolkit which includes questions about neighborhood context; site map; written description of how project location is suited to meet needs of aging population; market study (if needed);</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov; upload map, narrative, market study, and poverty rate</td>
<td>4 pages max (excluding site map)</td>
<td>Rating Factor 2 (Section V.A.2.1)</td>
</tr>
<tr>
<td>Item</td>
<td>What to Submit</td>
<td>How to Submit</td>
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<td>PDF of spreadsheet used to calculate poverty rate.</td>
<td>documentation as attachments with “Tab N” in the file name.</td>
<td>NO/A</td>
<td>Rating Factor 3 (Section V.A.3.1 to 3.3)</td>
<td></td>
</tr>
<tr>
<td>Tab O: Capacity and Leverage</td>
<td>Complete corresponding section in 202 NOFO Toolkit; sponsor resumes; description of experience; if claiming donated or seller-financed land, a 3rd party appraisal of the land.</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov; Upload resumes, description of experience, and appraisal as attachments with “Tab O” in the file name.</td>
<td>12 pages max, excluding resumes, which shall not exceed 4 pages per organization, and property appraisal</td>
<td></td>
</tr>
<tr>
<td>Tab P: Evidence of Compliance with Local Land Use and Zoning Regulations</td>
<td>Complete corresponding section in the 202 NOFO Toolkit; evidence of permitting status.</td>
<td>Upload entire completed Toolkit in Excel format under “optional” upload tab in Grants.gov; evidence submitted as attachments with “Tab P” in the file name.</td>
<td>N/A</td>
<td>Rating Factor 4 (Section V.A.4)</td>
</tr>
<tr>
<td>Tab Q: Intergenerational Housing</td>
<td>Narrative on intergenerational housing (if proposing intergenerational dwelling units)</td>
<td>Upload entire completed Toolkit in Excel format under &quot;optional&quot;</td>
<td>7 pages max</td>
<td>Program (Section III.F.2)</td>
</tr>
<tr>
<td>Item</td>
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<tr>
<td>Environmental</td>
<td>Phase I Environmental Assessment and related reports; Phase II (if required) and Phase III (description of remedial actions, if required); and Related Laws and Authorities screens</td>
<td>upload tab in Grants.gov; if not completing narrative in Toolkit, upload narrative as attachment with &quot;Tab Q&quot; in the file name.</td>
<td>N/A</td>
<td>Threshold (Section III.F.7)</td>
</tr>
</tbody>
</table>

2. Format and Form.

Narratives and other attachments to your application must follow the following format guidelines.

(See table above) Pages maximum length of narratives

**a. Toolkit:** Applicants are **strongly** encouraged to complete and submit the Section 202 NOFO Toolkit with your application. The Toolkit provides templates that satisfy several NOFO requirements and covers all rating factors. The Toolkit helps minimize errors and streamline review of applications by HUD and can be uploaded as an Excel attachment when you submit the rest of your application. Use of the Toolkit is not mandatory and will not affect your score, but it is highly encouraged and will simplify your application preparation.

**b. Content of Application and Identification of Documents:** A complete application must include all the information, materials, forms and documents listed above, as applicable. Each tab must be submitted as a separate document and must be clearly labeled with the tab number and item name.

**c. Format:** Narratives and other attachments to your application must utilize the following formatting guidelines. Page limits (other than for supporting documentation) refer to double space pages with no smaller than 1-inch margins and, for all narrative pages, Times New Roman.
font in at least 12-point size. Page limits do not include documentation in other tabs which are cross-referenced in the narrative. All narrative pages must be numbered. Applicants must use 8 1/2 x 11-inch paper. No more than one page of text may be placed on one sheet of paper; i.e., you may not shrink pages to get two or more on a page. Except in the case of schematic drawings, shrunken pages, or pages where a minimized/reduced font are used, will be counted as multiple pages. Please do not use end notes or footnotes and do not format your narrative in columns. Pages with text in columns will be counted as two pages. The maximum page limits, where applicable, are indicated below for each of the required narratives and supporting documents.

C. System for Award Management (SAM) and Unique Entity Identifier (UEI).

1. SAM Registration Requirement.
Applicants must be registered with https://www.sam.gov/ before submitting their application. Applicants must maintain current information in SAM on immediate and highest-level owner and subsidiaries, as well as on all predecessors that have been awarded a federal contract or grant within the last three years, if applicable. Information in SAM must be current for all times during which the applicant has an active Federal award or an application or plan under consideration by HUD.

2. UEI Requirement.

The DUNS number remained the official identifier for doing business with the U.S. Government only until April 4, 2022. As of April 4, 2022, entities doing business with the federal government must use the Unique Entity Identifier created in SAM.gov.

Anyone planning to submit applications on behalf of an organization must register at grants.gov and be approved by the E-Biz POC in SAM to submit applications for the organization. Registration for SAM and grants.gov is a multi-step process and can take four (4) weeks or longer to complete if data issues arise. Applicants without a valid registration cannot apply through grants.gov. Complete registration instructions and guidance are provided on grants.gov.

D. Application Submission Dates and Times.

Application Due Date Explanation
The application deadline is 11:59:59 PM Eastern Standard time on 01/25/2023
Submit your application to Grants.gov unless a waiver has been issued allowing you to submit a paper application. Instructions for submitting your paper application will be contained in the waiver of electronic submission.
"Received by Grants.gov" means the applicant received a confirmation of receipt and an application tracking number from Grants.gov. Grants.gov then assigns an application tracking number and date-and timestamp each application upon successful receipt by the Grants.gov...
A submission attempt not resulting in confirmation of receipt and an application tracking number is not considered received by Grants.gov.

Applications received by Grants.gov must be validated by Grants.gov to be received by HUD. "Validated by Grants.gov" means the application has been accepted and was not rejected with errors. You can track the status of your application by logging into Grants.gov, selecting "Applicants" from the top navigation, and selecting “Track my application” from the dropdown list. If the application status is "rejected with errors," you must correct the error(s) and resubmit the application before the 24-hour grace period ends. Applications in “rejected with errors” status after the 24-hour grace period expires will not be received by HUD. Visit Grants.gov for a complete description of processing steps after applying.

HUD strongly recommends you submit your applications at least 48 hours before the deadline and during regular business hours to allow enough time to correct errors or overcome other problems.

**Grants.gov Customer Support.** Grants.gov provides customer support information on its website at [https://www.grants.gov/web/grants/support.html](https://www.grants.gov/web/grants/support.html). Applicants having difficulty accessing the application and instructions or having technical problems can receive customer support from Grants.gov 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. The phone number above may also be reached by individuals who are deaf or hard of hearing, or who have speech disabilities, through the Federal Relay Service’s teletype service at (800)-877-8339.

You can verify the contents of your submitted application to confirm Grants.gov received everything you intended to submit. To verify the contents of your submitted application:

- Log in to Grants.gov.
- Click the Check Application Status link, which appears under the Grant Applications heading in the Applicant Center page. This will take you to the Check Application Status page.
- Enter search criteria and a date range to narrow your search results.
- Click the Search button. To review your search results in Microsoft Excel, click the Export Data button.
- Review the Status column, to view more detailed submission information, click the Details link in the Actions column.
- To download the submitted application, click the Download link in the Actions column.

Please make note of the Grants.gov tracking number, it will be needed by the Grants.gov Help Desk if you seek their assistance.

HUD may extend the application deadline for any program if Grants.gov is offline or not available to applicants for at least 24 hours immediately prior to the deadline date, or the system is down for 24 hours or longer and impacts the ability of applicants to cure a submission deficiency within the grace period.

HUD may also extend the application deadline upon request if there is a presidentially declared disaster in the applicant’s area.
If these events occur, HUD will post a notice on its website establishing the new, extended
deadline for the affected applicants. HUD will also include the fact of the extension in the
program’s NOFO required to be published in the Federal Register.

In determining whether to grant a request for an extension based on a presidentially declared
disaster, HUD will consider the totality of the circumstances including the date of an applicant’s
extension request (how closely it followed the basis for the extension), whether other applicants
in the geographic area are similarly affected by the disaster, and how quickly power or services
are restored to enable the applicant to submit its application.

**PLEASE NOTE:** Busy servers, slow processing, large file sizes, improper registration
or password issues are not valid circumstances to extend the deadline dates or the grace period.

1. Amending or resubmitting an application.

Before the submission deadline, you may amend a validated application through Grants.gov by
resubmitting a revised application containing the new or changed material. The resubmitted
application must be received and validated by Grants.gov by the applicable deadline.

If HUD receives an original and a revised application for a single proposal, HUD will evaluate
only the last submission received by Grants.gov before the deadline.


If your application is received by Grants.gov before the deadline, but is rejected with errors, you
have a grace period of 24 hours after the application deadline to submit a corrected, received, and
validated application through Grants.gov. The date and time stamp on the Grants.gov system
determines the application receipt time. Any application submitted during the grace period not
received and validated by Grants.gov will not be considered for funding. There is no grace
period for paper applications.

3. Late Applications.

An application received after the NOFO deadline date that does not meet the Grace Period
requirements will be marked late and will not be reviewed by HUD for funding
consideration. Improper or expired registration and password issues are not sufficient cause to
allow HUD to accept applications after the deadline date.

4. Corrections to Deficient Applications.

HUD will not consider information from applicants after the application deadline except for
curable deficiencies.

HUD will uniformly notify applicants of each curable deficiency. See curable deficiency in the
definitions section (Section I.A). Examples of curable (correctable) deficiencies include
inconsistencies in the funding request and failure to submit required certifications. These
examples are non-exhaustive.

When HUD identifies a curable deficiency, HUD will notify the authorized organization
representative identified on the SF-424 Application for Federal Assistance via email. This email
is the official notification of a curable deficiency.
Applicants must email corrections of Curable Deficiencies to applicationsupport@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 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 applicationsupport@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 - XXXXXXXXXXXXX). 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.

Corrections to a paper application must be sent in accordance with and to the address indicated in the notification of deficiency. HUD will treat a paper application submitted in accordance with a waiver of electronic application containing the wrong UEI/DUNS number as having a curable deficiency. Failure to correct the deficiency and meet the requirement to have a UEI/DUNS number and active registration in SAM will render the application ineligible for funding.

5. **Authoritative Versions of HUD NOFOs.** The version of these NOFOs as posted on Grants.gov are the official documents HUD uses to solicit applications.

6. **Exemptions.** Parties that believe the requirements of the NOFO would impose a substantial burden on the exercise of their religion should seek an exemption under the Religious Freedom Restoration Act (RFRA).

### E. Intergovernmental Review.

This program is subject to Executive Order 12372, Intergovernmental Review of Federal Programs. Executive Order 12372 allows each state to designate an entity to perform a state review function. To determine if your state has designated a State Point of Contact (SPOC), please see the SPOC List at OMB. States not listed on the website have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If your state has a SPOC, you should contact the SPOC to see if that person/office is interested in reviewing your application before you submit it to HUD.

### F. Funding Restrictions.

See Section I.A.1

### Indirect Cost Rate.

### G. Other Submission Requirements.

**Application, Assurances, Certifications and Disclosures.**

**Standard Form 424 (SF-424) Application for Federal Assistance** is the government-wide form required to apply for Federal assistance programs, discretionary Federal grants, and other forms of financial assistance programs. Applicants for this Federal assistance program must submit all required forms in the SF-424 Family of forms, including SF-424B (Assurances of Non construction Programs) or SF-424D (Assurances for Construction Programs). Applications
receiving funds for both non-construction programs and construction programs must submit both the SF-424B and SF-424D.

By signing the forms in the SF-424 either through electronic submission or in paper copy submission (for those granted a waiver), the applicant and the signing authorized organization representative affirm that they have reviewed the certifications and assurances associated with the application for Federal assistance and (1) are aware the submission of the SF-424 is an assertion that the relevant certifications and assurances are established and (2) acknowledge that the truthfulness of the certifications and assurances are material representations upon which HUD will rely when making an award to the applicant. If it is later determined the signing authorized organization representative to the application made a false certification or assurance, caused the submission of a false certification or assurance, or did not have the authority to make a legally binding commitment for the applicant, the applicant and the individual who signed the application may be subject to administrative, civil, or criminal action. Additionally, HUD may terminate the award to the applicant organization or pursue other available remedies. Each applicant is responsible for including the correct certifications and assurances with its application submission, including those applicable to all applicants, those applicable only to Federally recognized Indian tribes, or Alaskan native villages and those applicable to applicants other than federally recognized Indian tribes or Alaskan native villages.

Assurances.
By submitting your application, you provide assurances that, if selected to receive an award, you will comply with U.S. statutory and other requirements, including, but not limited to civil rights requirements. Upon receipt of an award, you, and any recipients and subrecipients of the award are also required to submit assurances of compliance with federal civil rights requirements. See, e.g., Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments Act of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975; see also 24 C.F.R. §§ 1.5; 3.115; 8.50; and 146.25. HUD accepts these assurances in the form of the SF-424B and SF-424D, which also require compliance with all general federal nondiscrimination requirements in the administration of the grant.

Applicant Disclosure Report form 2880.
Required for each applicant applying for assistance within the jurisdiction of HUD to any housing project subject to Section 102(d). Assistance is provided directly by HUD to any person or entity, but not to subrecipients. It includes assistance for the acquisition, rehabilitation, operation conversion, modernization, renovation, or demolition of any property containing five or more dwelling units that is to be used primarily for residential purposes. It includes assistance to independent group residences, board and care facilities, group homes and transitional housing but does not include primarily nonresidential facilities such as intermediate care facilities, nursing homes and hospitals. It also includes any change requested by a recipient in the amount of assistance previously provided, except changes resulting from annual adjustments in Section 8 rents under Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f). See HUD Reform Act regulation for additional information.

V. Application Review Information.
A. Review Criteria.
1. Rating Factors.
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.

Applicants are strongly encouraged to complete and submit the Section 202 NOFO Toolkit with your application. The Toolkit provides templates that satisfy a number of NOFO requirements and covers all rating factors. The Toolkit can be uploaded as an Excel attachment when you submit the rest of your application. Use of the Toolkit is not mandatory. You can find a copy of the Toolkit on the Section 202 page found under Funding Opportunities.

Rating Factor 1: Physical Design and Supportive Services  Maximum Points: 39
Applicants must score at least 20 points on this rating factor to be considered for funding.

Applicants should complete the Physical Design and Supportive Services sections of the 202 NOFO Toolkit. Additional required documents/information should be submitted as Tab K for Physical Design and Tab L for Supportive Services. If not using the Toolkit, add a document in tabs K and L containing the same information that would be submitted in the Toolkit.

HUD seeks to fund the development of properties where elderly residents can live independently and age in place, even as they may require over time a higher level of assistance with activities of daily living. These are properties designed to facilitate residents' access to services and which help residents avoid the need to move to assisted living facilities and nursing homes.

1.1 Physical Design (26 points)
Applicants should complete the relevant section in the 202 NOFO Toolkit as well as provide schematics of the building and unit design, and a narrative description of innovative aspects of the design that enable elderly residents with varying levels of health needs to live independently. Applicants will be evaluated on the extent to which the proposed design prevents falls, incorporates universal design and visitability principles, leverages electronic communications, promotes health and wellness, and enhances both resource efficiency and climate resilience.

1. Fall Prevention. Falls remain the leading cause of injury, long-term disability, premature institutionalization, and injury-related mortality among the elderly. The majority of falls experienced by the elderly occur in the home. For more information on fall prevention, please see Centers for Disease Control and Prevention, Home and Recreational Safety, [www.cdc.gov/homeandrecreationalsafety/falls/adultfalls.html](http://www.cdc.gov/homeandrecreationalsafety/falls/adultfalls.html).

2. Visitability/Universal Design. Visitability is a set of features that makes a home (or building) easier for persons with mobility and sensory disabilities, as well as Elderly Persons and the general public, to live in and visit. Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. These concepts serve to enhance the accessibility of a property beyond the features that are required under federal accessibility laws and architectural standards, and in response to reasonable accommodation requests.

3. Electronic Communication Availability/Accessibility. Affordable access to electronic communication networks can improve health outcomes for the elderly because it enables the delivery of telehealth services and may reduce social isolation, which leads to higher
rates of morbidity and mortality, infection, depression, and cognitive decline. While broadband infrastructure requirements of 24 CFR 891.550 may not apply to all applications, all applications will be evaluated based on the extent to which the property is designed to ensure access to electronic communications via broadband and cellular networks.

4. **Health and Wellness.** Building design that promotes physical activity and social interaction improves the health of and mitigates the effects of loneliness in an aging population. Further, building design features can effectively mitigate the spread of infectious diseases.

5. **Resource Efficiency and Climate Resilience.** Efficient and resilient buildings are better equipped to support safe environments for residents now and into a changing future. Applications will be evaluated on the extent to which they exceed baseline requirements by building to more stringent efficiency standards and/or incorporating climate resilience strategies.

As stated above, applicants can achieve a maximum of 26 points for Physical Design. 22 of the 26 points can be achieved by incorporating optional design features indicated in the 202 NOFO Toolkit selected from the “Physical Design and Livability Template” in Appendix B. The remaining 4 points in Physical Design are based on the narrative describing additional impactful building features designed to extend the period residents can live independently and age in place. All physical design items not scored in the 202 NOFO Toolkit must be submitted in Tab K.

**1.2 Supportive Services (13 points).** Applicants should complete the relevant section in the 202 NOFO Toolkit and submit as an attachment in Tab L a supportive services plan that describes:

1. **The proposed supportive services, including how the services will be delivered.** The supportive services plan should describe health-related services, services that assist with Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL), services that mitigate social isolation and depression, services that improve physical health, and social services that enhance quality of life. Supportive services must be designed to prolong the period that elderly residents with varying levels of health needs can live independently.

2. **The public and/or private funds that are expected to fund the proposed services over the life of the project.** This may include:
   1. Hiring, contracting with or otherwise retaining a full- or part-time Service Coordinator, who will assist residents in identifying, locating and acquiring those supportive services necessary for independent living and aging-in place. Per 24 CFR 891.225, costs associated with the employment of a service coordination are eligible to be covered under the PRAC and have been incorporated into the calculation of the initial PRAC rents (Operating Cost Standards) listed in Appendix A;
   2. Up to $15 per unit per month of PRAC funds for service expenses. This allowance has been incorporated into the calculation of the initial PRAC rents (Operating Cost Standards) listed in Appendix A;
   3. Medicaid reimbursement for health-related expenses; and
4. Other sources, including state and local programs, grants, donations, tenant fees, etc.

3. The capacity of sponsor and partner organizations to coordinate, deliver, and finance supportive services. HUD will consider applicants' demonstrated ability, awareness of resources in this area, and capacity to partner with state and local health care agencies and/or service providers to provide these services. The applicant must identify each partner’s role in the implementation of the supportive services plan. These partners may include, for example, the State Medicaid Agency and associated agencies, Area Agencies on Aging, Aging and Disability Resource Centers, Local Health Departments, managed care entities, state and local government entities, and/or community-based organizations. Partnerships with agencies to provide supportive services cannot result in limiting eligibility of the project to persons with specific disabilities or individuals who qualify only for certain disability-specific services. If the Sponsor will be working with a partner(s) to implement the supportive services at the project, a letter(s) of support from the partner organization(s) must be included with details of the expected agreement. If you have entered into a Memorandum of Understanding or Interagency Agreement with the organization or agency providing the services, you may attach this document in lieu of a letter of commitment.

Applicants will be rated on the capacity of the Sponsor and its partners to deliver, coordinate, and finance robust supportive services. A total of up to 13 points will be awarded based on the extent to which the applicant's supportive services plan substantively addresses resident support for ADLs (1 point), IADLs (1 point), social isolation (1 point), and physical health (1 point). Points will also be awarded to applicants that identify a reliable, sustainable source of funding for their proposed services (1 point), the years of experience applicants have implementing a comparable plan (up to six points), the ability of the applicant to demonstrate evidence of improved resident outcomes from the provision of services (such as reducing hospitalization visits, reducing moves to assisted living or hospice-care facilities, increased tenant satisfaction, etc.) (1 point), and the inclusion of other partners in service delivery. (0.5 point total for inclusion of other partners in service delivery, 1 point total if partners include state or local governments.)

Rating Factor 2: Market  

Maximum Points: 16

Applicants must provide the required documents/information under Tab N. Tab N should include, as necessary, specific references to other relevant sections of the application that will support HUD's determination.

2.1. Neighborhood and Context (16 points).
Applicants must demonstrate that the location of the site supports independence and/or alleviates isolation. The applicant must identify the location, the proximity, and the ease of access of the project site to amenities important to the elderly that supplement the services provided on-site, including:

- Health care and social service facilities (e.g., senior center, licensed adult or senior care facility, hospital, medical clinic, or social service organization that offers services relevant to the elderly);
• grocery stores (e.g., supermarket or other store that sells produce and meat);
• parks or green space;
• recreational facilities (e.g., community or senior center, gym, health club, family entertainment venue, library);
• civic facilities (e.g., place of worship, police or fire station, post office);
• adult educational facilities; and
• other neighborhood-serving amenities (e.g., apparel store, convenience store, pharmacy, bank, hair care, dry cleaners, and restaurants).

Applicants must describe how residents could reasonably access critical amenities, particularly without the use of a personal motor vehicle. Amenities will generally be considered readily available if they are within one-quarter mile walking distance or if they can be accessed within 15 minutes by public transportation or shuttle.

Amenities will generally be considered moderately available if they are within one-half mile walking distance or if they can be accessed within 30 minutes by public transportation or shuttle. This includes accessible public transportation options and/or affordable private door-to-door shuttle/van service that is reliable and accessible. Applicants may commit to providing such transportation services if the nature of the commitment is adequately described and the costs of operation are reflected in the project's budgets.

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 elderly residents. A total of 10 points can be earned through providing access to amenities: grocery stores (2 points), parks or green space (2 points), recreational facilities (2 points), healthcare and social services (2 points), and other neighborhood amenities (2 points). For each of these amenity categories, two points will be awarded if the amenity is readily available, and one point will be awarded if the amenity is moderately available. Up to an additional two points will be awarded based on an overall evaluation of amenity accessibility.

To score the maximum number of points on this factor, applicants must make a compelling argument that the location of the proposed project is well suited with respect to proximate amenities to meet the needs of an aging population. The remaining four points are scored based on the 2016-2020 5-year ACS poverty rate in the census tract of the proposed project:
• Open the Census poverty map.
• From the U.S. map displayed, locate and click on the census tract of the project site.
• Click 'Select,' which will highlight the selected census tract with shading.
• Under the search bar at the top of the screen, click ‘Tables’ (between ‘All’ and ‘Maps’).
• The "Percent Below Poverty Level (Estimate)" statistic for the selected census tract will be displayed in the row labeled “Population for whom poverty status is determined,” second column from the right-hand side.
• Enter the result into the Market page of the Toolkit.
• Click the "Excel" button to generate a spreadsheet of the results. Include this spreadsheet in Tab N.
<table>
<thead>
<tr>
<th>Poverty rate of 10 percent or less</th>
<th>4 points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty rate greater than 10 percent, less than 20 percent</td>
<td>2 points</td>
</tr>
<tr>
<td>Poverty rate of 30 percent or greater</td>
<td>0 points</td>
</tr>
</tbody>
</table>

**Rating Factor 3: Capacity, Project Leverage, and Committed Funding**

**Maximum Points: 35**

Applicants must provide the required Capacity and Leverage documents/information in Tab O as part of the application submission.

Applicants must score at least 15 points on this rating factor to be considered for funding.

**3.1. Development and Management Experience (15 points)**. This factor addresses the extent to which the applicant, or a member of the applicant’s team (e.g., Sponsor, Management Agent, Consultants, Developer, etc.), has the relevant experience and organizational resources to successfully implement the proposed activities in a timely manner. A resume must be provided for the applicant and all Sponsors/Co-Sponsors, along with a listing of properties that the Sponsor is using to claim experience. Applicants should provide a written description demonstrating how the scope, extent, and quality of the Sponsor's and/or their team's recent experience in developing and operating housing is consistent with the details of the proposed project. Applicants will be provided up to:

- 8 points based on development experience;
- 6 points for experience operating elderly affordable housing, and
- 1 point for experience managing a property assisted under a PRAC.

See further description of the allocation of points below.

**a. Development Experience (14 points)**

At a minimum, the sponsor (or a co-developer) must have recent experience developing affordable housing designed for the elderly. Further, if the sponsor proposes to use LIHTC, the sponsor (or a development partner) must have recent successful experience developing a property using LIHTC.

<table>
<thead>
<tr>
<th>Number of Elderly Affordable Housing Properties</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects Placed in Service Within the last five years by sponsor or development partner</td>
<td></td>
</tr>
<tr>
<td>1 project</td>
<td>2</td>
</tr>
<tr>
<td>2 projects</td>
<td>4</td>
</tr>
<tr>
<td>3 or more projects</td>
<td>6</td>
</tr>
</tbody>
</table>

An application will earn up to two additional points if the sponsor (or a co-developer) has successfully developed a property with a Section 202 or Section 811 Capital Advance Award.
<table>
<thead>
<tr>
<th>Capital Advance Delivery</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor (or a co-developer) has placed in service a Capital Advance Project within 3 Years of Award</td>
<td>1</td>
</tr>
<tr>
<td>Sponsor (or a co-developer) has placed in service a Capital Advance Project within 2 Years of Award</td>
<td>2</td>
</tr>
</tbody>
</table>

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.

b. **Management and Operating Experience (6 points)**
Applicants will be evaluated for management and operating experience based on the following matrix:

<table>
<thead>
<tr>
<th>Years owning and operating elderly affordable housing</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1-5</td>
<td>2</td>
</tr>
<tr>
<td>6-9</td>
<td>4</td>
</tr>
<tr>
<td>10+</td>
<td>6</td>
</tr>
</tbody>
</table>

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

c. **Management of property assisted through a PRAC (1 point)**
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.

Applicants must provide the resumes as attachments under Tab O. Applicants should complete the corresponding section in the 202 NOFO Toolkit on development and management experience.

3.2. **Project Leverage (10 points)**. Applicants will be rated on the amount of financing brought to the project by the applicant in relation to the amount of Capital Advance funding requested in the application. A leverage score will be assigned to your application based on the scale provided.

Answers to the following questions will help you determine your project leverage score:

- How much have you requested in Capital Advance funding per unit that will be assisted under the PRAC?
• How much additional leveraging capital are you bringing to the project in the Development Budget per total units at the project? Leveraging Capital could include, but is not limited to, any of the following:
  
  (a) Tax credit equity from a 9% Low-Income Housing Tax Credit ("LIHTC"); 4% LIHTC; historic rehabilitation tax credit; Opportunity Fund investment, or a similar federal or state tax credit;
  (b) First mortgage financing (supported by non-PRAC funds, such as market-rate units or units under a Section 8 contract;
  (c) Subordinate loan funds;
  (d) Grant awards;
  (e) Sponsor capital (including deferred developer fee); and/or
  (f) Appraised value of donated or seller-financed land (Land donations or seller financing must include an appraisal or tax assessment to document value.)

<table>
<thead>
<tr>
<th>Leverage Ratio of Capital Advance to All Other Sources</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1</td>
<td>$0.50</td>
</tr>
<tr>
<td>$1 : $0.50 to less than $1</td>
<td>$1</td>
</tr>
<tr>
<td>$1 : $1 to less than $1</td>
<td>$2</td>
</tr>
<tr>
<td>$1 : $2 to less than $1</td>
<td>$3</td>
</tr>
<tr>
<td>$1 : $3 to less than $1</td>
<td>$4</td>
</tr>
<tr>
<td>$1 : $4 to less than $1</td>
<td>$6</td>
</tr>
<tr>
<td>$1 : $6 or greater</td>
<td>10</td>
</tr>
</tbody>
</table>

Examples:

• Your budget indicates that your project will cost $11.2 million for an 80-unit project that would be fully assisted under a PRAC. You have requested Capital Advance funds in the amount of $1.2 million ($15,000 per PRAC unit) and you are bringing a total of $10 million ($125,000 per unit for the total project) to the project primarily through a combination of a 9% tax credit allocation and soft secondary financing. Your ratio of funds from all other sources than the Capital Advance ($125,000 per unit) to the Capital Advance requested ($15,000 per PRAC unit) is ($125,000/$15,000) = 8.33. For each $1 in Capital Advance funds, $8.33 is leveraged ($1: $8.33). Therefore, your score is 10 points.

• Your budget indicates that your project will cost $12.2 million for an 80-unit project that will have 40 units assisted under a PRAC. You have requested Capital Advance funds in the amount of $2 million ($50,000 per PRAC unit) and the balance of $10.2 million ($127,500 per unit for the total project) will be provided by 4% tax credit equity,
mortgage financing, and other sources. Your ratio of funds from all other sources than the capital advance ($127,500 per unit) to the Capital Advance requested ($50,000 per PRAC unit) is ($127,500/$50,000) =2.55. For each $1 in Capital Advance funds, $2.55 is leveraged ($1: $2.55). Therefore, your score is 4 points.

**Appraisal of Donated or Seller-Financed Land**

Applicants claiming leverage from donated or seller-financed land must attach a third-party appraisal of the land prepared in accordance with the MAP Guide sections 7.3.1, Appraiser Qualifications, and 7.6, Appraisal Requirements.

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

**3.3. Commitment of Sources (10 points)**

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

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 202 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% 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% tax credits and an executed letter of intent with an investor for purchase of the 4% tax credits;
  - 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.

- **Anticipated**
  - A pricing letter from an investor for an anticipated 4% LIHTC approval. The applicant must show that they are eligible to submit, or have submitted, an application to the housing finance agency for 4% 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:

\[ \text{Committed Funding} = \text{Secured Funding} + (0.5 \times \text{Anticipated Funding}) \]

Applicants will be scored on the scale below:

<table>
<thead>
<tr>
<th>Points</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>90% or more of the total dollar amount of external sources are committed to the project</td>
</tr>
<tr>
<td>8</td>
<td>80% or more, but less than 90% of the total dollar amount of external sources are committed to the project</td>
</tr>
<tr>
<td>6</td>
<td>70% or more, but less than 80% of the total dollar amount of external sources are committed to the project</td>
</tr>
<tr>
<td>4</td>
<td>60% or more, but less than 70% of the total dollar amount of external sources are committed to the project</td>
</tr>
<tr>
<td>2</td>
<td>50% or more, but less than 60% of the total dollar amount of external sources are committed to the project</td>
</tr>
<tr>
<td>0</td>
<td>Less than 50% of the total dollar amount of external sources are committed to the project</td>
</tr>
</tbody>
</table>

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

Rating Factor 4: Land-Use/Zoning

Maximum Points: 10

Evidence of Compliance with Local Land-Use and Zoning Regulations (10 points):

Each applicant must provide evidence of the project's status regarding compliance with local zoning and land use regulations and its access to public utilities. Applications will be scored on the extent to which they meet such requirements with Fully Permitted plans (10 points), Partially Permitted plans (4 points), and Not Land Use Compliant plans (0 points).

• **Fully Approved (10 points).** Evidence that the project, as proposed, is permissible under applicable zoning ordinances or regulations (either by right or under approved variances) and does not require additional discretionary action from a governing body such as rezoning, variances, special or conditional use permits, design review, or any other land use approval. If no discretionary action is required to receive a building permit, submit a letter or other evidence from the local governing body stating that
additional rezoning, variances, special or conditional use permits, design review or any other land use and public utility approval are not required.

- **Partially Approved (4 points).** Evidence that the project, as proposed, is permissible under applicable zoning ordinances or regulations but requires other discretionary approvals. If discretionary action(s) is required, include a statement of the action required to make the proposed project permissible to receive a building permit AND the reasonable basis for the belief that the action will be completed successfully before the submission of the firm commitment application, which is due 180 days after the Agreement Letter is signed, (e.g., a summary of the results of any requests for rezoning and/or the procedures for obtaining special or conditional use permits on land in similar zoning classifications and the time required for such rezoning, or preliminary indications of acceptability from zoning bodies).

- **Not Land Use Compliant (0 points).** If action(s) is required, include a statement of the action required to make the proposed project permissible to receive a building permit AND the reasonable basis for the belief that the proposed action will be completed successfully before the submission of the firm commitment application, which is due 180 days after the Agreement Letter is signed, (e.g., a summary of the results of any requests for rezoning and/or the procedures for obtaining special or conditional use permits on land in similar zoning classifications and the time required for such rezoning, or preliminary indications of acceptability from zoning bodies).

**Zoning Requirements Documents**

Applicants shall include such documents as would evidence the zoning status described in the application under Tab P.

**2. Other Factors.**

This program does not offer points for Section 3.

**Preference Points**

This program does not offer any preference points.

**HBCU.**

This program does not offer HCBU preference points.

**Promise Zones**

This program does not offer Promise Zone preference points.

**B. Review and Selection Process.**

**1. Past Performance**

In evaluating applications for funding, HUD will consider an applicant’s past performance in managing funds. Items HUD will consider include, but are not limited to:

Timely use of funds received from HUD;
Meeting program requirements;
The number of persons served or targeted for assistance;
HUD reserves the right to disqualify applicants that demonstrate a serious, irremediable lack of capacity to undertake the proposed development.

HUD may reduce scores based on the past performance review, as specified under V.A. Review Criteria. Whenever possible, HUD will obtain past performance information. If this review results in an adverse finding related to integrity of performance, HUD reserves the right to take any of the remedies provided in Section III E., Statutory and Regulatory Requirements Affecting Eligibility, "Pre-selection Review of Performance".

In evaluating risks posed by applicants, HUD may use a risk-based approach and may consider any items such as the following:

- Financial stability;
- Quality of management systems and ability to meet the management standards prescribed in this part;
- History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, failing to make significant progress in a timely manner, failing to meet planned activities in a timely manner, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and
- The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

HUD may impose special conditions on an Award as provided under 2 CFR 200.208 based on:

1. HUD’s review of the applicant’s risk under 2 CFR 200.206;
2. The applicant or recipient's history of compliance with the general or specific terms and conditions of a Federal award;
3. The applicant or recipient's ability to meet expected performance goals as described in § 200.211; and
4. A responsibility determination of an applicant or recipient.

HUD may impose special conditions on Awards made if, in the review of the application, HUD identifies factors that may impede or place at risk the successful completion of the project.

HUD’s selection process is designed to ensure Awards go to eligible applicants submitting the most meritorious applications. HUD will consider the information applicants submit by the application deadline date. After the application deadline date, HUD cannot, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that an applicant or any third party may want to provide. HUD may verify information provided in your application as needed by sending a written request for clarification. Responses to such inquiries will be required within 2 business days.

HUD's review of an applicant’s submission under this NOFO is not an exhaustive assessment of
all requirements applicable to projects developed under the Section 202 Housing for the Elderly program. HUD’s review merely provides a sufficient means of allowing an application to be rated and considered for funding. HUD’s review does not alter any responsibility the project owner or any other party has to comply with all applicable civil rights requirements.

3. Review and Selection Process

1. Initial Review. Reviewers will evaluate threshold and minimum program compliance and, if the project meets the threshold and minimum program requirements, will preliminarily rate each eligible application, solely based on the rating factors described in Section V.A of this NOFO. Reviewers will assign a preliminary score for each rating factor and a total score. HUD will then rank applications in descending score order. HUD will also evaluate Previous Participation (HUD Form 2530) submissions to assess applicant risk.

2. Secondary Review. A Review Coordinator will:
   1. Review the Initial Review documentation to ensure any inconsistencies between preliminary reviewers are identified and rectified and to ensure the Initial Review documentation accurately reflects the contents of the application;
   2. Assign a final score to each application and rank them in descending score order;
   3. Recommend for selection the most highly rated applications located in non-metropolitan areas until the minimum requirement for such areas, specified in paragraph 3 below, is reached;
   4. Recommend for selection the most highly rated of the remaining applications until the minimum requirement for each Office of Multifamily Housing Programs administrative region, specified in item 3.4 below, is reached; and
   5. Recommend for selection the most highly rated of the remaining applications, subject to the amount of available funding.

3. Selection Considerations:
   1. Minimum scoring. To qualify for a Capital Advance Award, applicants must earn a minimum score of 75 points, which must include a minimum score of 20 points for Rating Factor 1 (Physical Design and Supportive Services) and a minimum score of 15 points for Rating Factor 3 (Capacity, Project Leverage, and Committed Funding). Any application not earning the minimum scoring will not be awarded a grant under this NOFO.
   2. Tie Scores. If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select the application(s) with the highest score funder Rating Factor 1. If a tie remains, HUD will select the application(s) with the highest score for Rating Factor 2, then Rating Factor 3, then the project(s) with the lowest amount of 202 funding (Capital Advance and PRAC) per PRAC unit. The final tiebreaker is a random selection from among the remaining applicants.
   3. Up to $15 million of the funds made available for assistance under this NOFO shall be allocated to a set-aside for projects that include Intergenerational Dwelling Units unless HUD does not receive sufficient eligible applications.
4. 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.

5. 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. To identify the administrative regions, see www.hud.gov/program_offices/housing/mfh/hsgmfbus/abouthubspcs.

4. Anticipated Announcement and Award Dates.
HUD anticipates announcing awards under this NOFO approximately four months after the application deadline date.

VI. Award Administration Information.
A. Award Notices.

Following the evaluation process, HUD will notify successful applicants of their selection for funding. HUD will also notify other applicants, whose applications were received by the deadline, but have not been chosen for award. Notifications will be sent by email to the person listed as the AOR in item 21 of the SF-424.

HUD may impose specific conditions on an award as provided under 2 CFR 200.208:

- Based on HUD’s review of the applicant’s risk under 2 CFR 200.206;
- When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;
- When the applicant or recipient fails to meet expected performance goals contained in a federal award; or
- When the applicant or recipient is not otherwise responsible.

Adjustments to Funding. To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.

a. HUD will fund no portion of an application that:
(1) Is not eligible for funding under applicable statutory or regulatory requirements;
(2) Does not meet the requirements of this notice; or
(3) Duplicates other funded programs or activities from prior year awards or other selected applicants.

b. If funds are available after funding the highest-ranking application, HUD may fund all or part of another eligible fundable application. If an applicant turns down an award offer, or if HUD and an applicant do not finalize the terms and conditions of the award in a timely manner, HUD may withdraw the award offer and make an offer of funding to another eligible application.

c. If funds remain after all selections have been made, remaining funds may be made available within the current FY for other competitions within the program area, or be held for future competitions, or be used as otherwise provided by authorizing statute or appropriation.
d. If, after announcement of awards made under the current NOFO, additional funds become available either through the current appropriations, a supplemental appropriation, other appropriations or recapture of funds, HUD may use the additional funds to provide additional funding to an applicant awarded less than the requested amount of funds to make the full award, and/or to fund additional applicants that were eligible to receive an award but for which there were no funds available.

**Funding Errors.** If HUD commits an error that when corrected would cause selection of an applicant during the funding round of a Program NOFO, HUD may select that applicant for funding, subject to the availability of funds. If funding is not available to award in the current fiscal year, HUD may make an award to this applicant during the next fiscal year, if funding is available.

An award constitutes preliminary approval of an application, and does not constitute an approval of the site, which may occur only upon completion of HUD's environmental review. See **Sections III.F.7 and VI.B** of this NOFO for environmental requirements.

HUD will endeavor to fund all requested PRAC units for any applications selected from this NOFO. However, if HUD would be able to make an additional award if the application's requested number of PRAC units or Capital Advance funds were modestly reduced, HUD will provide the applicant an opportunity to reduce the Capital Advance or reduce the PRAC to fit within the remaining estimated total funding. HUD also reserves the right to adjust funding amounts to correct errors and to adjust the amount of funds required to cover the PRAC costs based on the year the project is completed and placed in service.

**B. Administrative, National and Department Policy Requirements and Terms for HUD Recipients Financial Assistance Awards**

For this NOFO, the following **Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards** apply.

1. Unless otherwise specified, these non-discrimination and equal opportunity authorities and other requirements apply to all NOFOs. Please read the following requirements carefully as the requirements are different among HUD's programs.
   - Compliance with Fair Housing and Civil Rights Laws, Which Encompass the Fair Housing Act and Related Authorities (see cf. [24 CFR 5.105(a)](https://www.hud.gov/program_offices/fair_housing_equal_opp/limited_english_proficiency)).
   - Affirmatively Furthering Fair Housing ([Click Here](https://www.hud.gov/program_offices/fair_housing_equal_opp/limited_english_proficiency)).
4. Equal Participation of Faith-Based Organizations in HUD Programs and Activities.
9. Safeguarding Resident/Client Files.
11. Eminent Domain.

**Environmental Review**
Compliance with 24 CFR part 50 or 58 procedures is explained below:

See Section III.F.7 for detail on environmental review requirements. This program is subject to the National Environmental Policy Act of 1969 (NEPA) and related Federal environmental authorities and regulations at 24 CFR part 50.

**Prohibition on Surveillance**
2 CFR 200.216 Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment

**Remedies for Noncompliance**
2 CFR 200.340 Termination A Federal award may be terminated in whole or in part if the grantee fails to comply with the terms and conditions of the award or if HUD determines the award no longer effectuates the program goals or agency priorities.

**Lead Based Paint Requirements.**
When providing housing assistance funding for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

**C. Reporting.**
HUD requires recipients to submit performance and financial reports under OMB guidance and program instructions.

1. **Recipient Integrity and Performance Matters.** Applicants should be aware that if the total Federal share of your federal award includes more than $500,000 over the period of performance, the award will be subject to post award reporting requirements reflected in Appendix XII to Part 200 Award Terms and Conditions for Recipient Integrity and Performance Matters.
2. **Race, Ethnicity and Other Data Reporting.** HUD requires recipients that provide HUD-funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department’s responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987.

3. **Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) as amended (FFATA).** FFATA requires information on federal awards be made available to the public via a single, searchable website, which is [www.USASpending.gov](http://www.USASpending.gov). Accordingly, each award HUD makes under this NOFO will be subject to the requirements provided by the Award Term in Appendix A to [2 CFR Part 170](http://www.usaspending.gov), “REPORTINGSUBAWARD AND EXECUTIVE COMPENSATION INFORMATION,” unless the Federal funding for the award (including funding that may be added through amendments) is not expected to equal or exceed $30,000. Requirements under this Award Term include filing subaward information in the Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSR.gov) by the end of the month following the month in which the recipient awards any sub-grant equal to or greater than $30,000.

4. **Program-Specific Reporting Requirements**

   **Performance Reporting.** All HUD funded programs, including this program, require recipients to submit, not less than annually, a report documenting achievement of outcomes under the purpose of the program and the work plan in the award agreement.

   **D. Debriefing.**

   For a period of at least 120 days, beginning 30 days after the public announcement of awards under this NOFO, HUD will provide a debriefing related to their application to requesting applicants. A request for debriefing must be made in writing or by email by the authorized organization representative whose signature appears on the SF-424 or by his or her successor in office and be submitted to the POC in Section VII Agency Contact(s), below. Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.

   **VII. Agency Contact(s).**

   HUD staff will be available to provide clarification on the content of this NOFO. Questions regarding specific program requirements for this NOFO should be directed to the POC listed below.

   Name:
   202 Capital Advance NOFO Team

   Phone:
   N/A

   Email:
   202CapitalAdvanceNOFO@hud.gov
Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339. Please note that HUD staff cannot assist applicants in preparing their applications.

VIII. Other Information.

   This NOFO provides funding under, and does not alter the environmental requirements of 24 CFR Part 891 or program guidelines published at __________ FR __________. Accordingly, under 24 CFR 50.19(c)(5)(i), this NOFO is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321). Activities under the NOFO are subject to environmental review provision set out at 24 CFR 891.155(b). See also Sections III.F.7 and VI.B above.

2. Web Resources.
   - Affirmatively Furthering Fair Housing
   - Code of Conduct list
   - Assistance Listing (formerly CFDA)
   - Unique Entity Identifier
   - Equal Participation of Faith-Based Organizations
   - Federal Awardee Performance and Integrity Information System
   - FFATA Subaward Reporting System
   - Grants.gov
   - HBCUs
   - Healthy Homes Strategic Plan
   - Healthy Housing Reference Manual
   - HUD’s Strategic Plan
   - HUD Grants
   - Limited English Proficiency
   - NOFO Webcasts
   - Procurement of Recovered Materials
   - Promise Zones
   - Section 3 Business Registry
   - State Point of Contact List
   - System for Award Management (SAM)
   - Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA)
   - USA Spending

3. Program Relevant Web Resources

APPENDIX

Appendix A: Operating Cost Standards

PRAC Rents (Operating Cost Standards) for FY 2022 Section 202 Supportive Housing for the Elderly Program (202 Capital Advance)
Introduction

The tables below establish the 2022 Operating Cost Standards (OCS) upon which HUD will establish initial contract rents in the 202 Project Rental Assistance Contract (PRAC) upon execution. The 2022 OCS levels below will be combined with a projection of project-paid utilities to establish contract rent levels.

Project-paid utility expenses. Since the configuration of utilities of proposed properties will vary, the amounts below are net of any project-paid or tenant-paid utilities. Owners must identify the proposed configuration for utilities:

a. Within their application - identify the project-paid utilities and provide a reasonable estimate of the cost of such utilities, which would be added to the amounts listed in the tables below to create the contract rent; (See 202 NOFO Toolkit)

b. Prior to operation - calculate an initial utility allowance for residents based on Housing Notice 2015-04.

At award, HUD will provide initial subsidy funding to cover the difference between the operating cost standards plus project paid utilities and an estimate of tenants’ contribution towards rent (i.e., 30 percent of each tenant’s adjusted monthly income). After one year of operation, owners may subsequently request an adjustment to the contract rents on the basis of an operating budget history.

Methodology

HUD calculated the operating cost standards for the geographies listed based on Annual Financial Statements (AFS) submitted into HUD’s Financial Assessment Subsystem – Multifamily Housing (FASS-MF) for over 2,800 active properties supported by 202 PRACs. After excluding properties with incomplete AFS submissions, HUD developed baseline operating cost standards for each Metropolitan Statistical Area (MSA) with at least eight valid observations (MSA Operating Cost Standards). The operating cost standards, net of utility expenses, for these MSAs are listed in Table 1. HUD then used the remaining sample of properties in each state to develop baseline operating cost standards applicable to all parts of the state not covered in the MSA Operating Cost Standards (Non-MSA Operating Cost Standards). Accordingly, some MSAs with insufficient observations (i.e., active 202 PRACs) will utilize the Non-MSA Operating Cost Standards. The Non-MSA Operating Cost Standards, which are listed by state, generally exclude any observations that were used to develop the MSA Operating Cost Standards, unless by excluding the MSA data the state would have 10 or fewer observations. The operating cost standards, net of utility expenses, for each state is listed in Table 2.

For each active property, HUD computed a 3-year average of the following AFS Account Numbers:

- 6500T Total Operating and Maintenance Expenses:
- 6263T Total Administrative Expenses
- 6700T Total Taxes and Insurance:
HUD then took the averages of each property by MSA or non-MSA as described above.

As noted above, utility expenses were excluded from this analysis given that they vary significantly based on the specific configuration each property (i.e., property-paid vs. tenant-paid utilities). Additionally, service coordinator funding and annual replacement reserve deposits were excluded from the baseline derived from AFS data due to the inconsistency in reporting. Instead, HUD built into the Operating Cost Standards listed below annual Service Coordinator expenses of $110 per unit per month and a monthly deposit to the capital replacement reserve of $50 per unit per month ($600 per year per year). The table below also includes $15 per unit per month ($180 per unit per year) of PRAC funds for service expenses. The property’s Operating Cost Standard will be reduced if the owner does not provide supportive services and/or a Service Coordinator.

Table 1: PRAC Rents (Operating Cost Standards) by Metropolitan Statistical Area (MSA), net of Project-paid Utility Expenses

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<thead>
<tr>
<th>Metropolitan Statistical Area</th>
<th>PRAC Contract Rents (per unit per year)</th>
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<tr>
<td>Akron, OH PMSA</td>
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</tr>
<tr>
<td>Sumter, SC MSA</td>
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</tr>
<tr>
<td>Syracuse, NY MSA</td>
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<tr>
<td>Tacoma, WA PMSA</td>
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</tr>
<tr>
<td>Tampa-St. Petersburg-Clearwater, FL MSA</td>
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</tr>
<tr>
<td>Toledo, OH MSA</td>
<td>$7,705</td>
</tr>
<tr>
<td>Topeka, KS MSA</td>
<td>$6,439</td>
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<tr>
<td>Trenton, NJ PMSA</td>
<td>$10,665</td>
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<tr>
<td>Tucson, AZ MSA</td>
<td>$7,231</td>
</tr>
<tr>
<td>Tulsa, OK MSA</td>
<td>$6,242</td>
</tr>
<tr>
<td>Utica-Rome, NY MSA</td>
<td>$7,524</td>
</tr>
<tr>
<td>Washington, DC-MD-VA-WV PMSA</td>
<td>$8,985</td>
</tr>
<tr>
<td>Waterbury, CT PMSA</td>
<td>$9,931</td>
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<tr>
<td>Waterloo-Cedar Falls, IA MSA</td>
<td>$7,025</td>
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<tr>
<td>West Palm Beach-Boca Raton, FL MSA</td>
<td>$8,674</td>
</tr>
<tr>
<td>Wheeling, WV-OH MSA</td>
<td>$7,082</td>
</tr>
<tr>
<td>Wichita, KS MSA</td>
<td>$6,629</td>
</tr>
<tr>
<td>Wilmington-Newark, DE-MD PMSA</td>
<td>$8,176</td>
</tr>
<tr>
<td>Worcester, MA-CT PMSA</td>
<td>$9,537</td>
</tr>
<tr>
<td>Yakima, WA MSA</td>
<td>$6,263</td>
</tr>
<tr>
<td>Youngstown-Warren, OH MSA</td>
<td>$7,291</td>
</tr>
</tbody>
</table>

**Table 2: Non-MSA PRAC Rents (Operating Cost Standards), net of Project-paid Utility Expenses**
<table>
<thead>
<tr>
<th>State</th>
<th>PRAC Contract Rents (per unit per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$6,686</td>
</tr>
<tr>
<td>Alaska</td>
<td>$11,536</td>
</tr>
<tr>
<td>Arizona</td>
<td>$7,556</td>
</tr>
<tr>
<td>Arkansas</td>
<td>$6,308</td>
</tr>
<tr>
<td>California</td>
<td>$8,259</td>
</tr>
<tr>
<td>Colorado</td>
<td>$7,400</td>
</tr>
<tr>
<td>Connecticut</td>
<td>$10,309</td>
</tr>
<tr>
<td>Delaware</td>
<td>$7,905</td>
</tr>
<tr>
<td>Florida</td>
<td>$8,044</td>
</tr>
<tr>
<td>Georgia</td>
<td>$6,848</td>
</tr>
<tr>
<td>Hawaii/Guam</td>
<td>$9,317</td>
</tr>
<tr>
<td>Idaho</td>
<td>$6,934</td>
</tr>
<tr>
<td>Illinois</td>
<td>$8,023</td>
</tr>
<tr>
<td>Indiana</td>
<td>$6,681</td>
</tr>
<tr>
<td>Iowa</td>
<td>$6,282</td>
</tr>
<tr>
<td>Kansas</td>
<td>$6,335</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$6,527</td>
</tr>
<tr>
<td>Louisiana</td>
<td>$7,538</td>
</tr>
<tr>
<td>Maine</td>
<td>$7,940</td>
</tr>
<tr>
<td>Maryland</td>
<td>$7,014</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>$11,054</td>
</tr>
<tr>
<td>Michigan</td>
<td>$7,065</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$6,636</td>
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<tr>
<td>Mississippi</td>
<td>$7,209</td>
</tr>
<tr>
<td>Missouri</td>
<td>$6,132</td>
</tr>
<tr>
<td>Montana</td>
<td>$6,833</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$6,418</td>
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<tr>
<td>Nevada</td>
<td>$7,483</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>$8,810</td>
</tr>
<tr>
<td>New Jersey</td>
<td>$9,666</td>
</tr>
<tr>
<td>State</td>
<td>Cost</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------</td>
</tr>
<tr>
<td>New Mexico</td>
<td>$6,666</td>
</tr>
<tr>
<td>New York</td>
<td>$7,560</td>
</tr>
<tr>
<td>North Carolina</td>
<td>$6,192</td>
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<tr>
<td>North Dakota</td>
<td>$6,274</td>
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<tr>
<td>Ohio</td>
<td>$7,358</td>
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<tr>
<td>Oklahoma</td>
<td>$6,223</td>
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<tr>
<td>Oregon</td>
<td>$7,052</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$7,629</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>$7,779</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>$9,827</td>
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<tr>
<td>South Carolina</td>
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<td>South Dakota</td>
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<td>Tennessee</td>
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<td>Texas</td>
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<td>Vermont</td>
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<td>Virgin Islands</td>
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<td>Washington</td>
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<tr>
<td>West Virginia</td>
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</tr>
<tr>
<td>Wisconsin</td>
<td>$6,412</td>
</tr>
<tr>
<td>Wyoming</td>
<td>$7,578</td>
</tr>
</tbody>
</table>

**Appendix B: Physical Design and Livability Template.**

**Cross-References with Program Requirements Section III.E.11. Design and Cost Standards.**

Housing is a platform for health. Health can be promoted through both supportive services and through the physical living environment. In the context of housing for the elderly, enhancing the livability of the physical environment promotes housing stability and may prevent premature institutionalization in nursing homes. A well-situated, well-designed physical space at the unit and building level can help the elderly maintain independence and age in place longer. Applicants should fill out the template in the 202 NOFO Toolkit to fulfill the requirements under Rating Factor 1.
The template is available as part of the 202 NOFO Toolkit at the 202 Housing for Elderly page under https://hud.gov/grants.

A. Statutory, Regulatory and NOFO Requirements.

The following checklist includes the building design components that must be incorporated into every proposed project under this NOFO. On the building design template, affirmatively identify whether the proposed project will comply with each required component within the application's physical design submission. The checklist shall not be included within the page count. This checklist does not identify all specific elements/features and specifications that are required under Federal accessibility requirements and applicable architectural standards under Section 504, the Fair Housing Act, and the ADA.

<table>
<thead>
<tr>
<th>Building design complies with requirement</th>
<th>Feature</th>
</tr>
</thead>
</table>
| ☐ | Resident units are limited to efficiencies or one-bedroom units, except as specified below.  
  - If a resident manager is proposed for a project, up to two bedrooms could be provided for the resident manager unit.  
  - Resident units in Section 202 projects may be two-bedroom units if a portion of the units are financed by other sources, and not included in the PRAC.  
  - Resident units may be two-bedroom units provided that the square footage in excess of the one-bedroom size limits is treated as excess amenities as specified in 24 CFR 891.120.  
  - Intergenerational dwelling units shall have at least two separate bedrooms. |
| ☐ | FHA’s Minimum Property Standards as set forth in 24 CFR Part 200, subpart S |
| ☐ | Entities must comply with all Federal accessibility requirements and applicable architectural standards. Applicable Federal accessibility requirements include:  
  a. Uniform Federal Accessibility Standards (UFAS) at 24 CFR part 40.7 or HUD Alternative Accessibility Standards at 79 Fed. Reg. 29671  
  b. Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8, including the requirement to have a minimum of 5% mobility accessible units and 2% vision/hearing accessible units;  
  c. Titles II or III as applicable of the Americans with Disabilities Act and implementing regulations at 28 CFR parts 35 and 36 |
d. FOR NEW CONSTRUCTION – (Covered multifamily dwellings built for first occupancy after March 13, 1991) the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR part 100.

Restrictions on amenities - Capital Advance funds cannot cover the costs associated with atriums, bowling alleys, swimming pools, saunas, hot tubs, and similar luxury amenities. Sponsors may include such amenities in the project design, but they must pay for them from sources other than the Section 202 Capital Advance funds. They must also pay for the continuing operating costs associated with any such amenities from sources other than the Section 202 PRAC. See 24 CFR 891.120(c).

Smoke detectors - Smoke detectors and alarm devices must be installed in accordance with standards and criteria acceptable to HUD for the protection of occupants in any dwelling or facility bedroom or other primary sleeping area. See 24 CFR, 891.120(d).

Energy and Water Conservation. Unless the project will achieve one of the green standards that would justify rating points (see next section), the project must meet the following requirements:

- All buildings proposed for new construction or gut rehabilitation (total removal and replacement of a building's "guts," leaving just the exterior shell of the building) must meet or exceed the 2021 International Energy Conservation Code (IECC) for single family or low-rise multifamily properties (three stories or less) or the ASHRAE 90.1-2019 standard for mid to high-rise multifamily projects.
- All buildings involving rehabilitation must utilize Energy Star®, WaterSense® or Federal Energy Management Program (FEMP)-designated products and appliances replacements, if any such designation is available for the applicable system or appliance.

Carbon monoxide detectors (1) in units that have fuel-fired/burning appliance(s) and/or an attached garage, and (2) in bedrooms that contain a fireplace or a fuel-fired or burning appliance

Commercial facilities - Projects under this part may have on their site(s) commercial facilities for the benefit of residents of the project and of the community in which the project is located, so long as the commercial facilities are not subsidized with Section 202 Capital Advance or PRAC funds. If included, the commercial
facilities must comply with Title III of the Americans with Disabilities Act of 1990 (ADA) and thus must comply with all the accessibility requirements of the ADA. See 24 CFR 891.120(e) and the Title III ADA regulation at 28 CFR, part 36.

| ☐ | Broadband infrastructure. Any new construction or substantial rehabilitation, as substantial rehabilitation is defined by 24 CFR 5.100, of a building with more than 4 rental units and funded by a grant awarded after January 19, 2017, must include installation of broadband infrastructure, as this term is also defined in 24 CFR 5.100. Exceptions are granted for:  
• The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;  
• The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden;  
• The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible. |
| ☐ | Primary entrances to the building from parking areas, drop-off zones, or principal pedestrian routes include accessible ramps and doorways with flush thresholds or minimal beveled door transition. There must be a passenger drop-off zone and the exterior route from the building entrance to the drop-off zone must have a handrail. Secondary doors and thresholds for exterior decks, patios, etc., shall have beveled door transitions appropriate for access in a wheelchair (e.g., beveled door transitions of no greater than ½ inch). |
| ☐ | Waiting area with seating that has a clear line of sight to the exterior passenger pick-up/drop-off location |
| ☐ | Public space doorways with a minimum width of 36 inches and common area hallways with a minimum width of 60 inches to accommodate use of mobility aides and easy navigation. |
| ☐ | Spaces designed to facilitate social interaction, such as a lobby or common living room with seating. |
| ☐ | A resident services office to support staffing of resident service coordination, visiting health care professionals, or community services, which offices must ensure resident privacy and be of adequate size to accommodate the resident, a family member/support person, and the professional. |
| ☐ | Well-lit signage with large lettering with building information for easy navigation (for visitors and residents) and unique features |
(e.g., colors) for each floor or wing of the building to aid in wayfinding

- Central heating and cooling systems throughout the building (including apartments). Projects in markets where market-rate senior housing commonly excludes air conditioning may install central heating only.

- In-building or in-unit laundry facilities (not just hookups) with front loading equipment

- Within-unit doors between rooms (but not necessarily doors to utility closets or non-walk-in storage space) with a minimum width of 32 inches

- Lever door handles or other accessible hardware where hand-gripping is not required (not knobs)

- Door handles mounted no higher than 48 inches from floor

- D or U-shaped handles (not knobs) on all cabinetry

- Faucets with lever handles in bathroom and kitchen

- Anti-scald valves on fixtures

- Slip-resistant flooring in bathrooms and kitchens

- Pre-installed Section 504 or ADA compliant grab bars in the showers and next to all toilets

- Lighting in shower areas

- Emergency call system in each unit

- Area inside the entrance door to all units with a 60-inch diameter circular turning radius to permit maneuvering with a wheelchair or storage for walkers, scooters or other mobility devices.

- All bathroom sinks accommodate seated residents, with counter heights between 30 and 34 inches off the floor and either wall-hung sinks and cabinetry which is not under the sink or removable base cabinets under the sink.

- Continuous flooring under sink areas to avoid need for new flooring if cabinets need to be removed at a later date to accommodate resident mobility.

B. **Rating Factor Points**
Applicants will be scored based on the extent to which the proposed building design incorporates universal design and visitability principles, incorporates fall-prevention features, leverages electronic communications, promotes health and wellness, and enhances the building’s resource efficiency and climate resilience. See, for example, items referenced at https://www.nia.nih.gov/health/aging-place-growing-older-home.

The following is a checklist of common optional features. The applicant must complete the relevant section in the 202 NOFO Toolkit and identify each feature that the applicant is committing to incorporate into the building design, either as described below or in a substantially similar manner to achieve the same effect. Include in the list a brief comment describing how the feature will be incorporated.

Up to 22 of the 26 physical design points will be provided based on the option features selected below. Applicants must achieve a minimum number of points identified in each section. The remaining 4 points in the physical design scoring element will be based on HUD’s assessment of proposed additional impactful building features designed to extend the period residents can live independently and age-in-place as described in the written narrative.

**Fall Prevention (Minimum 2 points)**

<table>
<thead>
<tr>
<th>Points</th>
<th>Design Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>Hand railings on both sides of building hallways. Handrails should be installed 34” to 38” above stair treads or floor; low handrails should be placed at 27” maximum. Handrails should be 1 ¼” to 2” in diameter with a slip-resistant surface for a secure grip.</td>
</tr>
<tr>
<td>0.5</td>
<td>Smooth, hard, durable, slip-resistant flooring material or easy to clean short-pile carpets to reduce tripping and support residents who shuffle feet. If installing carpet, use a tight-looped version with a low profile (up to 1/2” high) and a thin pad (10-pound density) or no pad, and attach securely to the floor beneath with a direct glue-down application.</td>
</tr>
<tr>
<td>0.5</td>
<td>Shelving to place bags and packages at all locked entrances (including building entrances and unit entrances), with lighting to see the door lock.</td>
</tr>
<tr>
<td>0.5</td>
<td>Hallway light fixtures with output of at least 2700 lumens and fixtures that cast a diffuse light (reflected illumination on the wall or ceiling via a shade, not direct light).</td>
</tr>
<tr>
<td>0.5</td>
<td>Open, inviting stairs near the elevator with low-rise steps (a rise between 6 and 7 inches and a tread depth between 11 and 13 inches). The stairs are made of non-slip materials, have strong lighting, contrasting riser and tread colors, hand railings that extend 12 inches beyond the top and bottom of each run of steps, and no more than 4 feet in rise between landings that turn direction at each landing to lessen the distance of a fall.</td>
</tr>
<tr>
<td>0.5</td>
<td>Color contrast counters with the floor or grab bar colors relative to wall or tile to enhance the ability to see where the counter edge and/or grab bar begins and ends.</td>
</tr>
</tbody>
</table>
### Universal Design (Minimum 2 points)

<table>
<thead>
<tr>
<th>Points</th>
<th>Design Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Open floor plans and bedroom and living room sizes not less than 10 feet by 10 feet to permit flexibility in placement of furniture and to allow wheelchair or walker circulation.</td>
</tr>
<tr>
<td>1</td>
<td>Hallways with a clear width in excess of 42 inches.</td>
</tr>
<tr>
<td>0.5</td>
<td>Awning windows with easy-use crank hardware.</td>
</tr>
<tr>
<td>0.5</td>
<td>Rocker-pad light switches with internal locator lights.</td>
</tr>
<tr>
<td>0.5</td>
<td>Peephole at sitting level: Peepholes in the doors of individual units installed at about 43” to accommodate seated residents.</td>
</tr>
<tr>
<td>1</td>
<td>Power operated doors, driven by either an easy-push button or by a motion proximity sensor.</td>
</tr>
<tr>
<td>0.5</td>
<td>Materials for ceilings and other hard surfaces that dampen background noise (like synthetic tiles, melamine foams, fiberglass, wood, and plastic).</td>
</tr>
<tr>
<td>1</td>
<td>If there are floors without at-grade entrances, more than one elevator of at least 24” x 84” (to accommodate a stretcher) to ensure back up during repairs.</td>
</tr>
<tr>
<td>0.5</td>
<td>Task lighting (providing for increased light for specific tasks in a room that may already have some ambient light) on counter areas in the kitchen and bathrooms.</td>
</tr>
<tr>
<td>0.5 for at least 50% of PRAC units; 1 for 100% of PRAC units.</td>
<td>Section 504 specified turning and access-to-fixtures requirements in baths and kitchens.</td>
</tr>
<tr>
<td>0.5 for at least 50% of PRAC units; 1 for 100% of PRAC units.</td>
<td>Showers in apartments (no tubs) with curbless entry, sloped to minimize splash outside the shower, and no smaller than 36” x 60” to accommodate resident plus caregiver or mobility device.</td>
</tr>
<tr>
<td>0.5 for 100% of PRAC units.</td>
<td>Hand-held shower wand (with controls) with hook that can be reached from seated position.</td>
</tr>
<tr>
<td>0.5 for 100% of PRAC units.</td>
<td>Comfort height toilet (approximately 18 inches high) in baths.</td>
</tr>
<tr>
<td>0.5 for at least 50% of PRAC units; 1 for 100% of PRAC units.</td>
<td>Separate cook top and wall oven with front-facing controls, in kitchens, with wall ovens located at counter height adjacent to 18 linear inches of counter space with side-mounted hinges on the wall oven opening on the side which does not obstruct easy transfer from oven to counter.</td>
</tr>
<tr>
<td>Points</td>
<td>Design Feature</td>
</tr>
<tr>
<td>--------</td>
<td>----------------</td>
</tr>
<tr>
<td>0.5 for 100% of PRAC units.</td>
<td>Electric stoves in kitchens for easy and flexible decommissioning for residents with dementia.</td>
</tr>
<tr>
<td>0.5 for 100% of PRAC units.</td>
<td>Side by side refrigerator/freezer or freezer on the bottom in kitchens.</td>
</tr>
<tr>
<td>0.5 for at least 50% of PRAC units; 1 for 100% of PRAC units.</td>
<td>Cabinets in kitchens designed for easy reach, which can include any of the following: cabinets next to (rather than over) counters, over-counter cabinet mounts beginning approximately 13 inches above the countertop, under-counter cabinets having sliding shelves, and corner cabinets having a “lazy Susan”</td>
</tr>
<tr>
<td>0.5 for at least 50% of PRAC units; 1 for 100% of PRAC units.</td>
<td>In kitchens, removable base cabinets under the kitchen sink, cook top and a portion of the workspaces in order to accommodate seated residents.</td>
</tr>
</tbody>
</table>

### Technology (Minimum 1 point)

<table>
<thead>
<tr>
<th>Points</th>
<th>Design Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>Wireless door locks with fob.</td>
</tr>
<tr>
<td>1</td>
<td>Provide residents free open access to building Wi-Fi and internet in their apartments. Note: Monthly service charges are not an eligible PRAC expense.</td>
</tr>
<tr>
<td>0.5</td>
<td>Wireless door chime with flashing strobe light in all units.</td>
</tr>
<tr>
<td>0.5</td>
<td>Building is constructed to provide adequate space for wiring of MDF/IDF cable racks on each floor to accommodate current and future router needs for staff, service providers, and residents. Building also has sufficient routers to provide seamless connection from common spaces to apartments for assistive technology and for staff use of remote technology to manage tenant records, work orders, etc. when in an apartment.</td>
</tr>
<tr>
<td>0.5</td>
<td>Video intercom system at main entry which connects to in-unit features so that seniors can easily visually identify visitors when allowing them access to the building. The system should have large push button controls for ease of use by seniors, particularly seniors with arthritis or other challenges that make it hard to use a touchscreen.</td>
</tr>
<tr>
<td>0.5</td>
<td>In-unit control of unit temperature, through simple to understand HVAC controls with large screens for easy reading.</td>
</tr>
<tr>
<td>0.5</td>
<td>Upgraded emergency call system to allow 2-way communication</td>
</tr>
</tbody>
</table>

### Health and Wellness (Minimum 2 points)

<table>
<thead>
<tr>
<th>Points</th>
<th>Design Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Resident services office(s) to support staffing of resident service coordination, visiting health care professionals, or community services beyond the minimum required, with the ability for each provider to lock supplies, personally</td>
</tr>
</tbody>
</table>
identifiable information about residents, and other materials necessary for the provider to offer robust and confidential resident services on-site, and with a hand-wash sink.

0.5 Fitness room and/or wellness room.

1 Building provides easy access from building entries to prominent off-site features (e.g., bus stops). Easy access routes do not require shortcuts through landscaping, or walking through alleys, and parking lots. Passenger loading zone does not qualify as parking lots. (Applicants must provide sufficient detail through narrative or reference to schematics to justify a rating factor point)

0.5 Dedicated gardening areas for resident use with elevated garden plots.

0.5 Well-lit, landscaped grounds with accessible, paved walking trails that encourage walking and other outdoor physical activity and with shaded exterior social spaces. (Applicants must provide sufficient detail through narrative or reference to schematics to justify points)

1 Multi-purpose community room (in addition to the required lobby or common room) of no less than 250 square feet and no less than 5 square feet per unit (which, in larger buildings, could be multiple rooms) with stackable furniture, storage, good lighting and acoustics, and fully or partially transparent walls so activities are visible to encourage participation.

0.5 Periodic seating alcoves or built-in seating nodes along (but not blocking) circulation routes for resting and socializing.

0.5 Strobe light smoke and carbon monoxide detectors in all units.

### Resource Efficiency and Climate Resilience

<table>
<thead>
<tr>
<th>Points</th>
<th>Design Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-4</td>
<td>In lieu of meeting baseline energy and water conservation requirements, a project will receive 2 or 4 points if it will meet the following standards for new construction or rehabilitation:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Points</th>
<th>New Construction and Substantial Rehab</th>
<th>Retrofit/Rehab</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Gut rehab involves total removal and replacement of a building's &quot;guts,&quot; leaving just the exterior shell of the building)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Net Zero Ready</td>
<td>Green Standard</td>
</tr>
<tr>
<td>(Includes any rehab less than gut rehab)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>4</th>
<th><strong>Net Zero</strong></th>
<th><strong>High Level Green Standard</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• DOE Zero Energy Ready Home (includes EPA Indoor airPLUS)</td>
<td>• National Green Building Standard 2020 Existing: Silver</td>
<td>• National Green Building Standard 2020: Silver + net zero energy badge</td>
</tr>
<tr>
<td>• Enterprise Green Communities Plus</td>
<td>• LEED v4.1 Building Design + Construction Multifamily</td>
<td>• LEED v4.1 Building Design + Construction Multifamily: Silver, Gold, or Platinum</td>
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<tr>
<td>• Passive House (PHIUS+) CORE</td>
<td>• Enterprise Green Communities</td>
<td>• Enterprise Green Communities Plus</td>
</tr>
<tr>
<td>• International Living Future Institute CORE</td>
<td>• Green Globes Existing Buildings Multifamily Performance Plus</td>
<td>• EarthCraft Multifamily Renovation Gold or Platinum</td>
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</tbody>
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1. **Back-up generator to cover critical loads during power outage:** elevator access, air temperature control, and refrigeration (for medications) and wiring to ensure critical features (such as refrigerators) can be connected to the generator without extension cords. Back-up power source should be sized to provide power to critical loads for at least five days.

1. **Design building to rely only on electricity (no gas).**
| 0.5 to 1 | Incorporate building design features to enhance the building’s climate resilience. Strategies will be assessed based on:
  a. Whether they address the highest Hazard Type Risk Ratings in the property’s NRI report

AND either:
  b. Whether the design feature maintains life-critical systems (food, water, electricity, etc.); or
  c. Whether the design feature supports safe shelter-in-place and/or full-building functional recovery

Each feature that meets criteria a) and either b) or c) above will be worth 0.5 point, for up to 1 total point across climate resilient design features. Explain how your strategies meet these criteria in Tab K.

Potential strategies include (but are not limited to):
- community rooms designed for safe and healthy shelter-in-place
- floodproofing
- fire resistant building designs
- landscaped berms for hurricanes
- **FORTIFIED** certification
- tornado shelters