



**U.S. Department of Housing and Urban Development**

Housing

FY 2018 Section 202 Supportive Housing for the Elderly Program

FR-6200-N-52

Application Due Date: 08/28/2019

FY 2018 Section 202 Supportive Housing for the Elderly Program  
FR-6200-N-52

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## U.S. Department of Housing and Urban Development

<b>Program Office:</b>	Housing
<b>Funding Opportunity Title:</b>	FY 2018 Section 202 Supportive Housing for the Elderly Program
<b>Announcement Type:</b>	Initial
<b>Funding Opportunity Number:</b>	FR-6200-N-52
<b>Primary CFDA Number:</b>	14.157
<b>Due Date for Applications:</b>	<b>08/28/2019</b>

### Overview

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.

**For Further Information Regarding this NOFA:** Please direct questions regarding the specific program requirements of this Program Notice of Funding Availability (NOFA) to the office contact identified in Section VII.

OMB Approval Number(s): 2501-0017

## I. Funding Opportunity Description.

### A. Program Description.

#### 1. Purpose

The Section 202 Supportive Housing for the Elderly program provides Capital Advance funding for the development and operation 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 very-low-income 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.

Capital Advance funds must be used to finance construction, reconstruction, moderate or substantial rehabilitation, or acquisition of a structure with or without rehabilitation. (See Section II.C. for additional information). Section 202 program funds cannot be used to construct or operate assisted living facilities. Capital Advance funds bear no interest and repayment is not required when the housing remains available for occupancy by very-low-income elderly persons for at least 40 years.

PRACs are used to cover the difference between the tenants' contributions toward rent and the HUD-approved cost to operate the project. PRAC funds may also be used to provide supportive services and to hire a service coordinator.

The Department of Housing and Urban Development ("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. HUD seeks to fund properties that will be at the forefront of design, service delivery and efficient use of federal resources that will provide models for replication by other providers of supportive housing for very-low-income elderly persons. To meet this outcome, HUD expects successful applicants to demonstrate best practices or innovation in both physical design and supportive services. Proposals must promote the long-term physical and mental health and wellness of very-low-income elderly persons and the efficient delivery of government assistance. Finally, HUD aims to provide Capital Advance funding to those applicants who leverage Capital Advance funds with other financing sources to meet the goal of building supportive housing for very-low-income elderly persons and to demonstrate ways to maximize the number of units created per dollar of HUD funding. For more information about specific Review Criteria see Section V.A.

## **2. Changes from Previous NOFA.**

Funding for this program was last provided in 2010. Since that time there have been major changes to the program delivery systems in several areas including emphasis on the following:

- Physical design standards that will facilitate aging in place; and
- Mixed-finance development that leverages Capital Advance funding with other sources.

Please be sure to carefully review updated program requirements and regulations referred to in this NOFA. In addition, HUD encourages applicants to demonstrate best practices and innovation in physical design and supportive services based on the evolution in private sector service delivery since the program was last funded.

## **3. Definitions.**

### **a. Standard Definitions**

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. Award, as used in this NOFA means a federal, grant, cooperative agreement, loan, or loan guarantee.

Catalog of Federal Domestic Assistance (CFDA) is a directory of the various Federal listings, projects, services and activities offering financial and non-financial assistance and benefits to the American public. CFDA Number is the unique number assigned to each program, project, service or activity listed in the Catalog of Federal Domestic Assistance (CFDA).

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 more information about the Consolidated Plan and related Annual Action Plan).

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in

this NOFA does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward (See 2 CFR 200.22.)

Contractor means an entity receiving a contract.

Deficiency is information missing or omitted within a submitted application. Deficiencies typically involve missing documents, information on a form, or some other type of unsatisfied information requirement (e.g., an unsigned form, unchecked box, etc.). Depending on specific criteria, deficiencies may be either curable or non-curable.

- Curable Deficiency – Applicants may correct a curable deficiency 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 able to be remedied within the time frame specified in the notice of deficiency.

- Non-Curable Deficiency – An applicant cannot correct a non-curable deficiency after the submission deadline.

Non-curable deficiencies are deficiencies 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 identification number assigned to a business or organization by Dun & Bradstreet and provides a means of identifying business entities on a location-specific basis. Requests for a DUNS number can be made by visiting the Online DUNS Request Portal. Eligibility requirements are mandatory requirements for an application to be eligible for funding. Deficiencies in meeting an eligibility requirement may be categorized as either curable or non-curable.

Federal Awardee Performance and Integrity Information System (FAPIS) is a database that has been established to track contractor misconduct and performance.

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 in Grants.gov is required for submission of applications to prospective agencies.

NOTE: Passwords expire every 60 days. Accounts inactive for 1 year or more result in removal of all account roles. For more account management information, review the [Applicant FAQs](#) contained on the grants.gov web page.

Non-Federal Entity means a state, local government, Indian tribe, institution of higher education (IHE), or non-profit organization carrying 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 point of contact is listed in item 8F on the SF424.

Promise Zones are federally-designated, high-poverty urban, rural and tribal communities where the Federal government will partner with and invest in communities to accomplish these goals: create jobs, leverage private investment, increase economic activity, expand educational

opportunities, and reduce violent crime.

Promotores/Promotoras are Spanish-speaking Community Health Workers who work in their communities to reduce barriers to health services and make health care systems more responsive.

Recipient means a non-Federal entity receiving an award directly from HUD to carry out an activity under a HUD program.

Section 3 Business Concern means a business concern (1) 51 percent or more owned by Section 3 residents; or (2) of which at least 30 percent of permanent, full-time employees are currently Section 3 residents, or were Section 3 residents within three years of the date of first employment with the business concern; or (3) provides evidence of a commitment to subcontract over 25 percent of the dollar award of all subcontracts to be awarded to business concerns meeting the qualifications in this definition.

Section 3 Residents means: 1) Public housing residents; or 2) Low and very-low income persons, as defined in 24 CFR 135.5, who live in the metropolitan area or non-metropolitan county where Section 3 covered assistance is expended.

Standard Form 424 (SF424) Application for Federal Assistance Programs, required by discretionary grant programs.

Subaward means an award provided by a recipient to a subrecipient for the subrecipient to carry out part of a Federal award received by the recipient. It does not include payments to a contractor or payments to an individual's beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the recipient considers a contract.

Subrecipient means a non-Federal entity receiving a subaward from a recipient to carry out part of a HUD program; but does not include an individual's beneficiary of such program.

A subrecipient may also receive other Federal awards directly from a Federal awarding agency (including HUD).

System for Award Management (SAM), is an official website of the U.S. government. You can access the website at [Sam.gov](http://Sam.gov) There is no cost to use SAM. SAM is the official U.S.

Government system that consolidated the capabilities of Central Contractor Registry (CCR), Excluded Parties List System (EPLS) and the Online Representations and Certifications Application (ORCA). Registration with [Sam.gov](http://Sam.gov) is required for submission of applications via [Grants.gov](http://Grants.gov).

Threshold Requirement – Threshold requirements are a type of eligibility requirement.

Threshold requirements must be met for an application to be reviewed. Threshold requirements are not curable, except for documentation of applicant eligibility. Threshold requirements are listed in Section III.C. of this NOFA.

Applicants must ensure their application package addresses threshold requirements. Please check your application carefully!

#### **4. Program Definitions**

For purposes of the Section 202 Supportive Housing for the Elderly Program, the following definitions apply provided that 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 C.F.R. part 891.

- **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. The amount of the Capital Advance funds for each award may not exceed the total development cost of the project (as determined by HUD), less the incremental development cost associated with excess amenities and design features to be paid for by other source(s).
- **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 initial occupancy.
- **Very-Low-Income** is a maximum of 50% of the median income for the county or metropolitan area in which one lives, subject to adjustments as defined more precisely at 24 CFR part 891.
- **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.
- **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. To access the initial Operating Cost Standards, [Click here](#) and then click on page for FY2018 Section 202 Supportive Housing for the Elderly Program for Operating Costs.
- **Sponsor** means any eligible applicant that has been made an award of funds under this NOFA. Sponsor refers to either a Sponsor or a Co-Sponsor. The Sponsor must be approved by the Secretary as to the administrative and financial capacity and responsibility to receive an award under this NOFA. 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.

## 5. Web Resources

The resources indicated provide details for the application process

- [Affirmatively Furthering Fair Housing](#)
- [Code of Conduct list](#)
- [Do Not Pay](#)
- [Dun & Bradstreet](#)
- [Request a DUNS Number](#)
- [Equal Participation of Faith-Based Organizations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [Federal Subaward Reporting System\) FSRS](#)
- [Grants.gov](#)

- [Grants.gov support](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [HUD Funds available](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [NOFA webcasts](#)
- [Procurement of recovered materials](#)
- [Promise Zones](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)
- [Real Property Acquisition and Relocation](#)
- [USASpending](#)

## **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 NOFA is authorized pursuant to the Consolidated Appropriations Act, 2017 (Public Law 115-31, enacted May 5, 2017) and the Consolidated Appropriations Act, 2018 (Public Law 115-141, enacted March 23, 2018).

## **II. Award Information.**

### **A. Available Funds**

Funding of up to **\$50,000,000** is available through this NOFA.

Additional funds may become available for award under this NOFA as a result of HUD's efforts to recapture unused funds, use carryover funds, or because of the availability of additional appropriated funds. Use of these funds is subject to statutory constraints. All awards are subject to the applicable funding restrictions contained in this NOFA.

Funding for this NOFA is provided through the Consolidated Appropriations Act, 2017 (Public Law 115-31, enacted May 5, 2017) and the Consolidated Appropriations Act, 2018 (Public Law 115-141, enacted March 23, 2018). HUD plans to release two NOFAs to competitively award two sets of Capital Advance and PRAC funds. HUD has the budget authority to award up to a total of \$110,000,000, utilizing Capital Advance and PRAC funds. Up to \$50,000,000 is available in this NOFA and the remaining funds will be available in a second NOFA which

HUD expects to publish in calendar year 2020.

**B. Number of Awards.**

HUD expects to make approximately 30 awards from the funds available under this NOFA. The precise number of awards will depend on the nature of the applications reviewed.

**C. Minimum/Maximum Award Information**

**Maximum Capital Advance Award Amount:** Total Development Cost Limit for Project Type and Size

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

In addition to the above capital advance amounts, HUD will award one-year PRACs under this NOFA according to the current Operating Cost Standards (to access, [click here](#) then click on FY 2018 Section 202 Supportive Housing for the Elderly Program). PRAC funds will cover the difference between the HUD approved operating costs of the project and the tenants’ contributions toward rent (30 percent of their adjusted monthly income). HUD anticipates that at the end of the contract terms renewals will be approved subject to the availability of appropriated funds.

**Capital Advance Funds.** Applicants will include the requested Capital Advance funds in the Budget (Section III.E.3.). The amount of the Capital Advance funds requested may not exceed the Total Development Cost as published by HUD at this [location](#). The development cost limit is determined by identifying the appropriate building type (elevator, non-elevator) and unit size(s) in the development proposal.

**NOTE:** Except for the Capital Advance Use Agreement, HUD will permit the subordination of Capital Advance recorded documents to other financing liens on a case-by-case basis for good cause to facilitate a mixed-finance transaction. More details about mixed-finance development in the Section 202 program can be found at 24 CFR part 891, sub-part F, entitled “For-Profit Limited Partnerships and Mixed-Finance Development for Supportive Housing for the Elderly or Persons with Disabilities.”

**PRAC Funds.** Applicants must provide the number of units for which they are requesting assistance by a PRAC in the Project Development Plan (Section III.E.2.). HUD will reserve funding for the first year of the term of the PRAC, equivalent to 75% of the Operating Cost Standard for units covered by the PRAC.

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:	\$50,000,000
Minimum Award Amount:	\$50,000 Per Project Period
Maximum Award Amount:	\$5,000,000 Per Project Period

**D. Period of Performance**

HUD considers the funds obligated for purposes of program requirements upon the applicant’s acceptance of the Agreement Letter, which stipulates the terms and conditions of the Section

202 fund reservation award and submission requirements following the award. Immediately upon an applicant’s acceptance of the Agreement Letter, the applicant is expected to begin working towards the submission of a Firm Commitment Application, which is the next application submission stage and is due 180 days after acceptance of the Agreement Letter.

All Agreement Letters will incorporate the recipient's responsibilities under Section III.E.7. and will stipulate that a Section 202 Fund Reservation award constitutes preliminary approval of an application; that a Section 202 Fund Reservation award does not constitute an approval of the site, which may occur only upon completion of HUD's environmental review; and 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.

Initial closing of the Capital Advance and start of construction of the project are expected to be accomplished within 6-18 months after the obligation of funds. HUD expects Sponsors to have commitments for all funds and required permits no later than 12 months following the acceptance of the Agreement Letter and to begin construction (if applicable) within 18 months of the Agreement Letter. Except in limited situations with HUD approval, HUD will revoke awards where the Sponsor does not meet the deadlines set forth in this paragraph (or earlier deadlines if the Sponsor has committed to such deadlines in order to score points) or does not sufficiently progress towards closing.

HUD reserves the right to de-obligate funds and award funds to the next highest scoring applicant when HUD reasonably believes the funds are at risk of not being expended within the applicable deadlines. HUD reserves the right to make, but does not anticipate making, amendments to address gaps in financing. In planning their developments, applicants should assume the Capital Advance amount awarded is the total of Capital Advance funds available for a specific project. The Project Start Date is the estimated date of the Capital Advance award commitment 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.

Estimated Project Start Date:	01/22/2021
Estimated Project End Date:	05/21/2024
Length of Project Periods:	Other
Length of Project Periods Explanation of Other:	The project period consists of the time from award to construction completion, with an additional 12-months of operations under a PRAC.

**E. Type of Funding Instrument.**

Funding Instrument Type: Grant  
Capital Advance Note and Project Rental Assistance Contract.

## **F. Supplementation.**

If selected, an awardee will receive a fund reservation for the approved Capital Advance funds. HUD will also use funds under this NOFA to reserve funds to support the PRAC subsidy. HUD will initially reserve one year of funding for the PRAC and fund subsequent PRAC renewals from the Housing for the Elderly renewal account, subject to the availability of appropriations for such purpose.

The Agreement Letter obligates the funds and stipulates the terms and conditions for the Section 202 fund reservation award as well as the programmatic requirements following the fund reservation award.

## **III. Eligibility Information.**

### **A. Eligible Applicants.**

Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education  
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. Neither a public body or tribe nor an instrumentality or agency of a public body or tribe is eligible to participate in the program. Non-profit entities associated with public bodies or tribes must establish their eligibility by providing an attorney's opinion stating that under state or tribal law the associated entity is not an instrumentality or agency of the public body confirming that such entity 1) meets the definition of "private non-profit organization" under 24 CFR part 891; 2) has Articles of Incorporation which provide no more than minority control by the public body or tribe; and 3) is not receiving a majority of its operational funding from the public body or tribe.

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) 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 one or more private non-profit organizations hold all general partner interests, a corporation wholly owned and controlled by one or more private non-profit organization(s) as the sole general partner, or a limited liability company wholly owned and controlled by one or more private non-profit organizations.

## **B. Cost Sharing**

This Program requires cost sharing, matching or leveraging as described below.

**Owner Deposit (Minimum Capital Investment):** In accordance with 24 CFR part 891.145, the Owner must deposit in a special escrow account one-half of one percent (0.5%) of the HUD approved capital advance, not to exceed \$10,000, to ensure the Owner's commitment to the housing. 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, not to exceed \$25,000.

**Leverage:** 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. See Section V.A.

**Owner Deposit for Operating Deficit:** The Owner will need to deposit an amount not to exceed \$25,000 in an escrow account to assure the owner's commitment to the housing. Such amount shall be used only to cover operating deficits during the first 3 years of operations and shall not be used to cover construction shortfalls or inadequate initial rental assistance amounts. HUD will waive the owner deposit a) in the case of a non-profit applicant that is not affiliated with a national sponsor or b) for individual applicants where HUD finds that such waiver is necessary to achieve the purpose of the Capital Advance grant and the applicant demonstrates to HUD that it has the capacity to manage and maintain the housing. Any funds remaining at the end of the 3 years may be returned to the Owner.

## **C. Threshold 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. Timely Submission of Applications** – Applications submitted after the deadline stated within this NOFA 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 also Section IV Application and Submission Information, part D. Application Submission Dates and Times

**2. Complete Application.** HUD reserves the right to determine whether an application is substantially deficient and non-responsive to the NOFA application requirements. Refer to Section IV.B., Content and Form of Application Submission, for information on the required documentation for submission with the application to ensure that your application is complete at time of submission. HUD will not accept paper copies of the application.

Applicants must document their status as a private non-profit organization. Applicants and any other organization(s) that are co-sponsoring the application must submit the following:

- (a) Articles of Incorporation, Constitution, or other organizational documents;
- (b) By-laws; and
- (c) IRS tax exemption ruling (including churches).

HUD will review the applicant's 501(c)(3) or 501(c)(4) Articles of Incorporation, Constitution,

By-Laws, or other organizational documents to determine, among other things, that (i) the applicant is an eligible private non-profit entity and not a public body or an instrumentality of a public body, (ii) the applicant's corporate purposes are sufficiently broad to provide the legal authority to sponsor the proposed project for the elderly and to apply for Capital Advance funds and PRAC funds, (iii) language is included in the documents stating that no part of the net earnings inures to the benefit of any private party, and (iv) that the applicant is not controlled by, or under the direction of, persons seeking to derive profit or gain therefrom.

Mixed-finance owners are also eligible applicants for mixed-finance developments. In this case, applicants must provide evidence of their structure as a single-asset, for-profit limited partnership of which one or more private non-profit organizations hold all general partner interests. See 24 C.F.R. 891.805 for more information on HUD's definition of a mixed-finance owner and for-profit limited partnership.

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

### 3. Need.

HUD will assess the unmet housing needs in the proposed development area relative to the number of proposed assisted units. Applicants must provide HUD 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.

The number of income eligible households with severe housing needs can be found [here](#) and accessing the 2016 ACS 5-Year Census data for your jurisdiction and selecting the following inputs:

(a) 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;

(b) Select Tenure: Renters

(c) Select Age of Householder: 62+

(d) 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)

(e) Sum the total number of 1-person households starting with the income range in which 50 percent of AMI for 1-person households, which can be identified [here](#), falls and then adding the number of 1-person households from all lower income ranges.

Applicants with an absorption ratio over 50% for the elderly population aged 62 years old or older will not meet the threshold requirement for need. Applicants must provide a PDF of the second table (With Conditions) and their calculations of the absorption ratio.

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

## **D. 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 ([click here](#)).

Resolution of Civil Rights Matters

Outstanding Delinquent Federal Debts

Debarments and/or Suspensions

Pre-selection Review of Performance

Sufficiency of Financial Management System

False Statements

Mandatory Disclosure Requirement

Prohibition Against Lobbying Activities

Equal Participation of Faith-Based Organizations in HUD Programs and Activities

## **E. Program Specific Requirements.**

### **1. Program Activities.**

As noted below, certain program specific requirements require submission of documents to demonstrate compliance. 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 (i.e. the applicant may not consolidate its responses and/or the applicant may not use the latest deficiency notification to determine the date its response to any deficiency notifications previously received).

Section 202 Capital Advance funds must be used to finance the development of housing through new construction, reconstruction, moderate or substantial rehabilitation, or acquisition with or without rehabilitation. In accordance with 24 CFR part 891.800, Capital Advance funds may be used in combination with other non-Section 202 funding sources and may or may not include additional unassisted housing units over and above the Section 202 units. In a mixed-finance transaction, only the units developed with Capital Advance funds will receive project rental assistance. The development of a mixed-use project in which the Section 202 units are mortgaged separately from the other uses of the structure is not considered a mixed-finance project. A mixed-use project is defined as a property in which a portion is used for commercial or retail purposes and the other portion is used for residential purposes. A property can also be considered mixed-use if different combinations of uses are present such as commercial/industrial or residential/industrial. For example, a multi-unit dwelling with the front unit used as a commercial store and the back units used as residential dwellings is a mixed-use project. A commercial facility for the benefit of the residents may be located and operated in a Section 202 project subject to the design and cost standards requirement set forth below in Section III.E.11.

**2. Project Development Plan.** HUD will assess the quality of the project development plan. The Application must include:

(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), a description of common area or office space(s), and a description of any commercial space at the site. The PRAC units, which will be developed with Capital Advance funds, must be one-bedroom or efficiency units. Two-bedroom units are acceptable only under the condition that the square footage of the two-bedroom unit that is in excess of the square footage of the one-bedroom unit is treated as an amenity and will only be allowed when there is additional funds provided by non-eligible sources that are subsidizing those amenities.

(b) A statement on whether the project plans could be modified in the event that due to awards to higher scoring applicants, HUD is unable to provide the full amount of the requested award for Capital Advance and PRAC funding. It is possible that HUD would be able to make an additional award if the applicant's requested number of PRAC units or Capital Advance 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 after considering all awarded applications.

(c) 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 or rehabilitation within 18 months of the fund reservation (although faster schedules are preferred and HUD may elect to extend this time frame on a project-by-project basis, as justified, after award of funds); and the full completion of the project, including final closing.

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

### **3. Development Budget.**

The applicant must provide a detailed budget identifying sources and uses which indicates the committed or proposed resources that are necessary to cover the cost of the project (including any required off-site infrastructure costs, environmental clean-up or remediation costs consistent with the environmental review documents, and any commercial space proposed). The budget must be based upon a construction cost estimate performed by a professional estimator or in the case of rehabilitation, a Capital Needs Assessment ("CNA") as described in Section III.E.8. The budget must identify the requested Capital Advance funds within the acceptable range described in Section II.C. The sources and uses must also correspond to the answers to Rating Factor 3 in Section V. Application Review Information. The budget must identify the cost of any amenities that are not eligible for funding under the Capital Advance. All sources must equal the projected uses.

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

### **4. Operating Pro Forma.**

The applicant must present a cash flow pro forma demonstrating the ability of the property to cover all expenses for 20 years. The applicant must state any assumptions regarding trending of revenue and expenses. Revenue for PRAC units must be consistent with Operating Cost Standards. ([Click Here](#)) and then click on the page for FY 2018 Section 202 Supportive Housing for the Elderly Program)

## **5 .Site Control.**

Applicants must demonstrate control of the site for which they are applying for Capital Advance funds. Applicants can provide evidence off-site control by 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. 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 ten 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 NOFA 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.

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

#### **6. Statement of Encumbrances.**

Applicants must provide a statement of encumbrances and a narrative description of how any encumbrances will not impede the use of the proposed project. HUD will reject an application if it determines that any encumbrance will adversely affect the use of the site for the 40-year Capital Advance period.

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

#### **7. Environmental Review**

HUD must complete an Environmental Review under Part 50 following the guidance set forth in the Multifamily Accelerated Processing ("MAP") Guide for every application selected for funding prior to Firm Commitment. At the application processing review stage, 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 environmental documentation as discussed in this section. Additional information about the environmental requirements for Section 202 NOFA applications can be found on the Office of Housing Environmental Review Resources located [here](#).

##### **(a) Submission of Environmental Reports**

(i) Each applicant is highly encouraged to submit their Environmental Reports to the HUD electronic system known as HUD Environmental Review Online System ("HEROS"). You can access the HUD Section 202 Environmental website [herein](#) and access the HEROS tab on HUD's Environmental Review Training page for training resources on the use of HEROS. Applicants may register for the HEROS system using the HEROS Access form. Please allow up to 4 weeks for your access to be processed. Applicants that do not utilize HEROS must submit the applicable reports with the Application as described in Section B. below. HEROS and the worksheets linked below are designed for lay people, but applicants may choose to hire professional third parties to gather the environmental information.

(ii) At the application review stage, HUD will only perform a preliminary environmental screen in order to assess whether there are major adverse environmental conditions. Subsequent to the award, HUD will complete its environmental review only for those applicants receiving

such awards. HUD will require the applicant to input the information into HEROS in order to complete its environmental review.

(iii) The purpose of the preliminary environmental screen will be to determine if there are major adverse environmental conditions that cannot reasonably be mitigated. HUD will reject applications with major adverse environmental conditions that cannot reasonably be mitigated. 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; 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. HUD's preliminary environmental screen at the application processing stage does not constitute HUD's environmental approval of the project site.

(iv) HUD will complete its environmental review for Applications Selected for Funding prior to issuance of the Firm Commitment. As part of this process, HUD will determine the correct level of environmental review (for example, categorically excluded or environmental assessment) and may request additional information in order to complete its review. When HUD continues its environmental review, it may find the site environmentally unacceptable, in which case the fund reservation may be cancelled. Therefore, it is extremely important that applicants evaluate the site prior to Application submission to ensure that it meets HUD's environmental requirements.

(v) Compliance with Environmental Assurance. As HUD only performs a preliminary environmental screen at the application processing stage, site approval will not occur until HUD completes its environmental review and finds the site environmentally acceptable. Therefore, 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:

(a) Supply HUD with all available and relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR, part 50;

(b) Carry out mitigating measures required by HUD or select alternate eligible property, and

(c) 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 property is received. Applicants may continue to perform obligations to sustain an existing leasehold or option to lease agreement.

(vi) Environmentally Unacceptable Sites. All Agreement Letters will incorporate the recipient's responsibilities under paragraph 7(a)(v) and will stipulate that a Section 202 Fund Reservation award constitutes preliminary approval of an application; that a Section 202 Fund Reservation award does not constitute an approval of the site, which may occur only upon completion of HUD's environmental review; and 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 that the site is unacceptable, the Section 202 Fund Reservation award will be terminated.

(b) Environmental Review Partner Worksheets.

As described above, applicants are encouraged to use HEROS to submit their environmental documents using the instructions found at this [location](#). Applicants that choose not to use HEROS at the time of Application must submit the following partner worksheets, including associated maps and documentation, at the time the Application is submitted. If the Application is selected for funding, HUD will require the applicant to input the information into HEROS. Please note that if an Application is selected for funding, HUD will require information about additional laws and authorities.

Airport Hazards - Partner Worksheet

Coastal Barrier Resources Act - Partner Worksheet

Endangered Species Act - Partner Worksheet

Explosives - Partner Worksheet

Flood Insurance - Partner Worksheet

Floodplain Management - Partner Worksheet

Historic Preservation - Partner Worksheet

Noise:

Noise (CEST) - Partner Worksheet (For existing projects)

Noise (EA) - Partner Worksheet (For new construction)

Sole Source Aquifers - Partner Worksheet (DOCX)

Contamination and Toxic Substances (Multifamily) - Partner Worksheet (DOCX)

Wetlands - Partner Worksheet (DOCX)

Housing Requirements - Partner Worksheet (DOCX)

Each partner worksheet includes a link for information about where to find requested maps and documentation and the HUD exchange has information to assist as well. Please refer to this [site](#).

(c) Phase I Environmental Site Assessments

(i) Applicants must submit a Phase I ESA report, and a Phase II and/or Phase III report (see below), as applicable at the time the application is submitted.

(a) All inspections and reports must have been conducted and prepared by an Environmental Professional ("EP") in accordance with ASTM Standard E 1527-13.

(b) The EP preparing the Phase I and any subsequent Phase II and/or Phase III report must meet all qualification requirements as stated in the appropriate ASTM standard-13 and must provide supporting documentation to this effect in the PHASE I report, Phase II report and/or Phase III report, as applicable.

(c) The Phase I ESA report shall also include the findings of a "Tier 1 Vapor Encroachment" screen pursuant to ASTM E 2600-15.

(d) 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 are spelled out in Section 9.3 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 MAP Guide requirements.

(ii) 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.

(a) The Findings, Opinions and Conclusions sections of the Phase I ESA must be based upon ASTM 1527-13.

(b) The Findings section shall list and discuss all Recognized Environmental Conditions ("REC"), suspect REC, historical REC and/or de minimis conditions (with all such terms as described in ASTM E 1527-13), as well as 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. The Conclusions section shall list all RECs and VECs. You 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 EPA conclusions and the Phase II was not conducted nor the Phase III clean-up plan submitted, your application will be technically rejected.

(c) If there are RECs or VECs identified and you choose to continue with that site for the project being proposed, you must undertake a detailed Phase II ESA by an EP. 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.

(iii) If the Phase II ESA determines that a Phase III-Clean-Up Plan is needed then a report is required to be submitted following the requirements of Section 9.3 of the MAP Guide. If a Phase III is prepared, 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 can be completed prior to final closing or initial occupancy, whichever comes first. These clean-up costs must be reflected in the budget (Section III.E.3). Any remedial/clean-up actions required under the Phase III report will not have to be undertaken unless the application receives a Grant Award.

(a) A clean-up plan is required if the Phase II determines that hazardous waste, petroleum products, and/or VECs exist on the site and/or hazardous waste, petroleum products and/or VECs have migrated onto the site or are likely to do so in the foreseeable future.

(b) The clean-up plan must be prepared by an EP and all remedial actions must be completed by an EP either to:

(i) 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

(ii) 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.

(c) The clean-up plan must be detailed in nature and must include:

(i) An estimate of clean-up costs;

(ii) 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.

(iii) A discussion of the feasibility of completing necessary work prior to final closing or initial occupancy, whichever comes first.

In order for your application to be considered for review under this competition, the clean-up plan must be submitted with the application. If the above information is not submitted, the application will be rejected.

NOTES: 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.

Clean-up costs are an allowable expenditure out of Capital Advance funds; however, HUD will not cover any cost that exceeds the maximum development cost limits. To the extent that the actual cost of the proposed clean-up activities exceeds the Capital Advance amount provided, the awardee must use funding sources other than the Capital Advance funds to cover any excess clean-up costs.

**National Environmental Policy Act and Related Laws.** You 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 provision of information to HUD at 24 CFR 50.31(b), and you must comply with any environmental "conditions and safeguards" at 24 CFR 50.3(c).

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

**8. Capital Needs Assessment ("CNA").** Applicants who are requesting the use of Capital Advance funds for the purposes of rehabilitation or acquisition must submit a CNA which justifies the rehabilitation costs being requested in the Application.

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

**9. Regulatory/Programmatic Barriers.** HUD expects to fund properties where elderly residents can live independently and successfully age in place. Those applicants who expect that their supportive housing model, and particularly the service delivery model to support residents'

health, wellness and aging in place, could encounter regulatory barriers to full implementation must identify such regulatory barriers and provide a narrative regarding the nature of the barrier. Applicants must indicate whether the project could be amended and succeed in the event the regulatory barrier cannot be overcome or waived. HUD has the ability to reject an application when the application cannot move forward without the waiver.

**10. Affirmative Fair Housing Marketing ("AFHM").** Applicants are required to follow the AFHM requirements of 24 CFR part 200, sub-part M and the implementing regulations at 24 CFR part 108; and the fair housing advertising and poster guidelines at 24 CFR. parts 109 and 110.

**11. Design and Cost Standards.** In addition to the special project standards described in 24 CFR 891.210 and 891.310, as applicable, the following standards apply:

(a) Property standards. Projects under this Part must comply with HUD Minimum Property Standards as set forth in 24 CFR part 200, sub-part S.

(b) Accessibility requirements. Projects under this Part must comply with the Uniform Federal Accessibility Standards (See 24 CFR 40. for availability) or HUD's Alternative Accessibility Standard (79 Fed.Reg. 29671), Section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations (24 CFR part 8), Titles II or III of the Americans with Disabilities Act of 1990 ("ADA"), as applicable (28 CFR, parts 35 and 36), and for new construction multifamily housing projects, the design and construction requirements of the Fair Housing Act and HUD's implementing regulations at 24 CFR part 100.

(c) Restrictions on amenities. Projects must be modest in design. 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).

(d) 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).

(e) Commercial facilities. Projects under this part may have on their sites 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. Such commercial facilities are considered public accommodations under Title III of the 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 for more information on accessibility requirements.

(f) 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, except where the owner determines

and documents the determination that:

- (i) The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;
- (ii) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of the program or activity or in an undue financial burden; or
- (iii) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

## **12. Enhanced Livability Design Standards.**

Housing is a platform for health. Health can be promoted through both supportive services (as described above) 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. In addition to applicable required accessibility features under Section 504 of the Rehabilitation Act of 1973, the design and construction requirements of the Fair Housing Act, Titles II or III of the ADA, HUD strongly encourages applicants to incorporate design standards that address fall prevention, enhanced accessibility features, visitability, universal design, and electronic communication mechanisms when developing housing and community facilities and to consider access to transportation and walkability to the surrounding community and neighborhood services when selecting sites. Note that fixed elements in units and common and public use areas that address fall prevention, offer enhanced accessibility, visitability, universal design, and electronic communication mechanisms may provide for greater accessibility for elderly persons, but must still comply with applicable physical accessibility regulations and standards, including scoping and technical requirements. In the context of the 202 program, Section 504, these design elements and siting decisions all can serve to enhance the livability of housing for the elderly and promote housing stability. More information on universal design is available [here](#) and the Center for Universal Design at this [location](#).

- **Fall Prevention.** Falls remain the leading cause of injury, long-term disability, premature institutionalization, and injury-related mortality among the elderly. Most falls experienced by the elderly, especially by those who are frail, occurs in the home. According to the CDC preventing falls among the elderly population requires a holistic approach that includes changes to the physical space, including installing grab bars inside and outside of the bathtub/shower and next to the toilet, affixing railings on both sides of hallways, removing trip hazards, and ensuring that units and common areas have adequate lighting. For more information on fall prevention, please see Department of Housing and Urban Development. "Overcoming Obstacles to Policies for Preventing Falls by the Elderly", February 2017 ([click here](#)), and Centers for Disease Control, Home and Recreational Safety at this [location](#).
- **Visitability/Universal Design/Enhanced Accessibility Features.** 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 may overlap with incorporating enhanced accessibility features at a property. These features may 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. There is a significant benefit to incorporating at a project's initial development or during rehabilitation, enhanced accessibility features both to individual units and to public and common use areas. These types of features increase the overall accessibility of a development and further the ability of individuals with various disabilities, as well as elderly persons and the general public, to better utilize their housing. Examples include no-step entrances, power operated or proximity-based entry resident entrances into buildings, wider doorways and hallways, installing levers instead of doorknobs, open concept floor plans while still allowing spaces to be closed off for privacy, additional clearance space throughout units, accessible bathrooms on the first floor of multi-level units, bathtub/shower grab bars in all units, adjustable height shelves and pull-out pantry storage in kitchens; adjustable height closet rods and shelves in closets; and appropriately placed motion activated or "rocker-pad" light switches, or a combination of the two. The Department has a publication entitled "Strategies for Providing Accessibility and Visitability for HOPE VI and Mixed Finance Homeownership" that contains several ideas about how the principles of visitability can benefit persons with disabilities. To download or order a copy, please [click here](#). HUD's regulation (24 CFR part 8) and either the Uniform Federal Accessibility Standards (UFAS) or the requirements of HUD's Deeming Notice, 79 Fed Reg 29.4671 (May 23, 2014) will always apply to physical accessibility in 202 properties: if the ADA is applicable, the ADA, its regulations and applicable architectural standards will apply (UFAS, 1991 ADA Standards and/or 2010 ADA Standards). See U.S. Dept. of Justice, ADA Requirements, Effective Date, Compliance Date (Feb, 2011) [herein](#) and 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. In addition, reasonable accommodations and reasonable modifications are required under each of these laws. Architectural, reasonable accommodations and effective communication requirements including the provision of appropriate auxiliary aids and services, also apply to electronic communication mechanisms and features.

- Electronic Communication and Digital Availability and 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. Telehealth is the use of telecommunications and information technologies to share information, and provide clinical care, education, public health, and administrative services at a distance. There is sufficient evidence that it is an effective tool in remote patient monitoring and counseling for patients with chronic conditions and in psychotherapy as part of behavioral health. While Broadband infrastructure requirements of 24 CFR 5.100 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. For more information on the impact of telehealth on health outcomes, [click here](#). For more about Telehealth technology visit the National Telehealth Technology Assessment

Resource Center at [this location](#).

- **Transportation Access.** In addition to improving mobility for households with limited access to vehicles, creating connected communities with multiple transportation options, including ensuring the availability of accessible transportation options, can benefit all residents by promoting health and safety, contributing to a more resilient local economy, and improving the efficiency of public spending. For more information see Center for Transit Oriented Development, "Creating Connected Communities: A Guidebook for Improving Transportation Connections for Low and Moderate Income Households in Small and Mid-Sized Cities", [click here](#).
- **Walkability.** Walkability benefits communities because destinations are closer together, sidewalks are safer, and intersections are easier to cross; all of which benefit persons with and without disabilities, including persons who use wheelchairs, walkers and other mobility aids, as well as persons with vision disabilities. For more information, see "Affordable Housing and Walkable Neighborhoods: A National Urban Analysis" [this location](#).

**13. Energy and Water Conservation.** At a minimum, energy efficiency strategies and water conservation appliances and fixtures must be incorporated in the design, construction, and operation of all new construction and substantial (gut) rehabilitation projects.

(a) Owners of new construction and substantial rehabilitation low-rise (up to 3 stories) multifamily developments must meet the requirements of EPA's ENERGY STAR Qualified Homes. Mid-Rise & High-Rise developments (4 or more stories) must meet the ASHRAE 90.1 Appendix G Plus 15 percent standard for Energy Efficiency. Any state energy code requirements will take precedence over ENERGY STAR or ASHRAE specifications when the state code approximates or exceeds that standard. More information concerning this requirement can be found [here](#). For information on the ENERGY STAR Multifamily High-Rise Program, please visit [ENERGY STAR](#) For information concerning ASHRAE, please visit [this site](#).

(b) Installation of water-conserving fixtures is required in all new and substantially rehabilitated developments (i.e. resource efficient plumbing and appliances such as low flow shower heads and faucet and high efficiency toilets). The materials used must be WaterSense labeled products or must offer greater water efficiency. More information is available [here](#).

(c) Owners of Existing Developments that do not qualify as new construction or substantial (gut) rehabilitation must perform pre and post construction energy audits and incorporate conservation techniques in their projects. Owners of existing developments must also commit to future installation of WaterSense fixtures and ENERGY STAR appliances in the project's required Operations and Maintenance plan.

**14. Flood Disaster Protection Act of 1973 and Coastal Barrier Resources Act.** You must comply with the requirements under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128) and the Coastal Barrier Resources Act (16 U.S.C. 3501).

**15. 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.

**16. 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). 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- and very-low-income persons residing within the metropolitan area (or non-metropolitan county) in which the project is located.

**17. Site and Neighborhood Standards.**

A proposed site must comply with all applicable site selection requirements in 24 CFR 891.125. Applicants that propose new construction must provide evidence (1) that the site is not located in an area of minority elderly concentration, and/or (2) if the site is in an area of minority elderly concentration, that the site meets the requirements applicable to new construction in an area of minority concentration at 24 CFR 891.125(b) and (c).

For the purpose of this competition, a project is located in an area of minority elderly concentration if: (a) the neighborhood's percentage of elderly persons of a particular racial or ethnic minority is at least 20 points higher than the percentage of elderly persons of that particular racial or ethnic minority in the housing market area as a whole or (b) the neighborhood's total percentage of minority elderly persons is at least 20 points higher than the total percentage of minority elderly persons in the housing market area as a whole. For the purpose of this competition, the "neighborhood" generally corresponds to the census tract and 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.

An applicant may propose an alternative geography for the neighborhood or the housing market area, when there is strong evidence that an alternative geography is more appropriate. Typical neighborhood boundaries are delineated by major streets or physical topography, do not encompass more than one municipal jurisdiction, and is in an area less than two miles wide. Applicants may refer to the RAD Fair Housing, Civil Rights, and Relocation Notice (Notice H 2016-17/PIH 2016-17 (HA)) for additional information on what constitutes strong evidence that an alternative geography is more appropriate. HUD will review the case for the alternative geography during review of the application. If an applicant claims an alternative geography, it may also choose to claim an exception that would allow new construction in an area of minority elderly concentration (described below) to address the possibility that HUD does not approve the use of the alternative geography. An application will be rejected if HUD rejects the proposed alternative geography and the Application does not include acceptable documentation supporting that the site meets an exception that would allow the construction of new housing in an area of minority elderly concentration (described below). In cases where a site is located in a census tract that does not meet the definition of an area of minority concentration, but is near the edge of a minority-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 rivers and interstate highways), the applicant must provide supporting documentation that the census tract is an appropriate representation of the neighborhood or propose an alternative geography as described above. If the alternative geography meets the definition of an area of minority concentration, the applicant must provide evidence that the site meets one of the exceptions that permits new construction in an area of minority concentration.

Applicants must use the Minority Concentration Analysis tool (to access, [click here](#)) then click on the page for FY 2018 Section 202 Supportive Housing for the Elderly Program to identify whether a site is in an area of minority elderly concentration. If an applicant is requesting an alternative geography for the neighborhood, it must use the "draw" feature in the tool to calculate the minority elderly concentration of the neighborhood. The output from the Minority Concentration Analysis tool must be included within the Site and Neighborhood Standards submission in Tab J. If an applicant is requesting an alternative geography, it must also include supporting documentation that the boundaries of the proposed alternative geography are generally accepted as the neighborhood or housing market area, as applicable, within the Site and Neighborhood Standards submission in Tab J. Where the tool identifies that the site is in an area of minority elderly concentration, the applicant must include within Tab J evidence that an alternative geography is a more appropriate representation of the neighborhood of the site and that the alternative geography is not an area of minority elderly concentration or that the proposed site meets one of the exceptions that permit new construction in an area of minority elder concentration under 24 CFR 891.125(c)(2).

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. Units may be considered to be 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, explain the applicability of the factors discussed in 24 CFR 891.125(c)(3)(iii)(A)-(G). A site will meet the overriding housing needs test if the site is an integral part of a local strategy to preserve or restore the immediate neighborhood; or there is significant private investment in the neighborhood that is demonstrably changing the economic character of the area (a "revitalizing area"), see 24 CFR 8891.125(c)(4).

HUD may rely on additional available information to make its determination. Applications are approvable by HUD only if the site is located outside an area of minority elderly concentration or, if in an area of minority elderly concentration, the site meets one of the allowable exceptions. HUD may request additional information from the applicant before making its determination.

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

#### **18. Real Property Acquisition and Relocation.**

The applicant must comply with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 ("URA"), as amended. Applicant must state whether the property was vacant or occupied at any time since the earlier of publication of this NOFA 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 a relocation plan and budget in compliance with the URA.

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

**19. Opportunity Zones**

In identifying sites for potential development as Section 202 projects, Sponsors are encouraged to consider sites in Opportunity Zones, particularly where acquisition and development supported by the Section 202 funds can contribute to an aggregation of public and private investments in urban and economically distressed communities. An Opportunity Zone is a census tract designated by the State (and certified by the U.S. Department of the Treasury) and defined by the Internal Revenue Service (IRS) as an economically-distressed community where new investments, under certain conditions and working through “qualified opportunity funds,” may be eligible for preferential tax treatment. These investments would contribute to the project leverage calculation scoring referenced in Rating Factor 3.

This program requires a certification of Consistency with the Consolidated Plan under 24 CFR 91.2. 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 specified in the Consolidated Plan. The Consolidated Plan also includes the jurisdiction's certification to affirmatively further fair housing, which means: (1) that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with 24 CFR 5.150 through 5.180, and that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing; or (2) for jurisdictions that are not yet required to submit an AFH, they must continue complying with the regulations that existed prior to August 17, 2015, with respect to conducting Analyses of Impediments to Fair Housing Choice, as applicable. 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.

**F. Criteria for Beneficiaries.**

This subsection F, "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 Instruction and the Application Package from Grants.gov. To ensure you are using the correct Application Package and Application Instructions, you must verify the CFDA Number and CFDA Description on the first page of the Application Package, and the Opportunity Title and the Funding Opportunity Number match the Program and NOFA to which you are applying.

The Application Package contains the Adobe forms created by Grants.gov. The Instruction Download contains official copies of the NOFA, and forms necessary for a complete application. The Instruction Download may include Microsoft Word, Microsoft Excel 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 is not deemed 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 HUD does not receive your written request at least 15 days before the application deadline or if you do not demonstrate good cause. An email request sent 15 days before the application will also be considered. If HUD waives the requirement, HUD must receive your paper application or email request before the deadline of this NOFA. To request a waiver and receive a paper copy of the application materials, you must contact:

202 Capital Advance Team

Email: [202CapitalAdvanceNOFA@hud.gov](mailto:202CapitalAdvanceNOFA@hud.gov)

Multifamily Housing

451 7th St. S.W.

Washington, DC 20410

## **B. Content and Form of Application Submission.**

You must verify boxes 11, 12, and 13 on the SF424 match the NOFA 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 CFDA and Funding Opportunity Number is a curable deficiency.

### **1. Content.**

Forms for your package include the forms outlined below:

<b>Forms / Assurances / Certifications</b>	<b>Submission Requirement</b>	<b>Notes / Description</b>
Application for Federal Assistance, SF-24.	Required.	Instructions on how to complete this form can be found on HUD.gov

Previous Participation Certification, HUD Form 2530	Required (either a certification of submission through the electronic portal or the paper submission).	Instructions on how to complete this form can be found on HUD.gov.
Disclosure of Lobbying Activities, HUD Form SF-LLL.	Required.	Instructions on how to complete this form can be found on Grants.gov.
Multifamily Housing Project HUD Form 92013	Required.	Instructions on how to complete this form can be found in the NOFA.
Certification Regarding Lobbying.	Required.	Self-explanatory, must be submitted with SF-LLL.
HUD Applicant Recipient Disclosure Report (HUD) 2880 Applicant/Recipient Disclosure/Update Report	HUD will provide instructions to grantees on how the form is to be submitted.	HUD instructions to grantees are provided by webcast, To view the webcast, <a href="#">click here</a> .

Additionally, your complete application must include the following narratives and non-form attachments.

<b>TAB NUMBER</b>	<b>ITEM</b>	<b>NUMBER OF PAGES, IF APPLICABLE</b>	<b>SUBMISSION REQUIREMENTS</b>	<b>NOFA SECTION REFERENCE</b>
A.	Eligibility and Articles of Incorporation		Organizational Documents, By-Laws, IRS Tax Exemption and Evidence of Structure	Threshold (Sections III.A. and III.C.2.)

B.	Need		PDF of table used to calculate absorption ratio (with conditions)	Threshold (Section III.C.3.)
C.	Development Plan	3 pages	Narrative description of property; Development Timeline	Program (Section III.E.2.)
D.	Development Budget		Sources and Uses, evidence of committed funds (non-Capital Advance)	Program (Section III.E.3.) and Rating Factor 3 (Section V.A.)
E.	Operating Pro Forma		Cash Flow Pro Forma	Program (Section III.E.4.)
F.	Capital Needs Assessment		Capital Needs Assessment	Program (Section III.E.8.)
G.	Environmental		Phase I Environmental Assessment and related reports; Phase II (if required) and Phase III (description of remedial actions, if required)  Environmental Partner Worksheets or HEROS submission	Program (Section III.E.7.)
H.	Site Control		Evidence of Control Document(s)	Threshold (Section

				III.E.5.)
I.	Encumbrances		Statement of Encumbrances and narrative description	Program (Section III.E.6.)
J.	Site and Neighborhood Standards		Output document from Minority Concentration Analysis Tool; exception justification if applicable	Program (Section III.E.17.)
K.	Real Property Acquisition and Relocation	5 pages	Narrative description of response to requirements	Program (Section III.E.18)
L.	Concept and Project Proposal	30 pages (excluding partner letters of commitment, each of which may not exceed 2 pages and excluding the schematic drawings)		
L.1	Physical Design		Written description of building design; schematic drawings	Rating Factor 1 (Section V.A)
L.2	Supportive Services		Written description of proposed services; partner letters of commitment	Rating Factor 1 (Section V.A)

L.3	Soundness of Approach		Written description of how physical design and supportive services will lead to better outcomes for residents	Rating Factor 1 (Section V.A)
L.4	Replicability and Scalability		Written description of how building concept can be replicated to produce more favorable housing	Rating Factor 1 (Section V.A).
L.5	Section 3 Employment Opportunities for Low- and Very-Low-Income Persons		Description of planned activities towards training and employing Section 3 residents.	Rating Factor 1 (Section V.A)
M.	Market	4 pages (excluding site map)	Site map; written description of how project is well suited to meet the needs of an aging population and description of location of project; market study (if requested)	Rating Factor 2 (Section V.A)
N.	Capacity,	12 pages (excluding resumes, which shall not exceed		

	Leverage and Committed Funding	4 pages per organization and property appraisal) Rating Factor 3 (Section V.A.)		
N.1	Development Experience		Written description of experience in developing and operating similar housing	Rating Factor 3 (Section V.A)
N.2	Supportive Service Experience		Written description of experience in providing and coordinating supportive services to the proposed population	Rating Factor 3 (Section V.A)
N.3	Leverage		If applicable, appraisal of donated or seller-financed land	Rating Factor 3 (Section V.A)
O.	Land Use		Written evidence of compliance with local zoning and land use requirements	Rating Factor 4 (Section V.A) and Section III.17
P.	Intergovernmental Review		If the State Point of Contact ("SPOC") requires a review of your application, you must include a copy of the cover	Section IV.E.

			letter you sent to the SPOC.	
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**2. Format and Form.**

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

**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.

**Content of Application and Identification of Documents:** A complete application must include all the information, materials, forms and documents listed above, as applicable.

**C. System for Award Management (SAM) and Dun and Bradstreet Universal Numbering System (DUNS) Number.**

**1. SAM Registration Requirement**

Applicants must be registered with SAM before submitting their application. In addition, applicants must maintain an active SAM registration with current information while they have an active Federal award or an application or plan under consideration by HUD.

**2. DUNS Number Requirement.**

Applicants must provide a valid DUNS number, registered and active at SAM, in the application. DUNS numbers may be obtained for free from [Dun & Bradstreet](#).

**3. Requirement to Register with Grants.gov.**

Anyone planning to submit applications on behalf of an organization must register

at Grants.gov and be approved by the EBiz Point of Contact 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 submit an application through Grants.gov. Complete registration instructions and guidance are provided at Grants.gov. See also Section IV.B for necessary form and content information.

#### **D. Application Submission Dates and Times.**

The application deadline is 11:59:59 p.m. Eastern time on **08/28/2019**. Applications must be received no later than the deadline.

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form. 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. Then Grants.gov assigns an application tracking number and **date-and time-stamps** each application upon successful receipt by the Grants.gov system. 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 submitting an application.

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

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 as 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 Notice of Funding Awards 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, or 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.

### **2. Grace Period for Grants.gov Submissions.**

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

#### **4. Corrections to Deficient Applications.**

HUD will not consider information from applicants after the application deadline. HUD may contact the applicant to clarify other items in its application. HUD will uniformly notify applicants of each curable deficiency. A curable deficiency is an error or oversight that if **corrected** it would not alter, in a positive or negative fashion, the review and rating of the application. See curable deficiency in definitions section. 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 representative. The email is the official notification of a curable deficiency. Each applicant must provide accurate email addresses for receipt of these notifications and must monitor their email accounts to determine whether a deficiency notification has been received. The applicant must carefully review the request for cure of deficiency and must provide the response in accordance with the instructions contained in the deficiency notification.

Applicants must email corrections of curable deficiencies to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) within the time limits specified in the notification. The time allowed to correct deficiencies will not exceed 14 calendar days or be less than 48 hours 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](mailto:applicationsupport@hud.gov) must state: **Technical Cure** and include the Grants.gov application tracking number (e.g., Subject: Technical Cure - GRANT123456). 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. This only applies to certain programs and responses should be sent to the NOFA specific program.

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 DUNS number as having a curable deficiency. Failure to correct the deficiency and meet the requirement to have a DUNS number and active registration in SAM will render the application ineligible for funding.

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

### **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 on the OMB website](#). 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.**

Capital Advance awards are not available in connection with:

1. Acquisition of facilities currently owned and operated by the Sponsor as housing for the elderly, except with rehabilitation as defined in 24 CFR part 891.105;
2. The financing or refinancing of federally assisted or insured projects;
3. Facilities currently owned and operated by the Sponsor as housing for persons with disabilities, except with rehabilitation as defined in 24 CFR 891.105;
4. 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
5. Nursing homes, infirmaries, medical facilities; mobile homes, community centers; headquarters for organizations for the elderly, residential units without kitchens and/or bathrooms; refinancing of Sponsor-owned facilities without rehabilitation, and projects licensed or to be licensed as assisted living facilities.

### **Indirect Cost Rate.**

Normal indirect cost rules apply. If you intend to charge indirect costs to your award, your application must clearly state the rate and distribution base you intend to use. If you have a Federally negotiated indirect cost rate, your application must also include a letter or other documentation from the cognizant agency showing the approved rate.

Nongovernmental organizations and Indian tribal governments. If you have a Federally negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If you have never received a Federally negotiated indirect cost rate and elect to use the de minimis rate, your application must clearly state you intend to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC). As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. Once an organization elects to use the de minimis rate, the organization must apply this methodology consistently for all Federal awards until the organization chooses to negotiate for a rate, which the organization may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

State and local governments. If your department or agency unit has a Federally negotiated indirect cost rate, your application must include that rate, the applicable distribution base, and a letter or other documentation from the cognizant agency showing the negotiated rate. If your

department or agency unit receives more than \$35 million in federal funding, you may not claim indirect costs until you receive a negotiated rate from your cognizant agency for indirect costs as provided in Appendix VII to 2 CFR part 200.

If your department or agency unit receives no more than \$35 million in federal funding and your department or agency unit has prepared and maintains documentation supporting an indirect rate proposal in accordance with 2 CFR part 200, appendix VII, you may use the rate and distribution base specified in your indirect cost rate proposal. Alternatively, if your department or agency unit receives no more than \$35 million in federal funding and has never received a Federally negotiated indirect cost rate, you may elect to use the de minimis rate of 10% of MTDC. As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until you choose to negotiate for a rate, which you may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

## **G. Other Submission Requirements.**

### **1. Application Certifications and Assurances**

By signing the SF424 either through electronic submission or in paper copy submission (for those granted a waiver), applicant affirms certifications and assurances associated with the application are material representations of the facts upon which HUD will rely when making an award to the applicant. If it is later determined the signatory to the application submission knowingly made a false certification or assurance or did not have the authority to make a legally binding commitment for the applicant, the applicant may be subject to criminal prosecution, and 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, and those applicable to applicants other than federally-recognized Indian tribes. All program-specific certifications and assurances are included in the program Instructions Download on Grants.gov.

### **2. 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)).

## **V. Application Review Information.**

### **A. Review Criteria.**

## 1. Rating Factors.

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

**Rating Factor 1: Concept and Project Proposal (36 points) (Minimum Score = 20 points)**  
**Applicants must provide the above required documents/information in the application under Tab L, which should include, as necessary, specific references to other relevant sections of the application that will support HUD's evaluation.**

**\*\*Applicants must score at least 20 points on this rating factor to be considered for funding.**

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. Such a property would need to be appropriately designed and be able to facilitate residents' access to appropriate services. Such affordable housing could avoid the need for residents to move to the intensive and expensive level of care provided by assisted living facilities and nursing homes, where institutional placement is inappropriate because of the low level of assistance needed.

Mixed-income and/or mixed-generation projects are also eligible, pursuant to the regulations at 24 CFR part 891, sub-part F.

**Physical Design (10 points) Refer to Section III.E.8 Design and Cost Standards and Section III.E.9 Enhanced Livability Design Standards.** Applicants must provide schematics of the building, and unit design, and a narrative description of how the design will prolong the period that elderly residents with varying levels of health needs can live independently. Applicants should consider how architectural constructions related to circulation, movement and patterns of daily living activities can be improved to enrich resident's lives. Applicants must describe any special design features, such as those that incorporate universal design, accessible amenities, enhanced accessibility features, visitability standards and/or commercial and community spaces that meet the special physical and mental needs of elderly persons, for example, space for co-located medical services. At a minimum, applicants must address the following physical design features in their response: no-trip or zero step entryways into units and the building, lighting that promotes visibility, width of doors and hallways, emergency response systems, door knobs that promote accessibility such as levers, kitchen and bath features and common areas. In addition to these basic requirements, applicants must consider the related roles that an array of architectural design elements play in shaping space inhabitation. Elements to be considered include walls, windows, roofs, stairs, kitchens, baths, porches, gardens, courtyards and pathways. Finally, applicants must also demonstrate that the proposed size and unit mix of the housing will enable the applicant to manage and operate the housing efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion.

**To score the highest number of points for this factor, applicants must clearly explain their building concept, how it will facilitate the delivery of services and accommodate the changing needs of the residents as they age in place and live independently for 10-20 years**

**from initial occupancy.**

**Supportive Services (10 points).** Applicants must describe the proposed supportive services, including a description of the public or private funds that are expected to fund the proposed services as well as the way the services will be delivered. Emphasis will be given to projects that describe both health-related services and social services that assist with the Activities of Daily Living ("ADL"s) and 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.

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. 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.

Owners must also commit to a plan to coordinate and adequately deliver supportive services on-site. This may include 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, up to \$15 per unit per month of PRAC funds may be used to pay for salary, fringe benefits, eligible training, and related administrative costs of employing a Service Coordinator.

Applicants must describe how the proposed supportive services meet the identified needs of the anticipated residents, initially and as they age, and how the identified supportive services will be provided on a consistent, long-term basis to support residents. Applicants must fully describe how the services will be available to the residents; describe the residents' eligibility criteria and the risks of the termination of service funding. Applicants must show how design features described in the Physical Design narrative, such as common areas, will contribute to successful on-site provision of supportive services. Please note that applicants must not require residents to accept any supportive services as a condition of occupancy or admission or limit residents' choice of providers.

If the lead applicant 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.

Finally, each applicant must commit to update its supportive services plan not less than once every three years.

**To score the highest number of points for this factor, applicants must clearly explain their supportive services plan, how it will accommodate the changing needs of the residents as they age in place over the next 10-20 years, how it will leverage the work of other providers of services to the residents if applicable (whether in partnership or through independent, but complementary, activities), and how service funding will remain**

**sustainable over time.**

**Soundness of Approach (10 points):** Applicants must provide evidence, either by citing research or stating a theory of change, as to why their proposed physical design features and supportive service plan will promote health, wellness, and quality of life and will prolong the period that very-low-income elderly residents with varying levels of health needs can live independently. Applicants must explain the connection between the physical design and supportive services and how both will accommodate the changing needs of the residents as they age in place and live independently over the next 10-20 years.

**To score the highest number of points for this factor, the applicant will provide compelling evidence that their physical design and supportive services plan will lead to better short- and long-term outcomes for very-low-income elderly to accommodate aging in place.**

**Replicability and Scalability (5 points).** HUD is interested in funding housing for the elderly that can be replicated and scaled, potentially in the absence of or with a minimum amount of Capital Advance or PRAC funding. To that end, applicants must describe how their project can act as a model, or an incremental step towards formulation of a model, for other improvements in building design, services provided and financial structure which stretch the value of HUD funding for supportive housing for very-low-income elderly persons. For example, if Medicaid-covered service(s) for which many residents of the property are likely to be eligible is/are available, describe how other properties or developments could utilize similar partnerships to furnish health-related services for residents who are eligible for Medicaid.

**To score the highest number of points for this factor, applicants will make a compelling argument supported by evidence-based practices that their project concept can be feasibly replicated and scaled to produce more affordable housing options for the elderly to age in community in a limited federal funding environment.**

**Employment Opportunities for Low- and Very-Low-Income Persons (1 point).** Applicants will be evaluated on their planned activities toward fulfilling the goal of training and employing Section 3 residents and contracting with Section 3 business concerns in the development of the proposed project.

**Rating Factor 2: Market (14 points)** Applicants must provide the required documents/information in the application under Tab M, with the exception of Need, which will be evaluated based on Tab B. Tab M should include, as necessary specific references to other relevant sections of the application that will support HUD's determination.

**Need (4 points)** Applicants will be rated on the absorption ratio as defined in Section III.C.3.

- **Evidence of Strong Need (4 points).** An absorption ratio of 15% or less.
- **Evidence of Need (2 points).** An absorption ratio greater than 15% and less than 30%.
- **No Evidence of Need (0 points).** An absorption ratio 30% or greater, or notwithstanding a lower absorption ratio if HUD finds existing HUD assisted elderly properties within the census tract or adjacent census tracts with a significant lack of demand.

**Neighborhood and Context (10 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 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., licensed adult or senior care, hospital, medical clinic or social service organization that offers services relevant to the elderly, senior center);
- grocery stores (e.g. supermarket or other store that sells produce and meat);
- recreational facilities (e.g., parks and green space, community or senior center, gym, health club, or 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-half mile walking distance or if they can be accessed by public transportation (within one-quarter walking mile) including accessible public transportation options, and/or affordable private door-to-door shuttle/van service that is reliable and accessible. Applicants 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.

**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.**

**Rating Factor 3: Capacity, Project Leverage and Committed Funding (40 points) (Minimum Score = 20 points). Applicants must provide the above required documents/information in Tab N as part of the application submission.**

**\*\*Applicants must score at least 20 points on this rating factor to be considered for funding.**

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

A firm resume must be provided for the applicant and all Sponsors/Co-Sponsors. Each resume must include evidence of development experience and services experience, as applicable. In addition, the resume should include a description of all similar projects that the applicant and Sponsors/Co-Sponsors have been involved with, to include whether they were federal housing projects and information regarding the success of any such projects.

**Development Experience (8 points).** Applicants should show how the scope, extent, and

quality of the Sponsor's and/or their consultant team's recent experience in developing and operating housing is consistent with the details of the proposed project. The evaluation will consider experience with LIHTC, Section 202 mixed-finance deals, and/or other complex financing development deals to the extent such expertise is relevant to the proposal, experience that shows familiarity with accessible housing and federal accessibility requirements, and experience operating federally assisted housing (which may be demonstrated by providing REAC scores or other supporting data related to actual performance). The description or firm resumes must include any rental housing projects and supportive services facilities that the applicant sponsored, owns or operates.

**To score the highest number of points for this factor, applicants must describe significant previous experience in providing housing to the proposed population generally and significant previous experience implementing development activities with the types of financing proposed.**

**Supportive Services Experience (7 points).** Applicants should show how the scope, extent, and quality of the applicant's experience and/or the experience of committed partners, including property managers, in providing services is consistent with the details of the proposed supportive services plan. The description and firm resumes must identify specific services provided. Applicants must explain their experience in HUD subsidy administration and/or their partners' experience in providing property management and coordinating supportive services.

**To score the highest number of points for this factor, applicants and/or committed partners must describe and provide evidence of significant previous experience in providing and coordinating supportive services to the proposed population.**

**Project Leverage (15 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:

1. How much have you requested in Capital Advance funding?
2. How much additional leveraging capital are you bringing to 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.)

Leverage Ratio of Capital Advance to All Other Sources						Points
			Less than	\$1	: \$0.33	0
\$1	:	\$0.33	to less than	\$1	: \$0.50	1
\$1	:	\$0.50	to less than	\$1	: \$0.75	2

\$1	:	\$0.75	to less than	\$1	:	\$1	3
\$1	:	\$1	to less than	\$1	:	\$2	5
\$1	:	\$2	to less than	\$1	:	\$4	7
\$1	:	\$4	to less than	\$1	:	\$6	9
\$1	:	\$6	to less than	\$1	:	\$8	11
\$1	:	\$8	to less than	\$1	:	\$10	13
\$1	:	\$10	or greater				15

Examples:

- Your budget indicates that your project will cost \$12.2 million. You have requested a Capital Advance of \$1.2 million and you are bringing a total of \$11 million to the project primarily through a combination of a 9% tax credit allocation and mortgage financing. Your ratio of capital advance requested (\$1.2m) to all other sources (\$11m) is  $(11/1.2) = 9.17$ . For each \$1 in Capital Advance funds, \$9.17 is leveraged (\$1: \$9.17). Therefore, your score is 13 points.
- Your budget indicates that your project will cost \$10.7 million. You have requested a Capital Advance of \$6 million and another \$4.7 million will be provided by 4% tax credit equity, mortgage financing, and other sources. The ratio of Capital Advance requested (\$6 million) to all other sources (\$4.7 million) is  $(4.7/6) = .78$ . For each \$1 in Capital Advance funds, \$.78 is leveraged (\$1: \$0.78). Therefore, your score is 3 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.

**Applicants must provide the above required documents/information in the application under Tab N.3.**

**Sources of Funding (10 points).** Applicants will be rated on the extent to which the funding sources proposed for the development have been secured, excluding the Capital Advance amount requested.

**To receive the maximum points available for this rating factor, the applicant must provide evidence that attainable sources of funds have been identified to cover all costs and that a substantial portion of total funding sources have been committed to the project.**

A commitment must describe the allowed uses of the funds and must provide the term for which the commitment is valid. Such term cannot expire earlier than 12 months from the Section 202 Application deadline date. The applicant must commit to closing of 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. Committed funds include:

1. A 9% LIHTC allocation with a pricing letter from an investor;
2. A pricing letter from an investor for an anticipated 4% LIHTC allocation;

3. A loan offer with reasonable terms;
4. Governmental resolutions or other documentation of final award of grant or subordinate loan funds;
5. Grant award letters;
6. Binding commitment to donate land;
7. Binding commitment to defer developer fee;
8. Reasonable income from operations (in the context of an occupied rehabilitation project); and
9. Other evidence of commitment acceptable to HUD.

The applicant may change sources before final closing if this causes no material delay to the development schedule described in the Project Development Plan, Section III.E.2.

Applicants will be scored on the scale below with 10 points being the maximum possible points:

10 Points	90% or more of the total dollar amount of external sources (including the minimum required commitment specified in Section III.B.) are committed to the project
8 Points	80% or more, but less than 90% of the total dollar amount of external sources are committed to the project
6 Points	70% or more, but less than 80% of the total dollar amount of external sources are committed to the project
4 Points	60% or more, but less than 70% of the total dollar amount of external sources are committed to the project
2 Points	50% or more, but less than 60% of the total dollar amount of external sources are committed to the project
0 Points	Less than 50% of the total dollar amount of external sources are committed to the project

**Applicants claiming points for commitment of sources of funding must attach evidence of such commitments, as indicated in the list of items 1-9, above, in the application under Tab D.**

**(-5 to -7 points). Past Performance - Delays.**

HUD will deduct 5 points if a fund reservation received under the Section 202 Program of Supportive Housing for the Elderly either in FY 2010 or FY2011 has been extended beyond 24 months; 6 points if beyond 36 months; or 7 points if beyond 48 months (except if the delay was

beyond the applicant's control). Examples of such delays beyond the applicant's control include, but are not limited to, initial closing delays that are:

- (1) directly attributable to HUD,
- (2) directly attributable to third party opposition, including litigation, and
- (3) due to a disaster, as declared by the President of the United States.

**(-5 to -10 points). Past Performance - Amendments.**

HUD will deduct from 5 points to 10 points if HUD amendment money is equal to or greater than 5 percent of the original Capital Advance amount that was required in connection with a fund reservation the applicant received under the Section 202 Program of Supportive Housing for the Elderly in either FY 2010 or FY 2011, with the number of points deducted corresponding to the size of the amendment as a percentage of the original Capital Advance amount, rounded down to the nearest integer. No points will be deducted if the need for amendment funds was due to unforeseen circumstances, described as follows, beyond the applicant's control.

Examples of unforeseen circumstances outside of the applicant's control include, but are not limited to, increased cost due to litigation, new government regulations or controls, additional requirements imposed by local authorities, or a disaster, as declared by the President of the United States.

**(-5 points).** The amount of the amendment money required was equal to or greater than 20 percent and less than 35 percent of the original Capital Advance amount approved by HUD.

**(-7 points).** The amount of amendment money required was equal to or greater than 35 percent and less than 50 percent of the original Capital Advance amount approved by HUD.

**(-10 points).** The amount of the amendment money required was equal to or greater than 50 percent of the original Capital Advance amount approved by HUD.

**Rating Factor 4: Land-Use/Zoning (10 points)**

**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 Permitted (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 Permitted (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 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 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 permitting status described.

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

## 2. Preference Points.

Preference points are not available for this program.

## **B. Review and Selection Process.**

### **1. Past Performance**

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

- a. The ability to account for funds appropriately;
  - b. Timely use of funds received from HUD;
  - c. Timely submission and quality of reports submitted to HUD;
  - d. Meeting program requirements;
  - e. Meeting performance targets as established in the grant agreement;
  - f. The applicant's organizational capacity, including staffing structures and capabilities;
  - g. Time-lines for completion of activities and receipt of promised matching or leveraged funds;
- and
- h. The number of persons to be served or targeted for assistance.

HUD may reduce scores as specified under V.A. Review Criteria. Each NOFA will specify how past performance will be rated or otherwise used in the determination of award amounts.

Whenever possible, HUD will obtain past performance information from staff with the greatest knowledge and understanding of each applicant's performance. If this evaluation results in an adverse finding related to integrity or performance, HUD reserves the right to take any of the remedies provided in Section III.D 1. Pre-selection Review of Performance, above.

## **2. Assessing Applicant Risk**

HUD may impose special conditions on an award as provided under 2 CFR 200.207:

1. Based on HUD's review of the applicant's risk under 2 CFR 200.205;
2. When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal Award;
3. When the applicant or recipient fails to meet expected performance goals; and
4. When the applicant or recipient is not otherwise responsible.

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, sub-part 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.

### **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 NOFA. Reviewers will assign a preliminary score for each rating factor and a total score. HUD will then rank applications in descending score order.

### **2. Secondary Review. A Secondary Review Panel will:**

- 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.
- Assign a final score to each application and rank them in descending score order;
- 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;
- 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 paragraph 3 below, is reached;
- Recommend for selection the most highly rated of the remaining applications, subject to the amount of available funding.

### **3. Selection Considerations:**

- Minimum scoring. To qualify for a capital advance award, applicants must earn a minimum of score of 75 points which must include a minimum score of 20 points for Rating Factor 1: Concept and Project Proposal, and a minimum score of 20 points on Rating Factor 3:

Capacity, Project Leverage, and Committed Funding. Any applicant not earning the minimum scoring criteria will not be awarded a grant.

- Tie Scores. If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select the application(s) with the highest score for the overall Concept and Project Proposal Rating Factor. If a tie remains, HUD will select the application(s) with the highest score for the overall Need and Context Rating Factors, then Capacity Rating Factors.

- Not less than 15 percent of the funds made available for assistance under this NOFA shall be allocated to non-metropolitan areas, unless there are insufficient applications that meet the minimum score.

- Not less than 10 percent of the funds made available for assistance under this NOFA shall be allocated to each of the five Office of Multifamily Housing Programs administrative regions, [click here](#) unless there are insufficient applications that meet the minimum score.

(5) HUD has the discretion to award a given project less than the funding requested in the application. HUD will take into consideration the lowest number of units assisted by a PRAC that an applicant will accept, below which the project is not feasible, in making this determination. See Section II.C.

### **C. Anticipated Announcement and Award Dates.**

HUD anticipates announcing awards under this NOFA approximately three 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.

A fund reservation 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.E.7 and VI.B.15 of this NOFA for environmental requirements.

HUD will endeavor to fund all requested PRAC units for any applications selected from this NOFA. However, if HUD would be able to make an additional award if the application's requested number of PRAC units or Capital Advance 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. In addition, this NOFA incorporates the Funding Errors section from the FY 2017 General Section.

## **B. Administrative, National and Department Policy Requirements for HUD recipients**

For this NOFA, the following General Administrative Requirements and Terms for HUD Financial Assistance Awards apply. Please [[click here](#)] to read the detailed description of each applicable requirement.

### 1. Compliance with Non-discrimination and Other Requirements.

Unless otherwise specified, these non-discrimination and equal opportunity authorities and other requirements apply to all NOFAs. Please read the following requirements carefully as the requirements are different among HUD's programs.

- Compliance with Fair Housing and Civil Rights Laws.
- Affirmatively Furthering Fair Housing.
- Economic Opportunities for Low-and Very Low-income Persons (Section 3).
- Improving Access to Services for Persons with Limited English Proficiency (LEP).
- Accessible Technology.

2. Equal Access to Housing Regardless of Sexual Orientation or Gender Identity.

3. Ensuring the Participation of Small Disadvantaged Business, and Women-Owned Business.

4. Equal Participation of Faith-Based Organizations in HUD Programs and Activities.

5. Real Property Acquisition and Relocation.

6. Participation in HUD-Sponsored Program Evaluation.

7. OMB Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

8. Drug-Free Workplace.

9. Safeguarding Resident/Client Files.

10. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L.109-282) (Transparency Act), as amended.

11. Eminent Domain.

12. Accessibility for persons with Disabilities.

13. Violence Against Women Act.

14. Conducting Business in accordance with Ethical Standards/Code of Conduct.

15. Environmental Requirements.

Compliance with 24 CFR Part 50 or 58 procedures is explained below:

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. At the time of application, HUD requires a Phase I (and Phase II and site remediation plan, if applicable) and selected Partner Worksheets as described in Section III.E.7 in order to perform a preliminary environmental screening.

All Agreement Letters will incorporate the recipient's responsibilities under Section III.E.7 and will stipulate 1) that a Section 202 Fund Reservation award constitutes preliminary approval of an Application; 2) that a Section 202 Fund Reservation 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, then the Section 202 Fund Reservation award will be terminated.

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, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR, part 50; (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 properties, until HUD approval of the property is received. Applicants may continue to perform obligations to sustain an existing leasehold or option to lease agreement.

### **C. Reporting.**

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

**1. Reporting Requirements and Frequency of Reporting.** Applicants should be aware that if the total Federal share of your Federal award includes more than \$ 500,000 over the period of performance, you may be subject to post award reporting requirements reflected in Appendix XII to Part 200-Award Term and Condition 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. NOFAs may specify the data collection and reporting requirements. Many programs use the Race and Ethnic Data U.S. Department of Housing OMB Approval No. 2535-0113 Reporting Form HUD-27061.

**3. 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 NOFA, 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 official whose signature appears on the SF424 or by his or her successor in office, and be submitted to the point of contact 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 Contacts.**

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

202 Capital Advance NOFA Team

N/A

[202CapitalAdvanceNOFA@hud.gov](mailto:202CapitalAdvanceNOFA@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.**

### **1. National Environmental Policy Act.**

This NOFA provides funding under and does not alter the environmental requirements of 24 CFR part 891. Accordingly, under 24 CFR 50.19(c)(5), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321). Activities under this NOFA are subject to environmental review provisions set out at 24 CFR 891.155. See also Section VI.B..15 above.

## **Appendix.**

None to be inserted.