Section 202 Supportive Housing for the Elderly Program
FY 2018 Notice of Funding Availability

April 25, 2019

This presentation provides a summary of information presented in the NOFA for webinar purposes. Please refer to the NOFA on grants.gov for a complete presentation of the funding opportunity, including requirements for eligibility and submission.
Agenda

Description of Funding Opportunity

Key Resources

NOFA Requirements

Application Rating Factors

Application Review and Award

Q&A
Ask questions at the end! Here’s how:

– “Raise your hand” by clicking on the hand icon and the presenter will unmute your line so you can ask your question live

  Note: To do this, you MUST call the dial-in number shown on your attendee control panel and input the audio PIN shown, which is unique to each attendee

– Send in questions via the “Question” feature
Description of Funding Opportunity

• **NOFA Title:** FY 2018 Section 202 Supportive Housing for the Elderly Program
• **NOFA Reference:** FR-6200-N-52
• **Available Funding:** Up to $50M for the development of supportive rental housing for very-low income persons aged 62 years or older
• **Application Due Date:** 11:59:59 PM EST on Wednesday, **August 28, 2019**
• **Eligible Applicants:** Private non-profit organizations that have tax-exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal revenue Code of 1986, and non-profit consumer cooperatives.
• **HUD Goals:**
  – Advance housing for the elderly as a platform for living independently and aging in community
  – Fund properties that are at the forefront of design, service delivery, and efficient use of federal resources that will provide models for other providers of supportive housing for the elderly
Description of Funding Opportunity

• Funds awarded for:
  – **Capital Advance** funding for the development of supportive rental housing for very-low income persons aged 62 years or older. Funds must be used to finance construction, reconstruction, moderate or substantial rehabilitation, or acquisition of a structure with or without rehabilitation. Funds cannot be used to construct or operate assisted living facilities.
  – Project rental subsidies in the form of a **Project Rental Assistance Contract ("PRAC")** to provide ongoing operating assistance and maintain affordability of covered units. PRAC funds are used to cover the difference between tenants’ contributions toward rent and HUD-approved operating costs. PRAC funds may also be used to provide supportive services and to hire a service coordinator.

• Applicants request a Capital Advance amount (minimum $1) and number of units to be assisted under PRAC.
Future Funding

• Between FY 2017 and FY 2019, Congress has appropriated a total of $160 million for the development of new Section 202 housing

• This NOFA makes up to $50 million available and a second NOFA with up to $110M in funding that will be published in 2020 after awards are made on this NOFA

• Why did HUD split funds into two NOFAs?
  – HUD has not issued a Section 202 NOFA since FY 2010/FY 2011
  – Limited time for sponsors to arrange applications for this NOFA
  – The two NOFA process allows for a “ramp-up” period
  – Significant changes from the last Section 202 NOFA include emphasis on physical design standards and mixed-finance development that leverages Capital Advance funding with other sources
Key Resources
Items to Remember for Submission

- Register with System for Award Management (SAM) and Grants.gov
  - Registration is a multistep process and can take up to 4 weeks
  - Applicant must have a valid DUNS Number

- Download both Application Instructions and the Application Package from grants.gov
  - Verify the CFDA number, and boxes 11,12, and 13 on the SF-424 match the NOFA

- Submit complete applications electronically unless applicant has good cause to submit in hard copy
  - Refer to Section III.D for the various application statuses and definitions
  - Requests for a waiver of electronic submission must be submitted to HUD in writing or email at least 15 days prior to application deadline

- Include a copy of the cover letter sent to the State Point of Contact, if there is a requirement for review

- Follow formatting guidelines for narratives and other attachments
Forms to Include in the Application

- Application for Federal Assistance, SF-424
- Previous Participation Certification, HUD Form 2530
- Disclosure of Lobbying Activities, HUD Form SF-LLL
- Multifamily Housing Project HUD Form 92013 (Capital Advance version)
- Certification Regarding Lobbying
- HUD Applicant Recipient Disclosure Report (HUD) 2880 Applicant/Recipient Disclosure/Update Report

See Section IV.B.1
NOFA Requirement Categories

1. **Threshold**
   - Type of eligibility requirement; applications that fail to meet these requirements will be deemed ineligible and will not be evaluated

2. **HUD-wide NOFA requirements**
   - Eligibility requirements for all HUD Grant programs (e.g. resolution of Civil Rights matters)

3. **Program Specific Requirements**
   - 19 requirements specific to Section 202. Of which, 9 require the submission of documents/information in “Tabs of the Application”
Threshold Requirements

• Threshold requirement deficiencies are not curable, except for documentation of applicant eligibility.

1. **Timely Submission** - Applications submitted after **11:59:59 PM on August 28, 2019** that do not meet the requirements of the grace period policy will be marked late. Late applications are ineligible and will not be considered for funding.

2. **Complete Application** - HUD reserves the right to determine whether an application is substantially deficient and non-responsive to the NOFA application requirements. Section IV.B., “Content and Form of Application Submission” identifies the required documentation for submission with the application.

3. **Applicant Eligibility** - Documentation that evidences the applicant’s status as a private non profit organization or, for mixed-finance developments, evidence of the single-asset, for-profit limited partnership of which one or more private non profit organizations hold all general partner interests. 

   **Tab A.**

4. **Need** - HUD will assess the unmet housing needs in the proposed development area relative to the number of proposed assisted units. Applicants must provide 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. To be eligible sites must have an absorption ration of 50% or less. **Tab B.**

NOFA-wide Statutory and Regulatory Requirements

- Eligibility Requirements for applicants of HUD’s Grant Programs, including:
  - Resolution of Civil Rights Matters
  - Outstanding Delinquent Federal Debts
  - Debarment 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

- For more information see
Program Specific Requirements that Require the Submission of
Documents/Information in Tabs of the Application

<table>
<thead>
<tr>
<th>Requirement</th>
<th>NOFA Ref.</th>
<th>Requirement Summary</th>
<th>Tab</th>
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</table>
| Project Development Plan | Section III.E.2 | • Proposed property description that includes address, type of building, type of project, total units, etc.  
                                 |     | • Identify dates for the major development stages                                | C   |
| Project Development Budget | Section III.E.3 | • Sources and uses, evidence of committed funds (non-Capital Advance)  
                                 |     | • Construction costs must be based on cost estimate performed by a professional estimator or for rehab based on a Capital Needs Assessment (CNA)  
                                 |     | • Identify the requested Capital Advance funds not to exceed “Total Development Costs” limits  
                                 |     | • Sources must correspond to the answers to Rating Factor 3                      | D   |
| Operating Pro Forma   | Section III.E.4 | • Cash flow pro forma (20 year)  
                                 |     | • State any assumptions regarding the trending of revenue and expenses  
                                 |     | • Revenue for PRAC units must be consistent with Operating Cost Standards         | E   |

Note: The requirements shown in the column titled “Requirement Summary” provides a high-level overview of program specific requirements identified in the NOFA. Please refer to Section III.E. for complete list of all requirements.
Program Specific Requirements Require the Submission of Documents/Information in Tabs of the Application

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| Capital Needs Assessment (CNA)       | Section III.E.8| • Required for applicants requesting the use of Capital Advance funds for rehabilitation or acquisition  
• Provides justification for the rehabilitation costs being requested in the application  
• Produced by a professional estimator                                                                                                                                                                   | F   |
| Environmental Review                 | Section III.E.7| • HUD will perform a preliminary environmental screen at the application review stage to assess major adverse environmental conditions  
• Applicants must submit Environmental Reports + Phase I ESA (and if necessary, Phase II ESA and Phase III-Clean-Up Plan)  
• Applicants are encouraged to submit to HUD Environmental Review Online System (HEROS)  
• HUD will reject applications with major adverse environmental conditions that cannot reasonably be mitigated  
• Subsequent to award, HUD will complete its full environmental review only for applicants receiving awards prior to issuance of the Firm Commitment  
• HEROS is required if applicant is selected for funding  
Program Specific Requirements Require the Submission of Documents/Information in Tabs of the Application

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</table>
| Site Control                      | Section III.E.5         | • Documentation of site control through  
  • Deed or long-term leasehold which evidences current title to, or a leasehold interest in, the site  
  • Contract of sale  
  • Option to purchase or for a long-term leasehold | H   |
| Statement of Encumbrances         | Section III.E.6         | • Disclose any encumbrance and describe how encumbrances, if any, will not adversely affect the use of the site for the 40-year Capital Advance period | I   |
| Site and Neighborhood Standards (SNS) | Section III.E.17  | • All sites must comply with site selection requirements in 24 CFR 891.125  
  • HUD performs a SNS review for any proposed new construction  
  • Site for new construction may not be located in an area of minority elderly concentration unless site meets one of the regulatory exceptions  
  • Applicants must use the Minority Concentration Analysis tool to determine if site is in an area of minority elderly concentration  
  • See Slides 17-19 | J   |
Site and Neighborhood Standards

• Proposed site must comply with all applicable site selection requirements in 24 CFR 891.125.

• If new construction is proposed, applicants must provide evidence that the site:
  – is not located in an area of minority elderly concentration, and/or
  – meets the requirements applicable to new construction in an area of minority concentration at 24 CFR 891.125(b) and (c), if the site is in an area of minority elderly concentration.

• A project is located in an area of minority elderly concentration if:
  – The neighborhood’s\(^1\) 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\(^2\) as a whole; or
  – 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.

• HUD has made available a Section 202 Minority Concentration Analysis Tool for applicants to analyze their site and ascertain whether it is minority elderly concentrated. If concentrated, applicant may need to a) find another site or b) submit evidence that minority elderly concentrated site meets one of the regulatory exceptions that permits new construction in area of minority concentration.

\(1\) Neighborhood generally corresponds to the census tract.

\(2\) Housing Market Area generally corresponds to (i) the Metropolitan Statistical Area (Metro SA); (ii) Micropolitan Statistical Area (MicroSA); or (iii) if the site is neither a MetroSA or MicroSA, the county or statistically equivalent area.
Site and Neighborhood Standards: Results from Minority Concentration Analysis Tool

1. **IF** Site is not in minority elderly concentrated census tract and is NOT near the edge of a minority elderly concentrated census tract or separated from a significant portion of the occupied land by a major geographic barrier, **SUBMIT**
   1. Output from the Minority Concentration Analysis Tool

2. **IF** Site is not in a minority elderly concentrated census tract and IS near the edge of a minority elderly concentrated census tract or separated from a significant portion of the occupied land by a major geographic barrier, **SUBMIT**
   1. Output from the Minority Concentration Analysis Tool **AND**
   2. Supporting documentation that the census tract is an appropriate representation of the neighborhood
   OR
   1. Output from the Minority Concentration Analysis Tool with an alternative geography that more appropriately reflects the neighborhood **AND**
   2. If the alternative geography is minority concentrated, evidence that the site meets one of the exceptions

3. **IF** Site is located in a minority elderly concentrated census tract, **SUBMIT**
   1. Output from the Minority Concentration Analysis Tool **AND**
   2. Evidence that the site meets one of the exceptions
   OR
   1. Output from the Minority Concentration Analysis Tool with an alternative geography that is not minority elderly concentrated **AND**
   2. Supporting documentation that the boundaries of the alternative geography are generally accepted as the neighborhood **AND**
   3. Optional - evidence that the site meets one of the exceptions for building in an area of minority elderly concentration, in the event that HUD does not approve the use of the alternative geography
Site and Neighborhood Standards: Exceptions for new construction in a minority elderly concentrated area

- 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
  1. have the same household type (elderly) and tenure type (renter);
  2. require the same total tenant payment;
  3. serve the same income group;
  4. are located in the same housing market; and
  5. are in standard condition.

- 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 character of the area (a ‘revitalizing area”).
Program Specific Requirements Require the Submission of Documents/Information in Tabs of the Application

<table>
<thead>
<tr>
<th>Requirement</th>
<th>NOFA Ref.</th>
<th>Requirement Summary</th>
</tr>
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<tbody>
<tr>
<td>Real Property Acquisition and Relocation</td>
<td>Section III.E.18</td>
<td>• Applicant must comply with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA) as amended</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• If the property was occupied at any time since the earlier of the publication of this NOFA and securing of site control by the applicant, the applicant must state whether relocation did or would occur and must certify that the appropriate required General Information Notice (GIN) was issued</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Applicant must submit relocation plan and budget in compliance with the URA, if the development proposal will require the relocation of businesses or residents from an existing site</td>
</tr>
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<td></td>
<td>K</td>
<td></td>
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</tbody>
</table>
Program Specific Requirements That May Impact Applicant’s Submission

- Identify regulatory/programmatic barriers, if applicable
- Design and Cost Standards
  - Must be one bedroom or efficiency units unless financed by other sources 24 CFR 891.210 and 891.310, as applicable
  - Accessibility requirements in compliance with Section 504 of the Rehabilitation Act of 1973, Titles II or III of the ADA, and Fair Housing Act for new construction
  - Smoke detectors
  - Commercial facilities must be funded by other sources
  - Broadband infrastructure
- Enhanced Livability Design Standards – Falls prevention, Visitability/Universal Design, electronic communications, Transportation access, walkability (see Rating Factor 1)
- Energy and Water Conservation - At minimum, energy efficiency strategy and water conservation appliances and fixtures must be incorporated in the design, construction and operation of all new construction and substantial rehabilitation projects
- Flood Disaster Protection Act of 1973 and Coastal Barrier Resources Act
- Labor Standards, in accordance with the Davis-Bacon Act
- Section 3 Employment Opportunities for Low- and Very-Low-Income Persons (see Rating Factor 1)
- Opportunity Zones - Sponsors are encouraged to consider sites in opportunity zones, particularly where the 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
Application Rating Factors
Application Review - Rating Factors

Rating Factor #1: Concept and Project Proposal
36 Points

Rating Factor #2: Market
14 Points

Rating Factor #3: Capacity, Project Leverage and Committed Funding
40 Points

Rating Factor #4: Land-Use/Zoning
10 Points
### Rating Factor #1: Concept and Project Proposal

<table>
<thead>
<tr>
<th>Concept and Project Proposal, Tab L of the Application</th>
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<tbody>
<tr>
<td><strong>36 Points, Minimum Score for Funding 20 Points</strong></td>
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<tr>
<td>30 pages (excluding partner letters of commitment, each of which may not exceed 2 pages and excluding schematic drawings)</td>
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</table>

<table>
<thead>
<tr>
<th>Physical Design</th>
<th>Supportive Services</th>
<th>Soundness of Approach</th>
<th>Replicability and Scalability</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Points</td>
<td>10 Points</td>
<td>10 Points</td>
<td>5 Points</td>
</tr>
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</table>

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.

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.

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.

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.

<table>
<thead>
<tr>
<th>Employment Opportunities</th>
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<tr>
<td>1 Point</td>
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</table>

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.

**Note:** A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.
Rating Factor #2: Market

<table>
<thead>
<tr>
<th>Market, Tab M of the Application</th>
<th>14 Points</th>
</tr>
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<tbody>
<tr>
<td>4 pages (excluding site map)</td>
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<table>
<thead>
<tr>
<th>Need</th>
<th>4 Points</th>
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<tbody>
<tr>
<td>• Evidence of Strong Need (4 Points). Absorption ratio of 15% or less.</td>
<td></td>
</tr>
<tr>
<td>• Evidence of Need (2 Points). Absorption ration greater than 15% and less than 30%.</td>
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</tr>
<tr>
<td>• No Evidence of Need (0 Points). Absorption ration 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.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Neighborhood and Context</th>
<th>10 Points</th>
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<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

Note: A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.
**Rating Factor #3: Capacity, Project Leverage, and Committed Funding**

<table>
<thead>
<tr>
<th>Development Experience</th>
<th>Supportive Services Experience</th>
<th>Project Leverage</th>
<th>Sources of Funding</th>
<th>Past Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Points</td>
<td>7 Points</td>
<td>15 Points</td>
<td>10 Points</td>
<td>Delays -5 to -7 Points</td>
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<td></td>
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<td>Amendments -5 to -10 Points</td>
</tr>
</tbody>
</table>

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.

Applicants and/or committed partners must describe and provide evidence of significant previous experience in providing and coordinating supportive services to the proposed population.

Amount of financing brought to the project by the applicant in relation to the amount of capital advance funding requested in the application.

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.

Deduction of points for extensions or amendments from FY 2010/2011 Capital Advance round.

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Note: A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.
Rating Factor #4: Land Use/Zoning

<table>
<thead>
<tr>
<th>Land-Use / Zoning, Tab O of the Application</th>
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<tbody>
<tr>
<td>10 Points</td>
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<table>
<thead>
<tr>
<th>Written evidence of Compliance with Land-Use and Zoning Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/4/0 Points</td>
</tr>
</tbody>
</table>

- **Fully Permitted (10 Points).** 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.

- **Partially Permitted (4 Points).** Project, as proposed, is permissible under applicable zoning ordinances or regulations but requires other discretionary approvals.

- **Not Land Use Compliant (0 points).** 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.

Note: A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.
Application Review and Award
Application Review

- Application review and rating will be centrally managed at HUD HQ – will not occur at the Field Office.
- If an application contains deficiency, they are classified as the following:
  - **Curable:**
    - Can be corrected by the applicant (e.g. submission of application under the wrong CFDA and Funding Opportunity Number);
    - Not a threshold requirement, except for documentation of applicant eligibility;
    - Does not influence how the applicant is ranked or scored; and
    - Applicants must email corrections of curable deficiencies to applicationsupport@hud.gov within the time limits specified in the notification. The time allowed to correct deficiencies will not exceed 14 calendar days or be less than 48 hours from the date of the email notification. Subject line of email must state “Technical Cure” and include the grants.gov tracking number.
  - **Non-Curable:**
    - Cannot be corrected by the applicant;
    - Correcting, would change the applicant’s score or rank; and
    - May result in an application being ineligible, or otherwise adversely affect an application’s score and final determination guidelines for narratives and other attachments.
Award Administration

- Applications due August 28, 2019.
- Announcement of award is approximately 3 months after the application deadline date.
- Applicants will be notified of application decision by email to the person listed as the Authorized Owner Representative (AOR) in the SF-424.
- Application debriefings will be available, if requested by the applicant, for a period of 120 days beginning 30 days after the public announcement of awards.
- A fund reservation award constitutes *preliminary approval* of the application and does not constitute an approval of the site.
- Awarding of funds contingent on meeting “Period of Performance” requirements in Section II.D of the NOFA, including: (1) Agreement Letter; (2) Firm Commitment Application; and (3) Start of Construction Timelines.
- All awardees must follow General Administrative Requirements and Terms for HUD Financial Assistance awards.
- HUD may impose special conditions on awards when assessing applicant risk.
Q&A
Q&A

Ask questions at the end! Here’s how:

– “Raise your hand” by clicking on the hand icon and the presenter will unmute your line so you can ask your question live

  Note: To do this, you MUST call the dial-in number shown on your attendee control panel and input the audio PIN shown, which is unique to each attendee

– Send in questions via the “Question” feature