

FY 2019 Section 811 Capital Advance NOFA

LISA: Good afternoon and welcome to the Section 811 Capital Advance NOFA with HUD staff. All lines will be muted. The slides will be available on the HUD funding opportunity page next week, the slides and the recorded webinar. Questions can be submitted to the question box that you see on your screen or the HUD mailbox at the address listed on your slide. Answers to the questions we provided on the funding opportunity web page in the next few weeks. Thank you.

KATINA WASHINGTON: Thank you, Lisa. Good afternoon and welcome everyone. As Lisa mentioned, today we will be presenting on the section 811 supportive housing for persons with disabilities Capital Advance NOFA. My name is Katina Washington, and I will be presenting today on the fiscal year 2019 notice of funding availability. I just want to take a brief moment ensure that everyone online is aware that today's webinar will only cover the Capital Advance NOFA.

So today our agenda will take-- the webinar will take place in three parts. Part one will cover the program in the NOFA overview. Part two will cover the overview of the program's specific eligibility requirements. This section, you'll hear from our various disciplines, and lastly part three will cover the application submission information.

Part one, program and NOFA overview. Section 811 is authorized by the section 811 Cranston-Gonzalez National Affordable Housing Act as amended by the Melville Act of 2010. The section 811 provides Capital Advance funding for the development of supportive rental housing for very low income persons with disabilities, age 18 years or older but less than 62 years of age.

HUD is seeking to find innovative models that will be at the forefront of design and service delivery and efficient use of federal resources. We are seeking applicants that demonstrate best practices or innovation in physical design and supportive services in order to promote long-term housing security and facilitate community integration of persons with disabilities. In addition, HUD is looking for applicants that use the Capital Advance funds to leverage dollars from other financing sources to meet the goal of the development of permanent supportive housing while increasing the number of units produced.

Sorry about that. I was having technical difficulty with changing the slides. The fiscal 2019 NOFA overview, the amount available funds is \$75 million. HUD expects to make approximately 25 to 30 awards. This is just a estimate. This would be depending on how many applications we receive, and so the 25 to 30 is just an approximate. The maximum award that can be requested is \$2.5 million, and the minimum award amount is \$1.

It's been a while since this apartment has put out a Capital Advance NOFA. We conducted listening sessions to ensure the design of the NOFA will address the current landscape of developing housing that will serve persons with disabilities in an integrated and service-rich environment. On this screen, you'll see the highlight of some of the changes from the previous NOFAs.

One of our first changes was leveraging. This NOFA is encouraging applicants to leverage other sources of funds to support the development of section 811 units. Another difference from the previous NOFA is site control. All proposals must provide evidence of site control, site identified proposals will not be accepted under this round.

The third change is any project that will have low income housing tax credits. Projects that will be assisted with either LIHTC or tax exempt bonds shall have initial rental assistance contract term of not less than 30 years and will receive PRAC funding minimum of five years. We also have a heightened focus on partnership. We're really looking for applications who are able to create sustainable partnerships between applicants and key stakeholders that will provide a foundation for the long-term implementation of housing related service and supports.

The NOFA also limits the type of housing that you may use to propose as a project. First is integrated housing condominiums and group homes. I'll explain later in detail what each of those types mean. And lastly, delegated processing, delegated processing directs HUD to delegate the review and processing of certain section 811 supportive housing for persons with disabilities.

The delegated review and processing will be a HUD approved state or local housing agency that will be in the geographic proximity of the proposed project. The HUD approved state or local housing agency will process the application from award to firm commitment. HUD is in the process of issuing a notice on the delegated processing instructions.

Now let's get into eligibility information. So who is able to apply to the NOFA? The eligible applicants are non-profits having a 501C3 with the IRS other than institutions of higher education. So what are the eligible activities? Eligible activities include the financing of the development either through new construction, rehabilitation, or acquisitions with or without rehabilitation.

The Capital Advance may be used in combination with other non-section 811 funding sources leveraged by a single purpose and single asset for-profit partnerships to develop a mixed finance project, which may or may include-- which may or may include additional unassisted housing for persons with disabilities over and above the section 811 unit. The PRAC will be provided to cover the difference between the HUD approved operating costs and the resident portion. PRAC funds will not be provided for any non-section 811 unit.

Eligible projects types, so there will be three eligible projects types for this NOFA. It can either be condominiums, group homes, or integrated housing. We can condominiums a system of ownership of individual units in a multi-family structure combined with joint ownership of commonly used property. No more than 25% of the total dwelling units may be set aside for persons with disability. Each unit must have a private kitchen and bath, and the units must be scattered throughout the development.

Group homes should be a single family residential structure designed or adapted for occupancy funds no more than eight persons with disabilities. It must include a separate bedroom provided to each tenant. 100% of the units may be available for persons with disability, and not more than one home may be located on the site. Please note that any advocates who are proposing a group

home must meet the home and community-based waiver and size requirements allowed within the state transition payment plan where the housing is to be developed.

Lastly, the next project type is the integrated housing, which is a multifamily residential property where no more than 25% of the units are set aside for persons with disability, including supportive housing for persons with disability and units to which any occupancy preference for persons with disabilities lies.

Now we have reached out part two of our NOFA webinar, which will be the overview of progress specific requirements affecting eligibility. And we'll go over some of our disciplines. We'll go over some of the rating factors. I'm going to turn it over now to Danielle Garcia, who's from FATO, and she'll be going over the fair housing requirements and rating factor 3.

DANIELLE GARCIA: Good afternoon, everyone, and thank you, Katina. And yes, I will be going over fair housing requirements and rating factor three. Within the NOFA, there are two elements that are related to fair housing, and the first is an eligibility requirement for site and neighborhood standards. This requirement applies only to new, construction and I will do a deep dive here in a minute just to kind of articulate what that means.

And then the second element is in the rating factor section that's rating factor 3, and there's two rating factors that we will be evaluating for the soundness of your approach in relation to affirmatively furthering fair housing. And there's five points consisted in there. And the second rating factor's also a site neighborhood standard for non-new construction properties. So that will be your acquisition and rehabilitation projects.

And if I were to do the next slide here, here's kind of the deep dive of what that basically means. So in Section 3 F.7 of the NOFA, there is a program specific requirement that does affect eligibility. And within the NOFA four our team will be evaluated evaluating your site and neighborhood standards. This applies only to two new construction.

Now we have created a tool for you to use, and those that are not new construction I don't want you to pay attention. Because this tool is going to be helpful for you when it comes to the rating factor section. So the tool is a report, and the link is within the NOFA fault of Section 3 F.7. It's called the minority concentration analysis of section 811 applications tool.

There is a report generated from this tool that you're going to include in tab 8 of the NOFA application, and the tool is very intuitive. It's easy to use. You're basically going to create an account with your email, and you will create a password. Within the tool, you will plug-in the address of your proposed site. The map is going to appear, and from here we just ask that you do not send a screenshot of this page. We want you to actually generate the report.

And to do that, you click Save Project, you enter the name, and then the report will be emailed to the email address you used. And when you open the report, it's going to have a table with census data of race and ethnicity by your housing market area your census tract for that proposed site. Page two of the report is going to have some questions with yes or no answers, and it's basically analyzing if the property is in a minority concentrated area.

And from there if your property is not in a minority concentrate traded area for the most part, you are good to go. You attach that report, and you can move forward. However, I still want you to analyze the report, because if your site is near an edge of a minority concentrated area or census tract where there's a very apparent geographical barriers, such as a river or interstate, you click on the line with meeting to request an exception. So just be sure that you are looking at the map and feel very comfortable that this is not in an area minority concentrated area.

Now if you're part of the group that is in a minority concentrated area, you will have to request an exception. And this is per the regulation 24 CFR 891.125(c). There's two types of exceptions you can request. One is for efficient comparable opportunities exist for healthy minority households, . And the second exception is an overriding housing need.

And there's two elements within there you only need to qualify for one. It's either the local overall local strategy or looking at that there's private, significant private investment. Now we are going to publish them very detailed FAQs just to, kind of, explain what these two exceptions mean and what they are.

So when you're working through your application and if you fall in this group to where you will have to submit an exception request, I'd like for you to refer to section three F.7 of the NOFA. Refer to the section 811 FAQs. They're clearly going to explain what the exceptions mean and what you need to submit. And then also please refer to the regulation for site neighborhood standards. So again that's 24 CFR 891.125(c).

Now one other thing within this tool that's very powerful function for you to use. There is also a tab for a revitalization analysis. So same thing when you're logged into the tool you're going to click on a tab to the right that determines the minority concentrated area.

When you click on the tab, you're going to plug-in the address of the property, save the project, and the report will also get emailed to you that is extremely helpful information to tell you what's going on based on census data with your proposed site. So it's going to be comparing census data to poverty rates, the unemployment rate, home value, home ownership. That's another wonderful feature that we want you to utilize when you're working together through your application.

And that report is also helpful for one of the exceptions for your overriding housing needs if you're trying to claim that there is significant private investment. That's one of the trends that we tend to look at. Now if we're switching over to the rating factor criteria, there's two elements of the rating factor that our team will be evaluating.

And the overarching rating factor here is affirmatively furthering fair housing rating factor. It's going to be five points, and the first element we're going to be looking at is pretty much your history with what you've been doing with for the limited English proficiency. So in your application, you're going to demonstrate and describe have you conducted a format analysis in the past.

Have you implemented a language implementation plan? How have you trained your staff in the past on LEP? Have you had you translate vital documents to target specific population?

And then the element is looking at your affirmative for affirmative fair housing marketing. So also telling us and describing your past strategies of what you've done to reach persons in a housing market area that are least likely to apply for housing, and what type of strategies and marketing and outreach efforts have you done. The next rating factor that we're going to be looking at is also site and neighborhood standards for our rating factor.

Now this rating factors only going to apply to your non-new construction projects. So basically if you are a new construction project, you were already evaluated during the eligibility part. So if it's your new construction, you're going to automatically receive three points for this rating factor. If you are not new construction and you do not have to go through the eligibility criteria, then this element will apply to you.

So what we'd like for you to do is to use the tool and submit the report for the minority concentration analysis. And in there you're going to be looking to see if the project is in a minority concentrated area. Now the two things that we're going to be looking at is the tools going to-- we want you to see or analyze how does this site promote greater housing choice for minorities and persons with disabilities.

So what I would take this to mean is if we really want you to see what's going on with your jurisdiction, and does the proposed site-- is it consistent with your jurisdiction AI, which is analysis of impediments, or if there is a hot except ASH, which is assessment of fair housing. So just making sure that there is choice in looking at the Fair Housing issues contributing factors within that jurisdiction and just making sure that the project is aligned with that.

Another concept for housing choice would also make sure that your proposed site is not clustering around other affordable housing. That historically has created segregated patterns, so we want to make sure that you're considering where you place the site, that there's not-- it's not also around public housing or other subsidized housing. Another element for this rating factor three points we'll be also looking at the revitalization of the area. If you were in a minority concentrated area, then we want you to look at trends as far as what's going on.

So one of the helpful things that you can use would be the tool that I just discussed. And looking at the revitalization report. And basically just looking we want to see our census tract poverty rates declining. Our household income is increasing, home ownership rate's increasing, employment's increasing, crime rate's declining, educational achievements increasing, and so on making sure, like, there's a good opportune area. There's retail, commercial, all of those going on within your proposed site. And from there, I will kick it off to my colleague Heather Waigand in OGC.

HEATHER WAIGAND: Thank you, Danielle. As Katina mentioned earlier, in 1990, Congress passed the Cranston-Gonzalez National Affordable Housing Act, which created the section 811 supportive housing for disabilities program. Major amendments to the section 811 statute since then, the American Home ownership and Economic Opportunity Act of 2000, which authorized for-profit limited partnerships to be owners of section 811 projects, which facilitated mixed finance development of section 811 projects through the use of tax credits and other private funding sources.

There's also the Frank Melville Supportive Housing Investment Act of 2010. This act broadens the definition of private non-profit organization to include for profit limited partnerships where the sole general partner is a for-profit corporation or a limited liability company that is wholly owned and controlled by one or more nonprofit organizations. Congress authorizes funding for section 811 Capital Advances in PRACs in the annual Appropriations Act. Although Congress has continued to fund renewals for PRACs and amendments to existing Capital Advances, new section 811 Capital Advances were not funded between fiscal year 2010 to 2018.

Starting in fiscal year 18, Congress restarted funding for the new section 811 Capital Advances. In addition to statutes governing the section 811 Capital Advance program, HUD implemented regulations at 24 CFR Part 891. Particularly, sub-part c provides the section 811 Capital Advance specific requirements. Beyond the statutory and regulatory requirements HUD has issued numerous types of program guidance, which my colleague Chandi Randolph will address now.

CHANDI RANDOLPH: Thank you, Heather. HUD primarily issues program guidance in the form of handbooks and notices. Importantly, the primary applicable handbooks for the 811 Capital Advance program are a HUD handbook 4571.2, section 811 supportive housing for persons with disabilities, HUD handbook 4571.4, supportive housing for persons with disabilities conditional commitment to final closing, and HUD handbook 4350.3, occupancy requirements subsidized for the subsidized family housing programs. In terms of outlook applicable notices, housing notice 2014-10 is the latest and most comprehensive notice published.

This notice ties together certain requirements found across handbooks and provides process and guidance for both the 202 and 811 level programs. Lastly, in addition to handbooks and notices from time to time the HUD office of general counsel has also issued legal opinions that impact the application of certain certified guidance. Sometimes these opinions become the basis for a new housing program notices.

That's provided in the handbooks, notices, and other guidances. Once the applicant has selected the applicant will be responsible to execute certain documents to facilitate receipt of the Capital Advance and ensure that her investment and interest in a long-term use and affordability requirements of the project is maintained. Though this is not an exhaustive list, these documents include those listed in this slide, including the grant agreement, use agreement, Capital Advance agreement, regulatory agreement, note, mortgage, deed of trust, or security deed, Project Rental Assistance Contract or the PRAC and the agreement to enter into the PRAC.

Chief among these documents are the regulatory agreement, which ensures that the 811 Capital Advance owner operates the project in a manner consistent with the 811 statutory, regulatory, and program requirements. In addition, the use agreement, which ensures that the project meets the statutory requirements of being used or very low income not elderly disabled families for a term of 40 years.

The Capital Advance is reflected on title to the project by both a mortgage and note. However, the mortgage and note must not be repaid unless the project owner falls out of compliance or operates a project in a manner inconsistent with the statute and guidance. Last but not least, Project Rental Assistance Contract is a separate agreement that must be entered into between the

owner and HUD which revise the terms for the owner's receipt of operating assistance for 811 Capital Advance units within a project.

PAMELA SHARPE: Hi, this is Pamela Sharpe, and I'm representing EMAD, Economic and Market Analysis Division. And I will be talking about market needs. Applicants must provide a statement of need-- market need for housing for low-income disabled non-institutionalized persons 18 to 64 years old have a disability and are below the poverty line. Extent of need, HUD will consider your evidence of need in the area, as well as other economic demographics and housing market data. This data should include a general assessment of the current conditions in the market for the type of housing proposed, an estimate of the demand for additional housing of the type proposed in the HMA, and information on the numbers and types of existing and comparable federally assisted housing units for persons with disabilities, current occupancy in such housing, and recent experience.

Assisted housing for persons with disabilities under construction or for which funds have been issued and comments from rural housing service on the demand for additional comparable subsidized housing and the possible harm to existing projects in the HMA, which is the Housing Market Area. The unmet needs ratio, for all section 811 projects determined to have enough demand, HUD will rate applicants based on an unmet needs ratio. Data to be used as the ACS five year data table C18130 by disability status by poverty status at the county level. The rating score for the unmet need ratio is equal to the total non-institutional population 18 through 64 with a disability below the poverty level. Over the top non-institutional population 18 to 64.

The unmet need ratio will be rounded to the nearest tenth and points awarded as follows. For zero points unmet need ratio is less than or equal to 2%, one point 2.1 to 2.6%, two points, 2.7 to 3.4%, three points, 3.5% to 4.2%, and four points, 4.3 to 5.6%. And of course, the maximum percent is-- the maximum points we can give is five points, and that would be greater than or equal to 5.7%.

The exception for this unmet need ratio is that the county's own unmet need ratio is replaced with the state ratio when the margin of error for the estimate of non-institutional person is 16 to 64 with a disability and poverty is larger than 50% of the estimate at the county level. And the standards apply to ACS data and other program uses. Now I would turn it over to Sarah Jensen.

SARA JENSEN: Hello, everybody. I'm going to talk about the environmental requirements in the 811 NOFA. HUD must complete a full environmental review prior to approving a site. And so we've structured the NOFA in a two-part approach. The first part is the preliminary environmental screen. This applies to all applications.

The applicants must submit a specific environmental documentation using either the Head Environmental Review Online System, which we call HEROS or using environmental review partner worksheets. And we'll talk a little bit more about that in the next slide. HUD will use that information to screen for major adverse environmental conditions.

So some examples include but are not limited to if the site has contamination in the soil or if the project requires demolishing a historic building or if the project will be built in a floodplain or

wetland. Those are all the type of issues that HUD will be looking for in that preliminary screen. Applicants that are selected for funding, which will be conditioned on a completed environmental review, must assist HUD with the full environmental review. And those will be following the requirements at part 50 and the regulation and also in the map guide chapter nine.

At this stage, the full environmental review we will be requiring that the information that you provide be submitted to us in HEROS, that environmental online system. HUD will reject environmentally unacceptable sites, so it's very important that applicants evaluate the site to ensure that it meets HUD'S environmental requirements. We may reject the site at the full environmental review site stage, but we also might be rejected at the application stage. And that would happen if HUD sees that there's a major adverse environmental condition, and we don't see that it can be reasonably mitigated.

Examples, so let's say the environmental issue at the contaminated site if the application comes in and does not include a remediation plan or it includes a remediation plan but that plan is not approved by the state regulatory authority, that could be a reason that HUD would reject the site. If the project is going to demolish a historic building, we would want some information about understanding that will need to be mitigated and, perhaps, outreach to the State Historic Preservation Office or local historic group saying that that will not be an adverse effect for the community. In both cases, HUD will have to complete the full environmental review and may require additional documentation. But my advice is that if you do see that your site has an adverse effect please, submit to HUD information about the plan and the cost and the feasibility of mitigation.

In addition to the details that are spelled out in the NOFA itself, we've created a website, and the link is here on this slide. It should also be linked from the NOFA. On that website, there's information about how to register for that HERO system I mentioned. There's tutorials and fact sheets and all kinds of helpful information. We've also put together a comprehensive guide to using HEROS as an 811 applicant. This website also works for the recent 202 NOFA. So you'll see both there, but it's specifically for this program.

And you'll also see links to the partner worksheets. So let me show you some screen shots of what this will look like if I can move the cursor. OK, this may be coming across in small print, but this just gives you an idea. At the very top, you can see that comprehensive guides. So you can pull that down, and it's step by step how to use HEROS for this application.

You can see in the middle of the page a reminder of the two stages. So there's the application review stage with limited information that we need, and then if the project is selected for funding we're going to need the full information provided in HEROS. And then you can see at the bottom a link for how to register for HEROS. And then if you scroll down, all the partner worksheets that are required are here, and you can click on them and get those and so that you can fill them out.

One thing I want to note is that both the HERO system and the partner worksheets are designed for use by lay people, but applicants may choose to hire a professional third parties to gather environmental information. This is particularly true if there are adverse environmental issues at

your site. You may need that third-party to help you document them and also to propose mitigation. In addition to the partner worksheets or the HEROS submission, the NOFA lays out requirements for phase one environmental site assessment reports. This is a report that looks at contamination at your site.

If there is contamination, you may be required to complete a phase two, which is where you actually test the soil or the groundwater. And if that comes up with contamination, then you will need to submit a phase three, which is the remediation report. And you need to follow the ASTM requirements and the map guide chapter 9.3 requirements. These are laid out in the NOFA, but I'll just highlight a few.

So the phase one report has to be completed within 180 days of the application deadline. The prepare of that report must meet the ACM qualifications. And the phase one must include a tier one vapor encroachment screen.

If your site requires remediation, it needs to be submitted with the application. It needs to include cleanup costs and timeline for the cleanup. The remediation must either clean the site completely or clean the site to a risk-based corrective action level for residential use that's approved by the relevant state or federal authority. And my final slide, this is quite a bit of words. This is taken directly from the NOFA.

I just wanted to reiterate that preliminary approval does not constitute approval of the site. This will only occur after HUD completes its environmental review. And when you submit your application, you're agreeing to these bullets below, which is that you will supply head with all the information we need to complete the environmental review. That if we require any mitigation measures in order to have a successful environmental review, you're agreeing to carry those out.

And once you submit that application this is now a federal project, and so you can't rehab or demolish or do construction from the point of application until HUD has completed the environmental review and given you the site approval. So that's the summary, and look forward to getting any questions we'll respond to in the future. And Katina, am I handing this back to you?

KATINA WASHINGTON: Hello.

SARA JENSEN: Yep, we can hear you.

KATINA WASHINGTON: OK. I was just making sure. Thank you, Sara, for your overview of the environmental requirements for the NOFA. So now that brings us to part three, application submission information. In this section, we are highlighting the important information that should be submitted with your application. In part two, some of our subject matter experts provided additional details on rating factors two and three. In this section, I will go over those two rating factors very briefly.

Your application, this is the application submission information that's up on your screen. Your narrative and any other attached documents must follow the formatting guys in the NOFA. You

can find those in section 4b, content form and application submission. There should be a chart where you see the forms and any of the rating factors with tabs they should be located in or any other documentation as well.

Your pages of your-- your page size must be 8 and 1/2 by 11 inch. The font may not exceed 12 point. We do not have any page limits for this application, but do not include documentation and other cars, which are cross reference in the narrative. All narrative pages must be numbered and also organized by the tax section.

As I mentioned, there is a chart inside the NOFA if you refer back to it. And it will have listed out which tab is it under. Is it under a tab A or B, et cetera? And please do not use any in notes or footnotes and do not format any narratives in columns.

So now we're here to threshold requirements. All applicants that apply to the NOFA must meet the threshold eligibility requirements to be-- in order to be deemed eligible. Applications that do not meet the special requirements will not be reviewed further. Applications must be submitted timely and complete. So please read the NOFA carefully and review, as I mentioned earlier, section 4b the content form and application submission to make sure you have all the documents that are listed in that chart so your application can be reviewed.

Next, you will have to provide documentation of your eligibility. This would include documenting your non-profit status. The documentation should be from the applicant and any co-sponsors that will be included in this application. You must include your articles of incorporation or constitution or any other organization documents, your bylaws, and IRS tax exemption ruling even including if you are a religious organization or church.

Next, you will need to provide evidence of your market needs, which is provide a statement of need which we went over earlier under our economic and market analysis section of this webinar. And then lastly, you need to identify the project type that you are proposing. You should provide a written narrative describing this proposed project.

Here are some other program specific requirements that will affect your eligibility if you do not submit these documents. The two documents are your project development plan and your development budget. In your project development plan, you must provide a description of your proposed property, the project development timeline, identifying completion date, any major development stages or milestones from post-award to final closing and modification award. This is a statement that notifies HUD if your project plans can be modified.

Secondly, your development budget, your development budget should include your total unit count. This should be the breakdown of the number of units and the number of non-section 811 units. So you must include both your sources and uses, your sources and uses of funds for the project, and the sources and uses of funds associated with the Section 811 units. So if you're going to have non-section 811 units and section 811 units, you need to include information about the sources of units-- sources and uses of funds for both of those you unit types.

Debt, you need to list any existing debt and how their debt will be supported. Just remember that PRAC funds cannot be used to support any debt. Commitment, you need to include any commitments from each sources of funding, whether it be your 9% my tech allocation or your 4%, any loan offers, award letters, binding commitments, income from operations, and other documents that we'll provide as commitment.

Next, you also-- these are-- this is the overview of the rating factors. This will be mostly your narrative questions that you will need to respond to. Inside the NOFA, you'll see we have ratings factors one through five and we also have preference points included as well. So rating factor one would be your capacity of the applicant and relevant organizational experience. This is where you will address your experience in your organizational resources that you have available to successfully implement the proposed activity under this NOFA.

HUD will follow the-- you need to address the following factors in the rating factor one, your development experience, any supportive housing for persons with disabilities experience, your partner agency capacity. So that's if you're partnering with another agency, what is their capacity to carry out the award, and lastly, your housing and service experience mixed together. So if you're a sponsor who has both experience in providing housing and in the service space, you would address that in this sub factor in order to receive points.

The next rating factor is need extent of the problem. This was addressed in part two during the economic and market analysis section. And this writing factor you'll be addressing the extent to which there is a need for funding the proposed activities to address the document problem in the target area.

Next is rating factor three is your soundness approach. Soundness approach includes addressing the quality and effectiveness of your proposal, including access to transit and amenities provision of supportive services, whether or not your proposal provides opportunities for residents to have access to support or services, improved living environments, evidence of zoning for the housing being proposed. So under this-- these are the sub-factors that you need to address. You need to address-- your site improvability and neighborhood context, affirmative furthering fair housing. This was mentioned under the fair housing and rating factor three and part two of this webinar.

And under that, your limited English proficiency, your Affirmative Fair Housing Marketing, as well as the fighting neighborhood standards as mentioned earlier by Danielle Garcia, both of those rating factors she went over in detail. Next is assessable design, land use and zoning, and you will receive negative if you have any adverse environmental conditions.

Our next rating factor is rating factor four, supportive service plan. Applicants or their partners must describe and provide evidence of significant previous experience coordinating supportive services to the proposed population. And in the support service plan, there is a few things that you need to address. Your experience coordinating services with organizations not directly involved with this application, but you have had shared common goals and objectives that serve the needs of the resident. The second one have you consulted with any relevant public housing authority or continuum care organizations that have developed ways in which the proposed project will assist persons with disabilities who are experiencing chronic homelessness? And

lastly, did the proposed supportive services meet the identify needs of the anticipated residents and the proposed project will remain viable as long as the project is in existing with the available supportive services that will be targeted for your target population?

So our last rating factor not including the preference points is leveraging resources as rating factor five. And under this rating factor, you will need to provide evidence that the source of funds have been identified to cover the total development and that a portion-- a substantial portion of these funds have been committed to the project. Points will be awarded based on the percentage of leverage resources that you'll be able to commit, and you must evidence these commitments by providing the documents as mentioned earlier.

The commitments may include but are definitely not limited to either your tax credit equity from the 9% or 4% LIHTC, historic rehab tax credit, your opportunity funds investment, or similar federal estate tax credit programs, your first mortgage financing supported by non-PRAC funds, any subordinate loans, any donation of land, grant awards, sponsor capital, including deferred developer fee. So here this is where you will evidence that you have identified sources of fund that will cover the total development, and you'll also identify the commitments as well.

Now these-- now we're onto preference points. And these are not part of the rating factors. They are for you to receive additional points. The rating factors in order to be an approvable application you must score at least a minimum of 75, and you can get up to 100 points. Now we're at the point where preference points you can receive-- we have two preference-- we're providing two items for preference points.

First up is opportunity zones. HUD is encouraging activities and opportunity zone community. Points will be awarded to qualify activities within a designated zone or area of-- a designated opportunity zone. In the presentation and in the NOFA we included-- and we'll also include in any FATs the links to find out where are these opportunity zones.

But to obtain point, applicants must demonstrate that the proposed project is located in a opportunity zone community, but as well as demonstrate that the proposed project will meet the site and neighborhood standards for this program. And residents will have the immediate access and necessary supportive service available at the time of occupancy. So if you're going for opportunity zone points and you're thinking about placing a project in-- a proposed project in the opportunity zone, you just won't get points because it's located in there. You also-- your site has to also meet the standards that are listed in the NOFA in order to be eligible and to receive points under the preference points factor.

So our last preference point is innovative approaches to affordable housing preservation. HUD is encouraging the use of the section 210 transfer authority as part of the proposed project. The section 210 transfers the project-based rental assistance, any debt, or any income based use restriction to another multi-family project. We have a lot of resources on the 210. The NOFA does go into great detail of what you should provide in your application to demonstrate that you want to receive points for this preference point.

We also have in the presentation and we'll also include this in the FAQ information about the 210 transfer on our HUD exchange site. It will give you information on the regulations for section 210. We also have a webinar included and information on what-- just the basis of what 210 is about, the 210 transfer. But for the NOFA in order to obtain these two points for the reference point factor, the transfer application must be approved by or before the date of the selection of this NOFA. So you can have your application in, but if it hasn't been approved by award, you won't be able to receive the two points for this reference point factor.

So this here's some quick reminders. The applications are due March 10, 2020. The section 811, this webinar, and the frequently asked questions will be posted a week after the webinar on the funds opportunity page. And we expect to award these Capital Advance funds late summer or early fall. So we only have like less than two months left. So if you have any questions, please get them in so we can issue the FAQs after we get this NOFA.

And lastly, if you weren't able to ask questions-- get your questions in during our chat box, we also have a mailbox. And you should see on the screen if you have any additional questions you couldn't think of during the webinar, we are recording every question that we received and we will be posting that into an FAQ so everyone has an opportunity to see the questions.

Thank you all for tuning in today. Our NOFA mail box will be open until the applications close. So please remember to use that mailbox if you have any additional questions. I thank you for your time, and this concludes our webinar for today.