



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention of:

All Multifamily Hub Directors
All Multifamily Program Center Directors
All Supervisory Housing Project Managers

NOTICE H 2011-26

Issued: September 23, 2011

Expires: September 30, 2012

Cross Reference:

Handbook 4571.2 (811)

Handbook 4571.3 REV-1 (202)

Subject: Combined Fiscal Years 2010 and 2011 Policy for Capital Advance Authority Assignments, Instructions and Program Requirements for the Section 202 and Section 811 Capital Advance Programs, Application Processing and Selection Instructions, and Processing Schedule.

PURPOSE. This Notice transmits for Fiscal Years 2010 and 2011

- Changes to Application/Selection Process
- Application Processing Schedule
- Submission Requirements for Selection Materials
- Section 202 Allocation Chart
- Section 811 Allocation Chart
- Section 811 Workshop Instructions
- Section 202 Funding Notification
- Section 811 Funding Notification
- Applications Processing and Selections Policy
- Section 202 Minority Business Enterprise Goals
- Section 811 Minority Business Enterprise Goals
- Initial Screening for Curable Deficiencies
- Technical Review Sheets
- Section 202 Standard Rating Criteria Form
- Section 811 Standard Rating Criteria Form

This Notice should be used in conjunction with the Final Rule Part 891, the General Section of the Notice of Funding Availability (NOFA) published in the Federal Register on June 7, 2010 the Section 202 program NOFA published on the HUD website and grants.gov on March 4, 2011, and the Section 811 program NOFA published on the HUD website and grants.gov on April 8, 2011, as amended on May 16, 2011 and Handbook 4571.3 REV-1 Section 202 Supportive Housing for the Elderly or Handbook 4571.2 - Section 811 Supportive Housing for Persons with Disabilities, as appropriate.

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Attachments:

- 1 Section 811 and Section 202 Application Processing Schedule
- 2 Submission Requirements for Selection Materials
- 3 Section 202 Allocation Chart
- 4 Section 811 Allocation Chart
- 5 Workshop Instructions

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I. CHANGES TO THE APPLICATION REQUIREMENTS FOR THE COMBINED FISCAL YEAR (FY) 2010 AND FY 2011 FUNDING OF SECTION 202 AND SECTION 811 PROGRAMS

A. General Submission Changes

- The application deadline date for the Section 202 Program was June 21, 2011 and the deadline date for the Section 811 program was June 23, 2011. Both were due by 1:59:59 pm eastern standard time on the respective date.
- Applicants must use the latest versions of the Adobe Reader compatible with Grants.gov, which is Adobe Reader 9.2 or the most recent versions posted to the Grants.gov website.

B. The Development Cost Limits have been changed to reflect increased costs as specified in the NOFA.

C. Geographic Allocation of Funds

Funds are allocated to the 18 Hub jurisdictions instead of the 51 Program Centers. Under the new allocations there are no minimum set aside of units. Hubs are responsible for all activities during the application review and selection process. This includes workshops, technical processing review, and convening the rating and selection panel. The level of involvement of applicable Program Centers in these activities is to be determined by the Hub director with consideration given to capacity and efficient use of staff and means of communication. See section II and Attachments 2 and 8 for further information.

D. Consolidation of FY 2010 and FY 2011 Funds

1. Expiration of Funds. Funds are made available by a combination of FY 2010 and FY 2011 appropriations, the Consolidated Appropriations Act, 2010 (Pub. L. 111-117, approved December 16, 2009), and the Full-Year Continuing Appropriations Act, 2011 (Pub. L. 112-10, approved April 15, 2011). This combined funding will be governed by the information and instructions found in the Notice of HUD's Fiscal Year NOFA, Policy Requirements and General Section to HUD's FY2010 NOFAs for Discretionary Programs. Projects will receive either FY 2010 or FY 2011 funds. Funding from each fiscal year will not be combined on a single project.
 - For projects receiving FY 2010 funds, HUD is required to obligate all Section 202 and Section 811 funds appropriated for FY 2010 by September 30, 2013. No funds can be disbursed from this account after September 30, 2018, except for PRAC funds described below. Under Section 202 and Section 811, obligation of funds occurs for both capital advances and project rental assistance upon execution of a letter agreement. The Full-Year Continuing Appropriations Act, 2011, amends and clarifies the FY2010 disbursement period for Project Rental Assistance Contracts (PRAC) from 10 years after the obligation of funds to 10

years after the period of availability for obligation has expired. PRAC funds appropriated for FY 2010 must be disbursed by September 30, 2023. If all funds are not disbursed by HUD and expended by the project Owner by the dates given above, even though obligated, it will expire and no further disbursements can be made from this account. Careful consideration is to be given on whether the proposed project can be completed through final capital advance closing no later than September 30, 2018. Furthermore, all unexpended balances, under the capital advance will be cancelled as of October 1, 2018 and any remaining balance on PRAC contracts will be cancelled as of October 1, 2023. Amounts needed to maintain PRAC payments for any remaining term on the affected contracts beyond that date will have to be funded from up to one percent of the funds available at that time for the same purpose. HUD has the right to require earlier expenditure deadlines under a letter agreement. See Attachment 16 for a spreadsheet layout of the above information.

- For projects receiving FY 2011 funds, HUD is required to obligate all Section 202 and Section 811 funds appropriated for FY 2011 by September 30, 2014. No funds can be disbursed from this account after September 30, 2019, except for PRAC funds described below. Under Section 202 and Section 811, obligation of funds occurs for both capital advances and project rental assistance upon execution of an agreement letter. The Full-Year Continuing Appropriations Act, 2011, provides that amounts for PRAC are to be disbursed by September 30, 2024. If all funds are not disbursed by HUD and expended by the project Owner by the dates given above, even though obligated, it will expire and no further disbursements can be made from this account. Careful consideration is to be given on whether the proposed project can be completed through final capital advance closing no later than September 30, 2019. Furthermore, all unexpended balances, under the capital advance will be cancelled as of October 1, 2019 and any remaining balance on PRAC contracts will be cancelled as of October 1, 2024. Amounts needed to maintain PRAC payments for any remaining term on the affected contracts beyond that date will have to be funded from up to one percent of the funds available at that time for the same purpose. HUD has the right to require earlier expenditure deadlines under a letter agreement. See Attachment 16 for a spreadsheet layout of the above information.

2. National Lottery. HUD Headquarters will conduct a national lottery to identify selected applicants that will receive FY2010 funding and those that will receive FY2011 funding. The lottery will be conducted for all approved and fundable applications. For Section 811, Category A applicants will be placed in the lottery first. If FY2010 funds remain, then a second lottery for fundable Category B will occur. FY2010 will be awarded first and then FY 2011. SEE ATTACHMENT 8 FOR THE REVIEW AND SELECTION PROCESS

E. Eligible Applicants

1. Nonprofit entities associated with public bodies or tribes must establish their eligibility by providing an attorney's opinion stating that they are not an instrumentality or agency under state or tribal law according to guidance detailed in Section III.A. of the NOFA.
2. The definition of the Owner Corporation is clarified by stating it must be a single asset entity as well as single purpose.

F. Environmental Issues

1. National Environmental Policy Act.
 - a. **Preliminary Environmental Review.** For applicants with acceptable site control, HUD will prepare a preliminary environmental review at the application processing stage. HUD will commence this preliminary environmental review of the project upon receipt of the completed application. HUD subsequently will continue with its environmental reviews at such time as HUD announces capital advance awards and only for those applicants receiving such awards. Furthermore, neither HUD's preliminary environmental review at the application processing stage nor the award of funds constitutes HUD environmental approval of the project site..
 - (1) **Completion of Environmental Review For Applications Selected for Funding.** HUD will complete its environmental review before issuance of the Firm Commitment. When HUD continues its environmental review for Section 202 applications selected for funding and for Section 811 applications selected for funding that provided evidence of site control, and when HUD commences its environmental review for Section 811 applications selected for funding as "site identified", HUD may find the site environmentally unacceptable, in which case the fund reservation may be cancelled.
 - (2) **Environmental Report.** To enable HUD to complete its environmental review in a timely manner, all Section 202 applicants and Section 811 applicants that provide evidence of site control, must submit an Environmental Report with the application. As specified in Section III.C.3.f. of the NOFA, the report may be separate from the Phase I ESA and should cover the relevant topics in the Sample Field Notes Checklist from HUD form 4128.
 - b. **Contamination**
 - (1) **Phase I Environmental Site Assessment (ESA)**

- (a) The Phase I ESA is no longer a curable Deficiency.
- (b) The preparer of the Phase I ESA must be an Environmental Professional (EP) who meets the qualification requirements as specified in either Section X.2.1.1(2)(i), (ii), or (iii) of Appendix X2 of ASTM E 1527-05 and must provide supporting documentation to this effect in the Phase I ESA.
- (c) The applicant must fill out User Questionnaire per Appendix X3 of ASTM E-1527-05 and provide it to the Environmental (EP) so as to be included in the Phase I ESA
- (d) The applicant must inform the EP as to all of the reasons and requirements for the Phase I ESA as specified in the NOFA
- (e) The Phase I ESA Shall is amended by including a “Tier 1” “vapor encroachment screen” pursuant to ASTM E 2600-10, the results of which shall be incorporated, as appropriate into the Findings, Opinions, and Conclusions Sections of the Phase I ESA.
- (f) The NOFA clarifies the requirements of the Findings, Opinions, and Conclusions section of the Phase I ESA.
- (g) The NOFA clarifies that that a Phase I ESA that has been prepared more than one-year prior to the application due date, even one that subsequently has been updated, is unacceptable
- (h) The NOFA clarifies that preparation date of the Phase I ESA the earliest of the date of the site visit, the records review, or the interviews, rather than the date that the EP completes the Phase I ESA.

(2) Phase II ESA

- (a) The Phase II ESA, when required, must now be submitted with the application unlike prior NOFAs that allowed for specified delay period submissions after the NOFA due dates.
- (b) The NOFA clarifies that even when an applicant has decided not to prepare and submit a Phase II ESA with the application, HUD may determine that a Phase II ESA is necessary and should have been so submitted and in which case the application a technical reject.
- (c) The NOFA clarifies that the Phase II ESA must address all Recognized Environmental Conditions (REC) and vapor encroachment conditions (VEC).

- (d) The NOFA clarifies that the Phase II ESA must appropriately address both on-site and off-site RECs and VECs.

(3) Clean-up plan

- (a) The NOFA clarifies when a clean-up plan is necessary.
- (b) The clean-up plan, when required, must now be submitted with the NOFA application and does not have a separate due date.
- (c) HUD now allows for not only complete clean-up of the site, other than for a groundwater exception, but also for clean-up to federal or state risk-based corrective action (RBCA) levels.
- (d) Submission with the clean-up plan of an estimate of clean-up costs now is required and a contract for remediation is not longer required.
- (e) In lieu of submission with the clean-up plan of an approval letter of the clean-up plan from the relevant federal or state authority, a discussion of the feasibility of securing necessary approvals prior to HUD issuance of a Firm Commitment now is allowed.
- (f) Submission with the clean-up plan of a discussion of the feasibility of completing necessary work prior to final closing or initial occupancy, whichever comes first, is now required.
- (g) Applications that include a clean-up plan will be required to submit a final clean-up plan prior to Firm Commitment if selected for funding. As specified in the NOFA, clean-up costs are an allowable expenditure out of capital advance funds.

c. Asbestos

When a Comprehensive Building Asbestos Survey is required, it now must be performed pursuant to the “baseline survey” requirements of ASTM E 2356-10 “Standard Practice for Comprehensive Building Asbestos Surveys.”

G. Threshold and Program Requirements

1. Previous Participation Requirements- As part of the review of the sponsor(s) ownership capability, a HUD 2530, Previous Participation Certification form must be submitted with the application. It will be reviewed prior to rating and ranking for the sponsor(s) and its board members defaults, less than satisfactory review ratings (physical inspections, management and financial reviews), criminal records, and the sponsor(s) relationship with the federal government and standing as a participant in the development of HUD assisted housing. Approvals of entities that have defaulted or received unsatisfactory review rating will be subjected to HUD’s Previous

Participation clearance review process.

2. Accessibility-the requirements for complying with accessibility are written in greater detail including reference to the Fair Housing Accessibility FIRST's website at <http://www.fairhousingfirst.org> for additional guidance.
3. Conflict of Interest- the NOFA specifically includes language from the provisions in 24 CFR 891.130 to inform the applicant of the following, "This regulation mandates that no officer or board members of either the sponsor or the owner shall have any financial interest in any contract with the owner or in any firm which has a contract with the owner."
4. Energy Conservation-Energy efficiency and water conservation are now required design standards.
 - a. New construction and substantial rehabilitation low-rise must meet the requirements of EPA's Energy Star Qualified Homes and "Mid-Rise & High Rise developments (4 or more stories) must meet a performance target of 15% better than ASHRAE 90.1-2007 as defined by Appendix G." Water conserving appliances and fixtures must be installed throughout the projects.
 - b. Existing buildings with repairs only, must conduct an energy audit and incorporate conservation techniques.
 - c. To better ensure complete compliance with the energy and water conservation requirements, see the following report: Enhancing Energy Efficiency and Green Building Design in Section 202 and Section 811 Programs at http://www.huduser.org/portal/publications/affhsg/enh_eng_eff_gbd.html.
5. Other Requirements
 - a. The Dun and Bradstreet Numbering System (DUNS) is required on all obligating documents sent to Fort Worth Accounting Center. This includes the agreement letter for selected applicants. An expanded explanation of the DUNS registration process is further specified in the NOFA and General Section.
 - b. An expanded explanation of the Central Contract Reporting (CCR), Affirmatively Affirming Fair Housing (AAFH), and Lead Based Paint requirements are referenced in the NOFA and further specified in the General Section.

H. Changes to Exhibits to the Application

1. Exhibit 3-Your Purpose, Community Ties and Experience

- a. Volunteers (exhibit 3a) have been deleted from the description of the Sponsor's abilities.
- b. Description of Community Ties (exhibit 3b) has been expanded to include both housing and non-housing related services. The description is to include the demographics data for the surrounding neighborhood and for the larger market area, letters of support from community leaders, copies of past advertising/outreach materials, and a description of how the applicant intends to build on past affirmative fair housing marketing plans.
- c. Other Funding Sources (exhibit 3c) includes a more detailed definition of acceptable evidence of a firm commitment and the definition of acceptable evidence of land donation has been strengthened. The contents of a firm commitment must include detailed funding information specific to the project as specified in the NOFA.
- d. Letters of Commitment (exhibit 3d) are limited to those from organizations or agencies committing to services to the project based upon the needs of the target population expected to be housed in the proposed project. If a Memo of Understanding (MOU) has been entered into with the provider of services, it is to be included with this exhibit.
- e. Housing and Supportive Services Experience (exhibit 3e) is modified to instruct applicants to submit evidence specific to housing and/or services experience. Each co-sponsor should submit information on their experience for this exhibit as applicable to housing, services, or both. The submission of housing experience is to include a list of rental housing developments to which the sponsor is a party, with pertinent information as evidence of housing experience. The list of prior years Section 202/811 projects awarded in FY 2005 and later detailing their timeline and use of amendment funds is to be included in this exhibit.
- f. The submission of a plan to incorporate Section 3 requirements (exhibit 3g for 202 or 3k for 811) plan has expanded to include training and references to detailed guidance in the general section and the HUD website, as specified in NOFA.
- g. Job Creation/Employment (exhibit 3h for 202 and 3k for 811) is a new exhibit. To receive the associated policy priority points, a description on how Section 3 requirements will be exceeded by the applicant is to be submitted. The description shall include a comprehensive approach to creation job creation and economic development as specified in the NOFA and General Section.

2. Exhibit 4-Need and Project Information

- a. Language has been limited (exhibit 4c (ii)) to a description of how to incorporate Green Development in the project.
- b. Evidence of Schematic Plans and Specs (exhibit 4c (iii)) is a new addition to the application. To receive the associated points, a letter is required from an architect confirming that schematic plans and specs for the proposed project have been created.
- c. A Sources and Uses budget (exhibit 4c (iv)) is a new addition to the application. To receive associated points, a detailed sources and uses budget must identify non capital advance permanent financing committed to the project. The total of funds must cover the total development costs.
- d. Site Control documentation (exhibit 4d (i) and (ii)) contains detailed instruction on appropriate evidence of site control:
 - (1) Evidence of title or leasehold interest must commence prior to the application deadline date.
 - (2) 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 purposes of closing on the land.
 - (3) An option to purchase or for a long-term leasehold, must state a firm price, remain in effect for a minimum of six months from the date on which the applications are due, must be renewable for a minimum of an additional six month term. Conditions of renewal have been expanded as specified in the exhibit.
 - (4) The following language was relocated within the exhibit to emphasize its relevancy to the applicant's Contract of Sale or Option Agreement: Sponsors are allowed to terminate the contract of sale or the option agreement if the contract of sale or option agreement contains provisions that allow a Sponsor not to purchase the property for reasons such as environmental problems, failure of the site to pass inspection, or the appraisal is less than the purchase price.
 - (5) A copy of the title report or title policy is mandatory and must be updated within 6 months of the application due date. Any legal opinions not supported by documentation as specified in the NOFA, will be considered insufficient evidence.
 - (6) Title policies showing an existing mortgage that cannot be satisfied by initial closing will result in an application being rejected. Language on Mortgage liens was revised to state that if satisfied by closing are not

considered to be limitations or restrictions that would adversely affect the use of the site. The Sponsor must provide supporting evidence that such a mortgage will be satisfied by the time of initial closing.

- (7) Prior to the Multifamily Hub's recommendation of approval to Headquarters, where a public housing site is to be acquired from a public housing agency (PHA), the PHA must apply to HUD for permission to dispose of the site or receive approval of the disposition from HUD.
 - e. Evidence of zoning (exhibit 4d (iii)) has been modified to require evidence of the status of zoning and land use. If discretionary approvals are needed, provide documentation of the steps necessary to receive approvals up to building permit.
 - f. Evidence of available utilities (exhibit 4d (iii)) is a new addition to the application. A description of the status of available utilities is to be included. In order to receive points for a site with existing utilities "will serve" letters from all providers for water, sewer, gas, and electricity are required.
 - g. Information on the available methods of transit and their proximity to the project site and a map identifying available amenities is specified to be submitted under exhibit 4d(v)
 - h. The Phase I ESA, Environmental Report, and if applicable, the Phase II ESA, Clean-Up Plan (exhibit 4d(vi, ix) for 202 and exhibit 4d(vii, x) for 811) must be submitted with the application and are not curable exhibits. Report requirements have been revised as specified in the NOFA.
 - i. Map of site (exhibit 4e (iv) for 202 and 4d (vi) for 811) includes a note to use the 5-year 2005-2009 American Community Survey (ACS) data and referenced website for demographic information.
3. Exhibit 6-Other Applications
- The exhibit is limited to a list of other applications that the Sponsor is submitting in response to the combined 2010 and 2011 Section 202 and 811 NOFAs.
4. Exhibit 8-Forms/Certifications/Resolutions
- HUD Form 2530, Previous Participation Certification is a new form required to be submitted for the Sponsor and all of the Officers and Directors of the Board of the Sponsor, including any Co-Sponsor, if applicable.

I. Rating Factors

- 1. Rating Factor 1-Capacity of the Applicant and Relevant Organizational Staff

- a. The rating factor reduced from 25 to 23 points (202) and from 30 to 28 points (811).
- b. Capacity of the applicant (sub rating factor 1a) has been substantially changed. The total points are divided between two new sub rating factors. Points are awarded for both ownership capability and housing development experience, and experience providing services as specified in the NOFA.
- c. Sponsor's experience in providing housing or services to minorities (sub rating factor 1b (1) and (2)) has been divided between experience providing housing to minorities and experience providing services to minorities.
- d. Scope, extent, and ties to the community (sub rating factor 1b (3)) includes detail on the criteria used to rate the project, as specified in the NOFA.
- e. Deductions for past fund reservation delays (sub rating factor 1c for 202 and 1d for 811) have increased from -3 to -5 points to -5 to -7 points.
- f. Deductions for amendment funding to previous fund reservations (sub rating factor 1d for 202 and 1e for 811) has been increased from -3 to -5 points to -5 to -10 points. A note was added giving exceptions to the deduction if the need for amendment funds was due to unforeseen circumstances beyond the control of the applicant. Examples of unforeseen circumstances are noted in the rating factor.

2. Rating Factor 3-Soundness of Approach

- a. Proximity and accessibility of the site to amenities (sub rating factor 3a) has been significantly modified. Overall points have been reduced and are divided amongst two new sub rating factors for access to transit and proximity to amenities. The point structure is based on the quality of transit service and amenities.
- b. Affirmatively Furthering Fair Housing (sub rating factor 3b) will be rated according to the extent the project will assist the jurisdiction in overcoming impediments to fair housing choice identified in the applicable jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice and the applicant's description of how the project will address access to persons with Limited English Proficiency, their past Affirmative Furthering Fair Housing Marketing Plan experience and intentions to improve it, and how the project complies with Site and Neighborhood Standards.
- c. Green design (sub rating factor 3j for 202/sub rating factor 3i for 811) offers policy priority points to projects that commit to implementing the requirements of a recognized green rating program. Points have been increased to encourage a higher standard of green design. To assist in

understanding the various green building standards available, refer to the report *Enhancing Energy Efficiency and Green Building Design in Section 202 and Section 811 Programs* available at

http://www.huduser.org/portal/publications/affhsg/enh_eng_eff_gbd.html

- d. New criteria measures the “readiness” of a project (sub rating factor 3k for 02 and 3j for 811) at the time of application. A total of 11 points are available for projects that have received all local discretionary approvals to build, completed schematic plans and specs, submits a budget, and submits proof of available utilities to the site. A deduction of 2 points will be given if the HUD environmental review concludes that mitigation of adverse environmental conditions is not sufficient or achievable within 6 months of the fund reservation date.
- e. Job Creation/Employment (sub rating factor 3m for 202 and 3k for 811) offers a policy priority point to applicant’s who describe the number and type of activities that will expand job creation and other economic opportunities and how those activities will increase economic security and self-sufficiency for low- and very-low income persons in the area in which the project is based.

3. Rating Factor 4-Leveraging Resources

Leveraging of funds has been increased from 5 to 6 points. The criterion has been strengthened such that only applications with firm written commitments will be awarded points. The point range has been increased to award points for a broader percentage range of leveraged funds.

4. Rating Factor 5-Logic Model

- a. The rating factor reduced from 12 to 10 points
- b. If applicant proposes to satisfy the policy priority for sustainability, the corresponding activities/outputs must be used for consideration of policy points. See section III.4.a of the NOFA.
- c. If the applicant proposes to satisfy the policy priority for Job Creation/Employment, the corresponding activities/outputs must be used for consideration of policy points. See section III.4.b of the NOFA.
- d. Past performance rating (Sub rating factor 5b) has been deleted.

J. Curable Deficiencies

- 1. The Phase 1 ESA is no longer a curable exhibit.

2. Form HUD 2530 Previous Participation Certification has been added as a curable exhibit.
3. Responses to a curable deficiency notification may only be submitted directly to HUD via facsimile using the form HUD96011 from the electronically submitted application or by email for those applicants that received a waiver of the electronic application submission requirement, no later than 14 calendar days from the date of HUD's written notice.

K. Commercial Facilities

Commercial facilities in a project are no longer limited to 10% of the total project floor space. However, the commercial facility is still not an eligible capital advance or PRAC funds cost.

L. Reporting

Applicants selected for funding will have to report sub award and executive compensation information under the Federal Funding Transparency Act (FFATA), and under Section 872, each recipient of federal funds with a cumulative value greater than \$10 million and their direct (i.e., first-tier) sub recipients would be required to report to the Federal Awardee Performance and Integrity Information System (FAPIIS).

M. Changes Applicable to the Section 202 Program Only

1. Available Funds. FY 2010 is combined with FY 2011 funds. Approximately \$ 449 million is available for capital advances for new units under the Section 202 Supportive Housing for the Elderly Program as provided by the Consolidated Appropriations Act, 2010 (Pub. L. 111-117, approved December 16, 2009) and the Full-Year Continuing Appropriations Act, 2011 (Pub. L.112-10, approved April 15, 2011).
2. Eligible Applicants. In the case of mixed-finance projects, a limited partnership's general partner may be a for-profit corporation or limited liability company that is owned by one or more non-profit entities.
3. Exhibits
 - a. Evidence of Market Need (exhibit 4a) is expanded to include a rental survey with detailed information of the existing elderly subsidized projects in the proposed market area as evidence of sustained demand for the project. Applicant must determine that there is need/demand for the additional Section 202 projects being proposed in a particular housing market area prior to submitting the application. If HUD determines that there is not sufficient sustainable demand for additional units without longer term adverse impact on existing federally assisted housing, the proposed project must be rejected. The rental survey as specified in Section IV.B.1.c. Part III of the NOFA, will assist

in determining whether there is a market for the project.

- b. Universal Design (exhibit 4c (i)) features are described in detail. Language added to clarify for mix finance transactions. There are no restrictions on the number of two-bedroom units proposed if the units are paid for by a source other than capital advance funds.
- c. Affirmatively Furthering Fair Housing activities is to be described including how the project will assist the jurisdiction in overcoming impediments to fair housing choice identified in the applicable jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice and is to include the following: access to persons with Limited English Proficiency (exhibit 4e(i)) , past Affirmative Furthering Fair Housing Marketing Plan experience and intentions to improve it (exhibit 4e(ii)), and how the project will comply with Site and Neighborhood Standards (exhibit 4e(iii)).
- d. Supportive Services Plan (exhibit 5) asks applicants to describe how the services will benefit residents as they age-in-place. It also incorporates the descriptions of how the project will be an improved living environment for the residents, practical solutions to be implemented and educational opportunities (formerly exhibit 3g). Include agreement letters with participating service providers in the exhibit.

4. Rating Factor Changes

- a. Rating Factor 2 has been decreased from 13 to 12 points. Points are awarded according to a graduated scale of the unmet needs ratio between 0% and 15%. The percentage calculations will round the decimal number to the nearest hundredth.
- b. Sub Rating Factors 3e, and 3g include aging-in-place criteria as a component to the supportive services proposal.
- c. Sub Rating Factor 3e requires the submission of an MOU between applicant and the service providers to receive maximum points.

5. Environmental Review

Applications that do not submit the Phase I ESA, the Phase II ESA, if applicable, and the Clean-up Plan, if applicable, will be technically rejected. Applications that do submit the Phase I ESA, the Phase II ESA, if applicable, and Clean-up Plan, if applicable, but do not submit an Environmental Report, User Questionnaire, or a "Tier 1" "vapor encroachment screen" (VES) must submit the missing document(s) within 30 days of notification of a Fund Reservation. The Agreement letter must include language requiring the missing documents as a condition to the award. Furthermore, if the User Questionnaire and/or the Tier 1 VES is missing, the

Agreement letter must specify that the Phase I ESA shall be amended to include and take into account same.

6. Ranking and Selection Procedures

HUD Headquarters will first use any residual funds to fund one FY 2009 application that was not funded due to administrative errors: Urban League of Rochester Economic Development Corporation's (ULREDC) in Henrietta, New York.

N. Changes Applicable to the Section 811 Program Only

1. Available Funds. FY 2010 is combined with FY 2011 funds, approximately \$141 million is available for capital advances for new units under the Section 811 Program of Supportive Housing for Persons with Disabilities as provided under the Consolidated Appropriations Act, 2010 (Pub. L. 111-117, approved December 16, 2009) and Full-Year Continuing Appropriations Act, 2011 (Pub. L. 112-10, approved April 15, 2011).
2. Fair share factors. The formula used to arrive at fair share factors for the allocation of units, as specified in section II.B. in the NOFA, were developed by taking the number of non-institutionalized persons aged 16-64 (which is the data group available from the census data) with a disability for each HUD office area within each Multifamily Hub jurisdiction as a percent of the total non-institutionalized persons aged 16-64 for the United States from the 2000 Census.
3. Non responsive applications. The timeframe allowed for submitting an application for occupied housing owned by the applicant, has been modified. The property cannot be occupied by persons with disabilities for longer than one year from July 12, 2010.
4. SHPO/THPO letter. The NOFA clarifies the applicant must include a copy of the letter to the SHPO/THPO and either a statement that you have not received a response letter(s) from the SHPO/THPO, or a copy of the response letter(s) received from the SHPO/THPO.
5. Application Limits. A Sponsor or Co-Sponsor may not apply for more units of housing for persons with disabilities than advertised in any Multifamily Hub office or more than 20 percent of the total units allocated to all Multifamily Hub offices. If the units in an independent living project will be integrated within a larger multifamily housing development, the total number of units for persons with disabilities within the development may not comprise more than 25 percent of the total units being developed, rehabilitated or acquired.
6. Changes to the Exhibits
 - a. Evidence of Legal Status (exhibit 2) includes a note that organizational

documents are to include language implying that no part of the Sponsor's net earnings inures to the benefit of any private party and that you are not controlled by or under the direction of persons seeking to derive profit or gain there from.

- b. URA compliance (exhibit 4d(iv)) includes a note that the applicant must submit either:
 - (1) a copy of the voluntary arm's length notification letter that was issued, or
 - (2) evidence that the required information is contained in the option to purchase or the contract of sale.
- c. Affirmatively Further Fair Housing (exhibit 4d(v)) requirements are addressed in a note referencing the General Section and describes the activities that must be addressed, including:
 - (1) help overcome any impediments to fair housing choice related to the assisted program or activity itself;
 - (2) promote racially, ethnically, and socioeconomically diverse communities; or
 - (3) promote housing-related opportunities that overcome the effects of past discrimination because of race, color, national origin, religion, sex, disability, and familial status.
- d. Site identification (exhibit 4e) should include the 9 digit zip code of the site.
- e. Supportive Services (exhibit 5) should include an outline of activities taken to provide effective communication with persons with disabilities and to provide meaningful program access to persons with limited English Proficiency.
- f. Relocation (exhibit 7) includes the note: For site identified projects, submit a statement with the words 'SITE IDENTIFIED' and submit Exhibit 7 once site control is obtained.

7. Rating Factor Changes

- a. Former sub rating factor 1e, experience in developing integrated housing has been relocated to sub rating factor 1c.
- b. Rating Factor 2 decreased from 10 to 8 points. For projects that are determined to have sufficient demand, HUD will rate your application based on the unmet need ratio of unassisted very low-income disabled renter households paying more than fifty (50) percent of their income for housing to the total number of disabled very low-income renter households. For purposes of calculating the recommended rating, HUD valuation staff is to enter the project address into the website

<http://www.huduser.org/puma/puma.html> as specified in the NOFA and Attachment 12. Points are awarded according to a graduated scale of the unmet needs ratio between 38% and 64%.

- c. Rating Factor 3 is increased from 40 to 48 points.
 - d. Formerly sub rating factor 3c, Mainstreaming has been deleted.
 - e. Sub rating factor 3c includes expanded guidance on universal design practices and gives examples of design features.
 - f. Sub rating factor 3d expands board involvement to include persons professionally involved in the disability community and/or have an established advisory board which includes persons with disability or persons professionally involved in the disability community.
8. Environmental Review. Applications with site control (Category A) that do not submit the Phase I ESA, the Phase II ESA, if applicable, and the Clean-up Plan, if applicable will receive a technical rejection of the site and the application will be placed in Category B as Site Identified. Category A applications that do submit the Phase I ESA, the Phase II ESA, if applicable, and the Clean-up Plan, if applicable, but do not submit an Environmental Report, User Questionnaire, or a “Tier 1” “vapor encroachment screen” (VES) must submit the missing document(s) within 30 days of notification of a Fund Reservation. The Agreement letter must include language requiring the missing documents as a condition to the award. Furthermore, if the User Questionnaire and/or the Tier 1 VES is missing, the Agreement letter must specify that the Phase I ESA shall be amended to include and take into account same.

II. HUB OFFICE ALLOCATIONS

A. Allocation of Funds.

1. Section 202
The Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) provides that allocations of funds be made to the smallest practicable areas consistent with the delivery of assistance through meaningful competition. The HUD Reform Act also states that program funding under Section 202 shall be allocated in a manner that ensures selections of projects of sufficient size to accommodate facilities for supportive services appropriate to the needs of the population to be served. To meet the intent of the Reform Act, the following rules will apply to the Section 202 allocations.
- a. Hubs are required to adhere to the allocation areas for the respective metropolitan and non-metropolitan assignments of capital advance authority for the entire office jurisdiction. Therefore, all applications received from

metropolitan areas will compete against each other and all applications from non-metropolitan areas will compete against each other.

- b. There is a minimum proposal size of **5** units and a maximum of **200** assisted units for projects in metropolitan and non-metropolitan areas. Hubs **may NOT establish their own minimum or maximum application sizes.**

Where the Hub allocation in either the metropolitan or non-metropolitan areas is less than 125, the maximum proposal size will be limited by the allocated amount. Among other requirements, to be considered responsive to the NOFA, an applicant must not request a larger number of units for the specific geographical area (metropolitan or non-metropolitan) than permitted in the NOFA (see Attachment 1) and must not exceed the maximum number of units per application as established herein.

2. Section 811

The allocations for Section 811 housing for persons with disabilities are not subject to the Section 213(d) requirements including the control on non-metropolitan funding and the requirement for a formula allocation. Accordingly, there will not be any division of funding between metropolitan and non-metropolitan areas. We will, however, continue funding the program on a formula basis.

Under 24 CFR Part 791, the Assistant Secretary has allocated the amounts available for capital advances for supportive housing for persons with disabilities for the funding competition. To be responsive to the NOFA, a Sponsor must request at least five units if proposing to develop an independent living project (all five units do not have to be on one site) or two units if proposing to develop a group home. The maximum number of units for an independent living project is fourteen and the maximum for a group home is six. If developing within a larger apartment complex, the 811 units must not exceed 25% of the total number of units. The Sponsor cannot request more units in a Hub jurisdiction than allocated to that office in the NOFA (see Attachment 2).

B. Project Rental Assistance Contract Funds

The Department makes the initial reservation of project rental assistance contract funds for Section 202 and Section 811 applications selected for funding for three years based on the current operating cost standards. Initial occupancy rents may be adjusted upon construction completion and annually thereafter.

C. Hub Office Funding Notifications.

This paragraph expands on Paragraph 2-1 of Handbooks 4571.2 (Section 811) or 4571.3 REV-1 (Section 202) as appropriate. All offices shall issue Funding Notifications in accordance with this paragraph and the above Handbook references (see Attachments 7 and 8 for Funding Notification Formats). The funding notification formats shall be used by all

offices with no deviations.

Although previous advertising requirements have been eliminated, offices must notify potential applicants by following the instructions in Handbooks 4571.2 and 4571.3 REV-1 and Attachments 6, 7 and 8 of this Notice.

NOTE: SEE ATTACHMENT 8 FOR THE REVIEW AND SELECTION PROCESS.

III. CHANGES PURSUANT TO THE CONSOLIDATED APPROPRIATIONS ACT, 2010 AND FULL-YEAR CONTINUING APPROPRIATIONS ACT, 2011

In accordance with the requirements specified in the Department of Housing and Urban Development Appropriations Act, 2010 (Pub. L. 111-117, approved December 16, 2009) and the Full-Year Continuing Appropriations Act, 2011 (Pub. L. 112-10, approved April 15, 2011), the determination, as made in the Notice, published in 61 F.R. 3047 and in the FYs 1997 through 2009 Section 202 and Section 811 NOFAs, to FY 2010 is extended, governing the amount and term of the Project Rental Assistance Contract (PRAC). Project rental assistance funds will be reserved based on **75 percent** of the current operating cost standards to support the units selected for capital advances sufficient for a minimum **three-year** project rental assistance contract term. The Department anticipates that at the end of the contract term, annual renewals will be approved subject to the availability of appropriations.

PLEASE NOTE THAT THE WAIVER BROADENING THE ELIGIBILITY OF TENANTS TO PERSONS WITH INCOMES AT 80 PERCENT OF THE MEDIAN OR BELOW (61 F.R. 3047, JANUARY 30, 1996) IS NO LONGER IN EFFECT. THE STATUTORY PROVISION LIMITING ELIGIBILITY TO PERSONS WITH INCOMES AT 50 PERCENT OF THE MEDIAN OR BELOW REMAINS IN EFFECT.

IV. CHANGES FOR FY 2009 AND EARLIER WHICH ARE STILL IN EFFECT

A. Section 202 and Section 811 Program Changes

1. Fund Disbursement

Starting with awards made in fiscal year 2009 and forward, the disbursement of capital advance funds will be processed through the Line of Credit Control System/Voice Response System (LOCCS/VRS). Field staff must immediately begin the process to gain administrative access to the system for this program area. Please refer to attachment 19, "LOCCS User Guide for Field Staff" for detailed guidance. Unlike the current manual method used, the automation of fund disbursement thru the use of LOCCS/VRS will give the Owner as well as field staff tracking access.

2. Filing of Applications

The General Section of the NOFA details the requirements for electronic submission

as well as the instructions for obtaining a waiver of the electronic submission requirement. Proof of timely submission and validation is automatically recorded by Grants.gov. Please refer to the General Section of the NOFA for further discussion on timely receipt requirements and proof of timely submission.

If a request for waiver of the electronic submission is approved to submit a paper application, the waiver letter will provide instructions regarding what time the application must be submitted on the deadline date, the number of copies of the application to be included, and where the application package must be sent. The Sponsor should mail their application in sufficient time to ensure that the application is received in the appropriate local HUD Office no later than the close of business on the deadline date for the local HUD Office. Hand delivered applications also should be delivered to the local HUD Office by the local HUD Office's close of business on the application deadline date. Paper applications received by the local HUD Office after the established deadline date and time will be considered late and non-responsive to the NOFA. Non-responsive applications will not be processed for funding consideration.

3. Delegated Processing

Section 2835(b) of the Housing and Economic Recovery Act of 2008 (HERA) directs the Department to delegate review and processing of certain Section 202 Supportive Housing for the Elderly projects to selected State or local housing agencies that will serve as Delegated Processing Agency (DPA). Such processing *is required* where the Sponsor's application indicates that development funds for a proposed Section 202 project are coming from a combination of capital advance and other sources of funding, including low-income housing tax credits. These sponsors will be notified by the department if their applications will be processed by a Delegated Processor and the location of the Delegate Processor approximately 30 days after the announcement of the Section 202 awards. However, the Secretary shall retain authority to process capital advances in cases in which no State or local housing agency has applied to provide delegated processing or no such agency has entered into an agreement with the Secretary to serve as a delegated processing agency for the selected application.

Additional information regarding the Delegated Processing procedures can be found in Notice H 2009-10, issued August 19, 2009.

4. Program Outcome Logic Model

Applicants must complete the Program Outcome Logic Model (Form HUD-96010) using the dropdown menus. Like the project development timeline, the Logic Model serves as an instrument for determining the applicant understands the development process as well as an indicator of the Sponsor's ability to develop the project in a timely manner. The Logic Model should fully document the stages and activities of the development process as well as the associated outcomes and measures for

completing the project. Sponsors must clearly identify the necessary activities and outcomes that will get the project to initial closing and start of construction with the 18-month term, as well as the full completion of the project through final closing. In an effort to increase the applicant's accountability for their performance, all NOFA applicants may now receive a maximum of ten points towards the completion of Form HUD-96010. The matrix provided in Attachment 17 identifies how the Logic Model will be rated in a standardized way across program areas.

The Logic Model will capture information in two stages. Stage one will demonstrate the applicant's ability to develop the project within the required timeframe. Stage one will require the submission of a completed form HUD-96010, Logic Model at time of application submission. Beginning with the date of the Agreement Letter and concluding with the date of Final Closing, applicants must identify the expected annual outputs and outcomes.

Worksheets for Year 1, Year 2, and Year 3, must be completed. The completion of years 1 through years 3 worksheets should capture data that relates to initial closing, construction, and/or final closing. The selections from the dropdown menus must be a realistic annual projection of the activities and outcomes as expected for that year of the period of performance. The proposed measures must be a realistic projection of the standard used to determine whether the expected outcome has been achieved as well as demonstrate the applicant's ability to develop the project within the required timeframe. Note: the reported outcome of an identified activity/output may be realized in a different year.

The second stage will require the Owner to submit a completed form HUD-96010, Logic Model (in Excel format) on an annual basis, beginning one year after the date of the final Logic Model submission that was required in stage one and concluding at the maturity of the mortgage. Stage two will require the Owner to document the services/activities that are made available to tenants and the expected outcomes and measures of such services. Field Offices are required to load the Logic Models in SharePoint for tracking purposes.

5. Reporting

At the time of the Project Planning Conference, HUD and the applicant will finalize the services and activities in association with the Logic Model. Minor adjustments may be made to Logic Models so that the selected activities, outcomes, and measures demonstrate a realistic understanding of the development process. Sponsors must report against the determined measures.

On an annual basis, applicants will report against the finalized logic model by documenting the achieved measures in the "Post" column. (**Note:** Applicants are not required to complete the YTD (year-to-date) column). The final reporting requirement for the Logic Model will require that the applicant use the "Total" worksheet to fully document the activities and outcomes as well as the associated

measures that have occurred during the period of activities. In addition, a response to each of the program management evaluation questions is required at time of final report.

Data from the logic model as well as responses to the Management Questions will be used to evaluate the overall effectiveness of the program and monitor ongoing program activities.

6. Evidence of Site Control

Exhibit 4(d)(i)(E) has been revised to clarify that:

- a. Sites acquired from a public body are subject to the same requirements for site control as those that are applicable to sites acquired from other entities;
- b. Where HUD determines that time constraints of the funding round will not permit the sponsor to obtain all of the required official actions that are necessary to convey publicly-owned sites, a letter of commitment will be considered sufficient evidence of approval by the governing body if it does not contain restrictions or qualifications that would be unacceptable in the case of other entities; and

7. DUNS Number

All applicants will need to obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and include it on its Standard Form 424 (SF-424), Application for Federal Assistance. The General Section of the NOFA explains the procedures for obtaining a DUNS number.

8. Name Check Review

Approvable applicants are subjected to a Name Check Review. Name checks are intended to reveal matters that significantly reflect the applicant's management and financial integrity; or convictions or criminal charges of any key individual. Hubs must submit a list of all applications that are approvable for funding along with the SF-424 from each of these applications to Headquarters, the Office of Housing Assistance and Grant Administration, Room 6142, Attention Section 202/811, at the same time they submit their selection information to Headquarters. If the name check review reveals significant adverse findings that reflect on the business integrity or responsibility of the applicant and/or key individual, HUD reserves the right to:

- a. Deny funding or consider suspension/termination of an award immediately for cause;
- b. Require removal of any key individual from association with management of and/or implementation of the award; and
- c. Make appropriate provisions or revisions with respect to the method of payment and/or financial reporting requirements. Headquarters will notify

the Hubs as soon as the results of the name check review process are available should the results affect the selection of any applications that are either on the Selection List or on the Approvable, but Unfunded List so that appropriate changes can be made before the selection materials are sent to Headquarters.

9. Leasehold Term

The leasehold term is 50 years with renewal provisions for 25 years except for sites located on Indian Trust land. The leasehold term for sites on Indian Trust land is 50 year with no extension requirement.

10. Expiration of Funds

a. See Attachment 16

b. All unexpended balances, including any remaining balance on PRAC contracts, will be cancelled as of October 1st of the applicable expiring year. Amounts needed to maintain PRAC payments for any remaining term on the affected contracts beyond that date will have to be funded from other current appropriations, if available.

11. Forms & Certifications

a. Elimination of Certain Certifications. An applicant's signature on Forms HUD-92015 or HUD-92016 is, in effect, a certification that the applicant will comply with all program requirements.

b. Submission Form HUD-424B, Applicant Assurances and Certifications, is eliminated to conform to the General Section of the NOFA.

c. Program Forms and Appendices. Forms and appendices are no longer a component of the program NOFA; however, each NOFA provides the website where the required forms and appendices may now be downloaded. To download the forms for the Section 202 and Section 811 programs, please visit <http://www.Grants.gov> . A copy of the General Section and the Program Section of the NOFA may be downloaded from HUD's website at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. It should be noted that the "fundsavail" website has additional related program documents that were appendices to prior years NOFAs (e.g., Listing of HUD Offices, Guide to Choosing an Environmentally Safe Site with Supplemental Guidance, and format of the SHPO/THPO letter).

12. Threshold Score

The minimum score for funding consideration was increased from 70 to 75 points beginning in FY 2003 (exclusive of the two bonus points for Renewal

Community/Empowerment Zone/Enterprise Community/Urban Enhanced Enterprise Community (RC/EC/EZ) applications).

13. Development Cost Limits

- a. The Development Cost Limits for elevator and non-elevator structures under the Section 202 program and for independent living projects and dwelling units in multifamily housing developments, condominium and cooperative housing under the Section 811 program have been increased. HUD Offices will calculate the Section 202 and Section 811 fund reservations based on outstanding program instructions (see Paragraph 3-50 of Handbooks 4571.3 REV-1 and 4571.2) using the revised development cost limits and high cost factors as stated in the NOFA.
- b. Language was added to Section IV.E.3 of the NOFAs, Development Cost Limits to state the following: “The capital advance funds awarded projects are to be considered the total amount of funds that the Department will provide for the development of the project. Amendment funds will only be provided in exceptional circumstances (e.g., to cover increased costs for construction delays due to litigation or unforeseen environmental issues resulting in a change of sites) that are clearly beyond the applicant’s control. Otherwise, the applicant is responsible for any costs over and above the capital advance amount provided by the Department as well as any costs associated with any excess amenities and design features”.

14. Environmental Issues

- a. Asbestos
 - (1) The asbestos reporting requirement has been changed to require a comprehensive building asbestos survey, when applicable, rather than an asbestos report.
 - (2) The requirement for determining when a Sponsor must conduct a comprehensive building asbestos survey has been changed to exclude any pre-1978 structures on the site(s) that most recently consisted of solely four or fewer units of single-family housing including appurtenant structures thereto. Therefore, Sponsors proposing to acquire and rehabilitate existing structures built after 1978 or structures built before 1978 that most recently consisted of solely four or fewer units of single-family housing, including appurtenant structures thereto, are required to submit a statement to this effect, but are not required to submit a comprehensive asbestos survey.

15. Site Related Issues

- a. Site Control. If the title evidence contains restrictions or covenants, the Sponsor must submit copies of such covenants or restrictions with the applications. However, if not submitted, this is a curable deficiency item. If the site is subject to any such limitations, restrictions, or reverts: (1) for Section 202, the application will be rejected; or (2) for Section 811, the site will be rejected, the application will not receive points for Site Approvability from Valuation or for Site Suitability from FHEO, and the application will be placed in Category B for selection purposes as long as the Sponsor indicates its willingness to seek an alternate site. Purchase money mortgages that will be satisfied from capital advance funds are not considered to be limitations or restrictions that would adversely affect the use of the site. If the contract of sale or the option agreement contains provisions that allow a Sponsor not to purchase the property for reasons such as environmental problems, failure of the site to pass inspection, or the appraisal is less than the purchase price, then such provisions are not objectionable and a Sponsor is allowed to terminate the contract of sale or the option agreement.
- b. Suitability of the Site from the Standpoint of Promoting a Greater Choice of Housing Opportunities for Minority Elderly Persons/Families and Persons with Disabilities, Including Minorities. In accordance with the Secretary's December 16, 1996, memorandum that requires NOFAs to include a selection factor addressing affirmatively furthering fair housing, the application submission requires a narrative description of how the Sponsor will use the site to affirmatively further fair housing opportunities for minority elderly persons/ families and persons with disabilities, including minorities.

To determine the acceptability of the site and to rate the application, FHEO will review the narrative submitted by the Sponsor. The site will be deemed acceptable if it increases housing choice and opportunity by:

- expanding housing opportunities in non-minority neighborhoods (if located in such a neighborhood); or
- contributing to the revitalization and reinvestment in minority neighborhoods, including improvement of the level, quality and affordability of services furnished to the minority elderly and persons with disabilities.

Beginning FY 2003, the term “minority neighborhood (area of minority concentration)” has been defined as one where any one of the following statistical conditions exist: (1) the neighborhood’s percentage of persons of a particular racial or ethnic minority is at least 20 percentage points higher than the percentage of that particular racial or ethnic minority in the housing market area; (2) the neighborhood’s total percentage of minority persons is

at least 20 percentage points higher than the total percentage of minorities in the housing market area; (3) in the case of a metropolitan area, the neighborhood's total percentage of minority persons exceeds 50 percent of its population. The term "non-minority area" is defined as one in which the minority population is lower than 10 percent.

- c. Bonus Points for Location of Site. An application containing satisfactory evidence of control of an approvable site which is located in a federally-designated Renewal Community (RC), Empowerment Zone (EZ), Enterprise Community (EC), or Urban Enhanced Enterprise Community (EEC) and serves the residents of these federally-designated references (collectively referred to as "RCs/EZs/ECs-II"), will be awarded two bonus points. To be eligible to receive the two bonus points, the Sponsors must have submitted a certification (see Exhibit 8(h) of the application) that the proposed project(s):
- (1) will be located in a federally-designated RC/EZ/EC-II and will serve residents of the RC/EZ/EC-II; and
 - (2) is consistent with the strategic plan of the RC/EZ/EC-II. The Office of Community Planning and Development (CPD) will determine if the application is eligible for the bonus points (see CPD's Technical Processing Review and Findings Memorandum in Attachment 12 of this Notice). For a scattered site application with site control, all sites must be located in an RC/EZ/EC-II area, be approvable and have acceptable evidence of site control, and the Sponsor must have submitted the required certification (Exhibit 8(h)) to receive the 2 bonus points.

A list of the federally-designated RCs/EZs/ECs-II is available at HUD's web site at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. Local HUD Offices should also provide information about the local community agency for applicants to contact and determine if their proposed projects will be located in one of the federally-designated areas identified above.

- d. Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended, (URA) Site Notification Requirement.
- (1) Applicability of Acquisition for Sites under the URA. The annual Section 202 and Section 811 NOFAs have included information to remind Sponsors of their exemption from the site acquisition requirements of the URA under certain conditions. The site acquisition requirements do not apply to the Section 202 and Section 811 Sponsors if, prior to entering into a contract of sale or any other method of obtaining site control, the Sponsor informs the seller in writing of the real property:

- That it does not have the power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
 - Of its estimate of the fair market value of the property. An appraisal is not required; however, the Sponsor's files must include an explanation, with reasonable evidence, of the basis for the estimate.
- (2) In those cases, prior to submission of an application for a fund reservation, where there are existing contracts or options and Sponsors did not provide the pre-contractual notifications to the sellers, the Sponsor must provide the notification after-the-fact and give the seller an opportunity to withdraw from the contract/option. All Section 202 and Section 811 applications for fund reservations that are filed in response to the FY 2009 NOFAs must be in compliance with the above.
 - (3) Because of the importance of getting this information to Sponsors as early as possible in the project planning stages, the exemption provisions under the URA's site acquisition requirements are now included in Section IV.B. 2 c (1) (d) (iv) and Section VI.B.2 of the Section 202 and Section 811 NOFAs.
 - (4) The implementing instructions regarding site acquisition under the URA are contained in Chapter 5 of HUD Handbook 1378, CHG-8, Tenant Assistance, Relocation and Real Property Acquisition.

e. Evidence of Site Control

- (1) If the site is covered by mortgage under a HUD program, (e.g., a previously funded Section 202 or 811 project or an FHA-insured mortgage) the Sponsor must submit evidence of site control as described in Exhibit 4 (d)(i)(A), (B), or (C) of the NOFA **AND** evidence that consent to release the site from the mortgage has been obtained or has been requested from HUD (all required information in order for a decision on the request for a partial release of security must have been submitted to the Hub office) and from the mortgagee, if other than HUD. Approval to release the site from the mortgage must be done before the Hub makes its selection recommendations to HUD Headquarters. Refer to Chapter 16 of HUD Handbook 4350.1 Rev-1, Multifamily Asset Management and Project Servicing, for instructions on submitting requests to the Hub for a partial release of security from a mortgage under a HUD program.

- (2) The NOFA clarifies that the Title policy or other similar evidence on site must be current. A current Title policy should be one that runs to the present Owner who will provide the option agreement or contract of sale and who would presumably have obtained a Title policy when it acquired the site. The Field Counsel will determine a reasonable period of time based on their review of the information in the submitted Title policy. If there is reason to question the Title policy, Field Counsel could request that the Multifamily Housing Project Manager ask for a Title Report supplementing the policy in a deficiency letter to the Sponsor.

16. Evidence of Need/Demand

Where EMAS finds there is not sufficient sustainable demand for additional units of the number and type of units proposed, without long-term adverse impact on the occupancy in existing federally-assisted housing for the elderly or persons with disabilities, a detailed report of EMAS's findings must be prepared. The report must present the data and findings justifying the conclusion. A copy of the report must be attached to the Technical Processing Review and Findings Memorandum, and one copy is to be sent to the Headquarters Economic and Market Analysis Division, Attention: Kevin P. Kane, Office of Policy Development and Research, Room 8224.

NOTE: For the Section 811 program only, the Valuation staff, not EMAS, is now responsible for determining the need and demand for additional units for persons with disabilities and awarding points for same under sub-Rating Factor 2.a.

17. Project Highlights

Although you are not required to submit the Congressional Notification Letters for your selected projects to HUD Headquarters, Hubs are still required to complete the "Project Highlights" section of the Congressional Notification Letters in DAP for each approvable application. This is required because Headquarters pulls the information from the "Project Highlights" section to prepare the Press Release for each application selected for funding. By completing the "Project Highlights" for each approvable application, this information will be already available for any additional approvable applications funded by the Hub or Headquarters using residual funds.

18. Press Release Information

The Project Highlights section of the Congressional Notification Letter will be used for the attachment to the Press Release as indicated in the preceding paragraph. When completing the Project Highlights, please pay particular attention to the following:

- a. Project Description. Describe unique and interesting characteristics about the project. The following are good examples of project highlights for a

Section 202 project and a Section 811 project:

(1) Section 202

The funds will be used to construct 100 one-bedroom units for very-low income elderly persons and one two-bedroom unit for a resident manager. The site for the project is adjacent to an existing senior center and the residents will be able to participate in the many activities sponsored by the center including a meals program. A public bus stop will be located in front of the project so the residents will have easy access to shopping and medical facilities. A Service Coordinator is being provided on site to help particularly frail residents to access services.

(2) Section 811

The funds will be used to acquire and rehabilitate seven units for very low-income persons with physical disabilities. The project consists of five one-bedroom and two two-bedroom condominium units scattered throughout an existing condominium complex. The location is in close proximity to services such as medical, shopping and public transportation, etc. This integrated model allows residents to blend into the surrounding community yet provides the accessibility features and the availability of supportive services that allow them to live as independently as possible.

b. Things to Avoid in Description of Section 811 Project/Residents.

(1) The words or phrases that must not be used and their replacements are as follows:

- “handicapped” (except when used to describe accessibility or adaptability) “clients”, or “patients”. Instead, use “person or persons with disabilities”.
- “supervision” (or any form of the word), “caretaker”, or “house parents”. Instead, use “resident manager”.
- “facility”. Instead, use “project”, “housing” or “independent living project”, “group home” or “condominium”, as the case may be.
- “low income”. Instead, use “very low-income” since residents of Section 202 or Section 811 housing must be very low income.
- “confined to a wheelchair”. Instead, use “wheelchair user”.
- “services will be provided”. Instead, use “services will be available”.

(2) Do not capitalize the type of project or the type of disability.

- c. Proofread Carefully. Make sure there are no typos in the final DAP entry.

19. Applicant Debriefing

The NOFAs now provide for an applicant debriefing. The request must be in writing to the appropriate Hub's Director of Multifamily Housing beginning 30 days after the awards are publicly announced and lasting at least 120 days after the awards are publicly announced. (See General Section of NOFA on applicant debriefing)

20. Administrative and National Policy Requirements

- a. Conducting Business in Accordance with Core Values and Ethical Standards. In the General Section of the NOFA, it states that entities subject to 24 CFR Parts 84 and 85 must develop and maintain a written code of conduct. The Section 202 and Section 811 programs are not subject to 24 CFR parts 84 and 85. Instead, Section 202 and Section 811 Sponsors/Owners must adhere to the conflict of interest provisions in 24 CFR 891.130.
- b. Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses and Women-Owned Businesses. With respect to the Department's priority for "Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses and Women-Owned Businesses in HUD Programs," it was clarified that Section 202/811 Sponsors/Owners must comply with Executive Order (EO) 12432, Minority Business Enterprise Development and EO 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprise.
- c. Minority Business Enterprise Goals
The Department encourages participation by the Minority Business Enterprise (MBE) sector in HUD programs and establishes MBE goals each fiscal year. Therefore, MBE goals (expressed in dollars and units) have been established for the Section 202 and Section 811 FY 2009 funding round as set forth in Attachments 9 and 10. (These goals do not affect the rating of Section 202 or Section 811 applications.) A minority Sponsor is one in which more than 50 percent of the board members are minority (i.e., Black, Hispanic, Native American, Asian Pacific or Asian Indian). Offices are expected to encourage participation by minority Sponsors.
- d. HUD Reform Act Provisions
As required by the HUD Reform Act, the Department will publish the funding decisions in the Federal Register at the conclusion of the funding cycle. Local HUD Office staff is also reminded that the HUD Reform Act prohibits advance disclosure of funding decisions (also see 24 CFR Part 4)

21. Sponsor as Consultant

The Sponsor may also serve as a consultant to the project. Section 891.130(a)(2)(iii) states that developer (consultant) contracts between the Owner and the Sponsor or the Sponsor's nonprofit affiliate will not constitute a conflict of interest if no more than two persons salaried by the Sponsor or management affiliate serve as nonvoting directors on the Owner's board of directors.

22. Supportive Services

- a. Supportive Services Plan. The Exhibit for providing a description of the provision of services and the supportive services plan is now Exhibit 5.
- b. Sponsors Cannot Require Residents to Accept Supportive Services. Section 202 and Section 811 Sponsors must **not** require residents to accept any supportive services as a condition of occupancy. Although the acceptance of services has never been a program requirement, it has come to the Department's attention that in many cases residents have been required to accept services in order to live in housing for persons with disabilities developed under either the Section 202 Direct Loan program or the Section 811 program.

23. Historic Preservation

Sponsors are to submit with their applications, a letter from the SHPO or the THPO indicating whether the proposed site has any historic significance or whether it impacts any site or area of historic significance. Having this information submitted with the application will assist HUD in the timely completion of its environmental review. Sponsors must be informed to request a letter from the SHPO/THPO well in advance of the application deadline date to ensure a timely response from the SHPO/THPO.

The Sponsor must submit the following in its application: (1) a copy of the Sponsor's letter to the SHPO/THPO requesting their review and findings with respect to any historical significance to the proposed project along with a statement that the SHPO/THPO failed to respond to your letter; OR (2) a copy of the SHPO's/THPO's response. See attachment 18.

If the SHPO/THPO does not respond to the Sponsor's request or responds that it cannot or will not comply with the requirement, the HUD Office must process the application in accordance with the standard environmental review procedures in place prior to the NOFA publication (i.e., file with the SHPO/THPO, allow time for a response from the SHPO/THPO, and then make the appropriate finding, which must be received prior to convening the Rating/Selection Panel).

24. Waivers

- a. Limit on Amendments. Per Section 891.100(d), the amount of approved capital advance may be amended only after initial closing, subject to the availability of funds. This change must be emphasized to Sponsors so that as they plan their projects they will be aware that they need to keep the cost of the project within the fund reservation amount. Should the cost exceed the fund reservation amount, it may be necessary for Sponsors/Owners to seek outside funding sources to cover any additional expenses.
- b. Limit on Fund Reservation Extensions. Section 891 permits fund reservations to be extended up to 24 months on a limited case-by-case basis. This approval will be made at the local HUD Office level. Requests for fund reservation extensions in excess of 24 months must be approved in Headquarters.

25. Project Size

- a. Minimum and Maximum Project Sizes.
 - (1) For **Section 202** applications, the minimum project size for both metro and non-metro proposals is five units which include the non-revenue manager's unit, if applicable. A Sponsor can propose scattered sites in its application as long as each site consists of at least five units and the Sponsor has site control for all sites. In such cases, for the rating criteria pertaining to the need for supportive housing in the area and the suitability of the site, each site is to be rated separately and then the scores averaged. A Sponsor or Co-sponsor may not apply for more than 200 units of housing for the elderly in a single Hub or more than 10 percent of the total units allocated to all HUD offices. No single application may propose to develop a project for more than the number of units allocated to a local HUD Office (in either the metropolitan or non-metropolitan category) or assisted 125 units, whichever is less.
 - (2) For **Section 811** projects, the limits are as follow:
 - Group home for persons with disabilities - The minimum number of residents in a Group Home a Sponsor can apply for is two and the maximum number of residents is six. There are no exceptions to this requirement. Each resident should occupy a bedroom unless another resident chooses to share that same bedroom or the resident determines he/she needs another person to share his/her bedroom. An additional one-bedroom unit can be provided for a resident manager. Development cost limits for group homes are capped by number of occupants and type of disability.

- Independent Living Project - The minimum number of units that can be applied for in one application is five; not necessarily in one structure. The maximum number of persons with disabilities that can be housed in an independent living project is 14 assisted units (See Section III.C.3.b. (1)). An additional one or two bedroom unit can be provided for a resident manager. Exceptions to the 14-person limit may be requested by the Sponsor if it has control of the site (See Section III.C.3.b. (2)).

26. Mixed-Finance Projects

a. Additional Units Are No Longer Required for a Mixed-Finance Project

If an applicant wants to develop a mixed-finance project, it no longer has to propose the development of additional units over and above the Section 202 or Section 811 units, as applicable.

NOTE: The term mixed-finance project, as used here and in the Section 202 and Section 811 NOFAs, is for the development of units using low-income housing tax credits. It does not include the development of Section 202 or Section 811 units using secondary/supplemental financing or the development of a mixed-use project in which the Section 202 or Section 811 units are mortgaged separately from the other uses of the structure.

b. Mixed-Finance Project for Additional Units

For FY 2008 and earlier, if the applicant proposed to develop a mixed-finance project by developing additional units over and above either the Section 202 or Section 811 units, as applicable, it must describe in the application its plans and actions taken thus far to create such a mixed-finance project and provide any letters and the corresponding response sent to outside funding sources.

- (1) For FY 2005 and earlier funding if the Sponsor proposed and was approved for the development of a mixed-finance project for additional units; if the Sponsor should later be unable to secure the funding for the additional units; or HUD disapproves of the proposal for mixed financing for additional units, then the Sponsor will not be permitted to proceed with a 202 or 811 project without additional units and the fund reservation will be cancelled. This is due to the fact that the application during those funding rounds were rated based on the number of additional units being proposed, thus a later change in the proposal to exclude the additional units would alter the fairness of the competition.
- (2) No Capital Advance Amendment Money. No capital advance amendment money will be provided to Section 202 or Section 811

mixed-finance projects for additional units.

- (3) Firm Commitment Application Requirements. If a Sponsor receives a Section 202 or Section 811 fund reservation to develop a mixed-finance proposal for additional units, the Sponsor will be required to submit the additional documents outlined in HUD's Final Rule on Mixed Financing, which was published in the Federal Register on September 13, 2005 (FR-4725-F-02).
- (4) Section 811 Mixed-Finance Applications For Additional Units. The additional units cannot cause the Section 811 project to exceed the project size limit for the type of project proposed, unless the applicant requests and receives HUD approval to exceed the project size limit if the project will be an independent living project or the additional units will house people without a disability.

c. Mixed Finance

- (1) Proposals to develop mixed-finance projects for additional units over and above the Section 202 and Section 811 units, whichever applies, are no longer a rating factor for additional points.
- (2) Sponsors are still required to discuss their plans to develop a mixed-finance project for additional units under Exhibit 4(c) (iii) if they are planning on developing such projects for additional units.
- (3) If a Sponsor proposes to develop a mixed-finance project for additional units, they are now required to demonstrate their ability to proceed with the development of the project without mixed-financing for additional units in the event that (i) they are later unable to obtain the necessary outside funding; or (ii) HUD disapproves their proposal for mixed-finance projects.
- (4) Exhibit 4 (c) (iii) is now curable since it is no longer a rating factor.

27. Elimination of the Reference to Mixed-Use Proposals

The reference to proposals with a mixed-use purpose was eliminated beginning in the FY 2003 NOFA. However, this does not preclude the addition of commercial spaces in mixed-finance projects as long as the space meets the requirements for commercial spaces as stated in the 202 and 811 NOFAs. There are other ways that Sponsors can combine Section 202 and Section 811 projects with commercial spaces. Sponsors may propose to develop the project under a condominium structure whereby the Section 202 or Section 811 units would be a separate condominium from the commercial space, or develop the project under an air-rights structure so that the Section 202 or Section 811 capital advance would be used to

purchase the air rights over the commercial space.

To clarify that a commercial facility may be included in Section 202 and Section 811 projects, a definition of a commercial facility is included in the NOFAs (See Section IV.E.4). Commercial facilities cannot be funded with the use of the capital advance or PRAC funds and must be for the benefit of the residents. The maximum space for a commercial facility and other community space may not exceed 10 percent of the total project cost, unless it is a project involving acquisition or rehabilitation and the additional space was incorporated in the existing structure at the time the proposal was submitted to HUD. Commercial facilities must comply with the accessibility requirements of the Americans with Disabilities Act of 1990 (ADA) as they are considered public accommodations under Title III of the ADA.

28. Eligibility of Owner Entity When Later Formed by the Sponsor

The American Homeownership and Economic Opportunity Act of 2000 (P.L. 106-569), approved December 27, 2000, revised the definition of an eligible Owner entity to include a for-profit limited partnership with a nonprofit entity as the sole general partner. In view of the statutory change, an administrative decision was made to permit such Owners to participate in the Section 202 and Section 811 programs for the purposes of developing a mixed-finance project. Section III.A. of the Sections 202 and 811 NOFAs provides the eligibility requirements of the Owner entity when it is later formed by the Sponsor.

NOTE: The expansion of the eligibility criteria for the Owner entity to include a for-profit limited partnership with the nonprofit as the sole general partner or a corporation wholly owned and controlled by that organization **DOES NOT** apply to Section 202 or Section 811 Sponsors or Co-Sponsors. Applicant eligibility for purposes of applying for a Section 202 or Section 811 fund reservation has not changed (i.e., all Section 202 Sponsors and Co-Sponsors must be private nonprofit organizations or nonprofit consumer cooperatives and all Section 811 Sponsors and Co-Sponsors must be nonprofit organizations with a 501(c)(3) tax exemption from the Internal Revenue Service (IRS)).

29. Economic Opportunities for Low and Very Low-Income Persons (Section 3)
The Department has included compliance with the requirements of Section 3 as a Departmental Priority Policy. All applicants must comply with Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C 1701u (Economic Opportunities for Low and Very Low-Income Persons) and the implementing regulations at 24 CFR Part 135. Specifically, if the application involves covered construction or rehabilitation activities which will result in the creation of new training, employment and/or contracting opportunities, these newly created economic opportunities must be directed to low- and very low-income residents within the project area.

30. Project Design Requirements

The NOFA clarified that the proposed bedroom sizes must not exceed the maximum unit size limits as stated in Section 202 Handbook 4571.3 or Section 811 Handbook 4571.2, unless, the Sponsor demonstrates a willingness and ability to contribute the incremental development cost and continuing operating cost associated with the oversize units; or the project involves rehabilitation or acquisition and the additional design feature was incorporated into the existing structure before submission of the application.

B. Changes Applicable to the Section 202 Program Only

1. Allocation Formula

The allocation formula includes one data element from the 2000 Census. The data element is the number of a one-person elderly renter household (householder age 62 and older) with incomes at or below the Section 8 very low-income limit, and with poor housing conditions.

2. Application Changes

- a. Non-Responsive Applications. An application will be considered non-responsive to the NOFA and will not be accepted for processing if the applicant request assistance for housing that they currently own or lease that is already occupied by elderly persons. Section IV.E. Funding Restrictions also was revised to include this restriction as an ineligible activity. This revision is a clarification of policy and not a change.

NOTE: The Sponsor may propose to rehabilitate an existing currently-owned or leased structure that does not already serve elderly persons, except that the refinancing of any federally-funded or assisted project or project insured or guaranteed by a federal agency is not permissible under the Section 202 NOFA. HUD does not consider it appropriate to utilize scarce program resources to refinance projects that have already received some form of assistance under a federal program. (For example, Section 202 or Section 202/8 direct loan projects cannot be refinanced with capital advances and project rental assistance).

- b. Exhibit 4(e)(iv), Description of How Residents will be Afforded Opportunities for Employment, was eliminated.

3. Scattered Site Projects

If a project will be a scattered site development, each site must have at least five units.

4. Acquisition of Housing with or Without Rehabilitation

The American Homeownership and Economic Opportunity Act of 2000 (P.L. 106-

569) removed the limitation on acquiring structures for Section 202 projects solely from the Federal Deposit Insurance Corporation (formerly Resolution Trust Corporation) (FDIC/RTC). Therefore, similar to the Section 811 program, Sponsors may submit applications proposing the acquisition of housing with or without rehabilitation whether or not such housing is obtained from the FDIC/RTC.

5. Metropolitan and Non-metropolitan Allocation
The allocations for metropolitan and non-metropolitan portions of the Hub jurisdictions reflect the definitions of metropolitan and non-metropolitan areas as of the June 2003 definitions by the Office of Management and Budget, and not the 2000 Census as previously done.

C. Changes to the Section 811 Program Only

1. Acquisition and Relocation
This section has been clarified to provide that the Sponsor must include evidence of compliance with this advance notice requirement in Exhibit 4(d)(iv) of their application and, if the Sponsor had site control as an applicant, the Sponsor must identify all persons who were required to move from the site within the past 12 months and the reason for such a move. The Sponsor will also have to be able to demonstrate that all persons occupying the site have been issued the appropriate required General Information Notice and advisory services information receipt required, either at the time of the execution of the option to acquire the property or at the time of application submission.
2. Allocation of Funds
Beginning in FY 2003 allocation formula is based on the 2000 Census and includes one data element: the number of non-institutionalized persons age 16 to 64 with a disability.
3. Applicant Eligibility
Section 603 of the Housing and Community Development Act of 1992 (HCD Act of 1992) amended Section 811 of the National Affordable Housing Act (NAHA) by striking the language "incorporated private" and thus expanded the definition of private nonprofit organization in Section 811(k)(6) to include public and unincorporated institutions or foundations. This amendment also requires such sponsoring organizations to have received tax-exempt status under section 501(c)(3) of the Internal Revenue Service Code of 1986, which effectively limits the eligibility of public bodies. (Temporary clearance to receive section 501 (c) (3) tax-exempt status is not permissible.) The same requirements apply to the Owner except that the Owner must be incorporated.
4. Valuation Review of Market Need/Demand
Review and Rating of Exhibit 4(a), Evidence of Need.
The responsibility for determining the need for additional housing for persons with disabilities has been transferred from the Economic and Market Analysis Staff

(EMAS) to the Valuation staff within the Multifamily Hubs/Program Centers. Therefore, the Valuation staff will be responsible for reviewing Exhibit 4(a) of Section 811 applications and assigning the related points (0 or 5 points) under sub-Rating Factor 2.a.

5. Applications Proposing a Mixed-Finance Project
Clarification was made to state that only applications with control of an approvable site are permitted to request consideration of a proposal involving mixed-financing.

6. Site Related Issues

- a. Site Control. Applications that are submitted with evidence of site control where both the evidence and site(s) are approvable will no longer receive five points for site control. Instead, such applications that receive at least 75 points before the addition of bonus points will be placed in Category A. Applications that are submitted with evidence of site control where either the evidence or the site is not approvable, as well as applications that come in with an identified site(s) or with a mix of sites under control and sites identified, that receive at least 75 points before the addition of bonus points will be placed in Category B.

All applications in Category A will be selected before the selection of any applications in Category B. This change was necessary for two reasons:

- (1) It was necessary to free up some points for the addition of two rating criteria applicable to the policy priorities of ending chronic homelessness and removing regulatory barriers to affordable housing.
- (2) With the addition of the two policy priorities just mentioned, it would have been more difficult for applications to attain the minimum of 75 points necessary for selection if we didn't convert to a selection preference rather than the point system for meeting the statutory selection criterion of "the extent to which the Sponsor has control of the site".

- b. Site Scoring Issues. Applications containing satisfactory evidence of control for all proposed sites and all proposed sites are approvable by Valuation (a score of one or higher for Criterion 3(a), Site Approvability) will be placed in Category A for selection purposes as indicated above.

If the site control is NOT acceptable in a single site application, the application will be placed in Category B for selection purposes but is still rated by Valuation (VAL) for Site Approvability (Criterion 3(a)) and by the Office of Fair Housing and Equal Opportunity (FHEO) for the suitability of the site in promoting a greater choice of housing opportunities for persons with disabilities, including minorities (Criterion 3(c)).

If either VAL or FHEO REJECTS the site in a single site application, the application will receive zero points for Criteria 3(a) and 3(c). The application will be placed in Category B for selection purposes as long as the Sponsor indicated in Exhibit 4(d)(xi) that it is willing to seek an alternate site. Otherwise, the application will be rejected.

NOTE: For a scattered site application to receive points for Criteria 3(a) and 3(c), **all** proposed sites must be under acceptable control and be approvable.

- c. Review of Sites under Control/Sites Identified. Sites under control and sites identified will be evaluated using the same review factors. However, applications with sites identified will have to specifically include information on how the site will promote greater housing opportunities for persons with disabilities, including minorities, affirmatively further fair housing and any other information on the suitability of the site for persons with disabilities.
- d. Rejection of a Site Identified Application. If, in the case of a site identified application, the evidence provided in the site description is not sufficient to lead to the conclusion that the Sponsor will have site control within six months, the application will be rejected.

Although identified sites are **NOT** to receive an environmental review, if the Hub has knowledge about an identified site that would result in rejection of the site (e.g., it is located in a community that is already impacted with assisted housing), the application is to be rejected on the basis that it is unlikely that the Sponsor will be able to obtain control of an approvable site within six months of notification of award. The reason for treating Sponsors who submit applications with site control where the site is unacceptable differently from those Sponsors who submit applications with identified sites where the site is unacceptable, is that the Department can be more reasonably assured that Sponsors who were able to obtain site control during the application preparation period will be able to obtain site control within six months of notification of award than those Sponsors who were only able to identify sites during this period. The statute requires that the Department have "reasonable assurances that the applicant will own or have control of an acceptable site for the proposed housing not later than six months after notification of an award for assistance".

- e. Specific Street Address Required. Sponsors must provide the specific street address of the site. For site-identified applications, the location must include the street address or block or lot number(s). If the Sponsor proposes one or more condominium units, the unit number(s) must also be provided. The NOFA clarifies that if an application failed to provide the required information, that application will be rejected.

- f. Zoning. Sponsors should be aware that, under certain circumstances, the Fair Housing Act requires localities to make reasonable accommodations to their zoning ordinances or regulations to offer persons with disabilities an opportunity to live in an area of their choice. If the Sponsor is relying upon a theory of reasonable accommodation to satisfy the zoning requirement, then the Sponsor must clearly articulate the basis for its reasonable accommodation theory.
 - g. Relaxation of Site Location Requirements. Under Section 891.320(b) of the final rule for the Section 811 program, the site and neighborhood standards were revised to provide more flexibility to the site location requirements for Section 811 housing. The final rule now indicates that Section 811 housing should, rather than must, be located where other family housing is located and should not, rather than must not, be located adjacent to or in areas concentrated by schools or day-care centers for persons with disabilities, workshops, medical facilities, or other housing primarily serving persons with disabilities. Hubs will make these determinations and must ensure that, in doing so; the selected site will facilitate the integration of persons with disabilities into the surrounding community. The requirement that not more than one group home be located on one site and two group homes not be next to each other remains in Section 891.320(b), since the prohibitions are statutory.
 - h. Scattered-site Applications. If Sponsors are applying for a scattered-site project consisting of different project types (e.g., group home and independent living project) they may do so in one application. To come up with an overall rating for the rating criteria pertaining to the need for supportive housing in the area and the approvability and suitability of the site, each site is to be rated separately and then the scores averaged.
 - i. Site Identified Applications. Project location must include street address or block/lot number(s).
7. Restrictions Removed from Acquisition Projects
In Section 891.305 of the final rule, the definition of "acquisition" was revised. The restriction to group homes and Federal Deposit Insurance Corporation/Resolution Trust Corporation properties was removed so that any housing type may now be acquired. The restriction to properties that are at least three years old was also removed.
8. Project Size
 - a. Exceptions to the 14-Person Project Size Limit. The provision allowing Sponsors to request exceptions to the 14-person assisted units project size limit for independent living projects was added back into the NOFA beginning in FY 2003. Only Sponsors who submit an application for an

independent living project with site control can submit a request to exceed the 14-person project size limit. Such requests are submitted as part of Exhibit 4(d)(xii) of the Application.

- b. Restriction to Project Size Limits for Independent Living Projects. The NOFA clarifies that if a Sponsor proposes to place an independent living project on the same or an adjacent site already containing housing for persons with disabilities, then the total number of persons housed in both the existing and proposed project cannot exceed 14 assisted units.
 - c. Project Size Limits.
 - (1) Independent Living Project. The project size limit for an independent living project is 14 units plus one unit (one- or two-bedroom) for a resident manager.
 - (2) Mixed Project Type Applications. It has been clarified that applications proposing both a group home and an independent living project must request the minimum number of units per project type (i.e., two units for a group home and five units for an independent living project).
 - (3) Section III.C.3.b.(3). This section was revised to state that there would be no exceptions to the maximum project size limit of six persons with disabilities in a group home.
 - d. Resident Manager's Unit. In an independent living project, the Sponsor can designate either a one- or two-bedroom unit for a resident manager. In a group home, the size of the resident manager's unit is limited to a one-bedroom unit.
 - e. Minimum size of Group Home. The minimum size of a group home has been reduced to two persons to more closely resemble shared housing in a community. A two-person cost limit has been provided. A Sponsor can submit an application requesting two units if it is proposing to develop one group home for two persons with disabilities.
9. Supportive Services
- a. Residents' Choice in Supportive Services Plan. Since Sponsors cannot require potential residents to accept any supportive services as a condition of occupancy, they must design a Supportive Services Plan that offers potential residents the following choices: (1) to take responsibility for choosing and acquiring their own services; (2) to receive any supportive services made available directly or indirectly by the Sponsor; or (3) to not receive any supportive services at all. Such a Supportive Services Plan will offer maximum choice for residents while meeting the statutory requirement that

Section 811 housing provide supportive services that address the individual health, mental health, and other needs of the residents.

- b. Supportive Services Certification. The Sponsor is required to submit a copy of its Supportive Services Plan and Supportive Services Certification to the appropriate state or local agency for review of the Supportive Services Plan and completion of the Supportive Services Certification which is a requirement of the Section 811 application. The Supportive Services Certification provides HUD with information about whether the Sponsor's Plan is well designed to serve the individual needs of persons with disabilities. Furthermore, it indicates whether the proposed housing is consistent with state or local policies or plans governing the development and operation of housing to serve persons with disabilities. In addition, the appropriate state or local agency must indicate on the Supportive Services Certification whether the Sponsor demonstrated that the necessary supportive services will be available on a consistent, long-term basis.

If the Supportive Services Certification is missing or incomplete, the Sponsor must be notified that it is a curable deficiency and be given the 14-day period to have the appropriate State or local agency complete the Certification. If the Supportive Services Certification is not received during the curable deficiency period the application must be rejected but must still undergo technical processing. If the Certification comes in during the curable deficiency period and the appropriate State or local agency did not indicate whether the Supportive Services Plan is well designed to meet the needs of the residents, or indicated that it was **not** well designed, or indicates that the provision of supportive services will not enhance independent living success or promote the dignity of the residents, the application must also be rejected.

If the appropriate state or local agency failed to respond to either one or both of the other two questions (whether or not the housing is consistent with State or local policies or plans governing the development and operation of housing for persons with disabilities population and whether or not the supportive services will be available on a consistent, long-term basis), the Project Manager must review the Supportive Services Plan and respond to these two questions. If the appropriate State or local agency or, if necessary, the Project Manager, determines that the housing is inconsistent with state or local policies or plans governing the development and operation of housing to serve the proposed population and the appropriate State or local agency will be a primary funding or referral source for the project or is required to license the project; or, that supportive services will not be provided on a consistent, long-term basis, the application must be rejected.

Sponsors must be reminded to send their Supportive Services Plans to the appropriate state or local agency in ample time so that the agency can review

them, complete the Supportive Services Certifications and return them to the Sponsors for inclusion in their applications to HUD.

- c. An addition has been made to the certification that addresses whether the provision of supportive services will enhance independent living success and promote the dignity of those who will access the proposed project.
- d. Access to Community Services and Amenities. Proposed project sites will be rated more favorably if in close proximity to community services and amenities or accessible to them other than by sole means of a project residence or private vehicle. Sites located in areas where the residents must be dependent upon a project residence or private vehicle as their only means of accessing such services and amenities will be rated less favorably.
- e. Involvement of Centers for Independent Living. In order to encourage Sponsors to work with their local Center for Independent Living they are required to indicate in their applications the extent to which they involved their local Center for Independent Living in the development of their applications. In addition, the NOFA and Application identify local Centers for Independent Living and Statewide Independent Living Councils as examples of organizations from which they can obtain letters or support for their projects to include in their applications.
- f. The requirements for the Supportive Services Plan have been streamlined to coincide with the philosophy that residents must be given the freedom to choose whether they want to (i.) receive supportive services available in the community, (ii.) receive supportive services available to them from the Sponsor directly or coordinated by the Sponsor, or (iii.) receive no supportive services at all. If the Sponsor will be providing any supportive services directly or coordinating the availability of any supportive services, they must include a letter in their Supportive Services Plan that the services they will either make available directly or coordinate their availability and describe how the coordination will be implemented; provide an assurance that any supportive services made available to the residents will be based on their individual needs; and, state their commitment to make the supportive services available or coordinate their availability for the life of the project.
- g. Opportunities for Employment. Sponsors must include in their Supportive Services Plans a description of how the residents will be afforded opportunities for employment.
- h. Experience with Integrated Housing Developments. When describing any rental housing projects sponsored, owned and operated by the Sponsor as part of the description of its housing and/or supportive services experience, the Sponsor should include its experience with integrated housing developments.

- i. Contact for Agency Providing Independent Living Services. The State Independent Living Council and the local Center for Independent Living must be included on the list of State and local agency contacts provided to Sponsors for submission of the Supportive Services Plan of their applications.

10. Occupancy Issues

- a. Mixed Occupancy. In the application submission requirements, the Sponsor is asked to specify whether the proposed housing will serve persons with physical disabilities, developmental disabilities or chronic mental illness, or any combination of the three.
- b. Restricted Occupancy. Sponsors may request approval to limit occupancy to a subcategory of one of the three main disability categories (i.e., physically disabled, developmentally disabled, chronically mentally ill). For example, autism is a subcategory of developmental disability. If requesting approval to limit occupancy, Sponsors must submit more detailed information in their Supportive Service Plans for HUD to determine whether approval is justified. Such information includes:
 - a description of the population to which occupancy will be limited;
 - an explanation of why it is necessary to limit occupancy;
 - how restricted occupancy will promote the goals of the Section 811 program;
 - why the needs of the proposed occupants cannot be met in a more integrated setting;
 - a description of the Sponsor's experience in providing housing and/or supportive services to the proposed occupants; and
 - a description of how the Sponsor will ensure that the occupants will be integrated into the neighborhood and surrounding community.The Project Manager (PM) will be responsible for reviewing requests for restricted occupancy and the PM Technical Processing Review and Findings Memorandum has been modified accordingly. If the PM determines that approval of restricted occupancy is justified, a memorandum to the file shall be developed for the signature of the Supervisory Project Manager and attached to the PM Technical Processing Review and Findings Memorandum. If the Sponsor is selected for funding, the Notification of Selection Letter must include the information in the Supervisory Project Manager's approval memorandum.
- c. Single Occupancy Bedrooms in Group Homes. Sponsors proposing to develop a group home may not require residents to share a bedroom. Double occupancy bedrooms are only allowed if a resident indicates a preference or

need to share a bedroom with another resident.

11. Intermediate Care Facilities (ICFs) are no Longer Eligible
Sponsors may no longer propose the development of an ICF. Due to the quasi-institutional nature of an ICF, which is contrary to programmatic goals, the Department decided to eliminate its eligibility for development under the program.
12. Davis-Bacon Act
Davis-Bacon Labor standards apply to housing containing 12 or more units. A group home is considered as one unit for this purpose; therefore, the labor standards do not apply. Independent living projects with 12 or more units **are** covered by the standards.
13. Lead-Based Paint
The requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C.4821-4846) and implementing regulations at 24 CFR part 35, and 24 CFR section 891.325 apply to all Section 811 dwelling units except as indicated in the aforementioned regulations.
14. Accessibility
All Section 811 applications, whether proposing new construction, rehabilitation, or acquisition with or without rehabilitation, must adhere to the provisions of 24 CFR 891.310. The applications must also adhere to the provisions of 24 CFR 8.4(b) (5) which prohibits the selection of a site or location which has the purpose or effect of excluding persons with disabilities from the project. Sponsors who choose to use existing structures must make sure that the structures can be made accessible without resulting in infeasible projects.
15. Project Type Name Change
The term "independent living facility" has been changed to "independent living project" to eliminate the institutional connotation associated with the term "facility."

IV. SITE ENVIRONMENTAL CONSIDERATIONS

As HUD now completes environmental reviews only for approved projects, findings of unacceptable or significant impacts can still result in the rejection of projects that have been approved. Therefore, Sponsors should take this into consideration and put forth all efforts to evaluate sites for the degree of adverse environmental effects when selecting project sites.

V. FY 2010 AND FY 2011 CAPITAL ADVANCE AUTHORITY ASSIGNMENTS

A. Fair Share Factors.

Although not subject to the section 213(d) requirements, a formula is still used for allocating Section 202 and Section 811 funds. The allocation formula was developed to reflect the "relevant characteristics of prospective program participants", as specified in 24 CFR 791.402(a).

1. Section 202

The FY 2010 formula for allocating Section 202 capital advance funds consists of the following data element: The use of the 2000 Census data with the following data elements in determining the allocation for the Section 202 program: Number of one-person elderly renter households (householder age 62 or older) with incomes at or below the applicable Section 8 very low-income limit, and with housing conditions. Housing conditions are defined as paying more than 30 percent of income for gross rent, or occupying a unit lacking some or all kitchen plumbing facilities, or occupying an overcrowded unit (1.01 persons per room or more). The formula focuses the allocation on targeting the funds based on the unmet needs of elderly renter households who pay excessive rents and who have very low incomes.

A fair share factor is developed for each metropolitan and non-metropolitan portion of each local HUD Office jurisdiction by dividing the number of renter households for the jurisdiction by the total for the United States. The resulting percentage for each local HUD Office jurisdiction is then adjusted to reflect the relative cost of providing housing among the HUD Office jurisdictions. The adjusted needs percentage for the applicable metropolitan or non-metropolitan portion of each jurisdiction is then multiplied by respective total remaining capital advance funds available nationwide.

Eighty-five percent of the total capital advance amount is allocated to metropolitan areas and 15 percent to non-metropolitan areas.

NOTE: The allocations for metropolitan and non-metropolitan portions of the Multifamily Hub jurisdictions reflect the most current definitions of metropolitan and non-metropolitan areas, as defined by the Office of Management and Budget.

2. Section 811

The FY 2010 formula for allocating Section 811 capital advance funds consists of one data element from the 2000 Census - the number of non-institutionalized persons age 16 to 64 with a disability.

The fair share factors were developed by taking the number of persons age 16 to 64 for each state, or state portion, of each HUD Office jurisdiction as a percent of the data element from the 2000, as described above, for the total United States. The resulting percentage for each local HUD Office is then adjusted to reflect the relative cost of providing housing among the local HUD Office jurisdictions. The adjusted needs percentage for each local HUD Office jurisdiction is then multiplied by the total amount of capital advance funds available nationwide.

B. Program Fund Assignments

As done in prior years, HUD Headquarters will assign the 202/811 capital advance and PRAC funds for the FY 2010/2011 applications selected for funding by electronic means to the Ft. Worth Accounting Center upon completion of the HUD Headquarters' review.

VI. AWARD ADMINISTRATION INFORMATION

A. Notification to Program Applicants.

Advise sponsors that all applications submitted under the FY 2010/2011 program must be in conformance with the NOFA, Regulations, Handbook and Hub Funding Notifications. To this end, FY 2010/2011 applications must follow the format provided in the Section 202 or Section 811 NOFA, as applicable, which is in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

B. Prior Successful Applicants.

Sponsors who have received a Section 202 or Section 811 fund reservation, as applicable, within the last three funding cycles are **NOT** required to submit the following:

- Articles of Incorporation, constitution, or other organizational documents;
- By-laws; and
- IRS tax exemption ruling.

Instead, these Sponsors must submit the project number of the last appropriate application selected and the local HUD office to which it was submitted. If there have been any modifications or additions to the subject documents, Sponsors must indicate such, and submit the new material.

C. Release of Information on Ratings and Rankings.

Release of information regarding selections or non-selections by HUD staff is prohibited until after funding announcements are made. Hubs may not release selection letters until authorized to do so by Headquarters. It is the policy of the Department to operate an open selection system. Release of rating and ranking information to Section 202 and Section 811 applicants or their authorized representatives is permitted, but only after the release of selection letters and, in response to a written request from the applicant to the Director of the Hub at least 30 days after the awards are publicly announced. If standard rating criteria forms or technical processing review and findings memoranda are requested, they may also be released. However, the name of the reviewer must be deleted from the copy released to the applicant.

The above information may also be released to any member of the public requesting such information under the Freedom of Information Act (FOIA).

VII. OTHER INFORMATION

A. Consolidated Plan Certification.

Each applicant must submit a certification by the jurisdiction in which the proposed project is to be located that the application is consistent with the jurisdiction's HUD-approved Consolidated Plan. The certification is to be signed by the unit of general local government if it is required to have, or has, a complete Consolidated Plan. Otherwise, the certification

may be made by the State, or if the project will be located within the jurisdiction of a unit of general local government authorized to use an abbreviated strategy, by the unit of general local government if it is willing to prepare such a plan.

All Consolidated Plan Certifications must be made by a public official responsible for submitting the plan to HUD. All plan certifications must be submitted as part of the application by the application submission deadline set forth in the NOFA. The Plan regulations are published in 24 CFR Part 91.

B. Workshops

To the extent possible, experienced program and technical staff should conduct the workshops to provide guidance, particularly for new program participants. Since first time applicants may have difficulty with the complexity of the Section 202 or Section 811 program, Hubs are urged to conduct pre-workshops (to be held prior to the start of the regularly scheduled session) for first-time applicants. These applicants should attend the pre-workshop and remain for the regular session. Particular emphasis should be placed on the new requirements for the FY 2010/2011 program.

C. Minority Business Enterprise Goals

The Department encourages participation by the Minority Business Enterprise (MBE) sector in HUD programs and establishes MBE goals each fiscal year. Therefore, MBE goals (expressed in dollars and units) have been established for the Section 202 and Section 811 FY 2010/2011 funding round as set forth in Attachments 9 and 10. (These goals do not affect the rating of Section 202 or Section 811 applications.) Hubs are expected to encourage participation by minority Sponsors. A minority Sponsor is one in which more than 50 percent of the board members are minority based on the following codes/categories:

- 2 - Black
- 3 - Hispanic
- 4 - Native American
- 5 - Asian Pacific
- 6 - Asian Indian

D. Salary Limitation for Consultants.

The requirement in the General Section of the NOFA, pertaining to salary limitations for consultants, applies to the Section 202 and Section 811 programs. In accordance with the General Section of the NOFA, Fiscal Year 2010 funds may not be used to pay or to provide reimbursement for payment of the salary of a consultant at more than the daily equivalent of the rate paid of the high of the pay band paid for level IV of the Executive Schedule, unless specifically authorized by law. This requirement is based on the provision contained in the Consolidated Appropriations Act, 2009.

VIII. DAP

A. Instructions for Inputting Information in DAP.

Following the processing schedule in Attachment 1 of this Notice, the initial input of application information into DAP should be made by July 8, 2011. Field Offices are to make the final input of information by July 15, 2011.

Print Copy of DAP Application Log.

1. After logging in all applications received, print a copy of the log
2. Make sure you account for all of the applications.
3. Mail the printed copies of the DAP Log of Applications Receiving to Headquarters, Attention: Aretha Williams, Director, Grant Policy and Management Division, 451 7th Street, SW, Washington, DC 20410, Room 6142 by July 20, 2011.

B. DAP Application Log.

A Log of Applications Received by Sponsor will be available in DAP under the “Reports” tab. After the date to finally input application information in DAP, July 15, 2011, Hub Offices should use the Sponsor log of applications received to determine if any Sponsor has applied for more units than allowed under either the Section 202 or Section 811 programs. The maximum unit limitation includes Co-Sponsors and any of the Sponsor’s affiliated entities (organizations that are branches or offshoots of a parent organization).

- Under the Section 202 program, a Sponsor or Co-Sponsor may not apply for more than 200 units of housing for the elderly in a single Hub or more than 10 percent of the total units allocated to all HUD offices.
- Under the Section 811 program, a Sponsor or Co-Sponsor may not apply for more than 70 units of housing or 4 projects (whichever is less) for persons with disabilities in a single Hub or more than 10 percent of the total units allocated to all local HUD offices.

Programmatic questions concerning the FY 2010/2011 Section 202 or Section 811 program and questions concerning DAP may be discussed with the Office of Housing Assistance and Grant Administration in Headquarters at (202) 708-3000.

Questions concerning Section 202 or Section 811 Capital Advance or Project Rental Assistance Contract Authority should be directed to the Funding Control Division at (202) 708-2750.

/s/

Carol J. Galante
Acting Assistant Secretary for Housing –
Federal Housing Commissioner

**SECTION 811 and SECTION 202
APPLICATION PROCESSING SCHEDULE**

In accordance with the schedule included in the NOFA published in the Federal Register, the following processing schedule has been developed. It is not mandatory that Offices maintain all dates in this schedule. **However, the underscored dates and actions are specific deadlines that must be met:**

| | |
|---|--------------------|
| Section 202 Application Deadline | June 21, 2011 |
| Section 811 Application Deadline | June 23, 2011 |
| Initial DAP Application Data Input | July 8, 2011 |
| Final DAP Application Data Input | July 15, 2011 |
| Submission of SF-424 Supplement from Each application received to Headquarters | August 19, 2011 |
| Initial Screening for Curable Deficiencies Completed and Deficiency Letters Mailed | August 19, 2011 |
| Send Technical Reject Letters to Sponsors with a copy of each letter plus Technical Reject Report to Headquarters | September 9, 2011 |
| <u>Hubs submit SF-424</u> <u>from each approvable application to Headquarters</u> <u>Hubs submit lists of initial selections,</u> <u>approvable but unfunded applications,</u> <u>applications that scored less than 75 base</u> <u>pts., transmittal memoranda, and</u> recapitulation sheets to Headquarters | September 30, 2011 |

SUBMISSION REQUIREMENTS FOR SELECTION MATERIALS

Submission of Processing and Selection Materials to Headquarters. It is essential that all selection materials be reviewed for completeness and accuracy, prepared in accordance with the following instructions, and forwarded to Headquarters in strict adherence to the Processing Schedule in Attachment 1. The Development Application Processing (DAP) System is to be used in preparing all Selection Lists and Reports.

1. **Multifamily Hub Submission to Headquarters.** The Multifamily Hubs are to submit the following selection materials to Headquarters **separately** for the Section 202 and Section 811 programs.
 - a. **Transmittal Memorandum.** A separate transmittal memorandum for each program summarizing the following results of the selection process for that program.
 - (i) Number of applications received.
 - (ii) Number of applications selected.
 - (iii) Identification of applications by project number, if any, where the number of units was reduced by up to 10 percent and the number of units and capital advance and PRAC funds needed to restore the application to its original request.
 - (iv) Amount of unused funds and units being returned to Headquarters.
 - (v) For any applications with the same score on the Multifamily Hub's Approvable but Unfunded List, identify the order in which you would like them selected.
 - (vi) Achievement of MBE goals, non-metro achievement for Section 202, state comments received in response to E.O. 12372, etc.
 - b. **Multifamily Hub Recapitulation Form.** A recapitulation form for the Multifamily Hub.
 - c. **Multifamily Hub Initial Selection List.** For Section 202, a separate metro and non-metro initial selection list in rank order must be submitted. For 811, a separate Category A and Category B initial selection list in rank order must be submitted. **If applicable, identify any project that requires units and/or capital advance and PRAC funds to be restored.**

- d. **Multifamily Hub Approvable but Unfunded List.** For Section 202, a separate metro and non-metro approvable but unfunded list in rank order must be submitted. For Section 811, a separate Category A and Category B approvable but unfunded list in rank order must be submitted.
- e. **Multifamily Hub Not Recommended List.** A list of Hub-wide applications in rank order for each program that received a score of less than 75 base points.
- f. **Multifamily Hub Technical Reject List and Letters.**
A list of applications for each program that have been technically rejected and a copy of each technical reject letter. Also, include copies of any appeal letters and the Hubs' responses to the appeal letters.

Do **NOT** send Technical Processing Review and Findings Memoranda or Standard Rating Criteria Forms to Headquarters.

FISCAL YEARS 2010 AND 2011 SECTION 202 ALLOCATION BY HUB OFFICE

| | Metropolitan | | Non-Metropolitan | | Totals | |
|---------------|--------------|-----------------|------------------|-----------------|------------|-----------------|
| HUB | Est. Units | Capital Advance | Est. Units | Capital Advance | Est. Units | Capital Advance |
| | | | | | | |
| Boston | 202 | 31,243,956 | 25 | 3,363,894 | 227 | 34,607,850 |
| New York | 302 | 49,027,706 | 0* | 0* | 302 | 49,027,706 |
| Buffalo | 69 | 9,604,655 | 23 | 3,246,069 | 92 | 12,850,724 |
| Philadelphia | 295 | 44,458,676 | 33 | 4,478,590 | 328 | 48,937,266 |
| Baltimore | 125 | 15,654,482 | 14 | 1,681,840 | 139 | 17,336,322 |
| Greensboro | 69 | 9,513,905 | 37 | 5,255,292 | 106 | 14,769,197 |
| Jacksonville | 208 | 22,210,799 | 37 | 3,837,394 | 245 | 26,048,193 |
| Atlanta | 128 | 14,349,961 | 53 | 5,823,332 | 181 | 20,173,293 |
| Chicago | 186 | 27,751,410 | 36 | 5,108,572 | 222 | 32,859,982 |
| Columbus | 116 | 13,994,710 | 25 | 3,021,562 | 141 | 17,016,272 |
| Detroit | 93 | 11,581,862 | 16 | 1,848,630 | 109 | 13,430,492 |
| Minneapolis | 99 | 14,116,942 | 43 | 6,096,810 | 142 | 20,213,752 |
| Ft. Worth | 201 | 20,200,865 | 59 | 5,863,075 | 260 | 26,063,940 |
| Kansas City | 104 | 12,373,553 | 70 | 8,046,274 | 174 | 20,419,827 |
| Denver | 58 | 6,965,295 | 30 | 3,143,726 | 88 | 10,109,021 |
| San Francisco | 208 | 30,915,421 | 18 | 2,729,773 | 226 | 33,645,194 |
| Los Angeles | 223 | 33,975,025 | 0* | 0* | 223 | 33,975,025 |
| Seattle | 95 | 13,619,596 | 25 | 3,505,840 | 120 | 17,125,436 |
| Total | 2,781 | \$381,558,819 | 544 | \$67,050,673 | 3,325 | \$448,609,492 |

*As of this Fiscal Year, the minimum set aside of 5 nonmetropolitan units was removed and only those areas with a sufficient number of qualifying households received an allocation.

ATTACHMENT 4

FISCAL YEARS 2010 AND 2011 SECTION 811 ALLOCATION BY HUB

| HUB | UNITS | CAPITAL ADVANCE |
|---------------|--------------|------------------------|
| Boston | 51 | 7,439,483 |
| New York | 59 | 9,200,774 |
| Buffalo | 22 | 2,932,029 |
| Philadelphia | 84 | 12,033,139 |
| Baltimore | 46 | 5,640,480 |
| Greensboro | 53 | 7,091,248 |
| Jacksonville | 103 | 10,612,129 |
| Atlanta | 100 | 11,187,342 |
| Chicago | 66 | 9,180,334 |
| Columbus | 41 | 4,692,858 |
| Detroit | 38 | 4,419,599 |
| Minneapolis | 30 | 4,254,994 |
| Ft. Worth | 129 | 12,481,247 |
| Kansas City | 58 | 6,591,436 |
| Denver | 31 | 3,508,249 |
| San Francisco | 84 | 11,773,801 |
| Los Angeles | 86 | 12,691,615 |
| Seattle | 40 | 5,553,926 |
| Total | 1,121 | 141,284,683 |

SECTION 202 and 811 WORKSHOP INSTRUCTIONS

Workshops should be conducted such that information is disseminated to all stakeholders. The Hub is responsible for logistics and determining the level of involvement of the Program Center (s) staff.

Additional Section 811 instructions:

The Hub Office will send a copy of the Funding Notification and information regarding the date, time and place of the workshop (Attachment 7) to the following:

- Disabled and minority media, and minority and other organizations involved in housing and community development within the Office's jurisdiction;
- Groups with a special interest in housing for persons with disabilities, including State and local disability agencies (e.g., Department of Mental Health and Developmental Disabilities); State Independent Living Councils and Centers for Independent Living;
- The applicable State Single Point of Contact (Executive Order 12372) and Chief Executive Officers of appropriate units of State/local government in all instances where there is a Consolidated Plan.

In addition, the following must be notified, where feasible:

- Trade association journals;
- Associations representing persons with disabilities;
- State Agencies, such as Departments of Human Resources;
- Fair Housing Groups (the names and addresses of such organizations and groups shall be provided to the PD&R staff by the Fair Housing and Equal Opportunity Division Directors).

**FUNDING NOTIFICATION FOR FISCAL YEARS 2010 AND 2011
SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY
CAPITAL ADVANCE PROGRAM**

The Department of Housing and Urban Development will accept applications from private nonprofit organizations and nonprofit consumer cooperatives for rental or cooperative housing under the Section 202 Capital Advance Program for Supportive Housing for the Elderly subject to the following:

| | <u>Units</u> | <u>Capital Advance</u> |
|------------------------|--------------|------------------------|
| METROPOLITAN AREA: | _____ | \$_____ |
| NON-METROPOLITAN AREA: | _____ | _____ |

This represents the funding available for the _____ Hub. The minimum number of assisted units per application is 5 and the maximum number is 125* (including the manager's unit). Applicants submitting applications for units in either of the areas identified above may not request more units than advertised for the specific area (metropolitan or non-metropolitan).

An application may be obtained by downloading the General Section of the NOFA and the Section 202 Program NOFA from HUD's homepage at http://www.grants.gov/applicants/apply_for_grants.jsp or by contacting the Grants.gov customer support at 1-800-518-GRANTS, by emailing your questions to Support @Grants.gov, by contacting the NOFA Information Center at 1-800-HUD-8929 (TTY: 1-800-HUD-2209) or the HUD Office at (HUD Office Address).

This Hub will conduct a workshop on (date) at (time) for interested applicants to explain the Section 202 program, to distribute copies of the Application and to discuss application procedures. The facility for the workshop is accessible to individuals with disabilities. The VOICE/TTY telephone number is _____.

THE DEADLINE DATE FOR THE SUBMISSION OF APPLICATIONS IS June 21, 2011.

* If your office's allocation is less than 125 units, then insert that number instead of 125.

**FUNDING NOTIFICATION FOR FISCAL YEARS 2010
AND 2011 SECTION 811 SUPPORTIVE HOUSING FOR PERSONS WITH
DISABILITIES
CAPITAL ADVANCE PROGRAM**

The Department of Housing and Urban Development will accept applications from nonprofit organizations for rental or cooperative housing under the Section 811 Capital Advance Program for Supportive Housing for Persons with Disabilities subject to the following:

| | |
|--------------|------------------------|
| <u>Units</u> | <u>Capital Advance</u> |
| _____ | \$ _____ |

This represents the funding available for the _____ Hub. Applicants must not request more units than available.

An application may be obtained by downloading the General Section of the NOFA and the Section 811 Program NOFA from HUD's homepage at http://www.grants.gov/applicants/apply_for_grants.jsp; www.Grants.gov; or by contacting the NOFA Information Center at 1-800-HUD-8929 (TTY: 1-800-HUD-2209); or the HUD Office at _____ (HUD Office Address).

This office will conduct a workshop on _____ (date) at _____ (time) for interested applicants to explain the Section 811 program, to distribute copies of the Application and to discuss application procedures. The facility for the workshop is accessible to individuals with disabilities. The VOICE/TTY telephone number is _____.

THE DEADLINE DATE FOR THE SUBMISSION OF APPLICATIONS IS June 23, 2011.

NOTE: The minimum number of persons with disabilities that can reside in a group home is 2 and the maximum number is 6. There are no exceptions to the number of disabled persons residing in a group home. An additional one-bedroom unit can be provided for a resident manager. The minimum number of units per application for an independent living project is 5. The maximum number of persons with disabilities that can be housed in an independent living project on one or adjacent sites is 14 assisted units. An additional one or two-bedroom unit for a resident manager is allowed. Condominium units are treated the same as independent living projects except no additional units are allowed for the resident manager. NOTE: If the applicant submits an application with site control, a request can be made to allow up to 24 disabled residents to be housed in an assisted independent living project or condominium. Approval must be granted by the Hub.

**Fiscal Years 2010 and 2011 Policy for Section 202 and
Section 811 Applications Processing and Selections**

The Hub director is to determine the level of involvement of the Program Center(s) in processing and selecting applications. A plan for implementation is to be communicated to the program centers and fully documented. Hubs must be prepared to respond to inquiries on a specific application with details regarding the screening, technical review and any communication between the applicant and HUD.

The modifications outlined below eliminate the need for technical review documents being forwarded to Headquarters for review.

Separate selection lists, lists of unfunded but approvable applications and lists of applications that receive base scores below **75** for the Section 202 and Section 811 programs are still to be submitted to Headquarters prior to completion of the selection and announcement process. See Attachment 2 for specific instructions regarding the selection materials that must be submitted to Headquarters.

Residual funds will be used by Headquarters to restore units, where possible, to projects that had units reduced in order to be selected and to fund additional applications based on Hub ratings, beginning with the highest rated application nationwide, ensuring equity among Hubs as previously described.

Responsibility for notifying State Points of Contact of non-accommodations has been transferred from Headquarters to the Hub.

The following revised review, rating and selection procedures are to be used in place of Paragraphs 3-51 through 3-58 of Handbooks 4571.3 REV-1 and 4571.2.

A. Considerations Prior to Forwarding Applications to the Rating/Selection Panel.

1. Applications that are determined to be technical rejects after the conclusion of the appeal process will receive a final score of 0 and cannot be considered by the Rating/Selection Panel.

NOTE: Sponsors whose applications are found technically un-approvable must be promptly notified when all technical reviews are complete. The letters shall be sent by certified mail and shall list all reasons for technical rejection including missing or incomplete Exhibits identified during the initial screening for curable deficiencies period but were not requested due to their impact on the rating of the applications. Sponsors shall have 14 calendar days from the date of the letter to appeal the rejection.

2. The selection process cannot take place until after receipt of comments from the

State Single Point of Contact or upon expiration of the comment period, whichever occurs first.

3. Hubs should alert the Rating/Selection Panel of any applications with adverse State comments.

B. Notification of Technical Rejection. Upon completion of technical processing, a copy of the Technical Reject Report generated from DAP and a copy of each technical rejection letter shall be sent to Headquarters, Office of Housing Assistance and Grant Administration, Room 6142, Attention: 202/811. See the processing schedule in Attachment 1 for the date they should be submitted to Headquarters. Also, include copies of any appeal letters with the Hubs responses to the appeal letters.

C. Determining Approvable Applications.

1. Establishing the Rating/Selection Panel. The Hub will convene a Rating/Selection Panel to assure each Section 202 and Section 811 application is approvable, to complete final ratings and to rate and rank the approvable applications.
2. Composition of Panel. The Panel will include the Project Manager, Asset Manager, and staff from the following Technical Disciplines:
 - a. Valuation
 - b. Architectural and Engineering
 - c. Economic and Market Analysis
 - d. Fair Housing and Equal Opportunity\
 - e. Counsel
 - f. Community Planning and Development

The panel may include representation from its Program Office(s) to provide local knowledge or technical capacity as determined by the Hub Director. The Hub is responsible for establishing the level of involvement of the Program Centers and method for convening the panel. The Hub must fully document the ratings and selection process and be prepared to communicate details of the panel and selections regardless of the level of involvement of the Program Center(s).

3. Area of Competition.
 - a. Section 202. Within each Hub's jurisdiction all metropolitan applications will compete against each other and all non-metropolitan applications will compete against each other
 - b. Section 811. All applications in Category A (applications with legal evidence of an approvable site) will compete against each other and all applications in Category B (applications with site control where the evidence

of site control and/or site is not approvable, site-identified applications and scattered-site applications with a combination of identified sites and sites under control) will compete against each other within each Hub's jurisdiction.

4. Review for Consistency. If the Supervisory Project Manager's review reveals that a particular Technical Discipline's review comments have violated or are inconsistent with any outstanding instructions, the Supervisory Project Manager shall take corrective action prior to making selections. Such items should be noted and maintained in the application file.
5. Recommended Scores. Based on the findings from the Technical Processing Review and Findings Memoranda, the Project Manager will complete the appropriate Standard Rating Criteria Form (Attachment 14 for 202, Attachment 15 for 811), to be used by the Rating/Selection Panel in assigning final ratings to all approvable applications.
6. Rank Order. Place all approvable applications in rank order.

D. Selection of Applications. The Panel shall select applications according to the following process:

1. Descending Order. Applications shall be selected in descending order which most reasonably approximate the number of units and capital advance authority allocated to each Hub without skipping over a higher rated application. For Section 202, this process must be done separately for the metropolitan and non-metropolitan categories. For Section 811, all applications in Category A must be selected before the selection of applications in Category B.
2. Units and Dollars Control. The selection process is controlled by the number of units and dollars stated in the NOFA. Therefore, a Hub may not select more assisted units nor approve more funds than it was allocated.

NOTE: The only exception to this is if the Hub can select only **one** application (for Section 202, this means one application per metropolitan and non-metropolitan allocation category) and, although the units are within the total units allocated to the Hub the capital advance required is more than the capital advance amount allocated to the Hub. If the Hub should not have sufficient capital advance funds to make the application whole, it will be fully funded with residual funds in Headquarters. In any event, the Hub must address it in its transmittal memorandum to Headquarters, indicating whether it was able to fully fund the application or whether it will need to be fully funded at the Headquarters level.

REMINDER: In calculating the capital advance amount, you are to use the development cost limits and high cost percentages that are currently in effect. However, in applying the high cost percentages, you may use a percentage that

is higher or lower than that assigned to your Hub if it is needed to provide a capital advance amount that is comparable to what it typically costs to develop a 202 or 811 project in your area.

3. Minimum Score. Only those applications that receive a score of **75** base points or above may be considered for selection. (The base score does not include bonus points.)

NOTE: In no case may applications with technical deficiencies (e.g., ineligible Sponsor, missing or unsatisfactory Supportive Services Certification (Section 811), be considered by Hub panels, or included on the Initial Selection List or the Approvable but Unfunded List.

4. RC/EZ/EC-II Bonus Points. After rating applications, those that receive at least **75** base points, have complete RC/EZ/EC-II certifications, and acceptable site control of an approvable site(s) should be reviewed against HUD's list of RCs/EZs/ECs-II to determine if they are eligible to receive two (2) bonus points. Only those applications where the proposed site(s) is consistent with the strategic plan of the RC/EZ/EC-II will be located in an RC/EZ/EC-II, and will serve residents of the RC/EZ/EC-II may receive the two (2) bonus points.
5. Unit Reduction Policy. After making the initial selections, For Section 202, the Hub may combine its unused metropolitan and non-metropolitan funds in order to select the next ranked application in either category, by reducing the units by no more than 10 percent rounded to the nearest whole number; provided the reduction will not render the project infeasible using the unit reduction policy. Applications proposing 202/811 independent living projects of 5 units or less or Section 811 Group Homes of 2 units or less may not be reduced. For Section 811, the unit reduction policy must be applied to the next highest-ranked application in Category A first.

6. Approvable but Unfunded Applications. After the above process has been completed, Hubs must identify all unfunded but otherwise approvable applications.
7. Headquarters' Use of Residual Funds. HUD Headquarters will first use these residual funds to restore units to projects that were reduced by HUD Multifamily Hub as a result of the instructions for unit reduction policy. Second, HUD Headquarters will use these funds for selecting additional applications based on Hub's rankings, beginning with the highest rated application nationwide in Category A. The residual funds will be used for the selection of additional applications based on a national rank order with no more than one application selected per Hub from the national residual amount unless there are insufficient approvable applications in other Hubs. For Section 202, all non-metropolitan applications will be funded first to meet the statutory requirement pertaining to Section 202 funding in non-metropolitan areas. For Section 811, all Category A applications will be funded first to meet the statutory requirement that selection shall be based on the extent to which the Sponsor has site control. Headquarters may skip over a higher rated application in order to use as much of the remaining funds as possible. This process will continue until the remaining available funds are used to select approvable applications.
9. National Lottery. HUD Headquarters will conduct a national lottery to identify selected applicants that will receive FY2010 funding and those that will receive FY2011 funding. For this lottery, applicants will receive either FY2010 or FY2011 funding. FY2010 funds will be awarded first and then FY2011 funds. Any funds remaining at the end of this process will be used by the program office for other programs purposes provided by HUD's Section 202 FY2010 and FY2011 appropriations.

For Section 811, all Category A applications will be placed in the lottery first and if funds remain, a second lottery for fundable Category B applications will occur. As with Category A lottery, HUD will award FY2010 funds first and then FY2011 funds.

- E. Submission to Headquarters. See Attachment 2 for a description of the selection materials that must be submitted to the Multifamily Hub in accordance with the processing schedule in Attachment 1.

SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS – FY 2010/2011

| <u>OFFICES</u> | <u>CAPITAL ADVANCE</u> | <u>UNITS</u> |
|------------------------------|------------------------|--------------|
| BOSTON HUB | \$3,487,524 | 23 |
| NEW YORK HUB | \$10,189,831 | 62 |
| BUFFALO HUB | \$2,681,906 | 19 |
| PHILADELPHIA HUB | \$4,645,189 | 31 |
| BALTIMORE HUB | \$4,057,610 | 33 |
| GREENSBORO HUB | \$2,678,995 | 19 |
| ATLANTA HUB | \$4,577,339 | 41 |
| JACKSONVILLE HUB | \$3,725,728 | 35 |
| CHICAGO | \$5,661,403 | 38 |
| COLUMBUS HUB | \$1,659,459 | 14 |
| DETROIT HUB | \$1,728,892 | 14 |
| MINNEAPOLIS HUB | \$1,393,040 | 10 |
| FT. WORTH HUB | \$4,914,155 | 49 |
| KANSAS CITY HUB | \$1,845,345 | 16 |
| DENVER HUB | \$1,130,442 | 10 |
| SAN FRANCISCO HUB | \$8,859,086 | 59 |
| LOS ANGELES HUB | \$8,935,654 | 58 |
| SEATTLE HUB | \$2,026,394 | 14 |
| TOTAL | \$74,197,994 | 543 |

**SECTION 811 MINORITY BUSINESS ENTERP
RISE (MBE) GOALS – FY 2010/2011**

| <u>OFFICES</u> | <u>CAPITAL ADVANCE</u> | <u>UNITS</u> |
|--------------------------|------------------------|--------------|
| BOSTON HUB | \$300,136 | 2 |
| NEW YORK HUB | \$773,317 | 5 |
| BUFFALO | \$417,489 | 3 |
| PHILADELPHIA HUB | \$428,347 | 3 |
| BALTIMORE HUB | \$359,301 | 3 |
| GREENSBORO HUB | \$399,190 | 3 |
| ATLANTA HUB | \$451,338 | 4 |
| JACKSONVILLE HUB | \$412,657 | 4 |
| CHICAGO | \$427,347 | 3 |
| COLUMBUS HUB | \$229,487 | 2 |
| DETROIT HUB | \$237,737 | 2 |
| MINNEAPOLIS HUB | \$286,103 | 2 |
| FT. WORTH HUB | \$387,337 | 4 |
| KANSAS CITY HUB | \$231,237 | 2 |
| DENVER HUB | \$226,457 | 2 |
| SAN FRANCISCO HUB | \$708,951 | 5 |
| LOS ANGELES HUB | \$1,187,305 | 8 |
| SEATTLE HUB | \$280,082 | 2 |
| TOTAL | \$7,743,818 | 59 |

**SECTION 202/SECTION 811 CAPITAL ADVANCE PROGRAM
APPLICATION FOR FUND RESERVATION
INITIAL SCREENING FOR CURABLE DEFICIENCIES CHECKLIST FORMAT**

Instructions:

1. The Project Manager screens each application to determine if the application has any curable deficiencies (i.e., deficiencies that have no affect on the rating of the application). Other deficiencies such as exhibits or portions of exhibits that are incomplete or missing and will affect the rating of the application shall be noted on the checklist for inclusion in a technical reject letter to the Sponsor. They shall **NOT** be requested during the curable deficiency period.

NOTE: During initial screening, the contents of the exhibits are **not** to be reviewed; only the inclusion of the material.

2. When completed, the Project Manager shall draft a letter to the Sponsor identifying the deficiencies that must be corrected within 14 calendar days from the date of the letter.
 3. **(Section 811 Only)** If the Sponsor checks box 9b. of Form HUD-92016-CA indicating that it is requesting approval to restrict occupancy of the proposed project to a subcategory of persons with disabilities within one of the three main categories (i.e., physically disabled, developmentally disabled, chronically mentally ill) the Project Manager must make sure that the Sponsor has submitted the required information in Exhibit 5(b) to justify its request.
-

**SECTION 202/SECTION 811 CAPITAL ADVANCE PROGRAM
APPLICATION FOR FUND RESERVATION
INITIAL SCREENING FOR CURABLE DEFICIENCIES CHECKLIST FORMAT**

Project Sponsor: _____
Project Name: _____
Project Location: _____
Project No.: _____ No. of Units/Residents: _____

INITIAL SCREENING SUMMARY

Date Received for Screening: _____

Date Screening Completed: _____

_____ Application is complete.

OR

_____ Application is incomplete.

Date of curable deficiency letter (attach copy): _____

Date of response to curable deficiency letter: _____

Date Application Placed into Technical Processing: _____

Signature of Project Manager

Date

**Section 202/Section 811 - Application for Fund Reservation
Initial Screening for Curable Deficiencies Checklist**

Project Manager

Sponsor Name: _____

Project Name: _____

Project Location: _____

Project No.: _____

The Project Manager must complete an initial screening of each application to determine if there are any curable deficiencies (See Section 202 or Section 811 Program Section of the NOFA for a list of curable deficiencies). The Project Manager shall also note whether there are any missing or incomplete Exhibits that would affect the rating of the application and, thus, will need to be included in a technical reject letter to the Sponsor.

| <u>EXHIBIT NO.</u> | <u>COMPLETE</u> | <u>INCOMPLETE</u> | <u>MISSING</u> |
|--------------------|-----------------|-------------------|----------------|
| <u>1</u> | _____ | _____ | _____ |
| <u>2(a)</u> | _____ | _____ | _____ |
| <u>2(b)</u> | _____ | _____ | _____ |
| <u>2(c)</u> | _____ | _____ | _____ |
| <u>2(d) (811)</u> | _____ | _____ | _____ |
| <u>3(a)</u> | _____ | _____ | _____ |
| <u>3(b)</u> | _____ | _____ | _____ |
| <u>3(c)</u> | _____ | _____ | _____ |
| <u>3(d)</u> | _____ | _____ | _____ |
| <u>3(e)</u> | _____ | _____ | _____ |
| <u>3(f)</u> | _____ | _____ | _____ |
| <u>3(g)</u> | _____ | _____ | _____ |
| <u>3(h)</u> | _____ | _____ | _____ |
| <u>3(i) (811)</u> | _____ | _____ | _____ |
| <u>3(j) (811)</u> | _____ | _____ | _____ |
| <u>3(k) (811)</u> | _____ | _____ | _____ |
| <u>3(l) (811)</u> | _____ | _____ | _____ |
| <u>4(a)</u> | _____ | _____ | _____ |
| <u>4(b)</u> | _____ | _____ | _____ |
| <u>4(c)(i)</u> | _____ | _____ | _____ |
| <u>4(c)(ii)</u> | _____ | _____ | _____ |
| <u>4(c)(iii)</u> | _____ | _____ | _____ |
| <u>4(c)(iv)</u> | _____ | _____ | _____ |
| <u>4(c)(v)</u> | _____ | _____ | _____ |
| <u>4(d)(i)</u> | _____ | _____ | _____ |
| <u>4(d)(ii)</u> | _____ | _____ | _____ |

| | | | |
|----------------------------|-----------------|-------------------|----------------|
| <u>4(d)(iii)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(iv)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(v)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>EXHIBIT NO.</u> | <u>COMPLETE</u> | <u>INCOMPLETE</u> | <u>MISSING</u> |
| <u>4(d)(vi)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(vii)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(viii)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(ix)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(x) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xi) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xii)(A) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xii) (B) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xii)(C) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xii) (D) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xii) (E) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xii) (F) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(d)(xii)(G) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(e)(i)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(e)(ii)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(e)(iii)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(e)(iv)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>4(e)(v) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(a) (202)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(b) (202)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(c) (202)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(d) (202)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(a) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(b) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(b)(i) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(b)(ii)(A) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(b)(ii)(B) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(b)(iii) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(b)(iv) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(c) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(d) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(e) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(f) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(g)(i) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(g)(ii) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(g)(iii) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(h) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(i) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>5(j) (811)</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>6</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>7(a)</u> | <u> </u> | <u> </u> | <u> </u> |

| | | | |
|--------------------|-----------------|-------------------|----------------|
| 7(b) | _____ | _____ | _____ |
| 7(c) | _____ | _____ | _____ |
| 7(d) | _____ | _____ | _____ |
| 7(e) | _____ | _____ | _____ |
| <u>EXHIBIT NO.</u> | <u>COMPLETE</u> | <u>INCOMPLETE</u> | <u>MISSING</u> |
| 7(f) | _____ | _____ | _____ |
| 7(g) | _____ | _____ | _____ |
| 8(a) | _____ | _____ | _____ |
| 8(b) | _____ | _____ | _____ |
| 8(c) | _____ | _____ | _____ |
| 8(d) | _____ | _____ | _____ |
| 8(e) | _____ | _____ | _____ |
| 8(f) | _____ | _____ | _____ |
| 8(g) | _____ | _____ | _____ |
| 8(h) | _____ | _____ | _____ |
| 8(i) | _____ | _____ | _____ |
| 8(j) | _____ | _____ | _____ |
| 8(k) | _____ | _____ | _____ |
| 8(l) | _____ | _____ | _____ |

NOTES:

1. **Section 811 Only** - Sponsors must provide **either** evidence of control of an approvable site (Exhibit 4(d)(i) through (xi) **or** information on an identified site(s)(Exhibit 4(e). Put N/A in the column titled, "Complete" for whichever doesn't apply to the application.
2. For those exhibits or parts of exhibits that apply to one program or the other, put N/A in the column titled, "Complete" for whichever one doesn't apply.

After review of the application for curable deficiencies, and missing or incomplete exhibits, complete 1. or 2. below, as applicable:

3. The Sponsor shall be notified of the following curable deficiencies:

Curable Deficiencies Identified:

The following exhibits or parts of exhibits are missing or incomplete and, since they have an impact on the rating of the application, they cannot be corrected. They shall be included in a technical reject letter sent to the Sponsor at the conclusion of technical processing:

Information to be identified in technical reject letter:

OR

4. _____ The application is complete.

Comments: _____

Signature of Project Manager

Date

SECTION 202/811 CAPITAL ADVANCE
APPLICATION FOR FUND RESERVATION
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDA
FORMATS

Instructions:

1. The attached contains 8 separate suggested memoranda formats for use by the reviewing disciplines during technical processing at the fund reservation stage. The memoranda formats provide for:

- the assignment of recommended rating points by the reviewing discipline for the Section 202 or Section 811 Rating/Selection Panel.
- identification of all required findings and applicable program instructions.
- identification of substantive comments by the reviewer.

NOTE: Other review formats may be used as long as the required information is recorded.

2. The rating criteria on the memoranda formats correspond to the Rating Factors on the Standard Rating Criteria Form found in DAP. For example, on FHEO's Memorandum Format there is no (a) under Rating Factor 1 because that criterion is rated by the Project Manager. Furthermore, the points for each overall factor on the memoranda formats relate to the maximum points the particular technical discipline can assign to the rating criterion and may not equal the total points for the corresponding Rating Factor on the Standard Rating Criteria Form. For example, Rating Factor 1 on the Standard Rating Criteria Form is worth 23 base points for 202 and 28 base points for 811. However, on the Project Manager's Memorandum Format, Rating Factor 1 is worth a maximum of 20 points for 202 and 25 points for 811 because the Project Manager does not rate Rating Criterion 1(b)(1) or 1(b)(2) which is worth 2 and 1 point respectively for either 202 or 811.
3. Applications Submitted by Co-Sponsors. Each Co-Sponsor must submit all of the application submission requirements. In rating a co-sponsored application, the technical discipline will rate each Co-Sponsor separately and the highest score for the applicable Rating Criterion will apply.
4. Missing Information. If the reviewing discipline discovers that an exhibit or part of an exhibit is missing which was not identified during initial screening for curable deficiencies, the Project Manager must be notified immediately. If the item is a curable deficiency, the Project Manager shall telephone the Sponsor and request the missing information to be

submitted within 14 calendar days from the date of the telephone call. The Project Manager shall also request this information on the same day by certified mail. Any other missing information shall be listed in a technical reject letter to the Sponsor.

5. Restricted Occupancy. Under Section 811, if the Project Manager determines, based on a review of the Sponsor's justification, that the Sponsor's request for restricted occupancy should be approved, it must prepare a memorandum to the file for the signature of the Supervisory Project Manager indicating whether the Sponsor's request to restrict occupancy has been approved or disapproved. The memorandum shall be attached to the Project Manager's Technical Processing Review and Findings Memorandum and include the following language:

- If Approved:
"Your request to restrict occupancy to (insert applicable subcategory of persons with disabilities) is approved. However, you must permit occupancy by any otherwise qualified very low-income person with a (insert applicable category under which the subcategory falls), provided the person can benefit from the housing and/or services provided."
- If Disapproved:
"Your request to restrict occupancy to (insert applicable subcategory of persons with disabilities) has been disapproved. Therefore, your project must serve persons with (insert applicable category(ies) of persons with disabilities)."

6. Section 811 Site Control Applications. An application with control of a single site will be placed in Category A for selection purposes ONLY if the evidence of site control is acceptable and the site is approvable by FHEO and Valuation (this includes the Phase I and Phase II, if necessary, being received according to the NOFA instructions).

If the site control is NOT acceptable for a single site application, the application may still receive up to 14 points for Site Approvability (Criterion 3(a)) from Valuation and up to 8 points from FHEO for the suitability of the site in promoting a greater choice of housing opportunities for persons with disabilities, including minorities (Criterion 3(c)).

If either VAL or FHEO rejects the site, the application will receive 0 points for Criteria 3(a) and Criterion 3(b). The application will be placed in Category B for selection purposes and remain in the competition as long as the Sponsor indicated in Exhibit 4(d)(xi) that it is willing to seek an alternate site. Otherwise, the application will be rejected.

NOTE: For a scattered site application, site control must be acceptable for all sites and all sites must be approvable for the application to receive points for Criteria 3(a) and 3(b) and to be placed in Category A for selection purposes.

7. Review Disciplines Summary: The Project Manager shall complete the following:

Reviewing Office

Recommendation 1/

| | <u>Acceptable</u> | <u>Not Acceptable</u> |
|-----------------|-------------------|-----------------------|
| PROJECT MANAGER | _____ | _____ |
| A & E | _____ | _____ |
| VAL | _____ | _____ |
| EMAS | _____ | _____ |
| FHEO | _____ | _____ |
| COUNSEL | _____ | _____ |
| CPD | _____ | _____ |
| ASSET MANAGER | _____ | _____ |

- 1/ If an application receives a "not acceptable" recommendation, the application is a "technical reject", and a letter must be sent to the Sponsor outlining all reasons for rejection and providing the Sponsor 14 calendar days from the date of HUD's notification to appeal the rejection. If the Sponsor submits an appeal that causes the rejection to be overturned, the application is then rated, ranked and submitted to the Rating/Selection Panel for consideration. If the Sponsor does not appeal the rejection or does appeal but the rejection is not overturned, the application remains a "technical reject", receives a final score of 0 and is not to be considered by the Rating/ Selection Panel.

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

Project Manager

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Project Manager

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor's Name: _____

Project Name: _____

Project Location: _____

Project No.: _____

Section 811 Only: Project Type/# of Sites: _____

of Units per Site: _____

The subject application has been reviewed and the Project Manager's findings are as follows:

1. The proposed housing and intended occupants are eligible under the
_____ Section 811 or _____ Section 202 program (check one).

Yes _____ No _____ If No, the application must be rejected.

Comments: _____

2. The Sponsor and any Co-Sponsors have experience in providing housing or services to the elderly (Section 202) or persons with disabilities (Section 811).

Yes _____ No _____ If No, the application must be rejected.

Note: The application may remain approvable if at least one of the Sponsors has the experience and meets all other program requirements and the application is otherwise acceptable based on the eligible Sponsor(s). The ineligible organization(s) must be removed as a Sponsor to the application.

Project No. _____

Project Name: _____

3. The Sponsor/Co-sponsor submitted a board resolution stating its commitment to cover the required minimum capital investment, estimated start-up expenses, and the estimated cost of any amenities or features and (operating costs related thereto) which would not be covered by the approved capital advance.

Yes _____ No _____ If No, was a board resolution provided by another organization to furnish these funds or a combination thereof?

Yes _____ No _____ If No, the application must be rejected.

If Yes, name of organization:

Comments: _____

4. The Sponsor submitted properly executed Exhibits including Certifications and Resolutions.

Yes _____ No _____ If No, the application must be rejected.

Comments: _____

5. HUD's experience with the Sponsor has been satisfactory, if self-management or identity of interest management is proposed.

Yes _____ No _____ N/A _____

Comments: _____

6. HUD form 2530 Previous Participation Certification contains no adverse information and evidences the Sponsor(s) good standing with HUD.

Yes _____ No _____ If No, the Sponsor must be subjected to the Previous Participation clearance review process.

Technical Processing - Project Manager) - continued

Project No. _____

Project Name: _____

If the answer is NO, did the Previous Participation clearance review process clear the Sponsor of adverse information?

Yes _____ NO _____ If No, the application must be rejected

Comments: _____

7. Section 811 Only: The likelihood that the Sponsor will have site control (if not already in control of a site) within six months of receiving a notice of Section 811 Capital Advance.

Yes _____ No _____ If No, the application must be rejected.

Comments: _____

8. Section 811 Only: Did the State/local agency Supportive Services Certification indicate that the supportive services plan is well designed to meet the needs of the persons with disabilities the housing is intended to serve?

Yes _____ No _____ If No, the application must be rejected.

Comments: _____

9. Section 811 Only: Did the State/local agency Supportive Services Certification indicate that the provision of supportive services will enhance independent living success and promote the dignity of those who will access the project?

Yes _____ No _____ If No, the application must be rejected.

Comments: _____

Project No. _____

Project Name: _____

10. Section 811 Only: Did the State/local agency Supportive Services Certification (or the Supportive Services Plan if the State/local agency fails to complete this part of the Certification) indicate that the necessary supportive services will be available on a consistent, long-term basis?

Yes _____ No _____ If No, and the agency will be a major funding or referral source for the proposed project, or must license the project, the application must be rejected.

Comments: _____

11. Section 811 Only: Did the State/local agency Supportive Services Certification indicate that the proposed housing is consistent (or the Supportive Services Plan if the State/local agency fails to complete this part of the Certification) with the agency's plans/policies governing the development and operation of housing to serve persons with disabilities?

Yes _____ No _____ If No, and the agency will be a major funding or referral source for the proposed project, or must license the project, the application must be rejected.

Comments: _____

12. Section 811 Only: If the Sponsor requested approval to limit occupancy to a subcategory of one of the three main categories of disability (see paragraph III.C.10 of the Notice above), did the Sponsor sufficiently respond to all six requirements to justify an approval of the request?

Yes _____ No _____ (Explain below) N/A _____

Comments: _____

NOTE: A memorandum to the file indicating whether or not the approval is granted must be signed by the Supervisory Project Manager and attached to this Review Sheet.

13. Section 811 Only: If the Sponsor of a site control application for an independent living project is requesting approval to exceed the project size limits, does the Sponsor sufficiently justify approval of such an exception?

Technical Processing - Project Manager) - continued

Project No. _____

Project Name: _____

NOTE: If the request requires Headquarters review (exceeds 24 persons for an independent living project [not counting the resident manager's unit]), ensure that Exhibits 1, 4(a),(b),(c), and (d)(xii) have been submitted to Headquarters, Office of Housing Assistance and Grant Administration, room 6142, Attn: 202/811. Headquarters will respond within 5 working days. The response must be attached to this technical review sheet. If the site is rejected or the exception is not approved, the application must be processed at the project size limit; provided in the latter case that the Sponsor indicated its willingness to have its application processed at the project size limit.

Yes _____ No _____ (Explain below) N/A _____

Comments: _____

RATING FACTORS

RATING FACTOR 1 - CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATIONAL STAFF (23 POINTS for 202, 28 POINTS for 811)

In determining the Sponsor's ability to develop and operate the proposed housing on a long-term basis, consider:

- (a)(1) The scope, extent, and quality of the Sponsor's experience in providing housing to those proposed to be served by the project and the scope of the proposed project in relationship to the Sponsor's demonstrated development and ownership capability. To earn the maximum number of points the Sponsor must have experience developing and owning housing projects as complex in number of units, financial structure (e.g. mixed finance), building type, and quality of the proposed project. (10 points maximum)
- (2) The scope, extent and quality of the Sponsor's experience in providing supportive services to those proposed to be served by the project (i.e., number of units, services and operation) in relationship to the Sponsor's demonstrated management capacity to provide a range of services in accordance with the needs of the population served. (5 points maximum)

Recommended rating: _____

Comments: _____

Project No. _____

Project Name: _____

- (b)(3) The scope, extent, and quality of the Sponsor's ties to the community at large and to the minority and elderly (202) disability (811) communities in particular. (5 points maximum)

The scope, extent, and quality of the Sponsor's ties to the community at large and to the elderly (202) or disability (811) community in particular. (3 points)

NOTE: FHEO will rate the scope, extent and quality of the Sponsor's ties to the minority community. (2 points)

Recommended rating: _____

Comments: _____

- 202 A Section 202 or Section 811 fund reservation the Sponsor received in FY 2005 or
(c) later has been extended beyond 24 months (-5 points), 36 months (-6 points) or 48
811 months (-7 points) (except if the delay was beyond the Sponsor's control as noted in
NOFA).

- (d) Recommended rating: _____

Comments: _____

- (c) Section 811 Only: The Sponsor has experience in developing integrated housing and/or the proposed project will be an integrated housing model (condominium units scattered within one or more buildings or non-contiguous independent living units on scattered sites or within a multifamily housing development). (5 points if Sponsor has both experience in developing integrated housing and the project will be integrated housing, 4 points if the project will be integrated housing but the Sponsor has no experience in developing integrated housing, 2 points if Sponsor has experience in developing integrated housing but the project will not be integrated housing and 0 points if Sponsor has no experience in developing integrated housing and the proposed project will not be integrated housing)

Technical Processing - Project Manager) - continued

Project No. _____

Project Name: _____

Recommended rating: _____

Comments: _____

- 202 The amount of amendment money required in connection with a fund reservation
(d) the Sponsor received under either the Section 202 Program for Supportive Housing
811 for the Elderly or the Section 811 Program for Persons with Disabilities in FY 2005
(e) or later was equal to 20% and less than 30% of the original capital advance amount
approved by HUD (-5 pts); equal to 30% and less than 35% (-6 pts); equal to 35%
and less than 40% (-7 pts); equal to 40% and less than 45% (-8 pts); equal to 45%
and less than 50% (-9 pts); and equal to or over 50% of the original capital advance
(-10 pts).

Note: Percentage calculations must be rounded to the nearest whole
number. No points will be deducted if need for amendment funds was due to
unforeseen circumstances as noted in the NOFA.

Recommended rating: _____

Comments: _____

Technical Processing - Project Manager) - continued

Project No. _____

Project Name: _____

RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (12 POINTS for 202 and 8 POINTS for 811)

In determining the extent to which there is a need for funding the proposed supportive housing to address a documented problem in the market area, consider:

- (b) The extent that a connection has been established between the project and the community's Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI) or other planning documents that analyzes fair housing issues and is prepared by a local planning or similar organization. This will be used by the Sponsor in identifying the level of the problem and the urgency in meeting the need for the project. (2 points maximum for 202 and 3 points maximum for 811)

NOTES: 1) Applications in which the Sponsor not only uses the AI to identify the level of the problem and the urgency in meeting the need for the project but also establishes a connection between the proposed project and the AI will be given 2 points (3 points for 811). Applications in which the Sponsor uses the AI to identify the level of the problem and the urgency in meeting the need for the project will receive 1 point. 2) Consider FHEO's comments in rating this Factor.

Recommended rating: _____

Comments: _____

RATING FACTOR 3 - SOUNDNESS OF APPROACH (49 POINTS FOR 202, 48 POINTS FOR 811)

In determining the quality and effectiveness of the proposal, the extent to which the Sponsor involved the target population (including minorities) in the development of the application and will involve them in the development and operation of the project, the extent to incorporate the provisions of Section 3 through the Sponsor's plans to expand economic opportunities for low- and very low-income, and the extent to which the Section 811 Sponsor coordinated its application with other organizations such as centers for independent living as well as the relationship between the project, the community's needs and purposes of the program funding, consider:

- (f) **Section 202 Only:** The extent to which the proposed supportive services meet the identified needs of the (anticipated) residents and will be provided on a consistent, long-term basis to support *residents* as they age-in-place. (4 points maximum)

NOTE: To receive maximum points the Sponsor must submit an MOU between them and the service provider.

Recommended rating: _____

Comments: _____

- (g) **Section 202 Only.** The extent to which the project will implement practical solutions that will result in assisting residents in achieving independent living, educational opportunities and improved living environments as residents age-in-place (e.g., activities that will improve computer access,). (1 point)

Recommended rating: _____

Comments: _____

- (d) **Section 811 Only:** The Sponsor's board is comprised of persons with disabilities or persons professionally involved in the disability community and/or have an established advisory board which includes persons with disabilities or persons professionally involved in the disability community. (0 or 2 points)

Recommended rating: _____

Comments: _____

Project No. _____

Project Name: _____

- (e) **Section 811 Only:** The Sponsor's involvement of persons with disabilities (including minority persons with disabilities living in the area of the project), in the development of the application, and its intent to involve persons with disabilities (including minority persons with disabilities in the development and operation of the project. (2 points maximum)

Recommended rating: _____

Comments: _____

- (f) **Section 811 Only:** The extent to which the Sponsor coordinated its services with other organizations not directly involved with this application with which the Sponsor shares common goals and objectives and is working toward meeting the objectives in a holistic and comprehensive manner to serve the needs of the residents. (3 points maximum)

Recommended rating: _____

Comments: _____

- (g) **Section 811 Only:** The extent to which the Sponsor consulted with Continuum Care organizations in the community in which the proposed project will be located and have developed ways in which the proposed project will assist persons with disabilities and families who have been experiencing chronic homelessness become more productive members of society. (1 point maximum)

Recommended rating: _____

Comments: _____

Project No.: _____

Project Name: _____

811

- (h) The extent to which the proposed supportive services meet the indentified needs of the anticipated residents and the extent to which the housing will remain viable as housing with the availability of supportive services for the target population for the 40-year affordability period. (4 points)

Recommended rating: _____

Comments: _____

- (i) **Section 202 Only:** The Sponsor's involvement of elderly persons in the area of the project, particularly minority elderly persons in the development of the application, and its intent to involve elderly persons, particularly minority elderly persons in the development and operation of the project. (1 point)

Recommended rating: _____

Comments: _____

- (202) Job Creation/Employment. The Sponsor described the number and type of activities
(m) that will expand job creation and other economic opportunities and how those activities will increase economic security and self-sufficiency for low- and very
(811) low income persons in the area in which the project is based. The description must
(k)(2) address the extent to which the activities that you undertake are focused on improved access to skills training, building and strengthening of partnerships with community-based organizations, and increased collaborating with federal, state, and local entities. (1 point)

NOTES: This rating factor satisfies the policy priority for Job Creation. The activities must be more comprehensive and exceed those required under HUD's Section 3 requirements.

Did the applicant submit a Logic Model that contains activities/outputs for Job Creation as specified in the NOFA?

Yes _____ No _____

If No, a 0 rating must be given.

Technical Processing – (Project Manager) - continued

Project No.: _____

Project Name: _____

Recommended rating: _____

Comments: _____

RATING FACTOR 4 - LEVERAGING RESOURCES (6 POINTS)

In determining the ability of the Sponsor to secure other funding sources and community resources that can be combined with HUD's program resources to achieve program purposes, consider (6 points maximum) Note: Percentage calculation must be rounded to the nearest whole number.

- (a) The extent to which the Sponsor has secured written evidence of firm commitments towards the development of the proposed project (including financial assistance, donation of land, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals between 3% and 5% of the capital advance amount as determined by HUD. (1 point)
- (b) The extent to which the Sponsor has written evidence of firm commitments towards the development of the proposed project (including financial assistance, donation of land, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals between 6% and 10% of the capital advance amount as determined by HUD. (2 point)
- (c) The extent to which the Sponsor has secured written evidence of firm commitments towards the development of the proposed project (including financial assistance, donation of land, , etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals between 11% and 15% of the capital advance amount as determined by HUD. (3 points)
- (d) The extent to which the Sponsor has secured written evidence of firm commitments towards the development of the proposed project (including financial assistance, donation of land, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals between 16% and 25% of the capital advance amount as determined by HUD. (4 points)
- (e) The extent to which the Sponsor has secured written evidence of firm commitments towards the development of the proposed project (including financial assistance, donation of land, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals between 26% and 30% of the capital advance amount as determined by HUD. (5 points)

- (f) The extent to which the Sponsor has secured written evidence of firm commitments towards the development of the proposed project (including financial assistance, donation of land, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals over 30% of the capital advance amount as determined by HUD. (6 points)

Recommended rating: _____

Comments: _____

RATING FACTOR 5 – ACHIEVING RESULTS AND PROGRAM EVALUATION (10 pts)

Using the Logic Model Assessment Matrix (See Attachment 17), determine the extent to which the Logic Model demonstrates the applicants understanding of the development process which would, therefore, result in the timely development of your project. HUD must consider:

- (1) The extent to which the services/activities identified in your Logic Model are consistent with the information provided in your application as well as the extent to which you demonstrate your full understanding of the activities that must be accomplished in order to develop your project within the required timeframe. (3 points maximum).
- (2) The extent to which the outcomes identified in your Logic Model are consistent with the services/activities that must be accomplished in order to get the project to initial closing within the 18-month fund reservation period, completion of the project, and to final closing. (3 points maximum).
- (3) The extent to which your projected measures show a realistic understanding of the development process resulting in a timely initial closing, start of construction, and final closing. (3 points maximum).
- (4) The extent to which the evaluation tools selected in your Logic Model are consistent with the project described. (1 point maximum).

Recommended rating: _____

Comments: _____

Technical Processing – (Project Manager) - continued

Project No. _____

Project Name: _____

In summary, the subject application is acceptable.

Yes _____ No _____

Comments: _____

Signature of Project Manager

Date

NOTE: ALL OF THE EXHIBITS WERE REVIEWED TO DETERMINE THE ABOVE FINDINGS.

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

Asset Manager

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Asset Manager

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor's Name: _____

Project Name: _____

Project Location: _____

Project No.: _____

Section 811 Only: Project Type/# of Sites: _____

of Units per Site: _____

1. Is there a sufficient sustainable demand for the additional units proposed in the market area without long term adverse impact on existing HUD-insured and assisted housing?
(Coordinate response with EMAS)

Yes _____ No _____ If No, the proposed project must be rejected.

Comments: _____

Signature of Asset Manager

Date

NOTE: EXHIBIT 4(a) WAS REVIEWED TO DETERMINE THE ABOVE FINDINGS

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

ARCHITECTURAL, ENGINEERING, AND COST (A&E)

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, A&E

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor's Name: _____

Project Name: _____

Project Location: _____

Project No.: _____

Section 811 Only: Project Type/# of Sites: _____

of Units per Site: _____

The subject application has been reviewed and Architectural, Engineering and Cost's findings are as follows:

**RATING FACTOR 3 - SOUNDNESS OF APPROACH
(49 POINTS FOR 202, 48 POINTS FOR 811)**

In determining the quality and effectiveness of the proposal, the extent to which the Sponsor involved the target population (including minorities) in the development of the application and will involve them in the development and operation of the project, the extent to incorporate the provisions of Section 3 through the Sponsor's plans to expand economic opportunities for low- and very low-income, and the extent to which the Section 811 Sponsor coordinated its application with other organizations such as centers for independent living as well as the relationship between the project, the community's needs and purposes of the program funding, consider:

- (c) **Section 202 Only:** The extent to which the proposed design will meet the special physical needs of elderly persons as they age in place. (2 points maximum)

Recommended rating: _____

Comments: _____

(Technical Processing - A&E) - continued
Project No. _____
Project Name: _____

- (d) **Section 202 Only:** The extent to which the proposed size and unit mix of the housing will enable the Sponsor to manage and operate the housing efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion. (2 points maximum)

Recommended rating: _____

Comments: _____

- (e) **Section 202 Only:** The extent to which the proposed design of the housing will accommodate the provision of supportive services including for those as they age-in-place that are expected to be needed, initially and over the useful life of the housing, by the category or categories of elderly persons the housing is intended to serve. (1 point maximum)

Recommended rating: _____

Comments: _____

202

- (h) The extent to which the proposed design (for 811: meets the needs of the residents and) incorporates visitability standards and universal design in the construction or rehabilitation of the project. (1 point for Section 202 and 4 points for Section 811 maximum)

811

- (c)

Recommended rating: _____

Comments: _____

(Technical Processing - A&E) - continued
Project No. _____
Project Name: _____

- 202** Sponsor demonstrates that they will commit to a comprehensive plan to implement
(j) green development standards in the design, construction, and operation of the
811 proposed project and certify they will fulfill the requirements of a recognized green
(i) rating programs. (0 or 4 points)

NOTE: This rating factor satisfies the policy priority for sustainability.

Did the applicant submit a Logic Model that containing activities/outputs for sustainability as specified in the NOFA? Yes _____ No _____

If No, a 0 rating must be given.

Recommended rating: _____

Comments: _____

- 202** Applicant includes a letter from a licensed architect that a set of schematic plans
(k)(2) and outline specs has been completed. (Plans include landscape and utility design,
811 building design, unit layout, materials and colors for all elevations and preliminary
(j)(2) definitions of all systems serving the project) (0 or 2 points).

Recommended rating: _____

Comments: _____

- 202** A detailed budget identifies all resources necessary to cover the cost of the project
(k)(3) (including any required off-site infrastructure, environmental clean-up, and any
811 commercial space costs) have been committed (other than tax credit equity
(j)(3) commitments or Federal Home Loan Bank AHP funds). The budget should be based
upon a construction cost estimate performed by a professional cost estimator with
itemized sources of funds to cover costs. (0 or 2 points)

NOTE: the commitments should be for non-capital advance funding.

Recommended rating: _____

(Technical Processing - A&E) - continued
Project No. _____
Project Name: _____

Comments: _____

The application is acceptable from an Architectural, Engineering and Cost viewpoint.

Yes _____ No _____

Comments: _____

Signature of Reviewer

Date

NOTE: EXHIBIT 4(c) WAS REVIEWED TO DETERMINE THE ABOVE FINDINGS.

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

VALUATION BRANCH

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Appraiser

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor Name: _____

Project Location: _____

Project No: _____

Section 811 Only: Project Type/# of Sites: _____

of Units per Sites: _____

Site Control _____ **OR** Site Identified _____

The subject application has been reviewed and comments are as follows:

NOTES: 1) If the Section 811 Sponsor did not submit either evidence of site control or an identified site, the application must be rejected. 2) If the Section 811 Sponsor has control of a single site, and the site control documentation is not acceptable, it can still receive points for Criterion 3(a) below. However, if the Sponsor submits a scattered site application, the site control documentation must be acceptable for all sites and all sites must be approvable in order for the application to receive points for Criterion 3(a) below and remain in Category A for selection purposes. Otherwise, the application will be placed in Category B for selection purposes and remain in the competition as long as the Sponsor indicated in Exhibit 4(d)(xi) that it is willing to locate an alternate site.

1. The number of units and bedroom sizes are marketable.

Yes _____ No _____

Comments: _____

Project No. _____

Project Name: _____

2. **For Section 202 applications and Section 811 applications with site control only:** is the site located in a floodway, Coastal High Hazard Area, and/or within the designated Coastal Barrier Resources System (Coastal Barrier Resources Act, as amended), or is the site located in the FEMA identified 100-year floodplain, yet the community has been suspended or does not participate in the Flood Insurance Program?

Note: This is the only up front environmental research required at the application processing stage. Yes _____ No _____ N/A _____ (811 site identified)

Section 202: If Yes, the application must be rejected.

Section 811: If Yes, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

3. If the answer to Question 2 is no, for **Section 202 applications and Section 811 applications with site control only**, either with the application or as a result of a curable deficiency letter, was there either a statement submitted that the project did not involve a pre-1978 structure on the site or that most recently consisted of solely four or fewer units of single family housing including appurtenant structures, or was a comprehensive building asbestos survey submitted that was a **thorough inspection** that identified the location and condition of asbestos **throughout** any structures and performed pursuant to the “baseline survey” requirements of ASTM E 2356-10 “Standard Practice for Comprehensive Building Asbestos Surveys”? In those cases where suspect asbestos was found as part of this asbestos report, it must either have been assumed to be asbestos or would have required confirmatory testing.

Yes _____ No _____ N/A _____ (811 site identified)

Section 202: If No, the application must be rejected.

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____
_____ (

Technical Processing - Valuation) - continued
Project No. _____
Project Name: _____

NOTE: A general asbestos screen that does not appear to be a thorough inspection is not acceptable. If the asbestos survey indicates the presence of asbestos or the presence of asbestos is assumed, and if the application is approved, you must condition the approval on an appropriate mix of asbestos abatement for friable asbestos and asbestos directly affected by rehabilitation or demolition or an Operations and Maintenance Plan for other asbestos. Asbestos abatement is an allowable project cost up to the limits imposed by the Capital Advance. To ensure the performance of the “comprehensive building asbestos survey” it must now be performed pursuant to the “baseline survey requirements” of ASTM E 2356-10

Comments: _____

4. If the answer to Question 3 is yes, for **Section 202 applications** and **Section 811 applications with site control only** either with the application or as a result of a curable deficiency, was there
- a. A letter to State/Tribal Historic Preservation Officer (SHPO/THPO) and
 - b. Either
 - i. A statement that SHPO/THPO failed to respond to the applicant, or
 - ii. A copy of the response letter received from SHPO/THPO?

Yes _____ No _____ N/A _____ (811 site identified)

Section 202: If No, the application must be rejected.

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

5. **For Section 202 applications and Section 811 applications with site control only:**

a. Was a Phase I Environmental Site Assessment (ESA) submitted with the application for the entire site that would be covered by the capital advance? Note that submission of the Phase I ESA is no longer a curable deficiency. Yes _____ No _____

b. Was a Phase I prepared in conformance with ASTM Standard E 1527-05, as amended, using the table of contents and report format specified at Appendix X4?
Yes _____ No _____

Note: This is not meant to be an exhaustive search. It should be relatively obvious if the Phase I ESA does not meet the intent of ASTM E 1527 based on your required site visit, or for example, if the Phase I says that it is in conformance with ASTM E 1527-00 rather than ASTM E 1527-05.

c. Were the Findings, Opinions, and Conclusions section of the Phase I ESA based on ASTM 1527-05, Sections 12.5, 12.6, and 12.8, respectively? Note that the Environmental Professional (EP) who prepares the Phase I ESA is not required to recommend whether or not either a Phase II ESA or site remediation was necessary. Yes ____ No ____

d. Did the EP definitively state that either there (1) were no Recognized Environmental Conditions (REC) and no Vapor Encroachment Conditions (VEC) or (2) that there were specifically listed RECs and/or VECs. Yes ____ No ____

e. Did the EP preparer of the Phase I ESA provide supporting documentation in the Phase I ESA that she/he meets the qualification requirements as specified in either Section X.2.1.1(2)(i), (ii), or (iii) of Appendix X2 of ASTM E 1527-05? Yes ____ No ____

f. If the Phase I ESA was prepared more than 180 days before, but within one-year of the application due, was it properly updated as specified at Section 4.6 of ASTM E 1527-05? Yes ____ No ____

Note: (1) a Phase I ESA that has been prepared more than one-year prior to the application due date, even one that subsequently has been updated, is unacceptable; and (2) the preparation date of the Phase I ESA is the earliest of the date of either the site visit, the records review, or the interviews, rather than the date that the EP completes the Phase I.

Yes to all ____ No to any ____ N/A ____ (811 site identified)

Section 202: If No to any, the application must be rejected.

Section 811: If No to any, the site must be rejected and the application shall receive 0 points for the Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

6. If the answer to Question 5 is yes, for **Section 202 applications** and **Section 811 applications with site control only**:

a. Was there an Environmental Report submitted with the application?
Yes ____ No ____

Project No. _____

Project Name: _____

- b. Did the Phase I ESA include the applicant prepared User Questionnaire per Appendix X3 of ASTM E-1527-05?
Yes ____ No ____
- c. Was the Phase I ESA amended by including a “Tier 1” “vapor encroachment screen” (VES) pursuant to ASTM E 2600-10, the results of which were incorporated, as appropriate into the Findings, Opinions, and Conclusions sections of the Phase I ESA?
Yes ____ No ____

Yes to all ____ No to any ____ N/A ____ (811 site identified)

If No to any, the Agreement Letter must be conditioned on the receipt of the missing document(s). The Agreement Letter is to include language requiring any of the missing items identified in a, b, and c, to be received within 30 days of the notification of a Fund Reservation. Furthermore, if the User Questionnaire and/or the Tier 1 VES is missing, the Agreement letter must specify that the Phase I ESA shall be amended to include and take into account the same.

7. If the answer to question #5 is Yes to all , based on the Phase I ESA and any other evidence deemed appropriate, is further study recommended and/or did the Phase I EP conclude that there were either -- on-site and/or off-site -- REC's or VEC's?

Yes ____ No ____ N/A ____

Comments: _____

8. If the answer to question #7 is Yes, was a Phase II ESA submitted with the application and did it address the REC's and VEC's identified in the Phase I ESA as well as any other concerns that you determined should be addressed? Note that the allowance for submission of the Phase II ESA at a specified date after the application due date, is no longer in effect.

Section 202: If No, the application must be rejected.

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

(Technical Processing - Valuation) - continued

Project No. _____

Project Name: _____

Yes _____ No _____ N/A _____

Comments: _____

9. If the answer to question #8 is Yes, did the Phase II ESA and/or any other evidence deemed appropriate, reveal: onsite contamination; and/or nearby off-site known or suspected contamination that might be anticipated to migrate on-site?

Yes _____ No _____ N/A _____

Comments: _____

10. If the answer to question #9 is Yes, was the clean-up plan submitted with the application? Note that the allowance for submission of the clean-up plan at a specified date after the application due date, is no longer in effect.

Yes _____ No _____ N/A _____

Section 202: If No, reject the application

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

11. If the answer to question #10 is Yes, did the clean-up plan address hazardous waste, petroleum products, and/or VECs that exist on the site **and/or** hazardous waste, petroleum products, and/or VECs that have migrated on to the site or are likely to do so in the foreseeable future?

Yes _____ No _____ N/A _____

Section 202: If No, reject the application

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

12. If the answer to question #11 is Yes, does the clean-up plan appear to meet one of the following two types?
- A complete clean-up of the site other than for contamination that would remain solely in the groundwater that is at least 25 feet below the surface, -- to 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 or other engineered solutions, and no monitoring wells, or
 - Clean up the site to federal or state risk-based corrective action (RBCA) that allows 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.

Circle which type--

Yes _____ No _____ N/A _____

Section 202: If No, the application must be rejected

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

13. If the answer to question #12 is Yes,
- Is the clean-up plan detailed in nature to the degree that it discusses how the contamination will be remediated regarding either a complete clean-up or a RBCA cleanup? A detailed plan should leave minimal questions as to how the site will be remediated. However, at the application processing stage the plan does not have to have a line by line discussion of every detail of the clean-up. Yes ____ No ____
 - Does it include an estimate of clean-up costs? Yes ____ No ____
 - Does it include a discussion of the feasibility of completing necessary work prior to final closing or initial occupancy, whichever comes first? Yes ____ No ____

(Technical Processing - Valuation) - continued

Project No. _____

Project Name: _____

Yes to all _____ No to any _____ N/A _____

Section 202: If No to any, the application must be rejected

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

14. If the answer to question #13 is Yes to all, does it include either
- a. An approval letter of the clean-up plan from the relevant federal or state authority, or
 - b. A discussion of the feasibility of securing necessary approvals prior to HUD issuance of a Firm Commitment?

–Circle which one–

Yes _____ No _____ N/A _____

Section 202: If No, reject the application

Section 811: If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

15. If the application is not otherwise a technical reject for Section 202 applications, or that will be ranked as Site Control under Category B for Section 811 Applications, then, based on the site visit, Environmental Report, contamination submissions, and historic preservation, the appraiser shall perform a preliminary environmental review. This shall consist of filling out the form HUD 4128 and Sample Field Notes Checklist (SFNC) as follows:
- a. Page 1 Lines 1 through 11, but not 12-15.
 - b. Page 2, Part A: mark “Yes” to “Project is in Compliance” for a parameter only if the information on hand is available to complete the compliance determination and come to the conclusion the project as currently proposed is in compliance without the need for further analysis or mitigation. Otherwise mark “No”, as the compliance analysis “currently would not be complete. Then in the “Source Documentation and

Requirements for Approval” for parameters deemed “Yes,” Indicate the source of this determination.

However, for a parameter deemed “No” indicate the Source if any of such determination and then briefly indicate what additional analyses would be necessary to bring it into compliance and also indicate the likelihood as to whether said compliance could be achieved “within 6 months of the fund reservation date” (for example, a project that is adjacent to a four lane highway and would appear to require an Environmental Impact Statement based on likely unacceptable noise levels)

- c. Page 2, Part B, in the: Anticipated Deficiencies/Impact” column put the Degree fill in the “None,” “Minor,” “Major” sub-column as appropriate, or put Question marks in all three, if there is currently not enough information on hand to make such determination. Then in “Source Documentation and Requirements,” fill in as you would for Part A as adapted for Part B.

SFNC: fill this in as much as you can for each parameter based on the information at hand.

16. Evidence was submitted on the status of zoning and land use approvals. A letter or other evidence from the local governing body was submitted stating that rezoning, variances, special or conditional use permits, design review or any other land use and public utility approval are not required OR a statement was included indicating the proposed action(s) required to make the proposed project permissible and the basis for belief that the proposed action(s) would be completed successfully before the submission of the firm commitment application. (See Rating Factor 3(k) below for rating associated with discretionary approvals)

Yes _____ No _____

Section 202: If No, reject the application.

Section 811: If No, reject the site and the application shall receive 0 points for Rating Criteria below and be placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site.

Comments: _____

17. **Section 202 Only:** If proposed, will the congregate dining facility be financially viable?

Yes _____ No _____ N/A _____

Comments: _____

RATING FACTORS

RATING FACTOR 2 – EVIDENCE OF NEED/EXTENT OF THE PROBLEM (8 Points)

Section 811 Projects Only: For calculating the recommended rating, HUD valuation staff is to enter the project address into the website <http://www.huduser.org/puma/puma.html> to rate this factor. The rating indicated on that website for the project should constitute the recommended rating. In cases where there are multiple addresses and the point score varies for each address, a weighted average score should be used.

The website assigns points based on the ratio of unassisted very low-income disabled renter households paying more than fifty (50) percent of their income for housing to the total number of disabled very low-income renter households, from special tabulations of the American Community Survey 2009 five year estimate, with greater points awarded for locations with greater need. Disabled households are defined as households where a non-elderly member has responded “yes” to at least one of seven questions on disability status in the American Community Survey. Unmet need is measured at the Public Use Microdata Area, or “PUMA”, level. A PUMA is a Census-defined geography. PUMAs can be defined in terms of counties, census tracts and/or places. Large urban counties are typically subdivided into multiple PUMAs with boundaries based on census tracts and/or places. When counties are subdivided into multiple PUMAs, PUMA-level estimates are aggregated to the county level. In less populated rural areas PUMAs are typically comprised of smaller (population-wise) contiguous counties. PUMAs must contain at least 100,000 persons. PUMAs do not cross state boundaries; they cover the entirety of the United States.

The website will generate ratings corresponding to the following ratio values (5 points maximum):

a. Unmet needs ratio (expressed as a percent)

- (1) **(0 points)** The project has an unmet needs ratio less than or equal to 38 percent;
- (2) **(1 point)** The project has an unmet needs ratio of greater than 39 percent and less than or equal to 47 percent;
- (3) **(2 points)** The project has an unmet needs ratio of greater than 48 percent and less than or equal to 53 percent;
- (4) **(3 points)** The project has an unmet needs ratio of greater than 54 percent and less than or equal to 57 percent;
- (5) **(4 points)** The project has an unmet needs ratio of greater than 58 percent and less than or equal to 63 percent; or
- (6) **(5 points)** The project has an unmet needs ratio of greater than or equal to 64 percent.

(Technical Processing - Valuation) - continued

Project No. _____

Project Name: _____

Project/Needs Ratio: _____

Recommended rating: _____

Comments: _____

NOTE: Percentage calculations will be rounded to the nearest integer

RATING FACTOR 3 - SOUNDNESS OF APPROACH (49 POINTS FOR 202, 48 POINTS FOR 811)

In determining the quality and effectiveness of the proposal, the extent to which the Sponsor involved the target population (including minorities) in the development of the application and will involve them in the development and operation of the project, the extent to incorporate the provisions of Section 3 through the Sponsor's plans to expand economic opportunities for low- and very low-income, and the extent to which the Section 811 Sponsor coordinated its application with other organizations such as centers for independent living as well as the relationship between the project, the community's needs and purposes of the program funding, consider:

- (a) The proximity or accessibility of the site to services and amenities

(1) Transit-Served Location. Reliable and accessible public transportation is available by private door-to-door shuttle/van service and/or a conveniently located transit stop (7 points maximum for 202 and 5 points maximum for 811) to be allocated by the following guidelines:

- (a) Distance: a transit stop located within a ¼ mile walking distance of the project site will receive 2 points maximum(**for 202 & 811**); or a project site located within ½ mile walking distance of a transit stop will receive 1 point (**for 202 only**) .
- (b) Availability: Sites with more than 1 public transit line with a transit stop located within ¼ mile will receive 2 points maximum (1 point for 811).
- (c) Frequency: Evidence that the available transit lines provides a minimum of 40 daily trips will receive 3 points maximum (2 points for 811) OR transit lines providing a minimum of 20 daily trips will receive 2 points maximum (1 point for 811). Trips may be counted in both directions.
OR;
- (d) Evidence of a private door-to-door shuttle/van service available on a daily basis to the project site will receive the full 7 points (5 points for 811).

(Technical Processing - Valuation) - continued

Project No. _____

Project Name: _____

NOTE: Private door-to-door shuttle/van service gives the applicant the option to either arrange a private shuttle service or to access a public funded van service to make routine trips to the project location.

Recommended rating: _____

Comments: _____

For 202 Only: (2) Amenity-Served Locations. The site is within one-half mile walking distance of amenities that are appropriate to the elderly. Applicants must provide a map and photograph identifying each amenity. Project sites must be in proximity to the following categories of amenities; (maximum of 8 points, no more than 1 point is to be awarded under the applicable categories of sub-criteria (b)(c)).

(a) Grocery Store such as a supermarket or other store that sells produce and meat products will receive 3 points maximum.

(b) Social Services Facilities such as a licensed adult care or senior care, hospital, medical clinic or social service organization that offers services relevant to the elderly will receive 2 points maximum.

Note: no more than 1 point is to be awarded for each type of social services facility such as hospital, clinic, etc.

(c) (1) Neighborhood-serving amenities such as an apparel store, convenience store, pharmacy, bank, hair care, dry cleaners, and restaurant; (2) Recreation Facilities such as a community or senior center, gym, health club, or family entertainment venue; (3) Civic Facilities such as a government office that serves the public on-site, an educational facility providing adult education classes, place of worship, police or fire station, post office, public library, or public park will receive 3 points maximum.

Note: no more than 1 point is to be awarded under the categories listed such as pharmacy, gym, library, etc.

For 811 Only: (2) Amenity-Served Locations: The site is within one-half mile walking distance of amenities that are appropriate to persons with disabilities. Applicants must provide a map and photograph identifying each amenity. Project sites must be in the proximity to the following categories of amenities; (maximum of 5 points, no more than 1 point is to be awarded in any one category)

(Technical Processing - Valuation) - continued

Project No. _____

Project Name: _____

(a) Grocery Store such as a supermarket or other store that sells produce and meat products will receive 1 point.

(b) Social Services Facilities such as a licensed adult care, hospital, medical clinic or a social service organization that offers services relevant to persons with disabilities will receive 1 point.

(c) Neighborhood-serving amenities such as an apparel store, convenience store, pharmacy, bank, hair care, dry cleaners, and restaurant will receive 1 point.

(d) Recreational Facilities such as a community or senior center, gym, health club, or family entertainment venue will receive 1 point.

(e) Civic Facilities such as a government office that serves the public on-site, place of worship, police or fire station, post office, public library, or public park will receive 1 point.

(f) Educational facilities such as community or 4-year colleges, vocational classes; or job training or on-the-job training opportunities will receive 1 point

Recommended rating: _____

Comments: _____

202 (1) **Discretionary Approvals.** The project, as proposed, is permissible under
(k) applicable zoning ordinances or regulations and does not require discretionary action
811 from a governing body such as rezoning, variances, special or conditional use
(j) permits, design review, or any other land use approval. (0 or 6 points)

OR

The project, as proposed, is permissible under applicable zoning ordinances or regulations and does not require discretionary action from a governing body such as rezoning, variances, special or conditional use permits, or any other land use approval. (0 or 4 points)

OR

The project, as proposed, is permissible under applicable zoning ordinances or regulations but requires other discretionary approvals. (0 or 2 points).

Recommended rating: _____

(Technical Processing - Valuation) - continued

Project No. _____

Project Name: _____

Comments: _____

(4) **Utilities.** "Will Serve" letters from all utility providers for water, sewer, gas, and electric) were submitted and indicate that sufficient capacity exists to serve the proposed project. (0 or 1 point)

Recommended rating: _____

Comments: _____

(5) HUD's preliminary environmental review determined that there are obvious adverse environmental conditions and the appropriate mitigation of such does not appear to be achievable within 6 months of the fund reservation date. (-2 points).

Recommended rating: _____

Comments: _____

In summary:

the subject Section 202 application is:

_____ Acceptable _____ Not Acceptable

the subject Section 811 site is:

_____ Acceptable _____ Not Acceptable

If "Not Acceptable", the Section 811 application shall be placed in Category B for selection purposes as long as the Sponsor indicated its willingness to seek an alternate site (Exhibit 4(d)(x)); otherwise, the application will be rejected.

Explain: _____

Comments: _____

(Signature of Appraiser)

Date

Attachment: Form HUD-4128 with supporting documentation.

NOTE: EXHIBITS 1, 4(a), 4(c), 4(d) and 5 WERE REVIEWED TO DETERMINE THE
ABOVE FINDINGS.

SECTION 202 ONLY

TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

ECONOMIC & MARKET ANALYSIS

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Economic & Market Analysis

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor Name: _____

Project Name: _____

Project Location: _____

Project No.: _____

Section 811 Only: Project Type/# of Sites: _____

of Units per Site: _____

In determining the need for additional supportive housing for the elderly, EMAS should take into consideration the Sponsor's evidence of need; current and anticipated market conditions in assisted housing; economic, demographic and housing market data available to the HUD Office; and in accordance with an agreement between HUD and RHS, comments from RHS on the need for additional assisted housing and the possible long-term impact on existing projects in the same housing market area.

The data should include a count of the available Federally (HUD and RHS) assisted housing in the market area; the current occupancy and waiting lists in such facilities; and the extent of the pipeline of assisted housing under construction and for which fund reservations have been issued.

Based on the above, the subject application has been reviewed and EMAS' findings are as follows:

1. Taking into consideration the information available, including the Sponsor's evidence of need, comments from the Rural Housing Service (RHS), and EMAS's independent analysis, there is sufficient sustainable demand for additional units of the number and type of units proposed, without long-term adverse impact on existing Federally-assisted housing.

Yes _____ No _____

If No, the application is a technical reject and is to be given zero (0) points on Rating Factor 2 below. A detailed report must be attached presenting the data and findings justifying the conclusion of insufficient demand.

(Technical Processing - EMAS) - continued
Project No. _____
Project Name: _____

2. The proposed location is acceptable and desirable for the target population taking into consideration the proximity or accessibility of public facilities, health care and other necessary services to the intended occupants. **NOTE:** EMAS should complete this question only if it has available relevant information on the site and location.

Yes _____ No _____

Comments: _____

3. The applicant submitted a rental survey determining there is need/demand for the additional project being proposed.

Yes _____ No _____

Comments: _____

RATING FACTOR

RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (12 POINTS)

Section 202 Projects Only: Rating points for all Section 202 projects, determined to have sufficient demand, are to be based on the ratio of the number of units in the proposed project to the estimate of unmet need for housing assistance by the income eligible elderly households with selected housing conditions. Unmet housing need is defined as the number of very low-income elderly one-person renter households age 75 and older with housing conditions problems, as of the 2000 Census minus the number of project-based subsidized rental housing units (HUD, RHS, or LIHTC) that are affordable to very low-income elderly provided in the area since 1999. Units to be occupied by resident managers are not to be counted. (10 points maximum)

a. Ratio of Units to Unmet needs

- (1) **10 points:** The project has an unmet needs ratio of greater than 0.00 and less than or equal to .25 percent;

Project No. _____

Project Name: _____

- (2) **9 points:** The project has an unmet needs ratio of greater than .25 and less than or equal to 0.50 percent;
- (3) **8 points:** The project has an unmet needs ratio of greater than 0.50 and less than or equal to 1.00 percent;
- (4) **7 points:** The project has an unmet needs ratio of greater than 1.00 and less than or equal to 1.50 percent;
- (5) **6 points:** The project has an unmet needs ratio of greater than 1.50 and less than or equal to 2.50 percent;
- (6) **5 points:** The project has an unmet needs ratio of greater than 2.50 and less than or equal to 5.00 percent;
- (7) **4 points:** The project has an unmet needs ratio of greater than 5.00 percent and less than or equal to 7.50 percent;
- (8) **3 points:** The project has an unmet needs ratio of greater than 7.50 and less than or equal to 10.00 percent;
- (9) **2 points:** The project has an unmet needs ratio of greater than 10.00 and less than or equal to 12.50 percent;
- (10) **1 point:** The project has an unmet needs ratio of greater than 12.50 and less than or equal to 15.00 percent; or
- (11) **0 points:** The project has an unmet needs ratio of greater than 15.00 percent **OR** less than 0.00 percent.

Project/Needs Ratio: _____

Recommended rating: _____

Comments: _____

NOTE: Percentage calculations will round the decimal number to the nearest hundredth (e.g. 5.556 percent will be rounded to 5.56 percent and 5.044 percent will be rounded to 5.04 percent).

.

Based on the EMAS review, the application is:

_____ Acceptable

_____ Not Acceptable

Explain: _____

(Technical Processing - EMAS) - continued
Project No. _____
Project Name: _____

(Signature of Economist)

Date

NOTES: EXHIBITS 1, 4(a) and 4(c) WERE REVIEWED TO DETERMINE THE ABOVE FINDINGS.

Where you find there is **not** sufficient sustainable demand for additional units, a memorandum of the review must be prepared with the data and findings justifying the conclusion. A copy of the memorandum must be attached to this Technical Processing Review and Findings Memorandum, and a second copy sent to Headquarters:

Attention: Kevin P. Kane,
Economic and Market Analysis Division, REE,
Office of Policy Development and Research,
Room 8224.

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

FAIR HOUSING & EQUAL OPPORTUNITY (FHEO)

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Director, Fair Housing and Equal Opportunity

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor Name: _____

Project Name: _____

Project Location: _____

Project No.: _____

Section 811 Only: Project Type/# of Sites: _____

of Units per Site: _____

The Office of Fair Housing and Equal Opportunity (FHEO) has reviewed the subject application in accordance with the Rating Factors as outlined in the NOFA, this Notice, other applicable notices, and in accordance with applicable civil rights requirements. FHEO's recommended ratings and comments on the acceptability of the application are as follows:

1. Based on the application submission, even without the benefit of a site visit, the proposed site meets site and neighborhood standards.

Yes _____ No _____

Section 202 Only: If No, without proper justification, reject the application.

Section 811 Only: If No, without proper justification, site is rejected and application receives 0 points for Criterion 3(c) under "Rating Factors" below.

Comments: _____

(Technical Processing - FHEO) - continued
Project No. _____
Project Name: _____

2. Sponsor is in compliance with civil rights laws and applicable regulations, i.e., there is no pending Department of Justice civil rights lawsuit alleging ongoing pattern or practice of discrimination; or outstanding letter of noncompliance findings under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973 involving systemic discrimination, or Secretarial charge alleging ongoing discrimination under the Fair Housing Act which have not been resolved to the satisfaction of the Secretary. In cases where such problems exist, HUD will decide whether a charge, lawsuit or finding has been satisfactorily resolved, based on whether the applicant has taken appropriate actions to address the allegations of ongoing discrimination.

Yes _____ No _____

Comments: _____

3. The Sponsor's Certifications are acceptable in connection with compliance with civil rights laws, regulation, Executive Orders, and equal opportunity requirements.

NOTE: FHEO shall accept the Certifications unless there is documented evidence to the contrary.

Yes _____ No _____

Comments: _____

NOTE: Any application that would require rejection based on a "No" response in any of the above questions (with the exception of Question #1 for Section 811 only) must be rated. However, the application will not be ranked. The applicant will not be notified of the rejection until technical processing has been completed.

(Technical Processing - FHEO) - continued
Project No. _____
Project Name: _____

RATING FACTORS

RATING FACTOR 1 - CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATIONAL STAFF (23 POINTS FOR 202, 28 POINTS FOR 811)

In determining the Sponsor's ability to develop and operate the proposed housing on a long-term basis, consider:

- (b)(1)** The scope, extent and quality of the Sponsor's experience in providing housing to minority persons or minority families. (2 points maximum)

Recommended rating: _____

Comments: _____

- (b)(2)** The scope, extent and quality of the Sponsor's experience in providing services to minority persons or minority families. (1 point maximum)

Recommended rating: _____

Comments: _____

- (b)(3)** The scope, extent and quality of the Sponsor's ties to the community at large and to the minority and elderly (202) disability (811) communities in particular. (5 points maximum)

The scope, extent, and quality of the Sponsor's ties to the minority community. (2 points)

NOTE: The Project Manager will rate the scope, extent and quality of the Sponsor's ties to the community at large and to the elderly (202) or disability (811) community in particular. (3 points)

Recommended rating: _____

Comments: _____

(Technical Processing - FHEO) - continued
Project No. _____
Project Name: _____

RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (12 points for 202 and 8 points for 811)

- (b) Did the Sponsor utilize the community's Analysis of Impediments to Fair Housing Choice (AI) or other planning document that analyses fair housing issues and was prepared by a local planning or similar organization in identifying the level of the problem and the urgency in meeting the need of the project? Extra consideration should be given to the Sponsor that also shows how the AI or other planning documents support the need for the project.

NOTE: Although FHEO doesn't rate this Factor, its comments are to be considered in the award of points by the Project Manager.

Comments: _____

**RATING FACTOR 3 - SOUNDNESS OF APPROACH
(49 POINTS FOR 202, 48 POINTS FOR 811)**

In determining the quality and effectiveness of the proposal, including access to transit and amenities, provision of supportive services; the extent to which the Sponsor involved the target population (including minorities) in the development of the application and will involve them in the development and operation of the project, the extent to incorporate the provisions of Section 3 through the Sponsor's plans to expand economic opportunities for low- and very low-income, and the extent to which the Section 811 Sponsor coordinated its application with other organizations such as centers for independent living as well as the relationship between the project, the community's needs and purposes of the program funding, consider:

- (b) Affirmatively Furthering Fair Housing (5 points maximum)
- (1) **Limited English Proficiency (LEP).** The Sponsor demonstrated that they have conducted a four factor analysis of language needs for the jurisdiction(s) served, implemented a language implementation plan for written and oral language interpretation, e trained staff members on LEP, and translated vital documents in target language(s). (1 point)
- (2) **Affirmative Fair Housing Marketing.** The extent to which the Sponsor described past strategies to reach persons that are least likely to apply for the housing, and address planned improvements in the manner specified in Exhibit 4(e) for 202 and Exhibit 4 (d) for 811. (2 points maximum)

(Technical Processing - FHEO) - continued
Project No. _____
Project Name: _____

- (3) **Site and Neighborhood Standards.** The suitability of the site from the standpoint of promoting a greater choice of housing opportunities for minority elderly persons/families (persons with a disability for 811) and affirmatively furthering fair housing. (2 points)

Recommended rating: _____

Section 202: If 0 points, application must be rejected.

Section 811: If 0 points, site must be rejected and the application also receive 0 points for Criterion 3(a).

Comments: _____

- 202(i)** Did the Sponsor involve minority elderly (202) or minority persons in the area of the project with
811(e) disabilities (811) in the development of the application?

Yes _____ No _____

Does the applicant intend to involve minority elderly (202) or minority persons with disabilities (811) in the development and operation of the project?

Yes _____ No _____

NOTE: Although FHEO doesn't rate this Factor, its comments are to be considered in the award of points by the Project Manager.

Comments: _____

- 202(l)** **Section 3.** The extent to which the Sponsor described the number of new
811(k) employment opportunities anticipated to be created during the proposed project/activities; the type and amount of contracting opportunities that will be generated during the proposed project/activities; how Section 3 residents and

(Technical Processing - FHEO) - continued
Project No. _____
Project Name: _____

business concerns will be targeted for these opportunities; efforts to facilitate the employment and/or awarding of contracts to these individuals; processes that will be used to ensure contractor compliance; and staff persons responsible for ensuring compliance with this requirement. (1 point)

Recommended rating: _____

Comments: _____

202(m) Job Creation/Employment. Did the sponsor described the extent of the number and type of activities that will expand job creation and other economic opportunities and how those activities will increase economic security and self-sufficiency for **811(k)** low- and very low income persons in the area in which the project is based?

Yes _____ No _____

Did the description address the extent to which the activities are focused on improved access to skills training, building and strengthening of partnerships with community-based organizations, and increased collaborating with federal, state, and local entities?

Yes _____ No _____

NOTE: The activities must be more comprehensive and exceed those required under HUD's Section 3 requirements.

Although FHEO doesn't rate this Factor, its comments are to be considered in the award of points by the Project Manager.

Comments: _____

The following additional findings have been made:

(Technical Processing - FHEO) - continued
Project No. _____
Project Name: _____

1. The project addresses a low participation rate and an identified need for housing for very low-income minority elderly persons/families (**Section 202**) or persons with disabilities, including minorities (**Section 811**).

Yes _____ No _____

Comments: _____

2. The Sponsor's project is consistent with the affirmatively furthering fair housing provisions of the jurisdiction's Consolidated Plan Certification.

Yes _____ No _____

Comments: _____

3. For projects with relocation indicated, is the information (regarding racial and ethnic data and greater choice of housing opportunities for minority persons or households) submitted in Exhibit 7 acceptable?

Yes _____ No _____ N/A _____

Comments: _____

The subject application is acceptable from an FHEO viewpoint.

Yes _____ No _____

Explain: _____

(Technical Processing - FHEO) - continued
Project No. _____
Project Name: _____

(Signature of FHEO Reviewer)

Date

NOTE: EXHIBITS 1, 3(a), 3(b), 3(d), 3(e), 3(f), 3(g), 3(h), 4(a), 4(d), 4(e), 7 and 8 WERE
REVIEWED TO DETERMINE THE ABOVE FINDINGS.

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

FIELD OFFICE COUNSEL

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Field Office Counsel

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor Name: _____

Project Name: _____

Project Location: _____

Project No.: _____

Section 811 Only: Project Type/Number of Sites: _____

Number of Units per Site: _____

The subject application has been reviewed and the Field Office Counsel's comments are as follows:

1. The Sponsor's organizational documents contain language stating, no part of the net earnings of which inures to the benefit of any private party and which is not controlled by or under the direction of persons seeking to derive profit or gain wherefrom. [Note: Verbatim language is not required here. However, there must be **some language in any of the sponsor's organizational documents** to suggest the sponsor's earnings will not benefit any private person or shareholder and is not under the direction of person's seeking to derive profit or gain from the entity. A low threshold is established here for the purposes of this eligibility element.]

Yes _____ No _____

Comments: _____

2. The Sponsor has the necessary legal authority to sponsor the project, to assist the Owner and to apply for the capital advance.

Yes _____ No _____

Comments: _____

(Technical Processing - Counsel) - continued

Project No. _____

Project Name: _____

3. The Sponsor has an IRS tax exemption ruling, a blanket exemption with the Sponsor specifically named in the list, or a copy of the letter from the national/parent organization to the IRS requesting that the Sponsor be included under its blanket exemption. **NOTE: For Section 811 applications, the tax exemption must be under Section 501(c)(3) of the IRS tax code.**

Yes _____ No _____ If No, reject the application.

Comments: _____

4. **Section 202 Only:** The Sponsor is a public body or an instrumentality of a public body.

Yes _____ No _____ If Yes, the application must be rejected.

Comments: _____

5. The Sponsor has submitted legally acceptable evidence of site control. (See Exhibit 4(d) of the Section 202 or Section 811 program section of the NOFA.)

Yes _____ No _____ N/A _____ (811 site identified)

Section 202: If No, reject the application.

Section 811: If No, reject the site and the application will be placed in Category B for selection purposes.

Comments: _____

(Technical Processing - Counsel) - continued

Project No. _____

Project Name: _____

6. Based on a review of a current Title policy and other acceptable evidence, the site control document contains restrictive covenants or reverter clauses that are unacceptable to HUD. (See Exhibit 4 (d) (ii) of the Section 202 or Section 811 program section of the NOFA.)

Yes _____ No _____ N/A _____ (Section 811 site identified)

Section 202: If Yes, reject the application.

Section 811: If Yes, reject the application and the application will be placed in Category B for selection purposes.

NOTE: A current Title policy should be one that runs to the present Owner who will provide the option agreement or contract of sale and who would presumably have obtained a Title policy when it acquired the site. The title report or policy must be updated within 6 months of the application due date. A letter from the Sponsor's attorney is not sufficient evidence of clear title, it must be supported by documentation.

If there is reason to question the Title policy, Field Counsel should request that the Multifamily Housing Project Manager ask for a Title Report supplementing the policy in a deficiency letter to the Sponsor.

Comments: _____

7. The Sponsor's board has adopted a resolution which:

- (a) Certifies that no officer or board member of the Sponsor, or of the Owner when formed, has or will be permitted to have any financial interest in any contract or in any firm or corporation that has a contract with the Owner in connection with the construction or operation of the project, procurement of the site or other matters whatsoever.

NOTE: This prohibition, as to the Sponsor's officers or board, does not apply to any management, supportive service or developer (consultant) contracts entered into by the Owner with the Sponsor or its nonprofit affiliate. (See 891.130(a)(2).)

Yes _____ No _____

Comments: _____

(Technical Processing - Counsel) - continued

Project No. _____

Project Name: _____

- (b) Lists all the Sponsor's duly qualified and sitting officers and directors, their titles, and the beginning and ending date for each of their terms of office.

Yes _____ No _____

Comments: _____

NOTES: 1) If the answer to any item is checked "No", with the exception of an answer of "Yes" to Question 4 for Section 202 only, Question 5 for Section 811 only and Question 6 for Section 202 and Section 811, Counsel will check "not acceptable" below and the application will be rejected. 2) If the evidence of site control is not acceptable for a Section 811 application or the site control document contains unacceptable restrictions, the application will be placed in Category B for selection purposes. (Questions 5 and 6)

RECOMMENDATION: _____ The subject Application is acceptable.

_____ The subject Application must be rejected
for the following reason(s):

(Signature of Field Office Counsel)

Date

NOTE: EXHIBITS 1, 2, 4(d), and 8(f) WERE REVIEWED TO DETERMINE THE ABOVE FINDINGS.

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

COMMUNITY PLANNING AND DEVELOPMENT (CPD)
RELOCATION REVIEW

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Director, Community Planning and Development

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor Name: _____

Project Location: _____

Project No.: _____

Section 811 Only: Project Type/# of Sites: _____
of Units per Site: _____

The subject application has been reviewed by CPD with regard to:

- The acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.
- Verification that the Certification of Consistency with the Consolidated Plan is included and properly executed.
- If applicable and requested, an evaluation to determine the site's location in a RC/EZ/EC, whether or not the project is consistent with the RC/EZ/EC strategic plan and serves RC/EZ/EC residents, and if the Certification of Consistency with the RC/EZ/EC Strategic Plan is included and properly executed.

**The Regional Relocation Specialist is to complete Items 1-2 and Items 3(a), 3(b), 4(a) and 4(b).
The CPD Reviewer will complete Items 3(c) and 4(c).**

Site Acquisition

Item 1 is applicable only to projects that require the acquisition of a site. If it appears that the Sponsor already owns the site for the proposed project, and that the site was not acquired for the proposed project, the reviewer should skip Item 1.

_____ Site control not established/not required by program. **Review to be performed upon approval.**

_____ Applicant owns site. **Skip Item 1.**

_____ Acquisition requires compliance. **Complete Item 1.**

Project No. _____

Project Name: _____

1. Real Property Acquisition/Site Control (Exhibit 4)

- (a) If Sponsor has site control, did Sponsor/purchaser include evidence that seller was provided with the required voluntary, arms' length transaction information?

Yes _____ No _____ N/A _____

Comments: _____

- (b) If there is an existing option/contract (and the voluntary, arms' length transaction information was not provided prior to making the purchaser offer,) did Sponsor/purchaser provide the information to the seller after the fact, along with an opportunity to withdraw from the agreement or transaction, without penalty?

Yes _____ No _____ N/A _____

Comments: _____

2. Relocation Information (Exhibit 7)

Sponsor has completed the information required by Exhibit 7, on project occupancy, relocation costs, and previous site-occupant moves.

Yes _____ No _____ N/A _____ (811 site identified)

- (a) **For Site Identified Projects Only**, Sponsor has submitted a statement with the words "SITE IDENTIFIED." (*Exhibit 7 information will be submitted once site control is obtained.*)

Yes _____ No _____ N/A _____

- (b) If applicable, Sponsor has indicated that no relocation will occur and why (e.g., property is vacant land, or property was unoccupied and no person was made to move for the project).

Yes* _____ No _____ N/A _____ (811 site identified)

***If answer to item 2(b) above is "yes," please skip Items 2(c) through 2(g).**

(Technical Processing – CPD) - continued

Project No. _____

Project Name: _____

- (c) Sponsor has identified all persons (families, individuals, businesses and nonprofit organizations) occupying the property on the date of submission of the application (or initial site control, if later) by race/minority group, and status as owners or tenants.

Yes _____ No _____ N/A _____ (811 site identified)

Persons occupying the property include:

| | # Not To Be Displaced | # To Be Displaced |
|---|--------------------------|----------------------|
| Households (families and individuals) | _____ | _____ |
| Businesses and Nonprofit Organizations | _____ | _____ |
| Farms | _____ | _____ |
| TOTALS: | _____ | _____ |

- (d) (1) Sponsor has indicated the estimated cost of relocation payments and other services and the basis for the estimate.

Yes _____ No _____ N/A _____ (811 site identified)

- (2) Estimated costs for relocation are reasonable.

Yes _____ No _____ N/A _____ (811 site identified)

Comments: _____

- (e) (1) Sponsor has indicated the source of funds to be used to pay relocation costs.

Yes _____ No _____ N/A _____ (811 site identified)

Comments: _____

(Technical Processing – CPD) - continued

Project No. _____

Project Name: _____

- (2) If relocation costs in item 2(d)(2) above will be funded from sources other than the Section 202/811 capital advance, Sponsor has provided evidence of a firm commitment of the funds.

Yes _____ No _____ N/A _____ (811 site identified)

Comments: _____

- (f) Sponsor has identified the staff or organization that will carry out the relocation activities.

Yes _____ No _____ N/A _____ (811 site identified)

Comments: _____

- (g) Sponsor has identified all persons who were made to move from the site within the past 12 months and explained the reason for such moves.

Yes _____ No _____ N/A _____ (811 site identified)

Comments: _____

- (h) (1) Sponsor has indicated that all persons occupying the site have been issued the appropriate required General Information Notice and advisory services information, receipt requested, either at the time of the execution of the option to acquire the property or at the time of application submission.

Yes _____ No _____ N/A _____ (811 site identified)

Comments: _____

(Technical Processing – CPD) - continued

Project No. _____

Project Name: _____

(2) Sponsor has attached a copy of the General Information Notice that was sent.

Yes _____ No _____ N/A _____

Comments: _____

3. Form HUD-2991, Certification of Consistency with the Consolidated Plan (*Exhibit 8(e)*)

(a) Form HUD-2991, Certification of Consistency with the Consolidated Plan has been provided.

Yes _____ No _____

(b) Name of the official who signed the Certification of Consistency with the Consolidated Plan (form HUD-2991):

(c) **TO BE COMPLETED BY LOCAL CPD REVIEWER.** The person named in 3(b) above is the authorized certifying official.

Yes _____ No _____

Comments: _____

4. BONUS POINTS (2 points) – Form HUD-2990, Certification of Consistency with RC/EZ/EC Strategic Plan (*Exhibit 8(h)*)

(a) Certification of Consistency with RC/EZ/EC Strategic Plan (form HUD-2990) has been provided.

Yes _____ No _____

(b) Name of the official who signed the Certification of Consistency with the RC/EZ/EC Strategic Plan (form HUD-2990):

(Technical Processing – CPD) - continued

Project No. _____

Project Name: _____

(c) **TO BE COMPLETED BY LOCAL CPD REVIEWER.** The person named in 4(b) above is the authorized certifying official.

Yes* _____ No _____

*If yes, then the application will receive two (2) bonus points.

Recommended rating: _____ points

Comments: _____

* * * *

EXHIBITS 4, 7, 8(e) and 8(h) WERE REVIEWED TO DETERMINE THE ABOVE FINDINGS.

In view of the above, the proposal is acceptable to the Office of Community Planning and Development.

Yes _____ No _____

If “No,” identify the conditions for acceptability below:

(Signature of Regional Relocation Specialist)

Date

(Signature of Local CPD Reviewer)

Date

SECTION 202 STANDARD RATING CRITERIA FORM
(FORM HUD-9879-CA)

**This form is available through the
Development Application Processing (DAP) System.**

SECTION 811 STANDARD RATING CRITERIA FORM
(FORM HUD-9883-CA)

**This form is available through the
Development Application Processing (DAP) System.**

Draft Letter from the Supervisory Project Manager to the Director of the Appropriate State or Local Agency Requesting Designation of Representative to Review Supportive Services Plans of Section 811 Applications

Dear _____:

The purpose of this letter is to request your assistance, [once again], in reviewing supportive services plans from applications for funding under the Section 811 Program of Supportive Housing for Persons with Disabilities. This program was authorized by the National Affordable Housing Act of 1990 and provides funding in the form of capital advances to nonprofit organizations (Sponsors) to construct, rehabilitate or acquire (with or without rehabilitation) housing for persons with disabilities. The capital advance does not have to be repaid as long as the housing remains available for very low income persons with disabilities for at least 40 years. Project rental assistance funds are also provided to cover the HUD-approved operating costs of the housing with the exception of the cost of any necessary supportive services for the residents. Residents are required to pay no more than 30 percent of their adjusted incomes for rent.

Nationwide, HUD has \$141 million in capital advance funds available which will facilitate the development of 1,121 housing units for persons with disabilities.

On April 8, 2011, HUD published a Notice of Fund Availability for the Section 811 Program as part of the Notice of Funding Availability (NOFA) for HUD's Discretionary Programs. A copy is enclosed for your information. Applications for funding must be submitted electronically through www.grants.gov/Apply, unless a waiver to submit a paper application is granted.

If a waiver is approved to submit a paper application, the Sponsor must mail, email or fax their application in sufficient time to ensure that the application is received in the appropriate local HUD Office no later than the close of business on the deadline date for the local HUD Office. Hand delivered applications also must be delivered to the local HUD Office by the local HUD Office's close of business on the application deadline date.

The supportive services plan and the Sponsor's description of its experience in providing housing or related services to the intended population are key parts of a Section 811 application. HUD recognizes that housing without necessary supportive services may not be sufficient to enable many persons with disabilities to live independently in the community. Since HUD cannot pay for supportive services, it will not select an applicant for a Section 811 capital advance unless the provision of supportive services described in the supportive services plan is well designed to serve the needs of the proposed residents and there is evidence that any necessary supportive services will be provided on a consistent, long-term basis to ensure the continued viability of the housing project. It should be noted, however, that accepting the supportive services that are offered in conjunction with the housing is not a condition of occupancy.

We [again] are requesting your assistance in reviewing the supportive services plans from Sponsors proposing to serve people with (insert disability category) because of your agency's knowledge and expertise in the provision of supportive services to this population. In order to be approved for funding, Sponsors are required by law to have a certification from the "appropriate State or local agency" indicating that the provision of the services identified in the supportive services plan is well designed to meet the special needs of the proposed residents. Enclosed are copies of the Certification for Provision of Supportive Services (Certification) and an evaluation form designed to assist the reviewer in completing the Certification.

Please note that in addition to the statutory requirement for a determination as to whether or not the provision of services is well designed, we have included space for the reviewer to indicate whether the proposed project is consistent/inconsistent with State or local plans and policies addressing the housing needs of people with disabilities. For example, if the proposed project will be a group home for four adults with developmental disabilities but the State will only provide supportive services funding for three persons in a group home, the reviewer would check the "Inconsistent" box. This additional indication will help assure us that Sponsors who are receiving funding or referrals through a particular agency, or their projects will be licensed by that agency, are proposing projects that are sanctioned by that agency. There is also space for the reviewer to indicate whether or not the necessary supportive services will be provided on a consistent, long-term basis as well as whether the provision of supportive services will enhance the independent living success and promote the dignity of those who will access the proposed project.

HUD will not review the supportive services plan of Sponsor's applications and, consequently, there will be no points assigned to the plan. Instead, the supportive services plan and the Certification are other criteria requirements which mean that if the application does not include them the Sponsor will be given the opportunity to provide the missing information by (insert deadline for submitting missing information). In the event the information is not submitted by the deadline date, the application will be rejected. Furthermore, if the agency completing the Certification indicates any of the following, the application will be rejected:

- 1) the provision of supportive services is **not** well designed to serve the individual needs of persons with disabilities the housing is expected to serve;
- 2) the provision of supportive services will **not** enhance the independent living success or promote the dignity of those who will access the proposed project;
- 3) the necessary supportive services will **not** be provided on a consistent, long-term basis; or
- 4) the proposed housing is **inconsistent** with State or local plans and policies addressing the housing needs of people with disabilities; (if the agency will be a major funding or referral source for or license the proposed project).

Unless we are informed otherwise, we assume that your agency is the appropriate agency to review the supportive services plans of applications from Sponsors proposing to develop housing for persons with (insert disability category) and to complete the Certification and we will be

informing applicants interested in submitting a Section 811 application for persons with (insert disability category) that they are to send one copy of their application including the supportive services plan to your agency for review and completion of the Supportive Services Certification.

[We are having an orientation workshop for prospective Sponsors (insert information on the date, time and place) and would like you or your representative to attend in order to receive more detailed information on the Section 811 Program and to be available to help answer any questions on the supportive services plan. If you or a representative will be attending, please call this office on (insert telephone number) to confirm.]

If your agency is not the appropriate agency for Sponsors proposing to serve (insert disability category) to send a copy of their applications for review of the supportive services plan and completion of the Supportive Services Certification described above, please direct us to the appropriate agency as soon as possible.

Thank you for your time and attention to this important effort. We look forward to hearing from you soon.

Sincerely,

Supervisory Project Manager

Enclosures

Section 811 - Supportive Housing for Persons with Disabilities

**SUPPORTIVE SERVICES PLAN
EVALUATION FORM**

Appropriate State/Local Agency

Instructions:

This Evaluation Form may be used for review of the Supportive Services Plan (Exhibit 5 of the Section 811 Application) to facilitate completion of the Supportive Services Certification (Exhibit 8(i) of the Section 811 Application) by the designated representative for the State/Local Agency which provides funding for services, licenses housing for the population proposed in the Section 811 Application and/or will provide the majority of referrals for the proposed project.

The completed form should be sent to the appropriate HUD Office so that it can remain on file with the Sponsor's application.

EVALUATION FORM

Appropriate State/Local Agency

Sponsor Name/City/ST: _____

Project Address: _____

Project Number: _____

////////////////////////////////////

A. The extent to which the Sponsor has demonstrated that the identified supportive services will be provided on a consistent, long-term basis.

1. Did the Sponsor demonstrate that supportive services will be available on a consistent, long-term basis?

Yes ☐ No ☐

If Yes, briefly describe the evidence that the Sponsor provided and indicate whether you think it is sufficient to ensure that the services will be available over a long period of time.

2. If the project will be a group home(s) and receive State funding for some or all of the supportive services, what is the maximum number of persons with disabilities the State will permit (i.e., provide funding for services on behalf of) per home?

(State/Local Agency - cont'd)

Project No._____

Project Name:_____

B. The quality of the services implementation plan.

1. Does the supportive services plan have a clear description of each service, its frequency and location? Briefly describe the services, their frequency and where provided.

2. Does the Sponsor have experience in providing (or ensuring the provision of) the proposed services to the anticipated occupancy and appear to have a good working knowledge of the potential service needs in general for the proposed occupants? Explain.

3. Will there be any residential staff and what will be their function(s)?

4. Is the supportive services plan well thought-out?

5. Did the Sponsor clearly describe how the provision of the proposed services will be managed? Explain.

(State/Local Agency - cont'd)

Project No. _____

Project Name: _____

6. If the Sponsor is also the service provider, is there sufficient staff, both in terms of quantity and experience, to ensure the effective delivery of the proposed services? Briefly describe the number and qualifications of staff proposed.

7. If the Sponsor will not be the service provider, what agency(ies) will provide the services and how will coordination be ensured?

8. If the Sponsor indicates a particular agency will fund or provide some or all of the supportive services, is there a letter of intent from each agency named indicating its willingness to fund or provide the service(s)?

9. For those residents who will be taking responsibility for acquiring their own supportive services, did the Sponsor provide a description of appropriate services in the community from which the residents can choose and did the Sponsor get any commitments from outside service providers that the proposed residents will have access to these services?

10. Will any supportive services be provided on-site?

Yes ☐ No ☐ If Yes, explain and could they be provided off-site and still benefit the residents?

(State/Local Agency - cont'd)

Project No. _____

Project Name: _____

11. Did the Sponsor provide assurances that the proposed residents will receive supportive services based on their individual needs?

12. Did the Sponsor include a commitment that accepting supportive services will not be a condition of occupancy?

13. Will the Sponsor's Supportive Services Plan enhance independent living success and promote the dignity of those who will access the proposed project.

RECOMMENDATION: Application is

☐ Acceptable

☐ Unacceptable

Explain: _____

Print Name of Reviewer: _____

Signature: _____ Date: _____

Name of Agency: _____

Address: _____

Telephone Number: _____

Expiration of Funds Tables

Attachment 16

| <u>Section 202</u> | <u>Public Law</u> | <u>H.R.</u> | <u>Appropriated</u> | <u>Supplemental / Rescission/Etc.</u> | <u>Appropriation with Supplemental or Rescission</u> | <u>Unexpired/Expired Funding</u> |
|--------------------|---------------------------|-----------------------|----------------------|---|--|--------------------------------------|
| FY1991 | P.L. 101-507/P.L. 102-27 | H.R. 5158/H.R.1281 | \$783,919,000 | \$275,815,000 | \$1,059,734,000 | Unexpired Funds |
| FY1992 | P.L. 102-139 | H.R. 2519 | \$1,154,958,000 | | \$1,154,958,000 | Unexpired Funds |
| FY1993 | P.L. 102-389 | H.R. 5679 | \$1,131,537,000 | | \$1,131,537,000 | Unexpired Funds |
| FY1994 | P.L. 103-124/P.L. 102-124 | H.R.2491 | \$1,205,000,000 | | \$1,205,000,000 | Unexpired Funds |
| FY1995 | P.L. 102-103 | H.R. 3759 | \$652,995,500 | \$648,004,500 | \$1,301,000,000 | Unexpired Funds |
| FY1996 | P.L. 104-134 | H.R. 3019 | \$830,190,000 | | \$830,190,000 | Unexpired Funds |
| FY1997 | P.L. 104-204 | H.R. 3666 | \$645,000,000 | | \$645,000,000 | Unexpired Funds |
| FY1998 | P.L. 105-65 | H.R. 2158 | \$645,000,000 | | \$645,000,000 | Unexpired Funds |
| FY1999 | P.L. 105-276 | H.R. 4194 | \$660,000,000 | | \$660,000,000 | Unexpired Funds |
| FY2000 | P.L. 106-74 | H.R. 2684 | \$710,000,000 | | \$710,000,000 | Unexpired Funds |
| FY2001 | P.L. 106-377 | H.R. 5482 | \$779,000,000 | \$ (1,714,000) | \$777,286,000 | Unexpired Funds |
| FY2002 | P.L. 107-73 | H.R. 2620 | \$783,286,000 | | \$783,286,000 | Expired in FY2004 |
| FY2003 | P.L. 108-7 | H.J. RES.2 | \$783,286,000 | | \$783,286,000 | Expired in FY2006 |
| FY2004 | P.L. 108-199 | | \$778,320,000 | \$ (4,592,088) | \$773,727,912 | Expired in FY2006 |
| FY2005 | P.L. 108-447 | H.R. 4818 | \$747,000,000 | \$ (5,976,000) | \$741,024,000 | Expire in FY2008 |
| FY2006 | P.L. 109-115 | H.R. 3058 | \$742,000,000 | \$ (7,420,000) | \$734,580,000 | Expire in FY2009 |
| FY2007 | P.L. 109-383 | | \$734,580,000 | \$ (396,000) | \$734,184,000 | Expire in FY2010 |
| FY2008 | P.L. 110-161 | H.R. 2764 | \$735,000,000 | \$ (1,400,000) | \$733,600,000 | Expire in FY2011 |
| FY2009 | P.L. 111-8 | H.R. 1105 | \$765,000,000 | \$(1,600,000) | \$764,400,000 | Expire FY2012 |
| FY2010 | P.L. 111-117 | H.R. 3288 | \$825,000,000 | | \$825,000,000 | Expire FY2013 |
| FY2011 | P.L. 112-10 | H.R. 1437 | \$400,000,000 | | \$400,000,000 | Expire FY2014 |

| Section 811 | Public Law | H.R. | Appropriated | Supplemental/ Rescission/Etc. | Appropriation with Supplemental or Rescission | Unexpired/Expired Funding |
|--------------------|----------------------------|-----------------------|-----------------------|--|--|--------------------------------------|
| FY1991 | P.L. 101-507/P.L. 102-27 | H.R. 5158/H.R.1281 | \$277,709,000 | | \$277,709,000 | Unexpired Funds |
| FY1992 | P.L. 102-139 | H.R. 2519 | \$ 226,319,000 | | \$226,319,000 | Unexpired Funds |
| FY1993 | P.L. 102-389 | H.R. 5679 | \$193,754,000 | | \$193,754,000 | Unexpired Funds |
| FY1994 | P.L. 103-124/P.L. 102-124 | H.R.2491 | \$387,000,000 | | \$387,000,000 | Unexpired Funds |
| FY1995 | P.L. 102-103 | H.R. 3759 | \$185,004,500 | \$201,995,500 | \$387,000,000 | Unexpired Funds |
| FY1996 | P.L. 104-134 | H.R. 3019 | \$258,168,000 | | \$258,168,000 | Unexpired Funds |
| FY1997 | P.L. 104-204 | H.R. 3666 | \$194,000,000 | | \$194,000,000 | Unexpired Funds |
| FY1998 | P.L. 105-65 | H.R. 2158 | \$194,000,000 | | \$194,000,000 | Unexpired Funds |
| FY1999 | P.L. 105-276 | H.R. 4194 | \$194,000,000 | | \$194,000,000 | Unexpired Funds |
| FY2000 | P.L. 106-74 | H.R. 2684 | \$201,000,000 | | \$201,000,000 | Unexpired Funds |
| FY2001 | P.L. 106-377 | H.R. 5482 | \$217,000,000 | \$(477,000) | \$216,523,000 | Unexpired Funds |
| FY2002 | P.L. 107-73 | H.R. 2620 | \$240,865,000 | | \$240,865,000 | Expired in FY2004 |
| FY2003 | P.L. 108-7 | H.J. RES.2 | \$250,515,000 | | \$250,515,000 | Expired in FY2006 |
| FY2004 | P.L. 108-199 | | \$250,570,000 | \$(1,478,363) | \$249,091,637 | Expired in FY2006 |
| FY2005 | P.L. 108-447 & P.L. 109-13 | H.R. 4818 | \$240,000,000 | \$(1,920,000) | \$238,080,000 | Expired in FY2006 |
| FY2006 | P.L. 109-115 | H.R. 3058 | \$239,000,000 | \$(2,390,000) | \$236,610,000 | Expire in FY2009 |
| FY2007 | P.L. 109-383 | | \$236,610,000 | \$(396,000) | \$236,214,000 | Expire in FY2010 |
| FY2008 | P.L. 110-161 | H.R. 2764 | \$237,000,000 | \$ (600,000) | \$236,400,000 | Expire in FY2011 |
| FY2009 | P.L. 111-8 | H.R. 1105 | \$250,000,000 | \$ (1,600,000) | \$248,400,000 | Expire FY2012 |
| FY2010 | P.L. 111-117 | H.R. 3288 | \$300,000,000 | | \$300,000,000 | Expire FY2013 |
| FY2011 | P.L. 112-10 | H.R. 1437 | \$150,000,000 | | \$150,000,000 | Expire FY2014 |

Logic Model Assessment Matrix

| Logic Model Assessment Matrix – Selection of Services/Activities and Outcomes and Projections | | | | |
|---|--|--|---|---|
| | Excellent | Good | Marginally Satisfactory | Unacceptable |
| Services | Applicant <u>selected</u> services/activities from the drop down list that are consistent with both the NOFA and the Narrative. | Applicant's Narrative identified services/activities consistent with the NOFA, but the drop down list <u>does not</u> contain that service/activity. | Applicant <u>selected</u> services/activities from the drop down list that are inconsistent with the Narrative, or did not select available services/activities from the drop down list that are consistent with the Narrative, or provided Narrative that is inconsistent with the NOFA. | Applicant <u>did not</u> select available services/activities from the drop down list that are consistent with the Narrative, <i>and</i> either the Logic Model is inconsistent with the Narrative or the Narrative is inconsistent with the NOFA. |
| | 3 points | 2 points | 1 point | 0 points |
| Outcomes | Applicant <u>selected</u> an outcome from the drop down list that is consistent with both the NOFA and the Narrative. | Applicant's Narrative identified an outcome consistent with the NOFA, but the drop down list does not contain that outcome. | Applicant <u>selected</u> an outcome from the drop down list that is inconsistent with the Narrative, or did not select an available outcome from the drop down list that is consistent with the Narrative. | Applicant <u>did not</u> select an available outcome from the drop down list <i>and</i> either the Logic Model is inconsistent with the Narrative or the Narrative is inconsistent with the NOFA. |
| | 3 points | 2 points | 1 point | 0 points |
| Projections | Applicant <u>provided</u> <u>realistic</u> projected numbers that are consistent with the Narrative for <u>all</u> services, activities, and outcomes. | Applicant <u>provided</u> projected numbers for <u>most</u> services, activities, and outcomes, <i>and</i> 50% or more of the projections are both realistic and consistent with the Narrative. | Applicant <u>provided</u> projected numbers for <u>some</u> services, activities, and outcomes, <i>and</i> More than 50% of the projections are not consistent with the Narrative or are not realistic. | Applicant <u>did not</u> provide any projected numbers, <i>or</i> All of the projections are not consistent with the Narrative and they are not realistic. |
| | 3 points | 2 points | 1 point | 0 points |

Logic Model Assessment Matrix

| Logic Model Assessment Matrix – Evaluation Tools | | | |
|--|---|---|---|
| | Satisfactory | Marginally Satisfactory | Unacceptable |
| Evaluation Tools | Applicant <u>selected</u> Evaluation Tools that are mostly <u>consistent</u> with the project described in the Logic Model and Narrative. | Applicant <u>selected</u> Evaluation Tools that are mostly <u>inconsistent</u> with <u>either</u> the Logic Model or the Narrative. | Applicant selected Evaluation Tools that are mostly <u>inconsistent</u> with <u>both</u> the Logic Model and Narrative, <u>or both</u> the Logic Model and Narrative are <u>inconsistent</u> with the NOFA. |
| | 1 point | 0 point | Deduct 1 point |
| Logic Model Assessment Matrix – Rating Factor Five Narrative | | | |
| Align the criteria in Rating Factor Five to the distribution of points in your evaluation plan that you give to reviewers. | | | |

Instructions

A maximum of 10 points are assigned for evaluating and scoring the logic model.

The Logic Model Assessment Matrix identifies the four components that are to be evaluated when scoring the logic model:

- Row – 1 – Services
- Row – 2 – Outcomes
- Row – 3 – Projections
- Row – 4 – Evaluation Tools

There are four possible conditions that describe each component represented by the labels (three conditions for the Evaluation component):

- Excellent
- Good
- Marginally Satisfactory
- Unacceptable

When reviewing and scoring the logic model, HUD reviewers will choose the one statement in each of the four rows (services, outcomes, projections, evaluation tools) that best describes your evaluation of the logic model and add the assigned points to obtain a total score.

Sample Letter Requesting SHPO/THPO Review

Applicant return address
Date

[SHPO/THPO mailing address]
(see: www.ncshpo.org or www.nathpo.org)

Dear [SHPO/THPO]:

In accordance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470f), and its implementing regulation, 36 CFR 800, "Protection of Historic Properties," and as authorized by the U.S. Department of Housing and Urban Development (HUD) as an applicant for a Section [202/811] Supportive Housing Capital Advance, we are initiating consultation with your office regarding the proposed [xxx project] (ex. rehabilitation of 123 Elm Street, Anytown, AB). Please find enclosed the necessary documentation per 24 CFR§800.11.

Based on our initial research, we have made the required determinations and findings, which we now ask you to review. Please respond in writing to us and HUD within the thirty-day time period as noted at 24 CFR §800.3(c) 4. HUD's mailing address is:

[xxx]

If you concur with the findings in this submission, please sign and date on the line below and return as noted above. If you do not concur, we request that you express your concerns and objections clearly in writing so that HUD may continue the consultation process as needed. Please also indicate in your non-concurrence letter if there are other sources of information that should be checked, and if there are other parties, tribes, or members of the public you believe should be included in the consultation process. Thank you for your prompt attention to this matter.

Sincerely,

Applicant signatory

CONCURRENCE: _____
State/Tribal Historic Preservation Officer Date

Description of the Undertaking

[xxx] (Specify federal involvement; include photographs, drawings, location map, etc).

Area of Potential Effect

We define the Area of Potential Effect for this proposed project as [xxx] (written boundary description). Please see the attached map marked with the APE boundary. We made this determination for the following reason(s): [xxx].

Basis for Determining No Historic Properties Affected (Option #1)

To obtain background information on the APE and to identify any potential historic properties, we researched and contacted the following sources:

[xxx] (list surveys, National Register data, research at SHPO office or local govt, etc.)

Based on our initial information search, it is our determination that no historic properties will be affected by this project. We base this finding on: [xxx].

OR

Basis for Determining Historic Properties Affected (Option #2)

To obtain background information on the APE and to identify any potential historic properties, we researched and contacted the following sources:

[xxx] (list surveys, National Register data, research at SHPO office or local govt, etc.)

Based on our initial information search, it is our determination that historic properties will be affected by this project and that additional consultation will be required to assess/resolve effects. We base this finding on: [xxx].

Line of Credit Control System/Voice Response System (LOCCS/VRS) User Guide for Field Staff

The automation of the distribution of Section 202 and Section 811 Capital Advance funds begins with awards made in FY 2009. The Capital Advance funds will be processed through the Line of Credit Control System/Voice Response System (LOCCS/VRS).

NOTE: The manual disbursement for Sponsors/Owners that received funding awards in FY2008 and prior will remain the same.

LOCCS is the system HUD uses to disburse and track the payment of funds to recipients of HUD funding (i.e. Project Owners). Project Owners request program funds, using a touch-tone telephone, through an automated VRS payment system that is maintained by LOCCS. Synthesized text-to-speech dialogue is used to request payment data from the caller.

The VRS requires the caller to enter a LOCCS program Area User ID, password, and a Voice Response number to ensure that the caller has authority to request funds for his/ her particular award. The requested payment amount is checked against the available balance in LOCCS to ensure that the request does not exceed the award's authorized funding limit.

Field staff must coordinate with the Ft. Worth Accounting Center (FWAC) for the *initial* and *final* draws only. A paper check or an electronic funds transfer (EFT) can be processed. All other draws must be processed through the LOCCS/VRS.

Below are detailed instructions to guide staff through this electronic process:

- I. HUD Staff Line of Credit Control System/Voice Response System LOCCS/VRS Access
 - A. Appropriate Program Center (PC) staff must be assigned access to LOCCS/VRS for managing the disbursement of Capital Advance funds under the Section 202 and 811 programs.
 1. The Supervisor must complete a CHAMP Request for the identified staff at <http://useraccess.hud.gov/>. Once the CHAMP request ticket is closed, the supervisor will receive notification.

Note: It is recommended that two staff members (one of which is the mortgage credit examiner) have access to the CAH program area to avoid lack of coverage due to leave, travel, etc.
 2. After the CHAMP process has been completed, designated staff must complete the LOCCS Access Authorization Security Form, HUD-27054-A and the LOCCS Rules of Behavior located at <http://hudatwork.hud.gov/po/f/systems/access/rulesofbehavior.pdf>

- For full access staff must mark an X under the “field office administrative” column in section 12 of form HUD-27054-A.
- The LOCCS Program Area Code "CAH" must be shown in section 12 of form HUD-27054-A.

The completed forms are to be submitted to the LOCCS Office.

3. Upon receipt of that form, if the LOCCS Office determines that a background check is required; staff will be required to submit a limited background investigation package, which should include the following:
 - The SF-85P,
 - SF-87, and
 - A Fair Credit Reporting Authorization.

Note: Send all forms to the address shown on the top of Form HUD-27054-A.

- B. Access Expiration. LOCCS access authorization will expire if LOCCS is not used on a regular basis. To preclude this, all authorized persons should perform some access/query function periodically.
- C. The following provides essential information concerning LOCCS access:
 1. Users are required to change their passwords every sixty days. If this is not done, LOCCS users will get the message “password is invalid”. After four months of non-activity, LOCCS will issue a letter telling the user to access the system and will give a date of termination if the user does not access the system.
 2. If the system is not accessed within a four month period, the user will be unable to access the system and must resubmit form HUD-27054 to the LOCCS Office to have their password reset and to avoid termination of use.

II. Detailed Information on Project Specific Capital Advance Award.

To access LOCCS, staff must first enter their User ID and Password at the LOCCS-Web Login screen accessible through <http://hudatwork.hud.gov/apps/po/f/loc/cs/>.

To view project specific details, staff must enter the project number in the “Account” box and then click “Go”.

- A. LOCCS Screens Tabs. Information is grouped under three distinctive tabs.
 1. General. Information available under the “General” tab will be the made available immediately after entering the project number. This tab provides an overview of the award, the payee (sponsor/owner), and their financial institution.
 2. Budget. The second tab provides a detailed breakdown of the approved

budget as well as document all disbursements made against a budget line item (BLI). Specifically, the tab provides the following information for each BLI:

- Amount Authorized
- Amount Disbursed
- In Process (i.e. amount in voucher pending payment stage)
- Balance.

3. Vouchers. The third tab allows PC staff to review the voucher payment history by clicking on the “Vouchers” tab on the Grant Detail screen. Once on this screen, each voucher number appears as a link. Clicking on a voucher number link will show the amounts requested for each budget line item. Compare these amounts with those the Owner/title company provides on their LOCCS/VRS Payment Vouchers form (HUD-50080-CAH). Note: The Disbursement History screen shows similar information, once vouchers are paid.

- B. Actions. To view more detailed information about an award or to make necessary changes to an award, staff will access the appropriate prompt from the “Action” menu available from the “General” tab. The following actions can be initiated from this listing:

- Contract Dates
- Grant History
- PAS Project Detail
- Disbursement History
- Budget Update
- Update Review Threshold
- Project Notes
- Update Mailing Address
- Suspend/Unsuspend
- Revise Budget Disbursement

Note: To designate program edits use the Update Review Thresholds screen. Setting edits is optional, but they can be used if a higher level of monitoring is needed.

Using the Owner/title company’s LOCCS account the Grant History screen gives a complete record of all actions taken over the term of the award. The information can be viewed by total amount or broken down into specific budget line items.

III. Entering and Maintaining Budget Information in LOCCS.

- A. Upon receipt of the obligating document and the Owner Entity banking information, FWAC will link obligation to LOCCS.

- B.** FO staff with LOCCS authorized administrative access capability must then “spread” the approved dollar amount to each of the applicable budget line item (BLI). To spread the funds, staff must use the Budget Update Line Items screen. The approved dollar amounts must be entered in the applicable BLI as follows:
- 1010 - Construction Contract
 - 1020 - Architect’s Fee
 - 1030 - Bond Premium
 - 1040 - Carrying Charges
 - 1050 - Building Permits, Variance, Impact Fees
 - 1060 - L O A Fees (legal, organization, audit)
 - 1070 – Developer’s Fee
 - 1080 - Contingency Reserve (sub-rehab only)
 - 1090 - Other Fees
- C.** Once the spread is confirmed, the funds are ready for drawdown. Upon confirmation, LOCCS immediately generates a 10-digit VRS number. To obtain that number, FO staff should access the Grant Detail screen after they have confirmed the spread of funds.
- D.** FO staff should then send an email to the owner/title company providing them with their 10-digit VRS number.

IV. Disbursement of Funds.

- A.** The Requisition for Disbursement of funds is done on Form HUD-92403-CA and the LOCCS Payment Voucher, form HUD-50080-CAH.
1. The Owner/title company initiates all requests and submits the forms along with supporting materials to the HUD office for review and approval.
- Note: Supporting materials to Form HUD-92403-CA and HUD-50080-CAH includes bills/receipts, updated title report, and Form HUD-92448, Contractor’s Requisition, if requesting construction funds.
2. The HUD PC Director signs Forms HUD-92403-CA and HUD-92448, in the following spaces:
- a. Under Authorized HUD Official for Form HUD-92403-CA,
and
 - b. Under Director, Housing Development for Form HUD-92448.
3. The forms are to be distributed as follows:
- a. Copy to PC Docket.

- b. Copy to Owner and/or title company.
- B. Processing Disbursements requests must be in accordance with procedures stated in Handbooks 4470.1 REV, Mortgage Credit Analysis for Project Mortgage Insurance, Section 207, and 4480.1, Multifamily Underwriting Reports.
 - 1. HUD's role in processing HUD-92403-CA.
 - a. Complete application indicating:
 - Amount requested by Owner;
 - Approximate disbursement date;
 - Amount to be advanced from capital advance proceeds;
 - Amount disbursed from Owner's front money escrow, if any; and
 - Total loan proceeds disbursed including current request.
 - b. Make certain that the title is clear before advancing the approved disbursement.
 - c. Notify the Owner in writing when clear title does not exist.
 - 2. General Requirements for Owner.
 - a. On each Form HUD-92403-CA, the Owner must state the cumulative amount of all disbursements received including the one being requested. If this total differs from the amount of disbursements approved, the HUD staff person performing the review must contact the Owner and resolve the discrepancy.
 - b. With each disbursement request, the Owner must submit supporting documents as required.
 - c. Request for disbursement from the Developer's Fee must be in accordance with those items identified by the Owner and approved by HUD.
 - 3. When processing Form HUD-92403-CA, HUD staff should compare the construction progress percentage to the contractor's Progress Schedule which the contractor provided at the preconstruction conference, and review the most current inspection report to determine if there are any serious problems which should be discussed with the Owner and the Owner's development team regarding the fact that the contractor is behind schedule.
- C. Upon approval of Form HUD-92403-CA, the Mortgage Credit Examiner must make sure that the amounts requested on form HUD-50080-CAH is acceptable.

PC staff must access LOCCS and approve or reject all payment voucher requests before funds are transferred. PC staff must notify the applicable individual of their action.

Disbursements will be made directly by the LOCCS/VRS system:

1. To the Owner's account;
 2. Through a title insurance company; or
 3. To other agent satisfactory to the Owner and HUD.
- E.** To ensure that the caller has authority to request funds for a award, the VRS requires the caller to enter the following access information:
1. LOCCS program Area User ID;
 2. Password; and
 3. The ten-digit Voice Response number.

Note: The Owner/title company will need the three-digit program number as "105" when submitting their voucher(s) in LOCCS/VRS.

F. Reviewing Vouchers.

1. The Workload link, available of the left menu bar of the Front Page, will provide the following information for all awards in each LOCCS program area:
 - Administrative
 - Contract Changes
 - Vouchers to Verify
 - Vouchers to Review
 - Payment Rejects
 - Suspensions
 - Payments in Error
 - a. PC staff should access the Workload link each time they log into LOCCS. It is essential that staff stay up-to-date on workload issues. Checking the current workload items each time LOCCS is used is the best way to do this.
 - b. The two most important areas are Contract Changes (an action of either obligating or deobligating funds) and Vouchers to Review (approving out for review).
2. Vouchers to Review. Routinely accessing this link ensures that vouchers are reviewed quickly and any outstanding problems are immediately resolved. This screen lists all of the awards that have pending vouchers.
 - a. Checking the box that corresponds to the voucher being reviewed will take the user directly to the actual Owner/title company's voucher approval screen.
 - b. The reviewer must approve or reject the voucher and provide any notes deemed necessary.

- c. Clicking the “Approved” then “Submit” button initiates the process to transfer the approved funds to the designated bank account.
- The requested payment amount is checked against the available balance in LOCCS to ensure that the request does not exceed the grant's authorized funding limit. LOCCS will only allow one draw per day on a given account.
- Once a request/draw is approved, funds are sent from the U. S. Treasury directly to the applicable bank account, usually within 48 hours from the day the request is made.

Note: LOCCS/VRS Instructions and forms for Project Owners can be downloaded at <http://hudatwork.hud.gov/po/f/systems/locvrs.cfm>

**Fair Housing and Equal Opportunity (FHEO)
Review of the Supportive Housing for the Elderly (Section 202) and the Supportive
Housing for Persons with Disabilities (Section 811) Notices of Funding Availability for
Fiscal Years 2010 and 2011**

I. Purpose and Background

This addendum provides guidance to FHEO personnel on how to review and evaluate applications for the FY2010 and FY 2011 Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs' Notices of Funding Availability (NOFAs). This addendum discusses and clarifies FHEO's responsibilities when reviewing application for both of these programs.¹ First, this addendum defines terms used throughout the guidance. Second, the addendum explains FHEO's role in the review process. Third, the addendum discusses provisions in the NOFA that specifically concern FHEO. Finally, in a question and answer format, the addendum explains both the application requirements and how FHEO should assign points to applicants.

II. Definitions

A. Area of minority concentration and minority neighborhood; and non-minority neighborhood. The NOFAs define an area of minority concentration as a neighborhood where:

1. The neighborhood's percentage of persons of a particular racial or ethnic minority is at least 20 percentage points higher than the percentage of that particular racial or ethnic minority in the housing market area; or
2. The neighborhood's total percentage of minority persons is at least 20 percentage points higher than the total percentage of minorities in the housing market area; or
3. In the case of a metropolitan area, the neighborhood's total percentage of minority persons exceeds 50 percent of its population.

The NOFAs define non-minority area as an area in which the minority population is lower than 10 percent.

B. Elderly. An elderly person is a person who is 62 years of age or older.

¹ Please note that this guidance is an internal HUD document intended solely to assist FHEO in the review of Section 202 and Section 811 applications. This guidance shall not be shared with persons outside of HUD.

- C. **Housing market area.** A housing market area is the geographic region where likely renters and purchasers would be drawn for a given multifamily housing project.

housing market area usually corresponds to a Metropolitan Statistical Area (MSA), which in most cases consists of one or more counties or several adjacent municipalities. To ensure consistency, local FHEO field staff should check with the Economic and Market Analysis staff to make sure that the same market areas are used.

- D. **Metropolitan area.** A metropolitan area is the area established by the Office of Management and Budget as a Metropolitan Statistical Area (MSA).
- E. **Minority.** The basic racial and ethnic categories for Federal statistics and administrative reporting for the purposes of these NOFAs can be found in the HUD form H-27061-H, Race and Ethnic Data Reporting Form. They are Hispanic/Latino, American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, and White.
- F. **Overriding need or sufficient and comparable housing opportunities tests.** The overriding needs test and the comparable housing opportunities test are the two tests that determine whether a project may be located within an area of minority concentration. To locate a project within an area of minority concentration, applicants must pass at least one of the two tests.
- I. A site will meet the overriding need test when:
1. The site is an integral part of a local strategy to preserve or restore the immediate neighborhood; or
 2. There is significant private investment in the neighborhood that is demonstrably changing the economic character of the area (a “revitalizing area”).
- II. A site will meet the sufficient and comparable housing opportunities test when:
1. Sufficient housing for minority elderly persons (202) or minority persons with disabilities (811) exist in areas outside of the area of minority concentration.
 - a. Sufficient means that there is a reasonable distribution of assisted units each year which over a period of several years will approach an appropriate balance of housing opportunities within and outside of areas of minority concentration, and will take into account local conditions affecting available housing choice.
 - b. Comparable units means units of the same household type (elderly or

disabled), tenure type (owner/renter), approximate tenant payment, serving the same income group, located in the same housing market, and in the same standard condition.

The regulations at 24 CFR 891.125(c) elaborate on these tests.

G. Person with disabilities. Persons with disabilities are defined pursuant to regulations issued by the Secretary. To meet the criteria of the regulations, a person must have a physical, mental, or emotional impairment which: (A) is expected to be of long-continued and indefinite duration, (B) substantially impeded his or her ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions. A person with a developmental disability shall also be considered to have a disability. See Section 811(k)(2)(A-C) of the Cranston-Gonzales National Affordable Housing Act.

HUD regulations at 24 CFR 891.305 define persons with disabilities to include:

1. A person who has a developmental disability, as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5)), i.e., if he or she has a severe chronic disability which:
 - a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is manifested before the person attains age 22;
 - c. Is likely to continue indefinitely;
 - d. Results in substantial functional limitation in three or more of the following areas of major life activity:
 - (1) Self-care;
 - (2) Receptive and expressive language;
 - (3) Learning;
 - (4) Mobility;
 - (5) Self-direction;
 - (6) Capacity for independent living; and
 - (7) Economic self-sufficiency.
 - e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned or coordinated; or
2. A person with a chronic mental illness – a person having a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently and that would be improved by more suitable housing conditions;

or

3. A person infected with the human acquired immunodeficiency virus, (HIV) and a person who suffers from alcoholism or drug addiction, provided they meet the definition of a person with a disability, as defined in 42 U.S.C. 8013(k)(2). A person whose sole impairment is a diagnosis of HIV-positive or alcoholism or drug addiction (i.e., does not meet the qualifying criteria in Section 811 (42 U.S.C. 8013(k)(2)) will not be eligible for occupancy in a Section 811 project.

III. FHEO's Role in the Review Process

FHEO staff performs the following tasks during the review process.

- A. FHEO works with Multifamily Housing Field Office staff to notify the following persons or groups about the Section 202 and Section 811 NOFA:
 1. Organizations that provide information to the elderly and persons with disabilities generally, and minority elderly/persons with disabilities in particular;
 2. All persons and other organizations on Field Office mailing lists;
 3. Minority and other organizations involved in housing and community development within their jurisdictions; and
 4. Groups with a special interest in housing for the elderly and persons with disabilities.
- B. FHEO participates in the Multifamily Housing Field Office's Section 202 and Section 811 workshops and pre-workshops by presenting information to all potential sponsors on the civil rights requirements of the programs.
- C. FHEO participates in the Technical Review Process by evaluating the applications and awarding points in accordance with the guidance provided below, as well as with other guidance that is issued by the Office of Housing for the overall review process for the Sections 202 and 811 Supportive Housing Notices of Funding Availability.
- D. FHEO serves on the Rating Panel that is convened by the local Multifamily Program Director to review the applications. FHEO advises the panel members regarding the applications that will best meet civil rights and fair housing objectives. FHEO's review responsibility is significant because an applicant's score based on the civil rights criteria in the program NOFAs may result in an applicant receiving funding over another applicant.

IV. NOFA Provisions Concerning FHEO

Overview of Ratings Factors and Points for the 202 and 811 NOFAs:

| | FHEO Assigns a Rating | | | FHEO Does Not Assign a Rating, but Makes Recommendations for Points | | |
|-----------------|---|----------------------------------|---------------------------------|---|--|---|
| Rating Factors | 1.b.(1) 1.b.(2) 1.b.(3) | 3.b. | 3.l.-202 3.k.1.-811 | 2.b. | 3.i. – 202 3.e. – 811 | 3.m. – 202 3.k.2.– 811 |
| Point Breakdown | Total of 8 points in each NOFA– FHEO scores 5points in each NOFA. | Total of 5 points for each NOFA. | Total of 1 point for each NOFA. | Total of 2 points (202) and 3 points (811) | Total of 1 point (202), and 2 points (811) | Total of 1 policy priority point for each NOFA. |

A. The following provisions in the Section 202 and Section 811 Supportive Housing NOFAs concern FHEO:

1. Factors Scored by FHEO. FHEO staff scores the following Standard Rating Factors for the Section 202 and Section 811 NOFAs:

- a. **Rating Factor 1.b. (1)(2) and (3) for 202 and 811 NOFA applicants (8 points in each NOFA); Capacity of the Applicant and Relevant Organizational Staff.** The scope, extent, and quality of an applicant’s experience in providing housing and related services to minority persons or minority families and its ties to the community at large. For 202 applicants, this includes minority elderly persons. For 811 applicants, this includes minority persons with disabilities.
 - 1) 2 points. The scope, extent, and quality of the applicant’s experience in providing housing to minority persons or minority families.
 - 2) 1 point. The scope, extent, and quality of the applicant’s experience in providing services to minority persons or minority families.
 - 3) 5 points. The scope, extent, and quality of the applicant’s ties to the community at large. FHEO scores two of the five points based on the scope, extent and quality of the applicant’s ties to the minority community.

To earn the maximum number of points under sub-criteria (b)(1) and (b)(2), above, the applicant must describe *significant previous experience* in providing housing and supportive services to minorities generally and to

minority elderly persons and persons with a disability in particular.

Please see Question and Answer Section V.C.a.4 for further discussion of significant previous experience. Significant previous experience means in general that the applicant must describe significant previous experience in and supportive services to minorities generally and to minority elder/disabled, in particular. There are, however, variations in methods of evaluation for significant previous experience between the 202 and 811 NOFAs which are discussed in the Question and Answer section.

- b. **Rating Factor 3b for 202 and 811 applicants (5 points in each NOFA); Affirmatively Furthering Fair Housing (AFFH).** Applicants must address the quality and effectiveness of their proposal to provide housing and supportive services in such a way as to remedy barriers to fair housing for elderly (202) and disabled (811) low-income residents of the community. The application should demonstrate how the proposed project will address one or more impediments identified in the applicable local community's Analysis of Impediments to Fair Housing Choice (AI), increasing fair housing choice regardless of race, color, national origin, religion, sex, familial status, and disability and what activities applicant will take to AFFH. In evaluating all aspects of this factor, actions that are comprehensive, innovative, and likely to become models for "best practices" will be awarded the most points. The following affirmative fair housing activities must be addressed:
- 1) **(1 point). Limited English Proficiency (LEP).** Applicants will receive one point for LEP if they demonstrate that they have conducted a four-factor analysis of language needs for the jurisdiction(s) they serve, have implemented a language implementation plan for written and oral language interpretation, have trained their staff members on LEP, and translated vital documents in target language(s).
 - 2) **(2 points). Affirmative Fair Housing Marketing (AFHM).** Applicants must describe past strategies to reach persons that are least likely to apply for the housing, and address planned improvements. Methods may include various media outlets, informational brochures, working with community leaders, LEP services, and other new and innovative approaches.
 - 3) **(2 points). Site and Neighborhood Standards.** Applicants must choose a site location that provides desirable housing to residents and promotes greater choice of housing opportunities for minority elderly (202) and disabled (811) persons/families. In reviewing this criterion, HUD will assess whether the site meets the site and neighborhood standards at 24 CFR 891.125(b) and (c), and examine relevant data in the application or in the local HUD Office. Where appropriate, HUD may visit the site.

Exhibit 4(e) of the 202 NOFA provides further guidance on the LEP, AFHM, and site and neighborhood standards requirements. For site and neighborhood standards, the terms “minority neighborhood” and “minority concentration” are defined above in the definitions section.

c. **Rating Factor 3l for 202 and 3k (1) for 811 NOFA applicants (1 point each): Section 3 of the Housing and Urban Development Act of 1968**

FHEO will review the extent to which the applicant describes the following (at a minimum): the number of new employment opportunities the applicant anticipates will be created during the proposed project/activities; the type and amount of contracting opportunities that will be generated during the proposed project/activities; how Section 3 residents and business concerns will be targeted for these opportunities; efforts the applicant intends to take to facilitate the employment and/or awarding of contracts to these individuals; processes that will be used to ensure contractor compliance; and staff persons responsible for ensuring compliance with subparts B and E of 24 CFR Part 135. For both the 202 and 811 NOFAs, FHEO will award (1) point to applicants who provide a thorough description of their efforts to conduct the above-mentioned activities.

2. Other Rating Factors. FHEO reviewers make recommendations on, but do not rate the following rating factors:

a. **Rating Factor 2b (2 points for the 202 NOFA applicants), (3 points for the 811 NOFA applicants): Integration of Fair Housing Planning Documents.**

The extent that an applicant established a connection between the project and the community’s Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI) or other planning document that analyzes fair housing issues and is prepared by a local planning or similar organization.

b. **Rating Factor 3i for 202 NOFA applicants (1 point); Rating Factor 3e for 811 NOFA applicants (2 points): Target Population Involvement.**

For 202 applicants, FHEO will review the level of involvement of elderly persons, particularly minority elderly, in the development of the application. For 811 applicants, FHEO will review the level of involvement of disabled persons, including minority disabled persons, in the development of the application. For both the 202 and 811 NOFA applicants, FHEO will review the plans to involve such persons in the development and operation of the project.

c. **Rating Factor 3m for 202 NOFA applicants; Rating Factor 3k(2) for 811 NOFA applicants (one point); Policy Priority – Job Creation/Employment**

As explained in the General Section and in Section III.C.4 of this NOFA, under the Job Creation/Employment policy priority, HUD seeks to fund sponsors that undertake activities that sustain economic development in low-income communities and create jobs for low-income populations and communities. The

activities must be more comprehensive and exceed those required under HUD's Section 3 requirements. **See the Question and Answer Section V.C.d.2 for further discussion on meeting the requirements for this policy priority.**

B. Section 811 NOFA Specific Requirements.

FHEO reviewers should be aware of the following requirements when reviewing applications submitted for the Section 811 Supportive Housing for Persons with Disabilities Program:

1. Section 811 Occupancy. In the application submission requirements (Exhibit 5 (a), Supportive Services Plan), where the applicant is asked to specify whether the proposed housing will serve persons with physical, developmental or chronic mental disabilities, the phrase “or any combination of the three” makes it clear that the applicant does not have to restrict occupancy to persons with **one** of the three types of disabilities. For example, the applicant may serve both persons with physical and persons with developmental disabilities.
2. Applicants Cannot Require Residents to Accept Supportive Services. (Exhibit 5(j)) Applicants’ supportive services plans must include a statement in their applications stating that they will not require residents to accept any supportive services as a condition of occupancy. Although the acceptance of services has never been a program requirement, the Department has been informed that in many cases applicants have required residents to accept services in order to live in housing for persons with disabilities developed under either the old Section 202 Program or the Section 811 Program. **Residents must be free to choose between accepting supportive services offered by the applicant, obtaining supportive services on the open market, or deciding to receive no supportive services at all.**

V. Questions and Answers

The following questions and answers address issues pertaining to FHEO's role in the review process for applications submitted under both NOFAs:

A. 2010 General Section Threshold Criteria

- 1. Q. Do the Threshold Criteria contained in the 2010 General Section of the NOFA apply to the Section 202 and Section 811 Program NOFA applications?**

A. Yes. The civil rights threshold at 2010 General Section III.C.2.d., "Resolution of Outstanding Civil Rights Matters," applies.
- 2. Q. How does the Department determine whether an applicant has passed the civil rights threshold and requirements?**

A. The Department determines whether an applicant has passed the civil rights threshold through the following steps:

 1. Multifamily Housing staff should share with FHEO staff and the nearest FHEO Regional Office the list of applicants that have submitted applications to the Field Office.
 2. Using the list of applicants, FHEO staff should then access the Civil Rights Threshold Violations List. The list may be found by going to the [HUD@Work](http://hudatwork.hud.gov/po/e/FERReview/threshold.cfm) Website and entering the following web address: <http://hudatwork.hud.gov/po/e/FERReview/threshold.cfm>. After reviewing the list, FHEO reviewers must note if any of the applicants appear on the list.
 3. FHEO field staff shall compile all information on the applicant and report to the Multifamily Housing staff on whether the applicant has passed or failed the civil rights threshold.

B. Affirmatively Furthering Fair Housing and Nondiscrimination Requirements

- 1. Q. Does the affirmatively furthering fair housing language of the 2010 General Section also applies to applicants for Section 202 and Section 811 funding?**

A. Yes. All successful applicants have a duty to affirmatively further fair housing in accordance with the 2010 General Section III.C.5.b., "Affirmatively Furthering Fair Housing (AFFH)."
- 2. Q. How do civil rights statutes and other nondiscrimination requirements apply to Section 202 and Section 811 applicants?**

A. The following authorities require applicants to comply with civil rights and nondiscrimination statutes and regulations:

1. 2010 General Section III.C.5.a., “Compliance with Fair Housing and Civil Rights Laws,” obligates all applicants to comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to:
 - The Fair Housing Act;
 - Title VI of the Civil Rights Act of 1964;
 - Section 504 of the Rehabilitation Act of 1973;
 - Title II of the Americans with Disabilities Act of 1990;
 - Section 109 of the Housing and Community Development Act of 1974;

Additionally, if the applicant’s state or local government has passed a law or laws proscribing discrimination in housing based on sexual orientation or gender identity, or a law or laws proscribing discrimination based on lawful source of income, the applicant and any proposed sub recipients must comply with those laws.

2. 2010 General Section III.C.5.c., “Executive Order 13166,” obligates applicants and their sub- recipients to take reasonable steps to ensure meaningful access to their programs and activities to individuals with Limited English Proficiency (LEP).
3. 2010 General Section III.C.5.d., “Economic Opportunities for Low-and Very Low-income Persons,” requires recipients of assistance to comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3). Section 3 requires recipients to ensure that training, employment, and contracting be directed to low- and very low-income persons and Section 3 business concerns in the area in which the project is located.
4. 2010 General Section IV.F.2.a.4, “Certification and Assurances Applicable to All Applicants,” provides that by signing the application submission, the applicant is agreeing to all assurances and certifications, including civil rights-related and fair housing certifications.
5. 2010 General Section I.B.2.e., “Accessibility/Visitability,” encourages applicants to add accessible design features beyond those required under civil rights laws and regulations to earn policy priority points for sustainability. In addition, 2010 General Section III.C.5.f., and Section 508 of the Rehabilitation Act requires HUD to utilize electronic and information technology (EIT) that is accessible to persons with

disabilities. HUD encourages its funding recipients to adopt the goals and objectives of Section 508 by ensuring whenever EIT is used, procured, or developed, that persons with disabilities have access to and use of the EIT on a comparable basis as is made available to and used by persons without disabilities.

C. Rating factors for which FHEO awards points

a. Rating Factor 1b. (1) and (2) of both NOFAs: Capacity of the Applicant and Relevant Organizational Staff.

1. Q. What must the applicant submit in response to Rating Factor 1b. (1) and (2) in both the 202 and 811 NOFAs?

A. To receive full points for both rating factors, applicants must describe their experience providing housing and supportive services to minorities in general and minority elderly (Section 202) or disabled (Section 811) persons in particular. Responses to Rating Factor 1b.(1) and (2) may include, but are not limited to information on:

1. Any rental housing projects and/or services and facilities owned and/or operated by the applicant;
2. Descriptions of the facilities and services provided;
3. Data on the racial/ethnic composition of the populations served;
4. Information and testimonials from minority residents and/or minority community leaders and/or advocacy groups on the quality of the housing and/or services; and
5. Copies of past advertising/outreach materials and a description of how the applicant will improve upon past affirmative fair housing marketing plans.

These items must be included in the applicants' Exhibit 3(b).

2. Q. How does FHEO evaluate applicants under Rating Factors 1.b(1) (2 points) and 1.b(2) (one point)?

A. FHEO reviews Exhibit 3(b) and the related Rating Factors 1b.(1) and (2) of the application in their entirety. In determining the applicant's ability to develop and operate the proposed housing on a long-term basis, FHEO will consider the scope, extent, and quality of the applicant's experience in providing housing or related services to minority persons and minority families. For 202 applicants, this includes minority elderly persons. For

811 applicants, this includes minority persons with disabilities.

FHEO will consider the narrative descriptions and the numerical data in the application to derive an overall assessment of the applicant's previous housing and/or services experience to minority communities. The data should include the racial and ethnic composition of tenant and/or client populations and; if available, the variety of services and facilities provided, and the specific types of such services and facilities. It shall also consider information provided by Multifamily Housing staff in connection with the applicant's Previous Participation Certificate Review (Form HUD-2530).

3. Q. What if the applicant has no previous experience in housing or related services?

- A. If the applicant has no previous housing experience, FHEO staff must examine all data and all other relevant experience reported in the application. While points may be deducted for lack of experience, nonprofit organizations with little or no housing experience should have an opportunity (based upon their service experience) to compete successfully with larger organizations with significant housing experience. Further clarification is provided over the next two pages.

4. Q. On what basis may FHEO award the maximum number of points for the significant previous experience of the applicant?

- A. 1. Under the 202 NOFA, to earn the maximum points under sub-criteria (b)(1) and (b)(2), the applicant must describe significant previous experience in providing housing and supportive services to minorities generally and to minority elderly in particular.

Under the 811 NOFA, to earn the maximum points under sub criteria (b)(1) and (b)(2), there is an emphasis on quantitative analysis to support the applicant's assertion of significant previous experience. Specifically, "significant previous experience" means that the previous housing assistance or related services to minorities, i.e., the percentage of minorities being provided housing or related services in your current developments, was equal to or greater than the percentage of minorities in the housing market area where the previous housing and services occurred. To determine whether an applicant has met the "significant previous experience," compare the applicant's data on the racial and ethnic composition in each of its current projects to the racial and ethnic composition of the housing market area in which the projects are located. If an applicant operates a large number of projects, the FHEO reviewer may select a random sample of projects that are located close to the proposed project's location.

2. The data can be found in Exhibit 4(a) of the Application, Evidence of Need for Supportive Housing. Reviewers may also obtain such data from analyses of impediments to fair housing choice or other planning documents that analyze fair housing-related issues.
3. The following example illustrates how to award the maximum number of points:

EXAMPLE 1: 811 Applicant X currently operates a project, Leisure Time Apartments, within a housing market area that is adjacent to the proposed location of the applicant's proposed project. The housing market area has a total population that is 75 percent non-minority White, 10 percent African American, 10 percent Hispanic, and five percent Asian. Information contained in the application showed that the racial and ethnic composition of the housing market area's income eligible elderly population is the same as that of the housing market area as a whole. Located in a part of the housing market area that is predominantly non-minority, Leisure Time Apartments has a tenant population that is 65 percent White, 20 percent African American and 15 percent Hispanic. The applicant receives three points because Leisure Time serves minority elderly with its housing and services and has effectively attracted eligible persons from diverse racial and ethnic groups to the project.

5. Q. On what basis may FHEO award less than the maximum number of points?

- A.
 1. Two (2) points. Although the applicant's experience in serving minority persons or minorities families through its housing or services did not meet the definition of "significant previous experience" stated in the NOFA, the applicant did described concrete examples, in either narrative or tabular form, how they served such minority elderly/disabled persons. Concrete examples should include descriptions of specific projects, their racial and ethnic compositions and the types of services provided to the eligible population.
 2. One (1) point. The applicant did not provide concrete examples of housing facilities or services it had implemented in the past, but made only general, limited statements about its housing or services experience.
 3. No points. Applicant has not addressed the issue at all.

b. Rating Factor 1b.(3): Scope, Extent, And Quality of Your Ties to the Community At Large (5 points in each NOFA).

1. Q. What must the applicant submit in response to rating Factor 1b.(3)?

A. The applicant must submit:

1. A description of its ties or historical relationships with the community at large and the minority and elderly (Section 202) or minority and disabled (Section 811) communities in particular (Rating Factor 1b.(3) and Exhibit 3(b), respectively); and
2. Letters from organizations or agencies committing services to the proposed project. The services should be based on the needs of the target population expected to be housed in the proposed project. The applicant should describe why it believes that the organization/agency will follow-through on its commitment to deliver services to the project/residents. Applicants may submit an MOU signed by persons with authority to commit the organization or agency and detailing the specific services to be provided. (See Rating Factor 1b.(3) and Exhibit 3(d)).

2. Q. How will applicants be rated under this criterion?

A. Multifamily Housing reviewers will award up to three (3) points for the applicant's description of its relationships over time with the community at large and the minority and elderly (Section 202) communities or minority and disabled (Section 811) communities, while FHEO reviewers will award up to two (2) points for the applicant's description of its ties to the minority community under each program NOFA.

3. Q. How does FHEO review this rating factor?

A. FHEO must review narrative statements in the application in their entirety, especially in Exhibits 3(a), (b), (d) (e) and (f), to determine the extent of the applicant's ties to the minority community. FHEO's review includes any information from individuals and/or organizations in the community regarding the quality of the facilities or services, and any documentation submitted by the applicant, such as letters from minority community leaders, heads of minority organizations, residents of other projects operated by the applicant, etc, which are required as Exhibit 3(d). Such documentation must contain specific information about the extent of the relationship with the applicant over time. In addition, you should review any information and testimonials from residents or community leaders on the quality of the activities. Finally, FHEO reviewers should look at copies of affirmative fair housing marketing plans and the advertising/outreach materials utilized to attract minorities communities (including limited English proficient communities).

4. Q. **On what basis does FHEO award the maximum two (2) points for the applicant's description of its relationships over time with the minority community?**
 - A. The applicant receives the two (2) points if it describes in detail its relationships over time with the minority community, including working relationships with minority community-based organizations; and the letters of support give detailed information about the organization's relationship with the applicant over time. The applicant could also receive two (2) points if it includes copies of affirmative fair housing marketing plans and sufficient information regarding the advertising/outreach materials utilized to attract minority groups (including limited English proficient populations). To earn the maximum points, applicants should identify where advertising/outreach materials are circulated, whom they are circulated to, and how frequently they are circulated.
 5. Q. **On what basis does FHEO award less than the maximum number of points on this Rating Factor?**
 - A. FHEO should award one point if there is minimal description of the working relationship over time with community based organizations, limited number of letters of support or affirmative marketing plans with limited specificity. FHEO should award zero points if the applicant did not address the issue at all. If the basis of the applicant's response was letters of support but those letters did not give any detailed information about the working relationships with the applicant over time, the FHEO reviewer should also award zero points. Finally, if the basis of the applicant's response was its affirmative marketing efforts, the FHEO reviewer shall award zero points if the information regarding efforts to attract minorities did not identify where advertising/outreach materials were circulated, whom they were circulated to, and how frequently they were circulated.
- c. **Rating Factor 3b for 202 and 811 applicants: Affirmatively Furthering Fair Housing (5 points in each NOFA).**
1. Q. **What does the NOFA require HUD to consider regarding affirmatively furthering fair housing choice?**
 - A. This sub-rating factor addresses the quality and effectiveness of a proposal to provide housing and supportive services in such a way as to remedy barriers to fair housing for elderly (Section 202) or disabled (Section 811) low-income residents of the community. The application should demonstrate how the proposed project will address one or more impediments identified in the applicable local community's Analysis of Impediments to Fair Housing Choice (AI), increasing fair housing choice

regardless of race, color, national origin, religion, sex, familial status, and disability, and what activities applicant will take to AFFH. In evaluating all aspects of these factors, actions that are comprehensive, innovative, and likely to become models for “best practices” will be awarded the most points. The following affirmative fair housing activities must be addressed:

- (1) **(1 point). Limited English Proficiency (LEP).** Applicants will receive one point for LEP if they demonstrate that they have conducted a four-factor analysis of language needs for the jurisdiction(s) they serve, have implemented a language implementation plan for written and oral language interpretation, have trained staff members on LEP, and translated vital documents in target language(s).
- (2) **(2 points). Affirmative Fair Housing Marketing (AFHM).** Applicants must describe past strategies to reach persons that are least likely to apply for the housing. Applicants should base their marketing on local demographics to achieve a condition in which individuals of similar income levels in the same housing market area have a like range of housing choices available to them regardless of their race, color, national origin, religion, gender, disability, or familial status (see 24 CFR 200.600 et seq. for additional guidance). Affirmative fair housing marketing helps owners/agents effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy in the housing project. Applicants’ methods may include various media outlets, informational brochures, working with community leaders, LEP services, and other new and innovative approaches. Applicants should describe any past AFHM activities that they have engaged in. Specifically, they should describe their past affirmative marketing goals, planning, training, evaluation methods, community contacts, and how they intend to improve on their past efforts in these specific areas. If applicants have not engaged in affirmative fair housing marketing before, they should describe their proposed goals, planning, training, evaluation methods, and community contacts that will help ensure a successful AFHM effort.
- (3) **(2 points). Site and Neighborhood Standards.** Applicants should provide a narrative describing the location and demographics of the site, the suitability of the site and area (as well as a description of the characteristics of the neighborhood), and how the applicant will comply with the requirements contained in 24 CFR § 891.125 in Exhibit 4(e). The site will be deemed acceptable if it increases housing choice and opportunity by expanding housing opportunities in non-minority neighborhoods (if located in such a neighborhood). If the site will be located in a minority neighborhood, the site will be deemed acceptable if it satisfies either the overriding needs test or the sufficient and comparable

tests as specified in the definitions section and regulation.

2. Q. What materials must the applicant submit to support a showing of acceptability under the program's Site and Neighborhood Standards at 24 CFR 891.125(b) and (c)?

- A. The NOFA requires the applicant to submit a narrative with topographical and demographic description of the suitability of the site and area, and how the site will promote greater choice of housing opportunities for minority elderly/minority persons with disabilities, thereby affirmatively furthering fair housing. This will be in applicants' Exhibit 4(d)(v).

3. Q. How does HUD review the proposed site for its potential for promoting greater housing choice and opportunity?

- A. In determining whether a site promotes housing choice for minority elderly/minority persons with disabilities, FHEO reviewers should review an applicant's submissions under Exhibits 4(d) and 4(a).

Exhibit 4(d) will provide information concerning:

1. The existence of other assisted housing (including Section 202, Section 811 and low-income public housing projects) that houses such persons; and
2. The location(s) of such housing.

Exhibit 4(a) will provide information on whether a minority-concentrated area has an unmet need for housing for minority elderly/persons with disabilities. In this instance, FHEO determines whether the proposed housing and this location address that need.

4. Q. The Section 202 and Section 811 Programs include the Department's Site and Neighborhood Standards (24 CFR 891.125). In summary, what do these standards say?

- A. The Department's Site and Neighborhood Standards say the following:
1. New construction may not be located in an area of minority concentration or in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
 2. New construction may be located in an area of minority concentration if:
 - a. Sufficient and comparable housing opportunities exist for minority elderly/persons with disabilities in the income range to be served by

the proposed project outside areas of minority concentration; or

- b. The project is necessary to meet an overriding need that cannot be met elsewhere in the jurisdiction. An overriding need permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably changing the economic character of the area (a “revitalizing area”).

Note: for newly constructed sites, the site must be located in an area that meets the standards described above and the standards described below in paragraph 3. See 24 CFR 891.125(a)-(f).

- 3. All sites (including those that are newly constructed, rehabilitated, or acquired with or without rehabilitation) must meet ALL of the standards discussed at 24 CFR 891.125, subsections (a), (b), (d), and (e). For Section 811 applicants, the additional standards in 24 CFR 891.320 apply. (See 24 CFR 891.125(f)).

5. Q. Are there specific site and neighborhood standards that protect persons with disabilities?

- A. Yes. 24 C.F.R. § 8.4(b)(5) provides that recipients of federal financial assistance may not select a site or location that would:

1) Exclude qualified individuals with handicaps, deny them benefits of the funding, or otherwise subject those individuals to discrimination; or

2) Defeat or substantially impair the accomplishment of the objectives of the program or activity with respect to qualified individuals with handicaps.

6. Q. How does FHEO determine the racial and ethnic composition of the area in which a proposed site is located, and which set of Census data should be used to make these determinations?

- A. FHEO reviewers should use the most recent Census data to evaluate Exhibits 4(d)(vi) of the application to determine whether a proposed site is located in an “area of minority concentration or minority neighborhood” as defined by this guidance. To make this determination, FHEO reviewers should conduct the following analysis for the location of the proposed site:
Census data can be found at:

<http://factfinder.census.gov/servlet/BasicFactsServlet>.

1. Use the most recent Census data to compare the percentage of a particular racial or ethnic minority in the neighborhood in which the proposed project is to be located with the percentage of the same racial or ethnic minority in the housing market area. If the percentage of a particular racial or ethnic minority is at least 20 percentage points higher in the neighborhood than in housing market area, the project is located in an area of minority concentration; or
2. Use the most recent Census data to compare the percentage of minority persons in the neighborhood in which the proposed project is to be located with the percentage of minority persons in the housing market area. If the percentage of minority persons is at least 20 percentage points higher in the neighborhood than in housing market area, the site is located in an area of minority concentration; or
3. If the project site is a metropolitan area, use the most recent Census data to compare the percentage of minority persons in the neighborhood in which the proposed project is to be located with the total population of the neighborhood. If minority persons make up more than 50 percent of the neighborhood's population, the site is located in an area of minority concentration.

EXAMPLES:

Housing Market Area A's population is 1% Asian. Neighborhood B's population is 20% Asian. Neighborhood B is not an area of minority concentration, since 20% is not at least 20 percentage points more than 1%.

Housing Market Area Y's population is 1% Asian. Neighborhood Z's population is 21% Asian. Neighborhood Z is an area of minority concentration because 21% is at least 20 percentage points more than 1%.

Housing Market Area C's population is made up of several different racial and ethnic groups; the total minority percentage is 30%. Neighborhood D's population has a total minority percentage of 49%. Neighborhood D is not an area of minority concentration, since 49% is not at least 20 percentage points more than 30%.

Housing Market Area F's population has a total minority percentage of 30%. Neighborhood G's population has a total minority percentage of 50%. Neighborhood G is an area of minority concentration because 50% is at least 20 percentage points more than 30%.

The minority population of Neighborhood B is 49% of the total population of the neighborhood. Neighborhood B is not an area of minority concentration, since 49% is not more than 50% of the neighborhood's total population.

The minority population of Neighborhood C is 51% of the total population of the neighborhood. Neighborhood C is an area of minority concentration because 51% is more than 50% of the neighborhood's total population.

7.Q. How are these standards to be applied in this competition?

A. In rating sites that are located within areas of minority concentration or racially mixed areas, reviewers shall consider the following questions:

1. How does the site address the housing needs of minority elderly/minority persons with disabilities?

To help you answer this question, note that it is also addressed in Rating Factor 2, Need/Extent of the Problem, which addresses the need for the proposed development. Your comments on Rating Factor 2 should be considered with your comments on this factor.

2. How will the site contribute to overall neighborhood revitalization as part of an overall revitalization plan or contribute to major private investment occurring in the neighborhood?
3. How will the site improve the quality of facilities and services to minority elderly/persons with disabilities?
4. Are there comparable housing opportunities, e.g., other Section 202 or Section 811 projects, located outside of the area of minority concentration?

Points should be awarded as follows:

1. Two (2) points for Section 202 and Section 811 applicants if the site meets sub-criterion (a) below and any one of the three parts of sub-criterion (b) below:
 - a. The site is located in a minority/racially-mixed area with a need for such housing, and has relatively little other subsidized housing; and
 - b. (1) The project is to be the first Section 202 or Section 811 project in the neighborhood and/or is part of ongoing private investment in the neighborhood; or part of a neighborhood revitalization

plan undertaken by the local jurisdiction; or

- (2) The project is part of the Consolidated Plan's Annual Plan or is a tool for addressing impediments identified in the jurisdiction's Analysis of Impediments to Fair Housing Choice (AI); or
- (3) There are sufficient and comparable units outside of the minority/racially-mixed area that will be available to minority elderly or minority persons with disabilities, thus providing housing choices for those elderly minority persons or minority persons with disabilities who live inside and outside minority communities.

2. One (1) point for Section 202 and Section 811:

- a. The site is located in a minority/racially-mixed area with a need for such housing, and
 - b. The project contributes to meeting the overall need for housing minority elderly/minority persons with disabilities; but
 - (1) There are no or few comparable housing opportunities outside of minority/racially-mixed areas;
 - (2) The project is not part of an overall revitalization plan and is part of an overriding housing need in the community; and
 - (3) The project already contributes to heavily concentration assisted housing.
3. Zero points: None of the above. The proposed site does not promote choice of housing opportunities for minority elderly/disabled persons.

8. Q. What if a proposed site is located within a non-minority area?

A. When the proposed sites are located within non-minority areas or areas with few minorities, reviewers shall consider the following questions:

- 1. How does the site address the housing need in the community as a whole, including minority and non-minority areas, even if assisted housing units exist in the non-minority area, including Section 202 or Section 811 housing?
- 2. Do both the non-minority area and a minority area adjacent to it have assisted housing and an unmet need for housing for minority

elderly/persons with disabilities?

3. Will the project offer new housing opportunities for which elderly/persons with disabilities will apply?

Points should be awarded as follows:

1. Two (2) points for Section 202 and Section 811:
 - a. The site addresses the need of the community as a whole for housing; and
 - b. The site creates comparable housing opportunities for which minority elderly/persons with disabilities who reside within areas of minority concentration will apply.
2. One (1) point for Section 202 and Section 811:

The site addresses the need of the community as a whole, but does not offer minority elderly/persons with disabilities comparable housing opportunities for which they will apply.
3. Zero points (Both programs): None of the above. The proposal does not promote greater choice of housing opportunities for minority elderly/persons with disabilities, nor does it address the need within the non-minority area.

**d. Rating Factor 3.l for 202 and 3.k(1) for 811 NOFA applicants (1 point each):
Section 3 of the Housing and Urban Development Act of 1968.**

1. Q. What must the applicant submit in response to Rating Factor 3.l. and 3k(1)?

- A. An applicants must submit documentation that clearly describes how it will fulfill its responsibility to comply with Section 3; providing opportunities to train and employ low and very-low income residents of the project area and award contracts to Section 3 business concerns located in the project area (See 24 CFR part 135):
 1. With respect to training, contracting, and employment opportunities, applications should outline:
 - a. the number of new employment opportunities they anticipate will be created during the proposed project/activities;
 - b. the type and amount of contracting opportunities that will be generated during the proposed project/activities;

- c. how Section 3 residents and business concerns will be targeted for these opportunities;
 - d. efforts you intend to take to facilitate the employment and/or awarding of contracts to these individuals;
 - e. processes that will be used to ensure contractor compliance; and
 - f. staff persons responsible for ensuring compliance with this requirement.
2. With respect to contracting opportunities, applications should outline how an applicant's employment, contracting, and other economic opportunities will be directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very-low income persons in the area in which the project is based.

2. Q. How does FHEO award points for Rating Factor 3.l for 202 NOFA applicants (1point) and Rating Factor 3.k(1) for 811 NOFA applicants (1 point)?

- A. FHEO will review the extent to which the applicant describes the following (at a minimum): the number of new employment opportunities the applicant anticipates will be created during the proposed project/activities; the type and amount of contracting opportunities that will be generated during the proposed project/activities; how Section 3 residents and business concerns will be targeted for these opportunities; efforts the applicant intends to take to facilitate the employment and/or awarding of contracts to these individuals; processes that will be used to ensure contractor compliance; and staff persons responsible for ensuring compliance with subparts B and E of 24 CFR Part 135. For both the 202 and 811 NOFAs, FHEO will award (1) point to applicants who provide a thorough description of their efforts to conduct the above-mentioned activities.

3. Q. How does FHEO award points for the Policy Priority Job Creation/Employment Rating Factor 3.m for Section 202 NOFA Applicants and Factor 3.k(2) for Section 811 NOFA Applicants (1 point each)?

- A. Rating Factor 3.m (Section 202) and 3.k.(2) (Section 811): Policy Priority: Job Creation/Employment. Applicants may receive one point for demonstrating, beyond what is required by Section 3 and HUD's implementing regulations at 24 CFR parts 135. To receive one policy priority point the applicant must describe the number and type of activities that will expand job creation and other economic opportunities and how those activities will increase economic security and self-sufficiency for low- and very-low income persons in the area in which the project is based.

The description must address the extent to which the activities that the applicant will undertake are focused on improved access to skills training, building, and strengthening of partnerships with community-based organizations, and increased collaborating with federal, state, and local entities. The description should specifically address how the activities the applicant intends to undertake will lead to sustainable economic opportunities for low-income populations and communities on a long-term basis and how those activities will be supported.

4. Q. What if an applicant claims previous experience in meeting the Section 3 goals?

- A. FHEO staff should verify that the applicant submitted a form HUD-60002 - "Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons" and review it to determine if the Section 3 goals for employment and contracting was met.

D. Rating factors for which FHEO does not assign a rating.

1. Q. What are the civil rights requirements in Rating Factor 2b, Integration of Fair Housing Planning Documents (2 points for the 202 NOFA and 3 points for the 811 NOFA)?

- A. The Department will also review applications to ensure they establish a connection between the proposed project and the community's Analysis of Impediments to Fair Housing Choice (AI) or other planning document that analyzes fair housing issues and is prepared by a local planning or similar organization. The Department will review applications more favorably depending on how well the applicant makes this connection. The applicant must show how its proposed project will address an impediment to fair housing choice described in the AI or meet a need identified in the other type of planning document.

2. Q. How does FHEO review this criterion?

- A. Even though FHEO does not award points in the review of Rating Factor 2, Need/Extent of the Problem, it does evaluate whether the applicant utilized the community's AI, Consolidated Plan or other planning document that analyzes Fair Housing issues. Such a document, prepared by a local planning or similar organization, should identify the level of the problem and the urgency in meeting the need for the project.

FHEO reviews Exhibit 4(a) of the application and notes whether the applicant had described how information in the community's or State's AI, Consolidated Plan, or other planning documents was used in documenting the need for the project. Examples of a sponsor's use of

information in the AI or other public documents to document need include, but are not limited to, identifying minority elderly or minority persons with disabilities as underserved populations; identifying the lack of elderly housing within minority areas as an impediment to fair housing choice; or showing how the proposed project will address the needs identified in the AI. Reviewers should note the strength of the connection established by the sponsor between the proposed project and the need stated in the AI. FHEO provides its reviews and recommendations to the technical evaluation panel (TEP), who consider them when awarding points.

3. Q. Does the NOFA award points for involving the target population in the development and operation of the project under factor 3i for the 202 NOFA and factor 3e for the 811 NOFA?

A. 202 applicants receive one point for involving the target population (i.e., elderly persons, particularly minority elderly persons) in the development of the application, and involving the target population in the operation of the project.

811 applicants receive two points for involving the target population (i.e., persons with disabilities, including minority persons with disabilities) in the development of the application, and involving the target population in the operation of the project.

Although the Multifamily Project Manager will award the points for this rating factor, FHEO will review Exhibit 3(f) and recommend a rating. FHEO staff should note specific actions either already taken or planned by applicants to involve minority elderly/minority persons with disabilities in the development and implementation of the project.

4. Q. What if the applicant proposes relocation activities?

A. With regard to relocation, the Section 202 and Section 811 NOFAs require applicants to submit a statement (Exhibit 7) that:

1. Identifies all persons (families, businesses, individuals and non-profit organizations) occupying the property on the date of submission of the application for a capital advance, by race/minority group and status as owners or tenants;
2. Indicates the estimated cost of the relocation;
3. Identifies the staff organization that will carry out the relocation; and
4. Identifies all persons that have moved from the site over the last 12 months.

The applicant is also required to certify compliance with the Uniform Relocation Assistance and Real Property Acquisition Act and its regulations (49 C.F.R. § 24.205) for planning and implementing relocation programs and advisory services. These regulations require that, whenever possible, minority persons be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings that are not located in an area of minority concentration, and that are within their financial means. This policy, however, does not require a sponsor or developer to provide a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling, including those which are outside areas of minority concentration (49 C.F.R. § 24.205(c)(2)(ii)(C)). As required by Section 504 of the Rehabilitation Act and 49 C.F.R. Part 24, replacement dwellings must also contain the accessibility features needed by displaced persons with disabilities. The Relocation Plan should also include a component for mobility counseling to ensure fair housing choice.

5. Q. Who has the overall responsibility for the Relocation Plan review?

- A. The Office of Community Planning and Development has the responsibility for this activity. However, FHCO staff should review Exhibit 7 to determine whether the applicant has submitted the required racial and ethnic data concerning the persons or businesses to be displaced and whether the applicant's relocation advisory procedures promote a greater choice of housing opportunities for minority persons or households as required by the Uniform Relocation Act's regulations.

E. Completion of Technical Processing

1. Q. What is FHCO's role after completion of technical processing?

- A. FHCO staff completes for each application the Section 202/811 Technical Processing Review and Findings Memorandum- Fair Housing & Equal Opportunity (FHCO), which FHCO sends to the Supervisory Project Manager in Multifamily Housing. This document is included in the Office of Housing's processing instructions. Multifamily Housing then combines FHCO's proposed point awards and comments with the reviews from the other disciplines within the Field Office. The Field Office then convenes a Rating Selection Panel in which Fair Housing and Equal Opportunity participates. That Panel meets and assigns final ratings to all approvable applications.

Please address any questions on this memorandum to Gloria Bizzell, Office of Policy, Legislative Initiatives, and Outreach, Program Standards and Compliance Division. Ms. Bizzell's telephone number is 202-708-0617.