

FORMAT FOR NOTIFICATION OF SELECTION FOR A SECTION 811

FUND RESERVATION FOR HOUSING FOR PERSONS WITH DISABILITIES

SEND TO: Sponsor

HOW: Must be sent by Certified Mail - Return Receipt Requested

WHEN: Upon authorization by Headquarters and prevalidation of funds

Dear _____:

SUBJECT: Notification of Selection for a Section 811 Fund Reservation

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

I am pleased to advise you that your Application, dated _____ to (construct) (rehabilitate) or (acquire) housing for persons with disabilities under the Section 811 Capital Advance Program has been approved for the following:

_____ Group Home(s) for _____ persons with disabilities (Insert the number of group homes and the number of persons with disabilities for each group home.)

_____ Independent Living Facility (ies) consisting of _____ units for _____ persons with disabilities plus _____ units for residential staff. (Insert the number of ILFs and the number of units for persons with disabilities plus the unit for residential staff, if any, in each.)

Capital Advance authority in the amount of \$ _____ has been reserved for this project, along with Project Rental Assistance contract and budget authority of \$ _____ and \$ _____, respectively.

Please indicate by signing in the space provided whether or not you accept this Notification including the special conditions or requirements that are specified herein and

certify to your understanding that the project must be developed in accordance with the terms set forth in this Notification. Return two signed copies to this Office within 14 days from the date you receive this letter.

FUND RESERVATION TERMS AND CONDITIONS

Your acceptance of this Notification constitutes a certification and agreement by the Sponsor that;

- (1) An Application for Conditional Commitment which meets HUD's design and cost standards and programmatic requirements will be submitted by the Owner. Design and cost standards apply to all projects regardless of the proposed operating cost level. The design must not include costly features and must be cost efficient.
- (2) There will not be made any sale, assignment, conveyance, or any other form of transfer of this Notification, the Fund Reservation, the property or project, or any interest therein, except transfer from the Sponsor to an approved single-purpose Owner organized by the Sponsor.
- (3) The Fund Reservation will be cancelled if the Sponsor/Owner fails to have control of an approvable site within 12 months of the date of this Notification or if construction, rehabilitation or acquisition has not commenced within 18 months from the date of this Notification, unless further extensions beyond the 18 months are approved by HUD. Such extensions will be based upon HUD's determination that the Owner has established a reasonable schedule and is making sufficient progress toward the start of construction.
- (4) The Section 811 and Project Rental Assistance funds reserved for the project identified herein may not be used in connection with any other project, without the express written approval of HUD.

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- (5) This Fund Reservation will be subject to cancellation, at HUD's option, in the event there comes into existence or HUD becomes aware of a pre-existing conflict of interest involving the project on the part of officers or directors of either the Sponsor or Owner organizations (including affiliates).
- (6) An attempt will be made to obtain exemption from State and/or local real and/or personal property taxes. Evidence of filing, together with the response received from the taxing authority, must be submitted with the

Conditional or Firm Commitment application in one of the following forms:

- (a) Tax Exemption
- (b) Tax Abatement
- (c) Payment in Lieu of Taxes(PILOT)
- (d) Ineligibility for any tax relief

Eligibility for (a), (b), or (c) must be supported by a copy of the appropriate legislation or ordinance.

(7) Special Conditions or Requirements.

This Notification of Selection is issued subject to:

- a. Formation of a legally acceptable single purpose Owner corporation.
- b. Evidence that the site is under control of the Owner corporation no later than 12 months after receipt of this Notification.
- c. Clearance of a Form HUD-2530, Previous Participation Certificate, for any officers or board members of the Sponsor and Owner not previously completed.
- d. Submission of a Conditional Commitment Application in full compliance with HUD's design and cost standards and programmatic policies within 120 days from the date of this letter.

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- e. Either deletion of or a commitment to pay for excessive design features listed below:

- f. Submission of Conflict of Interest and Disclosure Certifications for each officer and director of both the Sponsor and Owner and Identity of Interest and Disclosure Certifications for all development team members identified with the Conditional Commitment Application.

NOTE: Any time the Sponsor or Owner changes any officer or director, Conflict of Interest and Disclosure Certifications must be submitted for the new persons. Identity of

Interest and Disclosure Certifications must be submitted for any new development team members.

To provide you and your architect with assistance in the development of a proposal which meets HUD design and cost standards, immediately contact (insert name and telephone number), Design Representative, to discuss the design of the proposal. (For proposals involving rehabilitation or acquisition if the application contained evidence of an approvable site, insert: "In addition, he/she should be contacted as soon as possible to arrange a mutually convenient time for a joint inspection of the property.") Enclosed is a copy of the approved prototype analysis of utility combinations and fuel types which provide maximum operating economy for buildings of various styles, sizes and types of construction.

If two copies of this Notification indicating acceptance are not returned within the specified period, or if you accept and a single purpose Owner corporation fails to submit a Conditional Commitment Application within the specified period, or (for Sponsors without site control), you fail to have control of an approvable site within 12 months of receipt of this Notification, HUD may rescind this Notification and cancel the Fund Reservation. If you have any questions regarding the requirements for submission of the Conditional Commitment Application, please call (Insert name and telephone number of MHR).

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We look forward to working with you toward the successful completion of this project.

Sincerely,

Manager

Enclosure

Accept _____
(Signature of Authorized Officer)

Not Accept _____
(Signature of Authorized Officer)

Title: _____

Date: _____

cc: Housing Consultant