CHAPTER 2. APPLICATION PREPARATION

2-1. Notice of Fund Availability.

A. Headquarters will publish a Notice of Fund Availability (NOFA) in the Federal Register.

B. Multifamily Housing Representative (MHR) will send a copy of the NOFA and the information identified below (see Appendix 5 for format) to all persons and organizations on the Field Office's mailing list.

1. The address where a copy of the Section 202 Application Package can be obtained.

2. The date, time and place of the workshop.

3. The deadline date, time and place applications will be accepted.

C. Processing Control and Reports (PC&R) staff must send a copy of the information specified in B above to the following agencies and organizations within the Field Office jurisdiction:

1. Elderly and minority media, and minority and other organizations involved in housing and community development within the Office's jurisdiction;

2. Groups with a special interest in housing for the elderly, including the State and area agencies on aging and 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 in a Comprehensive Housing Affordability Strategy (CHAS).

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

a. Trade association journals;

b. Associations representing the elderly;

c. State agencies, such as departments of human resources.

d. Fair housing groups (the names and addresses of such organizations and groups shall be provided to the PC&R staff by the Equal Opportunity Division Directors).

D. Field Offices must schedule at least one workshop within their jurisdictions to make available and explain Section 202 application requirements for each fiscal year's program. Offices are encouraged to hold a pre-workshop for any new applicants to acquaint then with the basic policies and requirements of the Section 202 program prior to the workshop.

2-2. Preparation of Workshop. In addition to the printed Section 202 Application Package, the MHR shall make available to persons attending the workshop and to others who specifically request the following:

A. This Handbook.

B. The allocation notice pertaining to the Section 202 selection/development process for that particular fiscal year.

C. Any special requirements identified by the Field Office, e.g., appropriate utility combinations, submission of the RTC Transaction Screen Checklist or Phase I Environmental Site Assessment for any site to be acquired from RTC, site environmental requirements, location, density and site planning.

D. The current Section 202 NOFA.

E. Names and telephone numbers of Field Office staff who can answer questions.

2-3. Program Compliance. Every application submitted must conform to all requirements of Part 889 of the Regulations, the Federal Register Notice of Fund Availability, this Handbook and any Housing Notice which may be issued for a particular fiscal year.

2-4. Contents of the Application. Each application consists of four parts and must include all the materials, forms, and exhibits set forth in Appendix 6. The following additional information relative to certain exhibits is provided to aid Sponsors in preparing applications.

A. Exhibit 1 - Form HUD-92015-CA.

Any nonrevenue-producing units proposed for a project must be included within the total units advertised. For example, if a project is 100 units, and if a nonrevenue unit (i.e., resident manager's unit) is planned, the configuration is 99 revenue units plus one nonrevenue unit.

Additions of nonrevenue units at a later stage of processing will not be accepted.

B. Exhibit 2 - IRS Exemption.

1. Sponsor must have:

a. A letter from the IRS granting individual exemption by the application deadline date, OR

b. A copy of the blanket or group exemption for the parent, also evidenced by:

(1) A copy of the page from entity's official publication or directory listing the organizations covered by same, or

(2) Letter from the responsible individual of the national/parent organization to the IRS indicating that the Sponsor has been included under the national/parent organization's blanket exemption.

NOTE: HUD does not have staff qualified to determine whether the Sponsor is, in fact, a church. Therefore, although IRS does not require churches to obtain a formal exemption, HUD requires all Sponsors, including churches, to obtain an exemption ruling. (An IRS letter stating churches do not need to apply for tax exempt status under 501(c)(3) is NOT acceptable.)

2. For nonprofit consumer cooperatives:

a. Evidence of the cooperative's nonprofit status under State law, and

b. Evidence that the cooperative has not been liable for the payment of Federal income taxes during its corporate existence.

NOTE: Project revenues cannot be used to pay patronage dividends.

3. For Puerto Rican nonprofit organizations, evidence of tax exemption under Puerto Rican law is required.

C. Exhibit 16 - Evidence of Need for Supportive Housing.

Document the need for supportive housing for the elderly in the area to be served, including a description of: the category or categories of elderly persons the housing is intended to serve; and evidence demonstrating sustained effective demand for supportive housing by that population, taking into consideration the occupancy and vacancy conditions in existing Federally assisted housing for the elderly (HUD and FmHA) (e.g., public housing), State or local data on the limitations in activities of daily living among the elderly in the area; aging in place in existing assisted rentals; trends in demographic changes in elderly population and households; the numbers of income eligible elderly households by size, tenure and housing condition; the types of supportive services arrangements currently available in the area and the utilization of such services as evidenced by data from local social service agencies or agencies on aging.

2-5. Application Submission. The Sponsor must:

A. Number of Copies. Submit an original and four copies, tabbed and indexed in accordance with Appendix 6, to the appropriate Field Office. A copy is also to be sent to the State Point of Contact, with a completed SF-424, in accordance with Executive Order 12372.

B. Where to Send Application. Send application(s) to the appropriate HUD Field Office by the time specified and the deadline date established in the Federal Register NOFA for that year.

C. Limit on Number of Units. Sponsor may not request, as Sponsor, co-Sponsor, or affiliated entity, more than 300 units allocated in any given Region or more than 10 percent of the units allocated nationwide.

D. One Application for One Site. A Sponsor may submit only one application per site.

E. Site Competition. Applications from two or more Sponsors proposing to use the same publicly-owned site are ACCEPTABLE FOR PROCESSING in the normal manner, if the public body in each case has conditioned sale or lease of the site upon the particular Sponsor being selected for funding.

2-6. Housing Consultant. Information on the housing consultant is not required with the Application for Fund Reservation. However, if a consultant has been or will be used, the contract, resume, identity of interest certification and completed Form HUD-2530 must be submitted following notification of approval of the fund reservation and prior to submission of the Application for Conditional Commitment.