

***Department of Housing and  
Urban Development***

**Section 202  
Demonstration Planning  
Grant Program**

# ***Basic Program Requirements***

## **Overview**

# ***Purpose of the Program***

**To provide grant funds to Section 202 Sponsors in an effort to assist them in getting their fiscal year 2004 projects to initial closings within 18 months of the fund Section 202 Supportive Housing for the Elderly fund reservation award**

# ***Program Description***

- Covers the cost related to eligible predevelopment activities**
- Funds must be used exclusively to facilitate planning, design, and other predevelopment activities for projects funded in FY04**
- No Repayment of grant funds**

## ***Funds Available***

- **Approximately \$44,719,500**
  - **FY03 appropriations 24,837,500**
  - **FY04 appropriations 19,882,000**

# ***Max Grant Amount***

- **\$400,00 per single application**
- **\$800,000 per single entity**

# ***Ineligible Activities***

**Funds may not be used to ...**

- **Acquire sites or other real property**
- **Organizational overhead and/or operating expenses**
- **Staff salaries**

# ***Ineligible Activities***

**Funds may not be used...**

- **For any planning activities otherwise ineligible under the Sec 202 program; or**
- **To Meet Minimum Capital Investment (MCI)**

# ***Application Items***

## **1. Required Narratives**

## **2. Form:**

- **HUD-424-CB, Grant Applications Detailed Budget**
- **HUD-96010, Logic Model**
- **HUD-2993, Acknowledgement of Application Receipt**
- **HUD-2994 Client Comments and Suggestions**

# *Number of Copies*

**THREE**

**One original**

**Two copies**

# ***Application Due Date***

**January 10, 2005**

# ***Address for Submitting Applications***

**Director, Multifamily  
Housing Hub or Program  
Center in your local HUD  
Field Office**

# ***Basic Program Requirements***

**Who Can Apply?**

# ***Eligibility Applicant***

- **All private nonprofit and nonprofit consumer cooperative that submitted and received funding under the FY 2004 SuperNOFA for the Section 202 Supportive housing for the Elderly Program**

# ***Basic Program Requirements***

## **Ineligible Applicants**

## ***Ineligible Applicants***

- **Failed to submit a request for funding under FY 2004 Section 202 Program NOFA**
- **Did not received a Fund Reservation Award under the FY 2004 SuperNOFA**

# ***Ineligible Applicants***

- **Project involving mixed-financing**
- **Otherwise ineligible under the Section 202 programs including public bodies and instruments of public bodies**

# ***Basic Program Requirements***

## **Eligible Activities**

## ***Eligible Activities***

- **All expenses related to eligible activities must be limited to those cost incurred prior to initial closing and be otherwise eligible under the Section 202 Program**

# ***Eligible Activities***

**Activities that are eligible for funding include the following...**

- Appraisals**
- Architect Services**
- Engineering Services**
- Environmental site assessment**

# ***Eligible Activities Continuation...***

- Cost Analysis**
- Legal fees**
- Site Control**
- Market Study**
- Organizational Expenses**

# ***Eligible Activities***

## ***Description...***

### **Appraisals**

- Cost for obtaining an appraisal to establish the fair market value of the proposed site**
- Appraiser must be a qualified and licensed**

# ***Eligible Activities***

## ***Description...***

### **Architect Services**

- **Design fees charged by licensed architectural/engineering firm for constructions of the applicant project**

# ***Eligible Activities***

## ***Description...***

### **Engineering Services**

**Actual cost of boundary survey, topographic survey, soil borings, and test.**

***Eligible Activities***  
***Description...***

**Environmental Site Assessment**

**Actual cost of incurred for site assessment (i.e. Phase I and Phase II)**

# ***Eligible Activities***

## ***Description...***

### **Consultant Services**

**Up to 20 percent of the total amount of the contract for services related to the development and submission of an approvable Section 202 Fund Reservation Application**

# ***Eligible Activities***

## ***Description...***

### **Cost Analysis**

**The cost of the contract for an independent cost estimate**

# ***Eligible Activities***

## ***Description...***

### **Legal Fees**

**Cost for legal services and title  
binder fees**

# ***Eligible Activities***

## ***Description...***

### **Site Control**

**Cost for extending the time for site control of the original site including option cost necessary to extend option agreement**

**–Funds may not be used for site acquisition**

# ***Eligible Activities***

## ***Description...***

### **Market Study**

**Cost for a study to examine the need for and verifying the marketability of the proposed project**

**continued...**

# ***Eligible Activities***

## ***Description...***

### **Market Study**

**Study must be completed by a qualified, independent, third party market research firm**

# ***Eligible Activities***

## ***Description...***

### **Organizational Expenses**

**Cost related to the creation of an owner entity for the proposed project pursuant to Section 202 program regulations**

# ***Basic Program Requirements***

## **Required Exhibits**

# ***Cover letter***

- **Project information**
- **Sponsor Information**
- **Signature of authorized representative**

# ***Narrative Demonstrating Need***

## **Describe...**

- the financial circumstances that resulted in your need for grant funding and the impact of such circumstances on your organization's previous or current development efforts**
- how will these grant funds assist in getting the project to initial closing within 18 months**

# ***Proposed Predevelopment Activities and Budget***

## **1. Form HUD-424-CB, Grant Applications Detailed Budget**

- General form for all budget so be sure to only include expenses for activities that are eligible for funding under this program**

**continued...**

# ***Proposed predevelopment Activities and Budget***

## **2. Supplemental Narrative**

### **Detailing...**

- a. Each eligible predevelopment activity being proposed**
- b. Anticipated for for each activity**
- c. Expected results of each activity**
- d. And the total amount of funds being requested**

# ***Project Development Schedule***

**This Exhibit should identify...**

- the predevelopment activities being proposed;**
- the projected start and completion date for each activity;**
- The projected completion date for all activities;**
- a brief narrative describing your plan for monitoring this schedule of activities and addressing delays should they occur; and**
- the total amount of funds being requested**

# ***Project Development Schedule continued...***

## **All schedules must**

- 1. Demonstrate the applicants ability to move its approved FY 2004 Section 202 elderly housing project from Fund Reservation to an Initial Closing within 18 months of grant approval; and**
- 2. Provide a statement addressing how a predevelopment grant will insure that the schedule is met**

# ***Threshold Requirements***

- **Budget and Narratives**
  - **Failure to satisfy threshold requirement at time of initial application submission will render your application non-responsive and that application will not be considered for funding**

***Section 202  
Demonstration Planning  
Grant Program***

**NOFA Process**

# ***Application***

- **No Application Kit**
- **NOFA and required forms can be downloaded at [www.hud.gov](http://www.hud.gov)**

# ***Submission Deadline***

- **January 10, 2005**
  - **Mail to applicable Multifamily Program Center (see listing in the NOFAs)**
  - **Projects in the areas of :**
    - **Wash., DC go to HUD Baltimore Ofc**
    - **Cincinnati, OH go to HUD Columbus Ofc**
    - **Sacramento, CA go to HUD San Fran. Ofc**
    - **Grand Rapids, MI go to HUD Detroit Ofc**

# ***Methods of Submission***

- **Mail by US Postal Service**
  - **Must be postmarked by midnight on 1/10/05 and received in HUD Office within 15 days**
- **Hand or Courier delivered applications**
  - **Must be received in HUD Office by 4:00 local time**

# ***Method of Submission (cont'd)***

- **If HUD staff are not available to accept your application or courier service cannot enter the building:**
  - **Take your application to nearest Post Office and make sure it gets postmarked by midnight on 1/10/05.**

# ***Method of Submission (cont'd)***

- **Proof of Timely Submission**
  - **US Postal Service Mail**
    - **Receipt by HUD Office within 15 days of deadline and, upon request by HUD official, a USPS Form 3817, Certificate of Mailing or Post Office receipt showing P.O. name, location and date and time of mailing.**

# ***Method of Submission (cont'd)***

- **Proof of Timely Submission**
  - **Courier delivered**
    - **Delivery service receipt showing delivery to a carrier service at least 24 hrs prior to application deadline.**

***NOFA***

**Staff Roles**

# ***Role of HUD Staff***

- **Between NOFA publication & deadline**
  - **Will provide general program guidance**
  - **Cannot assist in preparation of application**

# ***Role of HUD Staff***

- **Between deadline & release of selections**
  - **Will request information**
    - to clarify
    - to correct curable deficiency
  - **Will not request information to improve quality of Exhibits affecting rating**

# ***Role of HUD Staff***

- **Will not consider unsolicited information**
- **Will not provide information on status of application**
  - **Except those that have been rejected on a technical basis**

# ***Role of Sponsor***

- **You should ensure representatives are available to respond to requests for information**

# ***Review of Applications***

## **– Curable Deficiency letter**

- **Missing or incomplete Exhibits that do not affect rating**
- **14 calendar days to respond**

# ***Selection Process***

## ***Program Center***

- **Field staff review and approve applications based on eligibility criteria**
- **Forward recommendations for funding to HQ**

# ***Selection Process***

## ***Headquarters***

- **Selections will be based on the rating of the FY 2004 Section 202 Supportive Housing for the Elderly application**
- **Select projects in rank order with no more than 1 application selected per HUD Office**
- **Repeat Process**

# ***Selection Process***

## ***Headquarters***

**Maximum grant amount per single entity is \$800,000**

**Once an organization receives its maximum amount of grant funding, no other project from that organization will be eligible for selection**

# ***Basic Program Requirements***

## **Question & Answer Session**