



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 08-06

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Cross Reference:

Handbook 4571.2 (811)
Handbook 4571.3 REV-1 (202)

Subject: Fiscal Year 2008 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 Year 2008

- 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 Super Notice of Funding Availability (SuperNOFA) published in the Federal Register on March 19, 2008, the Section 202 and 811 program NOFAs published in the Federal Register on May 12, 2008, the technical corrections to the Section 202/811 program NOFAs published in the Federal Register on June 9, 2008 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.

Previous editions obsolete

Form HUD-21-B (3/80)

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I. HIGHLIGHTS OF CHANGES TO THE APPLICATION AND SELECTION PROCESS FOR THE FISCAL YEAR (FY) 2008 SECTION 202 AND SECTION 811 PROGRAMS.

A. Submission of Applications

1. Filing of applications

The application deadline date for the Section 202 Program is July 10, 2008 and the deadline date for the Section 811 program is July 17, 2008. All applications must be submitted to www.grants.gov/Apply and received and validated by Grants.gov no later than **11:59:59 p.m. Eastern time** on the application deadline date. Field Offices must encourage applicants to submit their applications no later than 48 to 72 hours in advance of the application deadline date in order to accommodate the validation process, which can take between 24 to 48 hours.

To assist applicants in applying electronically, HUD published its “Notice of Opportunity to Register Early and Other Important Information for Electronic application Submission via Grants.gov” on March 10, 2008. The Early Registration Notice provides step-by-step instructions for applicants that register with Grants.gov and renewal instructions for those applicants that have previously registered. The early registration notice can be found at HUD’s website at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm> and on Grants.gov/Find. Field Offices must encourage applicants to register early as the registration process can take two to four weeks to complete. The General Section of the SuperNOFA details the requirements for electronic submission as well as the instructions for obtaining a waiver of the electronic submission requirement.

2. Proof of Timely Submission

- (a) Electronic Submission. Proof of timely submission and validation is automatically recorded by Grants.gov. Please refer to the General Section of the Super NOFA for further discussion on timely receipt requirements and proof of timely submission.
- (b) Paper Application Submission. A request for waiver of the electronic grant submission requirement must be submitted 15 days before the application deadline date by mail, electronic mail or fax. If a waiver 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.

B. Application Changes

1. **Applicants must be aware that all persons working on the Adobe form** in the application package must work using Adobe 8.1.2 or the latest compatible version of Adobe Reader available from Grants.gov.
2. **The fax number for FY 2008 applicants has changed.** Applicants and third parties submitting information via facsimile must use the form HUD-96011 facsimile transmittal cover page and must send the information to 1-800-894-4047 or (215) 825-8796.
3. **Applicants interested in developing a mixed-financed project for additional units may propose to do so after the application for fund reservation stage.** As a result, the note under exhibit 4(c)(iii) has been amended to allow for the submission of mixed- financed proposals after the selection process.

C. The Development Cost Limits have been increased to that of the Section 221(d)(3) cost limits. The cost limits are specified in the NOFA.

D. Rating Factor Changes

1. A note has been added to Rating Factors 1 and 4 to clarify that percentages must be rounded to the nearest whole number.
2. Rating Factor 5 has been significantly revised to strengthen HUD's Logic Model submission requirements.
 - (a) Under this factor, applicants may be awarded a maximum of 10 points for the extent to which the completion of the Program Outcome Logic Model (HUD-96010) demonstrates their full understanding of the development process.
 - (b) To better demonstrate the applicant's understanding of the development process as well as their ability to get the project to initial closing within the 18-month fund reservation period, 10 points have been distributed in accordance with the following sub-Rating Factors:
 - (1) Under sub-Rating Factor 5.a(1) a maximum of 3 points may be awarded based on the extent to which the identified service/activities are consistent with the information provided in the application.

- (2) Under sub-Rating Factor 5.a(2) a maximum of 3 points may be awarded based on the extent to which the identified outcomes are consistent with the services/activities.
 - (3) Under sub-Rating Factor 5.a(3) a maximum of 3 points may be awarded based on the extent to which the projected measures show a realistic understanding of the development process.
 - (4) Under sub-Rating Factor 5.a(4) a maximum of 1 point may be awarded based on the extent to which the evaluation too selected are consistent with the development of the proposed project.
- (c) Applicants will continue to receive a maximum 2 points based on the extent to which their past performance evidences timely development of the proposed project.
 - (d) Applicants are no longer required to:
 - (1) submit a separate narrative that details their project development timeline.
 - (2) address the extent to which their project will remain viable. This information will be reflected through the information submitted in their logic model.

E. 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 an applicant’s understanding of 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 SuperNOFA 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. For a more detailed discussion on the logic model, please preview the April 24, 2008 SuperNOFA Logic Model satellite broadcasts which can be found at <http://hudweb.hud.gov/services/webcasts/supernofa08.cfm>.

F. 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.

The second stage will require the Owner to submit a completed form HUD-96010, Logic Model 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. Headquarters is in the process of finalizing the stage two Logic Model.

G. 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 you 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
- (c) Where a public housing site is to be acquired from a public housing agency (PHA), the PHA must have applied to HUD for permission to dispose of the site or receive approval of the disposition from HUD.

H. Expiration of Funds

Consolidated Appropriations Act, 2008, requires HUD to obligate all Section 202 and Section 811 funds appropriated for FY 2008 by September 30, 2011. Under 31 U.S.C. 1551, no funds can be disbursed from this account after September 30, 2016. Under Section 202 and Section 811, obligation of funds occurs for both capital advances and project rental assistance upon fund reservation and acceptance. If all funds are not disbursed by HUD and expended by the project Owner by September 30, 2016, the funds, even though obligated, will expire and no further disbursements can be made from this account. In submitting an application, you need to carefully consider whether your proposed project can be completed through final capital advance closing no later than September 30, 2016. Furthermore, all unexpended balances, including any remaining balance on PRAC contracts, will be cancelled as of October 1, 2016. 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. See Attachment 16 for a spreadsheet layout of the above information.

I. Review for Curable Deficiencies

Exhibit 4(d)(i)(D) evidence to support the request for partial release of security is no longer curable. All required documents must be submitted with the application.

J. Electronic Application Retrieval Procedures.

HUD currently uses the Grants Information and Management System (GIMS), to download competitive grant applications from Grants.gov for processing. GIMS II is a web-based application. GIMS II users must log into the system via WASS, HUD's single sign on system that ensures a secure connection between the user's web Browser and the GIMS II Web application. GIMS II incorporates workflow-driven routing to send applications to the correct project officer and then to the correct evaluator thereby initiating the evaluation and approval process. Since the new system does not have emailing capabilities, after identifying the evaluator, project officers must send an email notification informing the individual(s) that the applicable application has been assigned to them for review.

A copy of the training manual for the GIMS II system can be found at :
<http://hudatwork/po/a/grants/sagis.cfm> Please read the manual in its entirety to ensure familiarity with the new system.

K. Changes Applicable to the Section 202 Program Only

1. Available Funds. For FY 2008, \$431.7 million is available for capital advances for new units under the Section 202 Supportive Housing for the Elderly Program as provided by the Consolidated Appropriation Act, 2008 (Pub. L. 110-161; approved May 12, 2008).

2. The Development Cost Limits increases are as follows:

(a) Non-elevator structures:
\$48,328 per family unit without a bedroom
\$55,722 per family unit with 1 bedroom
\$67,202 per family unit with 2 bedrooms

(b) For Elevator structures:
\$50,859 per family unit without a bedroom
\$58,300 per family unit with 1 bedroom
\$70,893 per family unit with 2 bedrooms

3. Rating Factor Changes

- (a) Sub-Rating Factor 3.a has been reduced from 20 points to 18 points.
- (b) The extent to which the project will implement practical solutions that will assist residents in achieving independent living was deleted from Rating Factor 5 and inserted under Rating Factor 3 as sub-Rating Factor 3.g. A maximum of two points may be awarded.
- (c) The deduction of points for sites that are not permissively zoned for the intended use was inadvertently omitted from the NOFA and through the technical correction was inserted as sub-Rating Factor 3.m.

L. Changes Applicable to the Section 811 Program Only

1. Available Funds. For FY 2008, \$99.3 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, 2008 (Pub. L.110-161; approved December 26, 2007).

2. Rating Factor Changes

(a) The maximum score for Rating Factor 1: Capacity of the Applicant and

Relevant Organizational Staff has been increased from 28 points to 30 points.

3. Development Cost Limits

The increased Development Cost limits are:

- (a) Non-elevator structures
 \$48,328 per family unit without a bedroom
 \$55,722 per family unit with one bedroom
 \$67,202 per family unit with two bedrooms
 \$86,020 per family unit with three bedrooms
 \$95,830 per family unit with four bedrooms

- (b) Elevator structures
 \$50,859 per family unit without a bedroom
 \$58,300 per family unit with one bedroom
 \$70,893 per family unit with two bedrooms
 \$91,712 per family unit with three bedrooms
 \$100,672 per family unit with four bedrooms

(c) For group homes only:

Residents	Physical/Developmental	Chronic Mental Illness
2.....	\$192,754	\$186,066
3.....	\$207,279	\$200,089
4.....	\$221,806	\$212,546
5.....	\$236,331	\$225,002
6.....	\$250,842	\$237,459

II. CHANGES PURSUANT TO THE CONSOLIDATED APPROPRIATIONS ACT, 2008.

In accordance with the waiver authority provided in the FY 2008 Consolidated Appropriations Act, 2008, the Secretary is extending the determination, as made in the Notice, published in 61 F.R. 3047 and in the FYs 1997 through 2007 Section 202 and Section 811 NOFAs, to FY 2008, by waiving the statutory and regulatory provisions 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, renewals will be approved depending upon the availability of funds.

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.

III. CHANGES FOR FY 2007 AND EARLIER WHICH ARE STILL IN EFFECT.

A. Section 202 and Section 811 Program Changes

1. DUNS Number

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

2. Name Check Review

Approvable applicants are subjected to a Name Check Review. Name checks are intended to reveal matters that significantly reflects the applicant's management and financial integrity; or convictions or criminal charges of any key individual. Program Centers 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 the Multifamily Hubs. 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.

3. 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.

4. 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.

5. 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 SuperNOFA.
- (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).

6. 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).

7. Review and Selection Process

- (a) Selection Process. At the conclusion of technical processing, Rating/Selection Panels must score each Rating Factor for all applications that successfully complete technical processing. Applications that receive a score of **75** base points or higher are then ranked in descending order. The Rating/Selection Panels then select for funding the highest rated applications

ranked in descending order which most reasonably approximate the number of units **and** capital advance funds available to each Program Center. The Rating/Selection Panels must select in rank order down to the next highest rated application that can utilize the remaining funds **WITHOUT** skipping over a higher rated application.

After making the initial selections, any residual funds may be used to fund the next rank-ordered application 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. Projects of five units or less, or two units if a Section 811 group home, may not be reduced. An example of a project becoming infeasible by a unit reduction is a project that will be rehabilitated (for Section 811 this applies only if the Sponsor has site control), where the project will not be able to sustain fewer units than those requested. Acceptance by a Sponsor of a project where the units have been reduced means acceptance of the reduced number of units.

- Under Section 202, the above processes must be done separately for each Program Center's metropolitan and non-metropolitan allocations. Once this is completed, Program Centers may combine their unused metropolitan and non-metropolitan funds to select the next highest ranked application in either category using the unit reduction policy described above.
- Under Section 811, the above process must be done first for all applications that are in Category A in each Program Center jurisdiction before any applications in Category B can be selected.

After the Program Centers have funded all possible projects based on the process above, residual funds from all Program Centers in each Multifamily Hub will be combined. These funds will be used to first, restore units to projects reduced by Program Centers based on the above instructions. Second, additional applications within each Multifamily Hub will be selected in rank order with no more than one additional application selected per Program Center unless there are insufficient approvable applications in other Program Centers within the Multifamily Hub. For the Section 811 program, this process must be done first for all applications that are in Category A before any applications in Category B can be selected. This process will continue until there are no more approvable applications within the Multifamily Hub that can be selected with the remaining funds. However, any remaining residual funds may be used to fund the next rank-ordered application by reducing the number of units by no more than 10 percent rounded to the nearest whole number, provided the reduction will not render the project infeasible. For this purpose, HUD will not reduce the number of units in projects of five units or less.

NOTE: Program Centers and Hub Offices cannot skip over any applications in order to fund one based on the funds remaining.

Section 202 and Section 811 funds remaining after these processes are completed will be returned to Headquarters.

The residual funds for each program will be used to restore units to projects reduced by Program Centers/Hubs as a result of the instructions above and for selecting applications based on Program Centers' rankings, beginning with the next highest rated application nationwide.

For Section 202 only, priority will be given to those applications for projects in non-metropolitan areas, if necessary, to meet the statutory requirement pertaining to Section 202 funding in non-metropolitan areas.

No more than one application will be selected per Program Center from the national residual amount, unless there are insufficient approvable applications in other Program Centers. If there are no approvable applications in other Program Centers, the process will begin again with the selection of the next highest rated application nationwide. This process will continue until all approvable applications are selected using the available remaining funds. For Section 811, if there are no approvable applications in Category A in other Program Centers, then the next highest rated application in Category B in another Program Center will be selected.

- (b) Appeal Period for Technical Rejection. The appeal period for applications that receive a technical rejection is 14 calendar days from the date of HUD's letter notifying the Sponsor of the technical rejection.
- (c) Initial Screening for Curable Deficiencies. The list of exhibits or portions of exhibits that are considered curable deficiencies is included in the Section 202 and Section 811 program sections of the SuperNOFA.

HUD Offices will complete an initial screening for curable deficiencies of all applications received by the application deadline date. Curable deficiencies include those items in the application that are required but do not have an impact on the rating of the application (e.g., missing certifications). Applicants will not be afforded an opportunity to submit missing exhibits or parts of exhibits that have an impact on the rating of the application (e.g., a failure to include a description of local government support for the project in the Sponsor's description of its purpose, community ties and experience). Applicants will be given 14 calendar days from the date of HUD notification to correct any curable deficiencies. At the end of the 14-day curable deficiency period, all applications received in accordance with the application submission requirements will be placed into technical

processing.

NOTE: Only those Exhibits that do not affect the rating of the application and are missing in their entirety or a portion thereof from the application are curable. If an Exhibit is listed as curable in the NOFA, but the Exhibit is not missing nor any portion thereof (i.e., it is complete and clear with respect to its contents), then that Exhibit would not be treated as curable and the Sponsor would not be given additional time to correct any deficiencies that may be discovered later as a result of the local HUD Office's technical review of the Exhibit. However, Field Offices are still permitted to seek clarification of information in an Exhibit, if necessary.

- (d) Technical Rejections. At the conclusion of technical processing, the HUD Office will send technical reject letters to Sponsors of applications in which curable deficiencies were not corrected during the curable deficiency period, incurable deficiencies were discovered during initial screening, and/or technical deficiencies were identified during technical processing. The technical reject letter will indicate all of the reasons for rejection of the application. HUD must respond to the Sponsor within 5 working days of receipt of the appeal.
- Field Offices are **not** permitted, **under any circumstances**, to talk to or meet with any applicant whose application has been technically rejected. The procedure that must be followed for applications that are technically rejected is for the applicant to receive a technical reject letter outlining the reasons for the rejection and affording them an opportunity to appeal the rejection without submitting any new information. The appeal process is not an opportunity for the applicant to discuss with Field Office staff, either on the telephone or in person, why their application should not be rejected, as it would undermine the competitive aspect of the programs.
 - If an applicant is not satisfied with the Field Office's response to their appeal, any further appeal of the Field Office's decision must be forwarded to Headquarters, Office of Housing Assistance and Grant Administration, for a final determination.

8. Appeal Process

Applicants have 14 calendar days from the date of HUD's written notice to appeal a technical rejection to the local HUD Office. Pursuant to the regulations at 24 CFR Part 4, subpart B and the provisions of the General Section of the SuperNOFA, HUD will not consider any unsolicited information from the applicant. The local HUD Office will make a determination on any appeals before making its selection recommendations.

9. Review for Curable Deficiencies

- (a) Standard Form 424, Application for Federal Assistance is removed from the list of application deficiencies that will be considered curable in a Section 811 and Section 202 application.
- (b) Form HUD 2994-A, You Are Our Client Grant Applicant Survey (optional) has been added to the list of application deficiencies that will be considered curable in a Section 811 and Section 202 application.

10. 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 to match the Section 221(d)(3) cost limits. 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 and 4571.2) using the revised development cost limits and high cost factors as stated in the NOFA.
- (b) A note 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”.

11. Accessibility

Compliance with HUD’s design and cost standards has been clarified to include the implementing regulation at 24 CFR Part 8.

12. Commercial Space

The maximum amount of space allowed for a commercial facility, separately, may not exceed 10 percent of the total project cost. It is no longer combined with community space for the purpose of determining the maximum amount of allowable space. See implementing regulation at 24 CFR 891.120(e).

13. Environmental Issues

- (a) National Environmental Policy Act

- (1) The NOFA informs and/or reminds applicants that HUD must complete the environmental review process before an application can be recommended for selection and that, in order to do so, HUD may contact the applicant for further environmental information. The NOFA refers applicants to HUD's website where they can view HUD Form 4128 and the Sample Field Notes Checklist in an effort to get a better idea about the type of environmental information HUD needs to complete the environmental review (See Section III.C.3.f).
- (2) Under 24 CFR Part 50, HUD has the responsibility for conducting the environmental reviews. HUD will commence the environmental review of the project upon receipt of the completed application. However, HUD cannot approve any site for which the applicant has site control unless it first completes the environmental review and finds that the site(s) meets its environmental requirements.

(b) Contamination

- (1) Phase I Environmental Site Assessment (ESA). In conformance with 24 CFR 50.3(i), as revised (effective October 28, 1996), all Section 202 applicants and those Section 811 applicants who have site control are required to submit a Phase I ESA of their proposed site(s) with their applications. The Sponsor must undertake and submit a Phase I ESA in accordance with ASTM Standard E 1527-05, as amended, using the table of contents and report format specified at Appendix X4 thereto and completed or updated as specified at Section 4.6 no earlier than 180 days prior to the application deadline date in order for the application to be considered as an application for site control. Section 811 Sponsors submitting applications with identified sites (i.e., not under control) are not required to submit a Phase I ESA with their applications. However, if they are selected for funding, they must complete the Phase I ESA upon obtaining site control and prior to submitting their Application for Firm Commitment.

NOTE: The Transaction Screen Process is no longer accepted as an application submission requirement.

If the Phase I ESA indicates the possible presence of contamination and/or hazards, further study must be undertaken. At this point, the Sponsor must decide whether to continue with this site or choose another site. Should the Sponsor choose another site, the same environmental site assessment procedure identified above must be followed for that site. **Since the Phase I ESA must be completed and submitted with the application, it is important that the Sponsor start the site assessment process as soon after NOFA**

publication as possible.

- (2) Phase II ESA. If the Sponsor chooses to continue with the original site on which the Phase I ESA indicated possible contamination or hazards, then a detailed Phase II ESA by an appropriate professional will have to be undertaken. **NOTE: THE COST OF THE STUDY MUST BE BORNE BY THE SPONSOR IF THE APPLICATION IS NOT SELECTED.**

- (3) Clean-up. If the Phase II ESA reveals site contamination, the extent of the contamination and a plan for clean-up (as identified in the Section 202 and Section 811 NOFAs) of the site must be submitted to the local HUD Office. The plan for clean-up must include a contract for remediation of the problem(s) and an approval letter from the applicable federal, state, and/or local agency with jurisdiction over the site. For Section 202 applications to be considered for review and Section 811 applications with evidence of control of an approvable site to be placed in Category A for selection purposes, the Phase II ESA and the plan for clean-up including the contract for remediation (if appropriate) must be received by the local HUD Office no later than the date specified in the NOFA which is generally 30 days from the application deadline date. HUD will not consider a site clean if a contamination problem is to be/has been capped or paved over and if there are to be active testing, monitoring, flushing wells put in place in relation to contamination or suspected contamination. In the Section 202 program, if the required information is not received by the deadline specified in the Section 202 NOFA, the application must be rejected. In the Section 811 program, if the information is not received by the deadline specified in the Section 811 NOFA, the application will be placed in Category B for selection purposes and will **NOT** receive any points for Site Approvability (Rating Criterion 3(a)) or any points for Site Suitability (Criterion 3(c)).

NOTE: This could be an expensive undertaking. The Sponsor must pay for the cost of any clean-up and/or remediation with sources other than capital advance funds. If the Phase II ESA reveals site contamination, the required remediation plan that must be submitted to HUD must require that any contamination be eliminated to non site-specific Federal, state or local health standards except if the contamination remains only in groundwater that is 25 feet below the surface. Clean-up of the contamination cannot include capping over of the contamination, monitoring wells, or any ongoing active or passive remediation after initial closing.

(c) 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.

14. Site Related Issues

- (a) Site Control. The specific forms of site control acceptable to the Department have been clarified (see Exhibit 4(d) of the Section 202 and Section 811 NOFAs. Particularly, the site option must remain in effect at least for six months from the application deadline date, must state a firm price binding on the seller, and must be renewable at the end of the six-month option period. The only condition on which the option may be terminated is if the Sponsor is not awarded a fund reservation. The option must be renewable at the end of the six months option period.

Sponsors must also provide evidence (a current title policy or other acceptable evidence) that the site is free from any limitations, restrictions, or reverters, which could adversely affect the use of the site for the proposed project for the 40-year capital advance period (e.g., reversion to seller if title is transferred). 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 reverters: (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.

Starting in For 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.

All Section 202 applicants and Section 811 applicants submitting applications with site control must include evidence in their applications that they have provided the seller with written information regarding a voluntary, arm's length purchase transaction. A certification is not sufficient and evidence must be submitted to meet the requirement of compliance with the URA requirement that the seller has been provided in writing with the required information regarding a voluntary, arm's length purchase transaction. If this information has not been provided to the seller, the Sponsor must locate the seller and provide the required written disclosures. The disclosures are required even if an applicant already owns vacant property that was acquired for purposes of doing a 202 or 811 project, and even if the property was purchased years ago. Failure to comply with the written disclosure requirements may trigger the "involuntary" acquisition requirements of Subpart B of the URA.

If no 202 or 811 project was planned or intended, the written disclosures are not required. However, the applicant should clarify in its submission that the property was not acquired for a 202 or 811 project. It may be difficult to determine whether a project was planned or intended when these properties were acquired. One suggestion is to determine if there was an application that may not have been funded that involved these properties. In addition, if a property was acquired for a previously submitted 202 or 811 project application which was not funded, the written disclosures are not required

for the current application. This should also be clarified in the applicant's submission.

The disclosure notices are not required for acquisitions of real property from a Federal agency, State, or State agency when the purchaser does not have authority to acquire the property through condemnation.

(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 2008 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-4, 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 local HUD office) and from the mortgagee, if other than HUD. Approval to release the site from the mortgage must be done before the local HUD Office 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 local HUD Office 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 what is 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.

15. Evidence of Need/Demand

Where EMAD 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 EMAD'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 EMAD, 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.

16. Elimination of Congressional Notification Letter

In an effort to standardize the information that the Office of Congressional and Intergovernmental Relations (CIR) needs to notify Congress of all the funding awards under the SuperNOFA, the Congressional Notification Letter that is in the Development Application Processing system (DAP) will no longer be used for that

purpose. Headquarters will be providing CIR with an excel spreadsheet with pertinent information such as the Program Name, recipient, the street address, city, state and zip code of the project, the total award amount and a contact name and phone number. This information will be pulled from the data inputted into DAP.

NOTE: Although you are not required to submit the Congressional Notification Letters for your selected projects to HUD Headquarters, HUD Offices 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.

17. 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 something unique and interesting 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 residents, particularly frail residents, 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 “houseparents” 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.

18. Applicant Debriefing

The NOFAs now provide for an applicant debriefing. The request must be in writing to the appropriate local HUD Office’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)

19. Administrative and National Policy Requirements

(a) Acquisition and Relocation.

This section was clarified to provide that the Sponsor must include evidence of compliance with this advance notice requirement in Exhibit 4(d)(iv) of their application.

(b) Conducting Business in Accordance with Core Values and Ethical Standards.

In the General Section of the SuperNOFA, 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.

(c) 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.

(d) 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 2008 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.

(e) 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)

20. Sponsor as Consultant

The Sponsor may also serve as a consultant to the project. Section 891.130(a)(2)(iii) of the final rule for the Section 202 and Section 811 programs 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.

21. 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.

22. 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).

23. Waivers

- (a) Limit on Amendments. Per Section 891.100(d) of the final rule for the Section 202 and Section 811 programs, 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 891.165 of the final rule for the Section 202 and Section 811 programs 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.

24. 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 includes 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 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 (**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))**. A Sponsor or Co-Sponsor may not apply for more than 70 units of housing or 4 projects (whichever is less) in a single Hub or more than 10% of the units allocated to all field Offices.

25. **Mixed-Finance Projects**

(a) Definition of Owner

The definition was revised to indicate that for the purpose of supportive housing, mixed-finance Owner means a for-profit limited partnership (as opposed to a for-profit limited dividend organization) of which a single-

purpose private organization (Section 202) or a single-purpose organization with a 501(c)(3) tax exemption (Section 811) is the sole general partner or is a corporation wholly owned and controlled by the single-purpose organization.

(b) 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, 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.

(c) 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 the FY 2005 and an 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.

(3) Firm Commitment Application Requirements. If a Sponsor receives a Section 202 or Section 811 fund reservation to develop a mixed-finance proposal, 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.
- (5) Section 202 Mixed-Finance Applications for Additional Units. For Section 202 mixed-finance proposals for additional units, the additional units must be for the elderly.

(d) 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 proposing to develop a mixed-finance project at time of application, are required to discuss any plans and actions they have taken to develop a mixed-finance project under Exhibit 4(c)(iii).
- (3) For those years were points were awarded, if a Sponsor proposed to develop a mixed-finance project for additional units, they are 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.

26. 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 commercial facilities 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.

27. 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.

- (a) Under the Section 202 program, the Owner corporation may be (1) a single-purpose private nonprofit organization that has tax exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986, (2) a nonprofit consumer cooperative, or (3) for purposes of developing a mixed-finance project, a for-profit limited partnership with a nonprofit entity as the sole general partner.
- (b) Under the Section 811 program, the Owner corporation may be (1) a single-purpose nonprofit organization that has tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, or (2) for purposes of developing a mixed-finance project, a for-profit limited partnership with the nonprofit entity as the sole general partner.

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)).

28. Restoration of the District of Columbia Allocation

A separate allocation for the Washington, DC Office was restored in FY06. All applicants for projects proposed to be located within the jurisdiction of the

Washington, DC Office that received permission to submit paper applications, will submit their paper applications to the Baltimore, Maryland Office for review and processing.

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. To be eligible to receive up to two points under Rating Factor 3.1, Sponsors must provide a detailed description of their plans to comply with the requirements of Section 3 under Exhibit 3(j) for Section 202 and Exhibit 3(l) for Section 811.

- (a) The submission of Exhibit 3(j) 202 and Exhibit 3(l) 811 is optional, but in order to receive up to two points under Rating Factor 3.1, Sponsors must submit the appropriate Exhibit and fully describe their plans for directing training, employment, and/or contracting opportunities created as a result of their proposed activities, to low- and very low- income residents within the area in which the proposed project is located.
- (b) The Office of FHEO is responsible for reviewing these Exhibits and the assignment of points under Rating Factor 3.1.”

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.

31. Application Changes

(a) Non-responsive Application

The definition for non-responsive applications was expanded to include additional reasons as listed below to determine whether an application will be considered as non-responsive to the NOFA. Applications will not be accepted for processing if the Sponsor:

- (1) Submits paper copies of the application if HUD did not approve a

waiver of the electronic submission requirements;

- (2) Submits a substantially deficient application (i.e., a majority of the required exhibits, are not submitted with the application, particularly, but not limited to, those exhibits which are not curable). (See Section IV.B. of the program NOFA.)
- (3) Requests assistance for an ineligible activity as defined in Section IV.E., Funding Restrictions, of the Section 202/811 NOFAs; or
- (4) Is an ineligible applicant (see Section III.A, Eligible Applicants of this program NOFA).

32. Changes to Exhibits

- (a) Exhibit 2. A note was added to clarify the purpose of HUD's review of the Sponsor's organizational documents to determine the Sponsor's eligibility to participate in the Section 202/811 programs.
- (b) Exhibit 3(a). This Exhibit was revised to make it clear that Sponsors are required to describe their ability to enlist volunteers and raise local funds, if applicable.
- (c) Exhibit 3(c). This Exhibit was amended to broaden the description of funding sources for the project; such description is no longer limited to local government support for the project.
- (d) Exhibit 3(l)/811 & 3(j)/202. This Exhibit was revised to clarify that the exhibit is optional, but to be eligible to receive up to 2 points for this policy priority, the applicant must submit this information using Form HUD-27300 and include the necessary URL references or other documentary evidence.
- (e) These Exhibits have also been revised to clarify that the Section 3 requirements for expanding training, employment and/or contracting opportunities for low- and very low-income persons in the area in which the proposed project is located.
- (f) Exhibit 4(c)(iii). Sponsor's description of any plans to develop a mixed-finance project for additional units, is now a curable item.
- (g) Exhibit 4(d)(iv)/811 & 4(d)(iv)/202. – The note has been revised to clarify that a certification for this requirement is not sufficient. Evidence must be submitted to meet this requirement.
- (h) Exhibit 4(d)(ix). Sponsors will submit the letter they sent to State/Tribal Historic Officer (SHPO/THPO) requesting a review of their applications

relative to any historical significance and a statement that the SHPO/THPO failed to respond; OR, if a response has been received, a copy of the SHPO/THPO letter to the Sponsor. Previously, this requirement was covered in two separate Exhibits.

- (i) Exhibit 4(d)(vii). The language has been revised to clarify that a Phase I ESA, in accordance with the ASTM Standard E1527-05, as amended, using the table of contents and report format specified at Appendix X4 thereto and completed or updated as specified at Section 4.6 thereto, must be completed and submitted with the application. A note has been inserted to inform applicants that a Phase I ESA that is not properly updated, does not use the format specified at Appendix X4 of ASTM Standard E 1527-05, or that is prepared in accordance with an older version of ASTM E 1527, the application will be technically rejected.
- (j) Exhibit 6. Sponsors are required to submit a list of all FY 2007 and prior years approved Section 202 and Section 811 capital advance projects to which they are a party. Sponsors are required to identify each project number and local HUD office and include the following information :
 - (1) Whether the project has initially closed and, if so, when;
 - (2) If the project was older than 24 months when it initially closed (specify how old) or if older than 24 months now (specify how old) and has not initially closed, provide the reasons for the delay in closing;
 - (3) Whether amendment money was or will be needed for any project in (2) above, including the amount of the amendment money; and
 - (4) Those projects that have not been finally closed.
- (k) Exhibit 6(b)(iii). This has been revised to include the amount of amendment money.
- (l) Exhibit 7(d)/811. This has been revised to identify all persons who were required to move from the site within the past 12 months.
- (m) Exhibit 7(d)/202. This has been revised to request that the sponsor address the reason for the move as identified in Exhibit 7.
- (n) Exhibit 7(e)/202 – The Sponsor must indicate that all persons occupying the site have been issued the appropriate required General Information Notice and advisory services information upon receipt required, either at the time the option to acquire the property is executed, or at the time the application is submitted

- (o) Exhibit 7 is required for all Section 202 applications and for 811 applications with site control.
- (p) Exhibit 8(a) – Standard Form 424, Application for Federal Assistance.
 - (1) Pursuant to E0 12372, if the State Point of Contact (SPOC) requires a review of the Sponsor’s application, the Sponsor must include a copy of the cover letter sent to the SPOC in Exhibit 8(a). Although the copy of the cover letter is a curable deficiency, the letter to the SPOC must reflect a date on or before the application deadline date.
 - (2) In Item 12, Areas Affected by Project, of the SF-424, Sponsors are instructed to provide the name of the City, County, and State where the project will be located and not the largest political entities as indicated on the instructions page of the SF-424.
- (q) Exhibit 8(b) - Survey on Ensuring Equal Opportunity for Applicants (SF-424 Supplement). The completed SF-424 Supplement will contain information regarding whether or not the applicant is a faith-based organization. The Department is required to provide information to the White House and Congress from time to time on both the number of applications it receives from faith-based organizations as well as the number of funding awards it has provided to such organizations.
- (r) Exhibit 8(i)/(202) and 8(j)/(811), Program Outcome Logic Model, (form HUD-96010). This form was revised to tailor each specific program. It incorporates a master list of program needs, activities/outputs and outcomes that Sponsors can select from based on their planned activities.
- (s) Form HUD 27300, Questionnaire for HUD’s Initiative on Removal of Regulatory Barriers (optional form), has been removed from Exhibit 8.
- (t) Although optional, Form HUD-2994, You Are Our Grant Applicant Survey, was added to the list of forms under Exhibit 8.

33. Rating Factors

- (a) Under sub-Rating Factor 1.d, a sliding scale (from –3 points to –5 points) was developed in order to better determine the deduction of points for those Sponsors that received an amendment money in connection with a fund reservation approved under either the Section 202 Program of Supportive Housing for the Elderly or the Section 811 Program of Supportive Housing for Persons with Disabilities in FY 2003 or later. The point deduction is as follows:

- **(-3 points).** The amount of the amendment money required was 25% or less of the original capital advance amount approved by HUD.
- **(-4 points).** The amount of the amendment money required was between 26% and 50% of the original capital advance amount approved by HUD.
- **(-5 points).** The amount of the amendment money required was over 50% of the original capital advance amount approved by HUD.

Note: HUD will grant exception of point deduction if the delay was beyond the sponsor's control

- (b) Sub-Rating Factor 3.b(2)(a) under the Section 202 program and sub-Rating Factor 3.c(2)(a) for the Section 811 Program has been revised to clarify that 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.
- (c) Sub-Rating Factor 3.b(2)(b) under the Section 202 program and sub-Rating Factor 3.c(2)(b) for the Section 81 Program has been revised to clarify that the neighborhood's total percentage of minority persons is at least 20 percentage points higher than the total percentage of minorities for the housing market area.
- (d) In order to accommodate the Department's policy to allow Sponsor's to receive up to 2 points for describing their plans to comply with the Economic Opportunities for Low and Very Low-Income Persons (Section 3) requirement, a new sub-Rating Factor 3.1, Plans to Meet Section 3 Requirement, was added under Rating Factor 3, Soundness of Approach. This sub-Rating Factor will be rated by FHEO instead of the Project Manager.
 - (1 point). Plans to provide opportunities to train and employ low and very-low income residents of the project area;
 - (1 point). Plans to award substantial contracts to persons residing in the project area.
 - Sub-Rating Factor 3.c was reduced from 10 points to 8 points to accommodate the 2 points added under sub-Rating Factor 3.1 for compliance with the Section 3 requirements.
- (e) To provide a fair and more reasonable method to award points under Rating Factor 4, Leveraging Resources, a sliding scale based on the dollar value of any written evidence of firm commitments (including financial assistance, donation of land, provision of services, etc.) towards the development and

operation of the proposed project from other funding sources (e.g., private local community and government sources) was developed. The designated points for this rating factor are to be awarded as follows:

- 0 point if the dollar value totals 5% or less of the capital advance amount as determined by HUD;
- 1 point if the total value totals between 6% and % 10;
- 2 points if the total value totals between 11% and 15%;
- 3 point if the total value totals between 16% and 20%;
- 4 points if the total value totals between 21% and 25%; and
- 5 points if the total value totals over 25%.

34, Reduction in Points for Time Limit.

Points for Sponsor-caused delays in the project reaching initial closing and any corresponding need for amendment money will be deducted only for such projects that were funded in FY 2003 and later years (See Rating Factor 1.c and d). It was decided that it is unfair to continually penalize a Sponsor for such occurrences that happened five or more years ago if they have shown an improvement in project development in recent years.

35. Clarification on the Removal of Regulatory Barriers to Affordable Housing.

- (a) Awarding of Points. Applicants are eligible to receive up to 2 points for responding to the policy priority of undertaking activities that will remove barriers to the development of affordable housing. Section 202 and Section 811 applicants are to describe the extent to which the jurisdiction, in which the project will be located, had undertaken successful efforts to remove regulatory barriers to affordable housing in Exhibit 3(i) and Exhibit 3(k), respectively. To receive up to the 2 points under Rating Factor 3.j, Section 202 and Section 811 applicants must submit Form HUD-27300, Questionnaire for HUD’s Initiative on Removing Regulatory Barriers **and** the necessary URL references and or the required documentary evidence.
- (b) Guidance on Awarding Points on the Removal of Regulatory Barriers to Affordable Housing. Form HUD-27300 consists of two parts:
- **Part A:** Local Jurisdictions, Counties Exercising Land Use and Building Regulatory Authority and Other Applicants Applying for Projects Located in Such Jurisdictions or Counties. Part A consists of 20 questions with two columns for response to each question, a “No” Response and a “Yes” Response.
 - **Part B:** State Agencies and Departments or Other Applicants Applying for Projects Located in Unincorporated Areas or Areas Otherwise Not Covered in Part A. Part B consists of 15 questions with two columns for response to each question, a “No” Response

and a “Yes” Response.

For both Parts A and B, a check in column 2 is valid only if, as stated in the NOFA, the applicant supplies for each question either a reference, URL, or a brief statement, indicating where the backup information may be found and a point of contact including a telephone number and/or email address. The Department may request the applicant to subsequently submit supporting or clarifying documentation. The applicant’s supply of a reference, URL, or brief statement that indicates where backup information may be found is to assist the reviewer with any response that the reviewer believes should be checked whether for purposes of verification or clarity in understanding a response. Where the reference to backup information is not helpful to the reviewer, the reviewer may request the applicant to submit additional supporting or clarifying documentation.

In addition, a limited number of these questions expressly request the applicant to provide brief documentation in the application itself (see questions Part A, No. 12 and Part B, Nos. 12, 14 and 15). As with any documentation specifically requested by HUD in its NOFAs, this information is to be reviewed by the reviewer to ensure that it is responsive to the question. If the information is not provided, points should not be awarded for the response.

- Part A – The applicant will not receive any points if there are only 4 or fewer checks in column 2.
- Part A – The applicant will get 1 point if there are 5 to 9 valid checks in column 2.
- Part A – The applicant will get 2 points if there are 10 or more valid checks in column 2.
- Part B – The applicant will not receive any points if there are 3 or fewer checks in column 2.
- Part B – The applicant will get 1 point if there are 4 to 7 valid checks in column 2.
- Part B – The applicant will get 2 points if there are 8 or more valid checks in column 2.

36. Project Rental Assistance Contract (PRAC) Term.

The initial term of the PRAC Budget Authority has been reduced from 5 years to 3 years.

37. Reporting Requirements.

The reporting requirement has been revised as follows:

- (a) Program Outcome Logic Model (form HUD 96010)
The Sponsor and the Owner, when formed, are now required to report annually, on the results achieved against the output goal(s) and outcome(s), which were initially proposed.
- (b) Return of Investment Statement
Based on information provided in the Logic Model, Sponsors will be required to submit to HUD a statement reporting the Return on Investment (ROI) as a result of HUD's Section 202 or Section 811 funding award. HUD will be publishing a separate notice of the ROI concept later.
- (c) Race and Ethnic Data Reporting Form (form HUD-27061)
HUD no longer requires Sponsors to submit with their application form HUD-27061 that provides for the collection and reporting of racial and ethnic beneficiary data.

38. Form HUD-2530, Previous Participation Certification

Form HUD-2530 is no longer required to be submitted with the application at the NOFA stage. Thus, Sponsors no longer have to receive clearance by HUD regarding their previous participation activities before they can be considered for funding. Instead, if selected for funding, Sponsors will be required to submit their Form HUD-2530 electronically. This requirement must be fully covered during the project Planning Conference with Sponsors approved for funding.

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. Licensed Assisted Living Projects

Licensed assisted living projects have been added to the list of ineligible activities in the Section 202 program NOFA.

3. 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.

4. Scattered Site Projects

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

5. Accessibility Requirements

The accessibility requirements for Section 202 projects have been clarified with respect to site selection. Sponsors must comply with Section 504 of the Rehabilitation Act of 1973 and 24 CFR 8.4(b)(5) that prohibits the selection of a site or location, which has the purpose or effect of excluding persons with disabilities from the Federally-assisted activity.

6. 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.

7. Economic and Market Analysis (EMAD) Review

The EMAD rating for sufficient demand was based on the project's unmet needs ratio. Under sub-Rating Factor 2.a., an application in a market area found to have sufficient demand was eligible to receive either 10 or 5 points. If not, the project would receive no point. No other point values were allowed. The ratio is calculated by dividing the number of units in the proposed project by the unmet need in the market area. Units intended for occupancy by resident managers are not to be counted. An application could receive 10 points if the project has an unmet needs ratio of 15 percent or less; 5 points if the unmet needs ratio is greater than 15 percent.

Unmet need is defined as the number of very low-income elderly one-person renter households age 75 or older with housing conditions, as of the 2000 Census, minus the number of project-based subsidized rental housing units (HUD, Rural Housing Services (RHS), or applicable Low-Income Housing Tax Credit (LIHTC) that are affordable to very low-income elderly) provided in the area since 1999.

8. Metropolitan and Non-metropolitan Allocation

The allocations for metropolitan and non-metropolitan portions of the local HUD Office 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.

9. Mixed-Finance

The Section 202 NOFA clarified that any additional units in a mixed-finance proposal must be for the elderly.

10. Rating Factor Changes

- (a) The maximum score for Rating Factor 1, Capacity of the applicant and Relevant Organizational Staff has increased from 23 points to 25 points.
- (b) The maximum score for sub-Rating Factor 1.a. has increased from 13 points to 15 points.
- (c) The maximum score for Rating Factor 3, Soundness of Approach, has decreased to 45 points from 47 points.
- (d) The maximum score for sub-Rating Factor 3.b. has decreased from 10 points to 8 points.
- (e) Section V.A.3.(b)(2)(a) of Rating Factor 3: Soundness of Approach, has been changed to “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.
- (f) Section V.A.3.(b)(2)(b) of Rating Factor 3: Soundness of Approach, has been changed to “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.

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. Application Changes

- (a) Non-Responsive Applications. If an applicant requested assistance for housing that they currently own or lease that has been occupied by people with disabilities for longer than one year prior to the application deadline date, that application will be considered as non-responsive. Section IV.E., Funding Restrictions, also was revised to include this restriction as an ineligible activity, along with assisted living facilities and mobile homes (previously manufactured housing).

NOTE: The Sponsor may propose to rehabilitate an existing currently-owned or leased structure (if the structure already serves persons with disabilities, it cannot have operated as housing for persons with disabilities for longer than one year prior to the application deadline date); however, the refinancing of any federally funded or assisted project or project insured or guaranteed by a federal agency is not permissible under the Section 811 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 or that have been operating as housing for persons with disabilities for longer than one year prior to the application

deadline date. (For example, Section 202, Section 202/8 or Section 202/PAC direct loan projects cannot be refinanced with capital advances and project rental assistance.)

- (b) Additional Curable Deficiency Items. As a result of eliminating the five points for site control, the following parts of Exhibit 4 are now curable since they don't affect the rating of the application:
- Exhibit 4(d)(i)(A) Deed or long-term leasehold;
 - Exhibit 4(d)(i)(B) Contract of sale;
 - Exhibit 4(d)(i)(C) Option to purchase or for a long-term leasehold;;
 - Exhibit 4(d)(i)(E) Evidence that the public body possess clear title & binding agreement
 - Exhibit 4(d)(ii) Evidence site is free of limitations, restrictions or reverters
 - Exhibit 4(d)(iv) Evidence of compliance with the URA site notification requirement
 - Exhibit 4(d)(vii) Phase I ESA
 - Exhibit 4(d)(viii) Asbestos Statement or Report
 - Exhibit 4(d)(ix) Letter to the State Historic Preservation Officer/Tribal Historic Preservation Officer (SHPO/THPO) and the Response from SHPO/THPO or a statement that they didn't respond
 - Exhibit 4(d)(x) Willingness to seek an alternate site
 - Exhibit 4(d)(xi) Exception to project size limit
 - Exhibit 4(e)(ii) Steps undertaken to identify site
 - Exhibit 4(e)(iv) Status of the sale of the site
 - Exhibit 4(e)(v) Whether the site would involve relocation
- (c) Exhibit 7 of the Application. Exhibit 7, which must be completed if the site will involve relocation, does not apply to Section 811 applications that are "site identified".
- (d) In addition to addressing how their project will implement practical solutions that will assist residents in achieving independent living, educational opportunities and improved living conditions in Exhibit 3(g), the Sponsor must also address how it will assist residents to achieve economic empowerment.
- (e) The Supportive Services Plan is a curable deficiency.

5. Rating Factor Changes

- (a) The maximum score for Rating Factor 1, capacity of the Applicant and Relevant Organizational Staff, has been increased from 28 points to 30 points.

- (b) The maximum score for sub Rating Factor 1.a, the scope, extent and quality of the sponsors experience in providing housing or related services to those proposed to be served by the project and the scope of the proposed project, has been increased from 13 points to 15 points.
- (c) The maximum score for Rating Factor 3: Soundness of Approach has been reduced from 42 points to 40.
- (d) The maximum score for sub Rating Factor 3.c, the suitability of the site from the standpoints of promoting a greater choice of housing opportunities for minorities and persons with disabilities and affirmatively furthering fair housing has been reduced from 10 points to 8.

6. Valuation Review of Market Need/Demand

- (a) In Rating Factor 2, Need/Extent of the Problem, if the Valuation staff determines that there is sufficient sustainable long-term demand for additional supportive housing for persons with disabilities in the area to be served, the project is to be awarded 10 points. If not, the project is to be awarded 0 points. No other point values are allowed.
- (b) 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 (EMAD) 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 10 points) under sub-Rating Factor 2.a.

7. 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.

8. 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, both at the Program

Center and Multifamily Hub levels. This change was necessary for two reasons. First, 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. Second, 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 (FHOO) 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 FHOO 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 local HUD Office 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 must provide evidence that the proposed projects are either permissible under applicable zoning ordinances or regulations or describe action that is required to make the projects permissible as well as the basis for the belief that the proposed action will be completed successfully before issuance of the firm commitment application. Furthermore, 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. Local HUD Offices 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. In order 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).

9. 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.

10. Project Size

- (a) Exceptions to the 14-Person Project Size Limit. The provision allowing Sponsors to request exceptions to the 14-person 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.
- (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.

11. 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) Supportive Services. 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 that are either in close proximity to community services and amenities or accessible to them other than by sole means of a project residence or private vehicle will be rated more favorably than 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.
- (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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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. SITES LOCATED IN FLOODPLAINS OR WETLANDS.

Due to the length of the review process required for all sites that are located in floodplains or (for new construction projects) wetlands (see Attachment 6, paragraph A.5.), HUD Offices may not be able to complete their reviews in time for the applications to be considered for funding. Therefore, Sponsors should take this into consideration when selecting project sites and put forth all efforts to locate sites that are not in floodplains or (for new construction projects) wetlands.

V. FY 2008 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 2008 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. Each HUD Office jurisdiction receives sufficient capital advance funds for a minimum of 20 units in metropolitan areas and 5 units in non-metropolitan areas. The total amount of capital advance funds to support these minimum set-asides is subtracted from the respective (metropolitan or non-metropolitan) total capital advance amount available. The remainder is fair shared to each HUD Office jurisdiction whose original fair share exceeded the minimum set-aside, based on its respective fair share factor.

NOTE: The allocations for metropolitan and non-metropolitan portions of the Multifamily Hub or Program Center 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 2008 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.

Each HUD Office jurisdiction receives sufficient capital advance funds for a minimum of 10 units. The total amount of capital advance funds to support this minimum set-aside is then subtracted from the total capital advance available. The remainder is fair shared to each HUD Office jurisdiction whose original fair share exceeded the minimum set-aside, based on the allocation formula fair share factors described above.

B. Program Fund Assignments

As done in prior years, HUD Headquarters will assign the 202/811 capital advance and PRAC funds for the FY 2008 applications selected for funding by electronic means to the Ft. Worth Accounting Center upon completion of the HUD Headquarters' review.

VI. LOCAL HUD 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 FY 2008 Section 202 allocations.

- (a) Offices are required to establish allocation areas only 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** units for projects in metropolitan and non-metropolitan areas. **Offices may NOT establish their own minimum or maximum application sizes.**

Where the office 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.

In accordance with 24 CFR Part 791, the Assistant Secretary has allocated the amounts available for capital advances for supportive housing for persons with disabilities for FY 2008. 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 Sponsor cannot request more units in a Field Office 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.

C. Local HUD 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.

VII. AWARD ADMINISTRATION INFORMATION

A. Notification to Program Applicants.

Sponsors must be advised that all applications submitted under the FY 2008 program must be in conformance with the Federal Register SuperNOFA, Regulations, Handbook and local HUD Office Funding Notifications. To this end, FY 2008 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 applying for a Section 202 or Section 811 fund reservation 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 is prohibited until after funding announcements are made. Local HUD Offices 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, for FY 2008, in response to a written request from the

applicant to the Director of the Program Center 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).

VIII. 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 for FY 2008. 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, Offices 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 2008 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 2008 funding round as set forth in Attachments 9 and 10. (These goals do not affect the rating of Section 202 or Section 811 applications.) Field Offices 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 SuperNOFA, pertaining to salary limitations for consultants, applies to the Section 202 and Section 811 programs. In accordance with the General Section of the SuperNOFA, Fiscal Year 2008 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, 2008.

IX. 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 August 15, 2008, for Section 811 and Section 202. Field Offices are to make the final input of information in DAP by September 19, 2008, for Section 811 and for Section 202.

1. DAP's Comment Section.

Use the comment section to input the grant number assigned to the application by Grants.gov.

2. Print Copy of DAP Application Log.

- (a) After logging in all applications received, print a copy of the log and write in the related Grant Number below the Project and PRAC Numbers for each application.
- (b) Write in "R" after the Grant Number to indicate that it is a resubmitted application.
- (c) Make sure you account for all of the applications.
- (d) Mail the printed copies of the DAP Log of Applications Received to Headquarters, Attention: Aretha Williams, Director, Grant Policy and Management Division, 451 7th Street, SW, Washington, DC 20410, Room 6142 by November 12, 2008, for Section 811 and for Section 202.

B. DAP Application Log.

A Section 202 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, September 19, 2008, Field 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 2008 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.

Brian D. Montgomery
Assistant Secretary for Housing –
Federal Housing Commissioner

**SECTION 811 and SECTION 202
FISCAL YEAR 2008 APPLICATION PROCESSING SCHEDULE**

In accordance with the schedule included in the SuperNOFA 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:

<u>Section 202 Application Deadline</u>	July 10, 2008
<u>Section 811 Application Deadline</u>	July 16, 2008
Initial DAP Application Data Input	August 15, 2008
Final DAP Application Data Input	September 19, 2008
<u>Submission of the Phase II ESA or the Phase II ESA and contract for remediation and the approval letter from the Federal, State and/or local agency with jurisdiction over the site, IF so indicated</u>	
Section 202	August 11, 2008
Section 811	August 18, 2008
<u>Submission of SF-424 Supplement from Each application received to Headquarters</u>	September 19, 2008
Initial Screening for Curable Deficiencies Completed and Deficiency Letters Mailed	September 26, 2008
Send Technical Reject Letters to Sponsors with a copy of each letter plus Technical Reject Report to Headquarters	October 16, 2008
<u>Program Center Offices submit transmittal memoranda, recapitulation sheets, lists of initial selections, approvable but unfunded applications, and applications that scored less than 75 base pts. to Hubs and SF-424 from each approvable application to Headquarters</u>	November 6, 2008
<u>Hubs submit lists of initial selections, approvable but unfunded applications, applications that scored less than 75 base pts., transmittal memoranda, and recapitulation sheets to Headquarters</u>	November 12, 2008

SUBMISSION REQUIREMENTS FOR SELECTION MATERIALS

Submission of Selection Materials to Multifamily Hubs and Headquarters. It is essential that all selection materials be reviewed for completeness and accuracy, prepared in accordance with the following instructions, and forwarded to the Multifamily Hubs and to Headquarters in strict adherence to the Processing Schedule in Attachments 1 and 2. The Development Application Processing (DAP) System is to be used in preparing all Selection Lists and Reports.

1. Program Center Submissions to the Multifamily Hubs.

Program Centers are to submit the following selection materials to the Multifamily Hubs 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.
 - (i) Number of applications received.
 - (ii) Number of applications selected.
 - (iii) Identification of applications, if any, where the number of units was reduced by up to 10 percent and the number of units and funds needed to restore the application to its original request.
 - (iv) Amount of unused funds being returned to the Multifamily Hub.
 - (v) For any applications with the same score on the Program Center'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 in response to E.O. 12372, etc.
- b. Recapitulation Form.** A separate recapitulation form for the Program Center for each program.
- c. 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.
- d. 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. **Not Recommended List.** A list of applications in rank order for each program that received a score of less than 75 base points.
 - f. **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, along with copies of any appeal letters and the Program Centers' responses to the appeal letters.
 - g. **The Standard Rating Criteria Form** for each application.
2. **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) Identification of any approvable but unfunded applications the Multifamily Hub funded with residual funds from the Program Centers.
 - (v) Amount of unused funds and units being returned to Headquarters.
 - (vi) 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.
 - (vii) 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 separate recapitulation form for the Multifamily Hub and each Program Center for each program.
 - 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 Program Centers’/Hubs’ responses to the appeal letters.
 - g. **Program Center Selection Materials.** The following selection materials from the Program Centers **exactly** as they were submitted to the Hub **before selections were made with residual funds**:
 - (i) Program Center Transmittal Memorandum.
 - (ii) Program Center Initial Selection List in rank order for each program. For 202, metro and non-metro selections must be on separate lists. For 811, a separate Category A and Category B initial selection list in rank order must be submitted.
- (3) **Program Center Approvable but Unfunded Rank order List.** For 202, metro and non-metro selections must be on separate lists. For 811, a separate Category A and Category B approvable but unfunded list in rank order must be submitted.
- (4) **Program Center Not Recommended.** List for each program of applications that scored less than 75 base points.
- (5) **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, along with any appeal letters and the Program Centers’ responses to the appeal letters.

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

FISCAL YEAR 2008 SECTION 202 ALLOCATION BY FIELD OFFICE

Offices	Metropolitan		Non-Metropolitan		Totals	
	Units	Capital Advance	Units	Capital Advance	Units	Capital Advance
BOSTON HUB						
BOSTON	99	14,852,409	5	752,070	104	\$15,604,479
HARTFORD	52	7,935,120	5	757,900	57	8,693,020
MANCHESTER	34	4,096,539	17	2,033,723	51	6,130,262
PROVIDENCE	34	5,069,008			34	5,069,008
TOTAL	219	31,953,076	27	3,543,693	246	35,496,769
BUFFALO HUB						
BUFFALO	68	8,792,202	19	2,428,434	87	11,220,636
NEW YORK HUB						
NEW YORK	229	34,710,551	5	757,900	234	35,468,451
PHILADELPHIA HUB						
PHILADELPHIA	96	14,109,609	14	1,977,404	110	16,087,013
NEWARK	111	16,759,723			111	16,759,723
CHARLESTON	20	2,238,720	9	1,023,936	29	3,262,656
PITTSBURGH	52	6,277,554	12	1,400,240	64	7,677,794
TOTAL	279	39,385,606	35	4,401,580	314	43,787,186
BALTIMORE HUB						
BALTIMORE	51	6,050,225	5	594,660	56	6,644,885
RICHMOND	48	5,212,518	12	1,278,226	60	6,490,744
WASHINGTON	49	6,450,479			49	6,450,479
TOTAL	148	17,713,222	17	1,872,886	165	19,586,108
GREENSBORO HUB						
GREENSBORO	52	7,437,910	21	3,076,308	73	10,514,218
COLUMBIA	36	4,361,333	10	1,241,098	46	5,602,431
TOTAL	88	11,799,243	31	4,317,406	119	16,116,649
JACKSONVILLE HUB						
JACKSONVILLE	136	14,194,678	10	1,002,451	146	15,197,129
BIRMINGHAM	39	4,027,963	13	1,342,765	52	5,370,728
JACKSON	20	1,970,540	14	1,357,942	34	3,328,482
TOTAL	195	20,193,181	37	3,703,158	232	23,896,339

ATLANTA HUB

LOUISVILLE	36	3,953,234	16	1,747,870	52	5,701,104
ATLANTA	54	5,562,866	16	1,625,940	70	7,188,806
KNOXVILLE	20	2,028,840	5	507,210	25	2,536,050
NASHVILLE	37	3,854,077	12	1,212,485	49	5,066,562
SAN JUAN	20	2,565,200	5	641,300	25	3,206,500
TOTAL	167	17,964,217	54	5,734,805	221	23,699,022

CHICAGO HUB

CHICAGO	114	16,372,133	18	2,536,986	132	18,909,119
INDIANAPOLIS	55	6,024,794	14	1,578,794	69	7,603,588
TOTAL	169	22,396,927	32	4,115,780	201	26,512,707

COLUMBUS HUB

COLUMBUS	35	3,775,645	12	1,313,771	47	5,089,416
CINCINNATI	42	4,710,913	5	553,850	47	5,264,763
CLEVELAND	64	7,650,703	11	1,363,476	75	9,014,179
TOTAL	141	16,137,261	28	3,231,097	169	19,368,358

DETROIT HUB

DETROIT	66	8,457,737	8	1,046,832	74	9,504,569
GRAND RAPIDS	38	3,494,026	12	1,074,224	50	4,568,250
TOTAL	104	11,951,763	20	2,121,056	124	14,072,819

MINNEAPOLIS HUB

MINNEAPOLIS	51	6,731,424	17	2,309,827	68	9,041,251
MILWAUKEE	58	7,624,861	18	2,335,578	76	9,960,439
TOTAL	109	14,356,285	35	4,645,405	144	19,001,690

FT WORTH HUB

FT WORTH	73	7,183,097	18	1,813,483	91	8,996,580
HOUSTON	49	4,773,337	8	781,209	57	5,554,546
LITTLE ROCK	20	1,888,920	13	1,229,049	33	3,117,969
NEW ORLEANS	42	4,160,829	11	1,113,725	53	5,274,554
SAN ANTONIO	42	4,039,121	9	815,435	51	4,854,556
TOTAL	226	22,045,304	59	5,752,901	285	27,798,205

KANSAS CITY HUB

KANSAS CITY	44	5,118,752	16	1,782,584	60	6,901,336
OKLAHOMA CITY	20	1,947,220	13	1,254,378	33	3,201,598
DES MOINES	20	1,947,220	15	1,500,102	35	3,447,322
OMAHA	20	2,250,380	11	1,233,900	31	3,484,280
ST LOUIS	38	4,894,949	11	1,466,683	49	6,361,632
TOTAL	142	16,158,521	66	7,237,647	208	23,396,168

DENVER HUB

DENVER	61	6,942,022	23	2,256,550	84	9,198,572
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LOS ANGELES HUB

LOS ANGELES	175	25,372,645	5	725,835	180	26,098,480
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SAN FRANCISCO HUB

SAN FRANCISCO	112	16,294,047	8	1,176,661	120	17,470,708
HONOLULU	20	4,197,600	5	1,049,400	25	5,247,000
PHOENIX	46	4,803,345	8	847,414	54	5,650,759
SACRAMENTO	41	6,028,616	5	731,665	46	6,760,281
TOTAL	219	31,323,608	26	3,805,140	245	35,128,748

SEATTLE HUB

SEATTLE	59	8,253,243	10	1,441,498	69	9,694,741
ANCHORAGE	20	4,197,600	5	1,049,400	25	5,247,000
PORTLAND	45	5,303,423	14	1,613,694	59	6,917,117
TOTAL	124	17,754,266	29	4,104,592	153	21,858,858

NATIONAL TOTAL	2,863	366,949,900	548	64,755,865	3,411	431,705,765
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**FY 2008 SECTION 811 ALLOCATIONS FOR
SUPPORTIVE HOUSING FOR PERSONS
WITH DISABILITIES**

	UNITS	CAPITAL ADVANCE
BOSTON HUB	18	2,570,479
HARTFORD	10	1,448,772
MANCHESTER	10	1,145,453
PROVIDENCE	10	1,425,369
TOTAL	48	6,590,073
NEW YORK HUB		
NEW YORK	30	4,313,677
TOTAL	30	4,313,677
BUFFALO HUB		
BUFFALO	17	2,151,246
TOTAL	17	2,151,246
PHILADELPHIA HUB		
CHARLESTON	10	1,087,694
NEWARK	20	2,875,370
PHILADELPHIA	21	2,908,845
PITTSBURGH	10	1,171,277
TOTAL	61	8,043,186
BALTIMORE HUB		
BALTIMORE	10	1,156,789
RICHMOND	17	1,783,191
WASHINGTON	10	1,284,949
TOTAL	37	4,224,929
GREENSBORO HUB		
COLUMBIA	16	1,874,051
GREENSBORO	21	2,986,861
TOTAL	37	4,860,912
ATLANTA HUB		
ATLANTA	21	2,128,419
KNOXVILLE	10	989,623
LOUISVILLE	16	1,774,049
NASHVILLE	15	1,532,464
SAN JUAN	17	2,117,070
TOTAL	79	8,541,625
JACKSONVILLE HUB		
BIRMINGHAM	17	1,672,125
JACKSON	14	1,385,770
JACKSONVILLE	32	3,285,040

TOTAL	63	6,342,935
CHICAGO HUB		
CHICAGO	24	3,393,408
INDIANAPOLIS	18	1,858,942
TOTAL	42	5,252,350
COLUMBUS HUB		
CINCINNATI	10	1,081,007
CLEVELAND	16	1,917,185
COLUMBUS	10	1,059,833
TOTAL	36	4,058,025
DETROIT HUB		
DETROIT	18	2,196,451
GRAND RAPIDS	15	1,293,813
TOTAL	33	3,490,264
MINNEAPOLIS HUB		
MILWAUKEE	15	1,962,065
MINNEAPOLIS	15	1,897,665
TOTAL	30	3,859,730
FT WORTH HUB		
FT WORTH	26	2,385,717
HOUSTON	18	1,693,171
LITTLE ROCK	10	918,299
NEW ORLEANS	16	1,581,150
SAN ANTONIO	17	1,593,298
TOTAL	87	8,171,635
KANSIS CITY HUB		
DES MOINES	10	948,388
KANSAS CITY	16	1,780,310
OKLAHOMA CITY	15	1,405,534
OMAHA	10	1,097,723
ST LOUIS	10	1,251,516
TOTAL	61	6,483,471
DENVER HUB		
DENVER	20	2,186,874
TOTAL	20	2,186,874
SAN FRANCISCO HUB		
SAN FRANCISCO	26	3,578,465
HONOLULU	10	2,005,992
PHOENIX	16	1,685,527
SACRAMENTO	14	2,053,059

TOTAL	66	9,323,043
LOS ANGELES HUB		
LOS ANGELES	38	5,374,920
TOTAL	38	5,374,920
SEATTLE HUB		
SEATTLE	17	2,312,158
ANCHORAGE	10	2,005,992
PORTLAND	16	1,758,331
TOTAL	43	6,076,481
NATIONAL TOTAL	828	99,345,376

SECTION 811 WORKSHOP INSTRUCTIONS

The local HUD Office will send a copy of the Funding Notification and information regarding the date, time and place of the workshop (Attachment 8) 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 YEAR 2008
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 _____ Office. The minimum number of 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 SuperNOFA 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 office 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 July 10, 2008.

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

**FUNDING NOTIFICATION FOR FISCAL YEAR 2008
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:

Units Capital Advance
_____ \$ _____

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

An application may be obtained by downloading the General Section of the SuperNOFA 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 July 17, 2008.

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. 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 independent living project or condominium. Approval must be granted by the Hub.

**Fiscal Year 2008 Policy for Section 202 and
Section 811 Applications Processing and Selections**

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 3 for specific instructions regarding the selection materials that must be submitted to Headquarters.

Residual funds not used by Multifamily Hubs for each program shall be identified in the transmittal memorandum to accompany the above lists. These funds will be recaptured by Headquarters and will be used to restore units, where possible, to projects that had units reduced in order to be selected and to fund additional applications based on field office ratings, beginning with the highest rated application nationwide, ensuring equity among field offices as previously described.

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

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 enumerate 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. HUD Offices should alert the Rating/Selection Panel of any applications with adverse State comments.
4. The Environmental Assessment and Compliance Findings for the Related Laws Form (Form HUD-4128) must be completed for applications with satisfactory evidence of site control, all compliance findings made, including the Finding of No Significant Impact, and properly executed by the Appraiser and Supervisory Project Manager/ Operations Director and Hub Director/Program Center Director before technical processing can be completed. For projects located in or affecting the 100-year floodplain (500-year floodplain for critical actions) and/or, in the case of sites for new construction, a wetland, either the project must be deemed outright as not being acceptable regarding floodplains/wetland without going through the 8-Step process, as identified in 24 CFR Part 55 (Floodplains/Wetlands); or Steps 1 through 6 must be completed prior to the convening of the Rating/Selection Panel. Furthermore, if the application does not include a letter from the SHPO indicating that the site has no historic significance, and does not impact on a site or area of historic significance, the applicable determination under Historic Preservation procedures must be made and documented by HUD Office staff. This also must be completed prior to convening the Rating/Selection Panel. After completion of technical processing, the Form HUD-4128 must be executed by the Supervisory Project Manager and attached to the Valuation Technical Processing Review and Findings Memorandum.

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 HUD Offices' responses to the appeal letters.

C. Determining Approvable Applications.

1. Establishing the Rating/Selection Panel. The HUD Office 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 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. Community Planning and Development

3. Area of Competition.
 - a. Section 202. All metropolitan applications will compete against each other and all non-metropolitan applications will compete against each other within each local HUD Office's jurisdiction.
 - 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 local HUD Office'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. All approvable applications are to be placed 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 HUD Office 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 HUD Office may not select more units nor approve more funds than it was allocated.

NOTE: The only exception to this is if the HUD Office 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 office the capital advance required is more than the capital advance

amount allocated to the office. In this case, the Hub should fully fund this application first with any residual capital advance funds. 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 Program Center must address the situation in its transmittal memorandum to the Hub and 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 office 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 HUD Office 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, any residual funds may be utilized to fund the next highest rank-ordered application 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. 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. For Section 202, the HUD Office may combine its unused metropolitan and non-metropolitan funds in order to select the next ranked application in either category, using the unit reduction policy, if necessary.

6. Approvable but Unfunded Applications. After the above process has been completed, HUD Offices must identify all unfunded but otherwise approvable applications.
7. Program Center's Submission to the Multifamily Hub.
See Attachment 3 for a description of the selection materials that must be submitted to the Multifamily Hub in accordance with the processing schedule in Attachment 1.
8. Multifamily Hub's Use of Residual Funds. After the Program Centers within each Hub have funded all possible projects for the Section 202 and Section 811 programs, the residual funds (for Section 202, metropolitan and non-metropolitan funds are to be combined) will be used in the following manner. First, these funds will be used to restore units to projects reduced by Program Centers. Then, additional applications within each Multifamily Hub will be selected in rank order with no more than one application selected per Program Center unless there are insufficient approvable applications in other Program Centers within the Multifamily Hub. This process will continue until there are no more approvable applications within the Multifamily Hub that can be selected with the remaining funds. For Section 811, the residual funds are to be used first to fund Category A applications in rank order. Applications may not be skipped over to select one based on funds remaining. However, if necessary, any remaining residual funds may be used to fund the next rank-ordered application by reducing the number of units by no more than 10 percent, rounded to the nearest whole number, provided the reduction will not render the project infeasible. HUD will not reduce the number of units in Section 202/811 independent living projects of 5 units or less or Section 811 Group Homes of 2 units or less.
9. Headquarters' Use of Residual Funds. HUD Headquarters will use these residual funds first to fund Way Station, Incorporated in the jurisdiction of the Baltimore, MD Multifamily Program Center, a FY2006 application that was not funded due to an administrative error relative to the project size limit. Second, HUD Headquarters will use the residual funds to restore units to projects that were reduced by HUD Multifamily Program Center or Multifamily Hub as a result of the instructions for using their residual funds. Third, HUD Headquarters will use these funds for selecting additional applications based on HUD Program Centers' 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 HUD Office from the national residual amount unless there are insufficient approvable applications in other HUD Offices. 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.

- E. Submission to Headquarters. See Attachment 3 for a description of the selection materials that must be submitted to the Multifamily Hub in accordance with the processing schedules in Attachments 1 and 2.

SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS – FY 2008

<u>OFFICES</u>	<u>CAPITAL ADVANCE</u>	<u>UNITS</u>
BOSTON HUB	\$4,245,980	29
Boston	\$1,854,688	12
Hartford	\$1,176,288	8
Manchester	\$602,432	5
Providence	\$612,571	4
NEW YORK HUB	\$8,976,538	59
New York City	\$8,976,538	59
BUFFALO	\$2,273,762	18
Buffalo	\$2,273,762	18
PHILADELPHIA HUB	\$6,657,338	47
Charleston	\$559,680	5
Newark	\$3,699,642	25
Pittsburgh	\$738,390	6
Philadelphia	\$1,659,626	11
BALTIMORE HUB	\$2,917,996	26
Baltimore	\$1,754,755	15
Richmond	\$1,163,241	11
Washington		
GREENSBORO HUB	\$2,824,336	21
Columbia	\$1,152,485	10
Greensboro	\$1,671,851	12
ATLANTA HUB	\$3,638,162	34
Atlanta	\$1,564,107	15
San Juan	\$402,994	3
Louisville	\$549,060	5
Knoxville	\$507,210	5
Nashville	\$614,792	6

JACKSONVILLE HUB	\$4,066,512	39
Jacksonville	\$2,515,884	24
Birmingham	\$937,833	9
Jackson	\$612,795	6
CHICAGO	\$4,102,101	30
Chicago	\$3,495,373	24
Indianapolis	\$606,729	6
COLUMBUS HUB	\$1,950,129	17
Cincinnati	\$569,297	5
Cleveland	\$924,560	8
Columbus	\$456,273	4
DETROIT HUB	\$1,906,512	17
Detroit	\$1,349,155	11
Grand Rapids	\$557,357	6
MINNEAPOLIS HUB	\$1,256,714	10
Milwaukee	\$681,863	5
Minneapolis	\$574,851	4
FT. WORTH HUB	\$5,251,624	54
Ft. Worth	\$1,678,232	17
Houston	\$1,115,225	11
Little Rock	\$304,359	3
New Orleans	\$1,210,123	12
San Antonio	\$943,685	10
KANSAS CITY HUB	\$2,591,466	23
Des Moines	\$486,805	5
Kansas City	\$573,220	5
Oklahoma City	\$373,366	4
St. Louis	\$595,480	5
Omaha	\$562,595	5
DENVER HUB	\$961,960	8

Denver	\$961,960	8
SAN FRANCISCO HUB	\$10,791,646	71
Honolulu (Guam)	\$2,559,996	12
Phoenix	\$948,096	9
Sacramento	\$1,967,048	13
San Francisco	\$5,316,506	37
LOS ANGELES HUB	\$8,278,719	57
Los Angeles	\$8,278,719	57
SEATTLE HUB	\$2,820,886	18
Anchorage	\$1,038,202	5
Portland	\$572,537	5
Seattle	\$1,210,148	9
Total	\$75,512,382	579

SECTION 811 MINORITY BUSINESS ENTERPRISE (MBE) GOALS – FY 2008

<u>OFFICES</u>	<u>CAPITAL ADVANCE</u>	<u>UNITS</u>
BOSTON HUB	\$1,089,528	8
Boston	\$285,609	2
Hartford	\$289,754	2
Manchester	\$229,091	2
Providence	\$285,074	2
NEW YORK HUB	\$718,946	5
New York City	\$718,946	5
BUFFALO	\$379,632	3
Buffalo	\$379,632	3
PHILADELPHIA HUB	\$1,298,649	10
Charleston	\$217,539	2
Newark	\$431,306	3
Pittsburgh	\$234,255	2
Philadelphia	\$415,549	3
BALTIMORE HUB	\$661,717	6
Baltimore	\$347,037	3
Richmond	\$314,681	3
Washington		
GREENSBORO HUB	\$778,079	6
Columbia	\$351,385	3
Greensboro	\$426,694	3
ATLANTA HUB	\$1,278,489	12
Atlanta	\$405,413	4
San Juan	\$249,067	2
Louisville	\$221,756	2
Knoxville	\$197,925	2
Nashville	\$204,329	2

JACKSONVILLE HUB	\$904,301	9
Jacksonville	\$410,630	4
Birmingham	\$196,721	2
Jackson	\$296,951	3
CHICAGO	\$630,725	5
Chicago	\$424,176	3
Indianapolis	\$206,549	2
COLUMBUS HUB	\$667,816	6
Cincinnati	\$216,201	2
Cleveland	\$239,648	2
Columbus	\$211,967	2
DETROIT HUB	\$416,559	4
Detroit	\$244,050	2
Grand Rapids	\$172,508	2
MINNEAPOLIS HUB	\$514,631	4
Milwaukee	\$261,609	2
Minneapolis	\$253,022	2
FT. WORTH HUB	\$1,316,801	14
Ft. Worth	\$367,033	4
Houston	\$282,195	3
Little Rock	\$183,660	2
New Orleans	\$296,466	3
San Antonio	\$187,447	2
KANSAS CITY HUB	\$1,069,469	10
Des Moines	\$189,678	2
Kansas City	\$222,539	2
Oklahoma City	\$187,405	2
St. Louis	\$250,303	2
Omaha	\$219,545	2
DENVER HUB	\$218,687	2

Denver	\$218,687	2
SAN FRANCISCO HUB	\$1,940,596	13
Honolulu (Guam)	\$601,798	3
Phoenix	\$210,691	2
Sacramento	\$439,941	3
San Francisco	\$688,166	5
LOS ANGELES HUB	\$1,131,562	8
Los Angeles	\$1,131,562	8
SEATTLE HUB	\$893,008	6
Anchorage	\$401,198	2
Portland	\$219,791	2
Seattle	\$272,019	2
Total	\$15,909,195	131

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

Instructions:

1. The Project Manager shall screen 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 ensure that the Sponsor has submitted the required information in Exhibit 5(b) to justify its request.
-

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 SuperNOFA 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)</u>	_____	_____	_____
<u>3(j)</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(d)(i)</u>	_____	_____	_____

<u>4(d)(ii)</u>	_____	_____	_____
<u>4(d)(iii)</u>	_____	_____	_____
<u>4(d)(iv)</u>	_____	_____	_____
<u>4(d)(v)</u>	_____	_____	_____
<u>4(d)(vi)</u>	_____	_____	_____
<u>4(d)(vii)</u>	_____	_____	_____
<u>4(d)(viii)</u>	_____	_____	_____
<u>4(d)(ix)</u>	_____	_____	_____
<u>4(d)(x) (811)</u>	_____	_____	_____
<u>4(d)(xi) (A) (811)</u>	_____	_____	_____
<u>4(d)(xi) (B) (811)</u>	_____	_____	_____
<u>4(d)(xi)(C) (811)</u>	_____	_____	_____
<u>4(d)(xi) (D) (811)</u>	_____	_____	_____
<u>4(d)(xi) (E) (811)</u>	_____	_____	_____
<u>4(d)(xi) (F) (811)</u>	_____	_____	_____
<u>4(d)(xi) (G) (811)</u>	_____	_____	_____
<u>4(e)(i) (811)</u>	_____	_____	_____
<u>4(e)(ii) (811)</u>	_____	_____	_____
<u>4(e)(iii) (811)</u>	_____	_____	_____
<u>4(e)(iv) (811)</u>	_____	_____	_____
<u>4(e)(v) (811)</u>	_____	_____	_____
<u>5(a) (202)</u>	_____	_____	_____
<u>5(b) (202)</u>	_____	_____	_____
<u>5(c) (202)</u>	_____	_____	_____
<u>5(a) (811)</u>	_____	_____	_____
<u>5(b)(i) (811)</u>	_____	_____	_____
<u>5(b)(ii)(A) (811)</u>	_____	_____	_____
<u>5(b)(ii)(B) (811)</u>	_____	_____	_____
<u>5(b)(iii) (811)</u>	_____	_____	_____
<u>5(b)(iv) (811)</u>	_____	_____	_____
<u>5(c) (811)</u>	_____	_____	_____
<u>5(d) (811)</u>	_____	_____	_____
<u>5(e) (811)</u>	_____	_____	_____
<u>5(f) (811)</u>	_____	_____	_____
<u>5(g)(i) (811)</u>	_____	_____	_____
<u>5(g)(ii) (811)</u>	_____	_____	_____
<u>5(g)(iii) (811)</u>	_____	_____	_____
<u>5(h) (811)</u>	_____	_____	_____
<u>5(i) (811)</u>	_____	_____	_____
<u>5(j) (811)</u>	_____	_____	_____
<u>6(a)</u>	_____	_____	_____
<u>6(b)(1)</u>	_____	_____	_____
<u>6(b)(2)</u>	_____	_____	_____

<u>EXHIBIT NO.</u>	<u>COMPLETE</u>	<u>INCOMPLETE</u>	<u>MISSING</u>
<u>6(b)(3)</u>	_____	_____	_____
<u>6(b)(4)</u>	_____	_____	_____
<u>7(a)</u>	_____	_____	_____
<u>7(b)</u>	_____	_____	_____
<u>7(c)</u>	_____	_____	_____
<u>7(d)</u>	_____	_____	_____
<u>7(e)</u>	_____	_____	_____
<u>8(a)</u>	_____	_____	_____
<u>8(b)</u>	_____	_____	_____
<u>8(c)</u>	_____	_____	_____
<u>8(d)</u>	_____	_____	_____
<u>8(e)</u>	_____	_____	_____
<u>8(f)</u>	_____	_____	_____
<u>8(g)</u>	_____	_____	_____
<u>8(h)</u>	_____	_____	_____
<u>8(i)</u>	_____	_____	_____
<u>8(i)(i)</u>	_____	_____	_____
<u>8(i)(ii)</u>	_____	_____	_____
<u>8(i)(iii)</u>	_____	_____	_____
<u>8(i)(iv)</u>	_____	_____	_____
<u>8(j)</u>	_____	_____	_____
<u>8(k)</u>	_____	_____	_____
<u>8(l)</u>	_____	_____	_____

NOTES:

- 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.
- 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:

1. _____ 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

2. _____ 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 7 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 (Attachment 14 (202) and Attachment 15 (811)). 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 25 base points for 202 and 30 base points for 811. However, on the Project Manager's Memorandum Format, Rating Factor 1 is worth a maximum of 18 points for 202 and 23 points for 811 because the Project Manager does not rate Rating Criterion 1(b)(i) which is worth 5 points for either 202 or 811 and only assigns 3 of the 5 points under Rating Criterion 1(b)(2).
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	_____	_____
EMAD	_____	_____
FHEO	_____	_____
COUNSEL	_____	_____
CPD	_____	_____

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.

Technical Processing - Project Manager) - continued

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: _____

Technical Processing - Project Manager) - continued

Project No. _____

Project Name: _____

6. Is project likely to affect adversely other HUD-insured and assisted housing? (Coordinate response with EMAD)

Yes _____ No _____ If yes, 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: _____

Technical Processing - Project Manager) - continued

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.11 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.

Project No. _____

Project Name: _____

- 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?

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 (25 POINTS for 202, 30 POINTS for 811)

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

- (a) The scope, extent and quality of the Sponsor's experience in providing housing or related services to those proposed to be served by the project and the scope of the proposed project (i.e., number of units, services, relocation costs, development, and operation) in relationship to the Sponsor's demonstrated development and management capacity as well as its financial management capability. (15 points maximum)

Recommended rating: _____

Comments: _____

Project No. _____

Project Name: _____

- (b)(2)** 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: _____

- (c)** A Section 202 or Section 811 fund reservation the Sponsor received in FY 2003 or later has been extended beyond 24 months (-3 points), 36 months (-4 points) or 48 months (-5 points) (except if the delay was beyond the Sponsor's control).

Recommended rating: _____

Comments: _____

- (d)** The amount of amendment money required in connection with a fund reservation the Sponsor received under either the Section 202 Program for Supportive Housing for the Elderly or the Section 811 Program for Persons with Disabilities in FY 2003 or later was 25% or less of the original capital advance amount approved by HUD (-3 pts); between 26% and 50% (-4 pts); and over 50% (-5 pts). Note: Percentage calculations must be rounded to the nearest whole number.

Recommended rating: _____

Comments: _____

Project No. _____

Project Name: _____

- (e) **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). (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)

Recommended rating: _____

Comments: _____

RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (13 POINTS)

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 document 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. (3 points maximum)

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 3 points. 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: _____

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

RATING FACTOR 3 - SOUNDNESS OF APPROACH (45 POINTS FOR 202, 40 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. (3 points maximum)

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, economic empowerment, educational opportunities and improved living environments (e.g., activities that will improve computer access, literacy and employment opportunities). (2 points maximum)

Recommended rating: _____

Comments: _____

- (f) **Section 811 Only:** The Sponsor's board is comprised of persons with disabilities. (0 or 4 points)

Recommended rating: _____

Comments: _____

Project No. _____

Project Name: _____

- (g) **Section 811 Only:** The Sponsor's involvement of persons with disabilities (including minority persons with disabilities), 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. (3 points maximum)

Recommended rating: _____

Comments: _____

- (h) **Section 811 Only:** The extent to which the Sponsor coordinated its application with other organizations (including local independent living centers) that will not be directly participating in the project, but with which the Sponsor shares common goals and objectives and are working toward meeting the objectives in a holistic and comprehensive manner. (2 points maximum)

Recommended rating: _____

Comments: _____

- (i) **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 who have been experiencing chronic homelessness become more productive members of society. (1 point maximum)

Recommended rating: _____

Comments: _____

Technical Processing – (Project Manager) - continued

Project No. _____

Project Name: _____

- (i) **Section 202 Only:** The Sponsor's involvement of elderly persons, 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. (2 points maximum)

Recommended rating: _____

Comments: _____

- (j) The extent to which the jurisdiction in which the project will be located has undertaken successful efforts to remove regulatory barriers to affordable housing. (2 points maximum based on the review of Exhibit 8(k) for 202 and 8(l) for 811, Form HUD-27300, Questionnaire for HUD's Initiative on Removal of Regulatory Barriers to Affordable Housing)

Recommended rating: _____

Comments: _____

RATING FACTOR 4 - LEVERAGING RESOURCES (5 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 (5 points maximum) Note: Percentage calculation must be rounded to the nearest whole number.

- (a) The extent to which the Sponsor has secured general support and/or written evidence of firm commitments towards the development and operation of the proposed project (including financial assistance, donation of land, provision of services, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals 5% or less of the capital advance amount as determined by HUD. (0 point)
- (b) The extent to which the Sponsor has secured general support and/or written evidence of firm commitments towards the development and operation of the proposed project (including financial assistance, donation of land, provision of services, 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. (1 point)
- (c) The extent to which the Sponsor has secured general support and/or written evidence of firm commitments towards the development and operation of the proposed project (including financial assistance, donation of land, provision of services, 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. (2 points)
- (d) The extent to which the Sponsor has secured general support and/or written evidence of firm commitments towards the development and operation of the proposed project (including financial assistance, donation of land, provision of services, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals between 16% and 20% of the capital advance amount as determined by HUD. (3 points)
- (e) The extent to which the Sponsor has secured general support and/or written evidence of firm commitments towards the development and operation of the proposed project (including financial assistance, donation of land, provision of services, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals between 21% and 25% of the capital advance amount as determined by HUD. (4 points)
- (f) The extent to which the Sponsor has secured general support and/or written evidence of firm commitments towards the development and operation of the proposed

project (including financial assistance, donation of land, provision of services, etc.) from other funding sources (e.g., private local community and government sources) where the dollar value totals over 25% of the capital advance amount as determined by HUD. (5 points)

Recommended rating: _____

Comments: _____

RATING FACTOR 5 – ACHIEVING RESULTS AND PROGRAM EVALUATION (12 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: _____

(b) The extent to which your past performance evidences that the proposed project will result in the timely development of the project. Evidence of your past performance could include the development of previous construction projects, including but not limited to Section 202 and Section 811 projects. (2 points maximum)

Recommended rating: _____

Comments: _____

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

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 FACTORS

**RATING FACTOR 3 - SOUNDNESS OF APPROACH
(45 POINTS FOR 202, 40 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 (2 points maximum)

Recommended rating: _____

Comments: _____

(Technical Processing - A&E) - continued

Project No. _____

Project Name: _____

- (d) **Section 811 Only:** The extent to which the proposed design of the project (exterior and interior) and its placement in the neighborhood will meet the individual needs of the residents and will facilitate their integration into the surrounding community and promote their ability to live as independently as possible. (2 points maximum)

Recommended rating: _____

Comments: _____

- (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 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. (2 points maximum)

Recommended rating: _____

Comments: _____

(Technical Processing - A&E) - continued

Project No. _____

Project Name: _____

202

(h) The proposed design incorporates visitability standards

811 and universal design in the construction or

(e) rehabilitation of the project. (1 point maximum)

Recommended rating: _____

Comments: _____

(k) The extent to which the design and operation of the proposed housing will promote energy efficiency. (1 point maximum)

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

Yes _____ No _____

Comments: _____

Signature of Reviewer

Date

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: _____

(Technical Processing - Valuation) - continued

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?

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. **For Section 202 applications and Section 811 applications with site control only:** the proposed site is located inside the 100-year floodplain (or, if a critical action, the 500-year floodplain) and/or, if a new construction project, the proposed site is located in a wetland.

Yes _____ No _____ If Yes, initiate the 8-step process.

Comments: _____

NOTES:

- a. All Section 811 proposals are considered to be critical actions.
- b. Contact the Sponsor to determine if a Conditional/ Final Letter of Map Amendment/Revision has been issued by FEMA that would remove the site from the 100-year or 500-year floodplain, as appropriate. If not, or in the case of wetlands, either the project must be deemed outright as not being acceptable regarding floodplains/wetlands without going through the 8-step process, as identified in 24 CFR Part 55, or the first six steps of the 8-step process **must** be completed prior to the convening of the Rating/ Selection Panel. Also, HUD must pay for the publication of the early public notice, as required by step 2:

(Technical Processing - Valuation) - continued

Project No. _____

Project Name: _____

4. For **Section 202 applications** and **Section 811 applications with site control only**, 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? 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: _____

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. The term “comprehensive building asbestos survey” is a more appropriate term than the term asbestos report referred to in last year’s SUPERNOFA.

Comments: _____

- 1. For Section 202 applications and Section 811 applications with site control only.**

Was a Phase I Environmental Site Assessment (ESA) submitted for the entire site that would be covered by the capital advance, with an Update, as appropriate, and prepared in conformance with ASTM Standard E 1527-05, as amended? A Phase I ESA that is not properly updated as specified at Section 4.6 of ASTM E 1527-05 when completed earlier than older than 180 days before application date, does not use the format specified at Appendix X4 of ASTM Standard E 1527-05, or that is prepared in accordance with an older version of ASTM E 1527 will result in technical rejection of the application.

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 the required site visit, or if the Phase I says that it is in conformance with ASTM E 1527-00 rather than ASTM E 1527-05.

(Technical Processing – Valuation) - continued

Project No. _____

Project Name: _____

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: _____

6. If the answer to question #5 is Yes, based on the Phase I ESA (and its update, as applicable) and any other evidence deemed appropriate, is further study recommended?

Yes _____ No _____ N/A _____

Comments: _____

7. If the answer to question #6 is Yes, was a Phase II ESA prepared and received by the appropriate date?

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.

Yes _____ No _____ N/A _____

Comments: _____

(Technical Processing – Valuation) – continued

Project No. _____

Project Name: _____

8. If the answer to question #7 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: _____

9. If the answer to question #8 is Yes, was the extent of contamination and an acceptable plan for clean-up, including a contract for remediation and an approval letter from the applicable Federal, State and/or local agency received by the appropriate date?

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: _____

10. If the answer to question #9 is yes: (a) other than if the site meets the **special groundwater exception below**, will the plan for clean-up eliminate contamination to the extent necessary to meet non site-specific Federal, State or local health standards; (b) can all active or passive remediation that is proposed, be completed prior to initial closing; (c) does the plan not include or allow for engineering controls such as vertical barrier walls or capping, (d) will any monitoring or testing wells put in place in relation to known or suspected contamination be able to be closed out prior to initial closing?

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

Section 202: If No to any, the application must be rejected **unless** it meets the requirements of the special groundwater exception note below.

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

Section 811: If no, the site must be rejected and the application shall receive 0 points for Criterion 3(a) below and placed in Category B for selection purposes provided the Sponsor indicated a willingness to locate an alternate site **unless** it meets the requirements of the special groundwater exception note below.

Comments: _____

Special Groundwater Exception

The proposed project site may be acceptable if **all** of the following three criteria are met (Check all that apply):

- a. All known or suspected contamination on the proposed site is located, or will be located after remediation, solely within groundwater that is or would be located at least 25 feet below the surface. _____
- b. There is an outright prohibition on the use of groundwater for any purposes in the vicinity of the proposed site. _____
- c. No active water supply wells will be in existence at the proposed site at initial closing. _____

Site meets the Special Groundwater Exception:

Yes _____ No _____

NOTE: If the project is environmentally acceptable you must condition all remediation to be completed and all monitoring or testing wells be removed prior to initial closing.

11. **For Section 202 applications and Section 811 applications with site control only:** the Environmental Assessment has been completed as set forth in the attached Form HUD-4128 with Sample Field Notes Checklist, including but not limited to:

- a. The environmental finding that the project has been deemed acceptable.
- b. Signatures of the Appraiser and Supervisory Project Manager/Operations Director and Hub Director/Program Center Director.

(Technical Processing – Valuation) – continued

Project No. _____

Project Name: _____

- c. Floodplain/wetland Executive Orders compliance for a project in floodplain/wetland, by either deeming the project outright as not being acceptable regarding floodplains/wetlands without going through the 8-step process or by going through step 6 of the 8-step process.
- d. Historic preservation compliance including: any required consultation with the SHPO or, THPO on tribal lands; submission to and taken into account any comments received from any Indian Tribes on non-tribal lands, or Native Hawaiian Organization when your office possesses any knowledge that a site might have a religious or cultural significance to them.

Yes ___ No ___ N/A ___ (811 – Site Identified)

Section 202: If No, the application is 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: _____

NOTES:

- As stated in the SuperNOFA, you are authorized to contact the applicant in order to obtain information that would help you complete the environmental assessment.
- If you have not received an “opinion” from the SHPO/THPO in response to the request made by the applicant, you **must** contact the SHPO/THPO and allow 30 days for such response.
- If the project is deemed environmentally acceptable but with special conditions, and if the application is approved, you must condition the approval on such conditions.

(Technical Processing – Valuation) – continued
Project No. _____
Project Name: _____

12. The proposed construction or rehabilitation is permissible under applicable zoning ordinances or regulations, or a statement was included indicating the proposed action required to make the proposed project permissible and the basis for belief that the proposed action would be completed successfully before the submission of the firm commitment application. (See Rating Factor 3(b) below for rating associated with permissive zoning)

Yes _____ No _____

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. **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 (13 Points)

- (a) **Section 811 Projects Only:** If a determination has been made that there is sufficient sustainable long-term demand for additional supportive housing for persons with disabilities in the area to be served, the project is to be awarded 10 points. If not, the project is to be awarded 0 points. Awarding of points between 0 and 10 points is not permitted.

Recommended rating: _____

Comments: _____

(Technical Processing – Valuation) – continued
Project No. _____
Project Name: _____

**RATING FACTOR 3 - SOUNDNESS OF APPROACH
(45 POINTS FOR 202, 40 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) **Site approvability** - Proximity or accessibility of the site to shopping, medical facilities, transportation, places of worship, recreational facilities, places of employment and other necessary services to the intended occupants, adequacy of utilities and streets and freedom of the site from adverse environmental conditions (**applies only to site control projects for 811**) and compliance with the site and neighborhood standards. (18 points maximum for Section 202, 14 points maximum for Section 811)
Recommended rating: _____

Comments: _____

202

- (m) **Permissive Zoning** – One or more of the proposed sites is not permissively zoned for the intended use. (-1 point)

- (b)
Recommended rating: _____

Comments: _____

(Technical Processing – Valuation) – continued

Project No. _____

Project Name: _____

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: _____

(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, EMAD 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 EMAD' 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 EMAD'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 - EMAD) - 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:** EMAD should complete this question only if it has available relevant information on the site and location.

Yes _____ No _____

Comments: _____

RATING FACTOR

RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (13 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)

10 points: The project has an unmet needs ratio of 15 percent or less.

5 points: The project has an unmet needs ratio of greater than 15 percent.

Project/Needs Ratio: _____

Recommended rating: _____

Comments: _____

(Technical Processing - EMAD) - continued

Project No. _____

Project Name: _____

Based on the EMAD review, the application is:

_____ Acceptable _____ Not Acceptable

Explain: _____

(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 SuperNOFA, 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, the application must be rejected.

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.

RATING FACTORS

RATING FACTOR 1 - CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATIONAL STAFF (25 POINTS FOR 202, 30 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 or related services to minority persons or minority families. (5 points maximum)

NOTE: If the Sponsor has no previous housing experience, all relevant supportive services experience should be examined.

Recommended rating: _____

Comments: _____

(b)(2) 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: _____

RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (13 points)

(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.

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

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
(45 POINTS FOR 202, 40 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:

202 (b) The suitability of the site from the standpoints of promoting a greater choice of housing
811 (c) opportunities for minority elderly persons/families (**Section 202**) or persons with disabilities, including minorities (**Section 811**) and affirmatively furthering fair housing. The site will be deemed acceptable if it increases housing choice and opportunity by (a) expanding housing opportunities in non-minority neighborhoods (if located in such a neighborhood); **OR** contributing to the revitalization of and reinvestment in minority neighborhoods, including improvement of the level, quality and affordability of services furnished to the minority elderly (202) or minority persons with disabilities (811). (8 points maximum)

Recommended rating: _____

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

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

Comments: _____

(Technical Processing - FHEO) - continued

Project No. _____

Project Name: _____

202 Did the Sponsor involve minority elderly (202) or

(i) minority persons with disabilities (811) in the

811 development of the application?

(g)

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 _____

Comments: _____

Section 811 and Section 202. The extent to which the applicant has described its specific plans for expanding economic opportunities for low- and very low-income persons, pursuant to the requirements of Section 3. **NOTE:** To receive up to 2 points, the applicant must have adequately described the following in Exhibit 3(l) 811 or Exhibit 3(j) 202 of the application. -1 point will be awarded if the applicant fully described its efforts to provide opportunities to train and employ low and very low-income persons residing in the area in which the proposed project is located; and/or 1 point if the applicant fully described its efforts to award substantial contracts to persons residing the area in which the proposed project is located

Recommended rating: _____

Comments: _____

The following additional findings have been made:

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 _____

(Technical Processing - FHEO) - continued

Project No. _____

Project Name: _____

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 submitted in Exhibit 7 acceptable?

Yes _____ No _____ N/A _____

Comments: _____

The subject application is acceptable from an FHEO viewpoint.

Yes _____ No _____

Explain: _____

(Signature of FHEO Reviewer) Date

NOTE: EXHIBITS 1, 3(a), 3(b), 3(d), 3(e), 3(f), 3(h), 4(a), 4(d), 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: Proj. Type/# of Sites: _____

of Units per Site: _____

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

1. The Sponsor is an eligible private nonprofit entity (**Section 202**) or nonprofit entity with a 501(c)(3) IRS tax exemption (**Section 811**), 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 therefrom.

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, the application must be rejected.

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 SuperNOFA.)

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 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 or 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 SuperNOFA.)

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

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

Section 811: If Yes, the site must be rejected 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 Field Counsel is responsible for determining what is a reasonable period of time based on a review of the information in the Title policy. 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 1-4 and Items 5(a), 5(b), 6(a) and 6(b). The CPD Reviewer will complete Items 5(c) and 6(c).

Site Acquisition Section

Question 1 is applicable only to projects that require the acquisition of a site. If it appears that the applicant already owns the site for the proposed project, the reviewer should skip question 1.

_____ Site control not established/not required by program.

Review to be performed upon approval.

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

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

(Technical Processing - CPD) continued

Project No. _____

Project Name: _____

- 1. Real Property acquisition / site control (Exhibit 4). If applicant has site control, did applicant/buyer provide seller with required voluntary, arm's length transaction information?

Yes _____ No _____ NA _____

Comments: _____

- 2.(a) 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)

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

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

- (c) 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: _____

Persons occupying the property include:

	No. not to be	No. to be
	Displaced	Displaced

Households (families and individuals) _____

Business and Nonprofit Organizations _____

Farms _____

Totals _____

3.(a) Estimated costs for relocation and real property acquisition, if applicable, are reasonable.

Yes _____ No _____

Comments: _____

(Technical Processing - CPD) continued

Project No. _____

Project Name: _____

(b) The source of funding for such costs has been identified.

Yes _____ No _____

Comments: _____

(c) There is a firm commitment to provide funds for relocation costs (Section 202 or Section 811 funds or other sources).

Yes _____ No _____

Comments: _____

(d) All persons that have moved from the site within the past 12 months and the reason for such move have been identified.

Yes _____ No _____

Comments: _____

4. Organization to administer relocation has been identified.

Yes _____ No _____

Comments: _____

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

Yes _____ No _____

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

(Technical Processing - CPD) continued

Project No. _____

Project Name: _____

(c) **TO BE COMPLETED BY LOCAL CPD REVIEWER.** The person named in 5(b) above is the authorized certifying official.

Yes _____ No _____

Comments: _____

6. BONUS POINTS (2 POINTS)

(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):

(c) **TO BE COMPLETED BY LOCAL CPD REVIEWER.** The person named in 6(b) above is the authorized certifying official.

Yes _____ No _____

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

Recommended rating: _____

Comments: _____

NOTE: EXHIBITS 1, 4, 7, and 8(e), and 8(h) WERE REVIEWED TO DETERMINE THE ABOVE FINDINGS.

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

Yes _____ No _____

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

**Signature of Regional Relocation
Specialist**

Date

(Signature of CPD Reviewer)

Date

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

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

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 99.3 million in capital advance funds available which will facilitate the development of 828 housing units for persons with disabilities.

On May 12, 2008, HUD published in the Federal Register a Notice of Fund Availability for the Section 811 Program as part of a Super Notice of Funding Availability (SuperNOFA) 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 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 means 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.

Section 811 - Supportive Housing for Persons with Disabilities

EVALUATION FORM

Appropriate State/Local Agency

Project Name: _____

Sponsor Name/City/ST: _____

Project Address: _____

Project Number: _____

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

Evaluation of the Supportive Services Plan

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?

(State/Local Agency - cont'd)

Project No. _____

Project Name: _____

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?

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: _____

Elderly	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	\$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

Disabled	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

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, <i>or</i> did not select available services/activities from the drop down list that are consistent with the Narrative, <i>or</i> 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, <i>or</i> 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, or <u>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 §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 §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].