

**NOTE:** In addition to following the requirements in the Section 202 and/or Section 811 programs section of the SuperNOFA, it is essential to pay particular attention to the General Section of the SuperNOFA which includes important information regarding the application submission procedures which have changed since Fiscal Year 2002 and additional application requirements that are applicable to all programs contained in the SuperNOFA including the standard forms that must be submitted with the application.

**2. CHANGES FOR THE FY 2003 SECTION 202 AND SECTION 811 PROGRAMS:**

**A. Submission of Applications.**

- (1) **Filing of Applications.** HUD has relaxed the security procedures that impact the submission of applications. Applicants are now strongly encouraged, but not required, to submit their Section 202 and/or Section 811 applications to HUD field offices via the United States Postal Service (USPS). They must be postmarked no later than midnight on **June 13, 2003**, and received in the appropriate HUD field office within 15 days of the application deadline date. If an application mailed by the USPS arrives after the 15-day period, the field office must request the Certificate of Mailing (USPS Form 3817). If the form shows that the application was delivered to the USPS in time for it to be postmarked by midnight on June 13, 2003, then the application must be accepted. Applications mailed by a delivery service such as DHL, Falcon Carrier, FedEx, or UPS must arrive in the field office before the close of business on June 13, 2003. **Hand delivered applications still are not acceptable.**
- (2) **Proof of Timely Submission.** Proof of timely submission of applications mailed to the HUD field offices is the Certificate of Mailing (USPS Form 3817) from USPS.

**B. Threshold Score.** The minimum score for funding consideration is increased from 70 to 75 points (exclusive of the 2 bonus points for RC/EC/EZ applications).

**C. Reorganization of the Section 202 and Section 811 NOFAs.**

- (1) The application package used to prepare a Section 202 or 811 application (previously referred to as the Application Kit) has been added as Appendix A to the Section 811 NOFA. However, separate bound versions, similar to last fiscal year, also will be

available.

- (2) Information pertaining to the limits on the number of units and projects that a Sponsor can apply for has been removed from Section III(B), Eligible Applicants, and included under a new Section named "Application Unit/Project Limits" under Section IV (B), Program Requirements.
- (3) Information regarding the Phase I and Phase II Environmental Site Assessments (ESAs) was removed from Section VI, Application Submission Requirements, and included as part of Program Requirements (see Section IV(S) of the NOFAs).
- (4) The detailed description of each Exhibit that previously was included in Section VI, Application Submission Requirements, has been removed from this Section as the information basically duplicated the information in the Application package that is prepared for the Sponsor. Therefore, Sponsors must obtain the individual Exhibit description for both the Section 202 and 811 programs from the Application which is Appendix A of the Section 811 NOFA.
- (5) As indicated in Section IV, Program Requirements, of the NOFAs, Sponsors are referred to the General Section of the SuperNOFA for information regarding compliance with the Fair Housing Requirements, Economic Opportunities for Low and Very Low Income Persons (Section 3), Delinquent Federal Debt requirements, and the requirements related to False Statements.

**D. Form HUD-2530, Previous Participation Certification.**

Sponsors must now receive clearance by HUD regarding their previous participation activities before they can be considered for funding. Beginning this year, Sponsors must submit form HUD-2530, Previous Participation Certification, under Exhibit 8(i) of the 202 and/or 811 applications. HUD staff will complete the previous participation clearance process in accordance with the Previous Participation Handbook 4065.1 REV-1 and the instructions contained in paragraph 18 of this Notice. Form HUD-2530 is a curable deficiency item. See paragraph 18 for further discussion.

**E. Elimination of the Reference to Mixed-Use Proposals.**

Sponsors may continue to submit applications proposing mixed-financing to develop additional units over and above the Section 202 or Section 811 units. However, the reference to proposals with a mixed-use purpose was eliminated from this year's 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.

**F. Commercial Facilities.** 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. 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 (ADA) of 1990 as they are considered public accommodations under Title III of the ADA.

**G. Additional Requirements for Phase I ESA.**

- (1) If the project involves demolition and/or rehabilitation of structures built before 1978, Sponsors must include the following as part of their Phase I ESA:
  - a. An asbestos report that identifies the location and condition of any asbestos; and
  - b. A certification that any asbestos identified in the asbestos report that is in friable condition will be abated, that any non-friable asbestos that has been identified in the asbestos report and that will be affected by the demolition/rehabilitation will be abated, and that any asbestos to be abated has been included within the project costs.
- (2) If the project does not involve demolition and/or rehabilitation of structures built before 1978, then the Phase I must include a certification to same.

- H. **Supplemental Guidance to Guidebook entitled "Choosing an Environmentally Safe Site."** Included as Attachment 3 to the Application is additional environmental information on the protection and conservation of natural resources, such as the protection of endangered and threatened species, and manmade hazards.
- I. **Sample State/Tribal Historic Preservation Office Letter.** Attachment 1 to the Application includes a sample letter that Sponsors may use to submit to the State Historic Preservation Office or Tribal Historic Preservation Office (SHPO/THPO) to initiate consultation with the SHPO/THPO and to request their review of the proposed project. Sponsors may, however, continue to develop and use their own letters to request the SHPO/THPO review of their projects.
- J. **Supportive Services Plan.** The Exhibit for providing a description of the provision of services and the supportive services plan is now Exhibit 5. It was previously a part of Exhibit 4.
- K. **Form HUD-424-B, Assurances and Certifications.** Form HUD-424-B, which is required for this year, contains several certifications, including the certifications regarding a Drug-Free Workplace (form HUD-50070) and Certification regarding Debarment and Suspension (form HUD-2992). Therefore, Sponsors are no longer required to submit form HUD-50070 and form HUD-2992.
- L. **Form HUD-50071, Certification of Payments to Influence Federal Transactions.** The submission of Form HUD-50071 is no longer required. Form HUD-424, Application for Federal Assistance, provides the information previously contained in form HUD-50071. Therefore, by signing the form HUD-424, Sponsors are, in fact, certifying to compliance with the requirements regarding payments to influence Federal transactions. Sponsors are still required to submit Standard Form LLL, Disclosure of Lobbying Activities, if necessary, to report such activities.
- M. **Project Development Timeline.** In keeping with the Department's Policy Priorities for FY 2003 for requiring applicants to be accountable for their performance and achieving results, Sponsors are now required to submit under Exhibit 3(h), a project development timeline that lists the major development stages for the project with the associated dates for completing the stages. Sponsors have to identify the development stages to get the projects to initial closing and start of construction within the 18-month term of the fund reservation period as well as the full completion of the project, through final closing. Information from this Exhibit is used to

assist the Field Office in scoring applications under Rating Factor 5, which has been renamed "Achieving Results and Program Evaluation." The previous optional Exhibit asking the Sponsor to describe its plan for getting the project to initial closing and start of construction within 18 months of the fund reservations (previously Exhibit 4(c)(iv)) has been eliminated.

- N. Expiration of Funds.** The FY 2003 Consolidated Appropriations Resolution requires all 202/811 FY 2003 funds to be obligated by September 30, 2006. No funds can be disbursed from the account after September 30, 2011. The project must be completed through final closing no later than September 30, 2011. All unexpended balances, including any remaining balance on PRAC contracts will be cancelled as of October 1, 2011. Other current appropriations will have to fund any amounts needed to maintain PRAC payments for any remaining term on the affected contract beyond September 30, 2011.
- O. New York City-Owned Sites.** The provision in last year's NOFAs stating that New York City-owned sites that are designated as community gardens **and** involved in litigation will not meet the site control requirements for that year's competition has been eliminated. Since the litigation regarding such sites in New York has been resolved, there no longer is a need to place a restriction on these sites.
- P. Visitability Standards and Universal Design.** In accordance with the Departmental Policy Priority for incorporating visitability standards and universal design in the project design, Sponsors have to address as part of Exhibit 4(c) whether the building design will incorporate visitability standards and universal design.
- Q. Energy Star Labeled Products and Appliances.** Also, to comply with a Departmental Policy Priority for this year, Sponsors are asked to identify, if applicable, any plans to incorporate energy efficient features in the operation of the project through the use of Energy Star labeled products and appliances. This information is submitted under Exhibit 4(c)(ii).
- R. Exhibit 6, Listing of 202/811 Applications Submitted to Other HUD Offices.** This Exhibit was expanded to require Sponsors to (a) identify their **FY 2002 and earlier** funded projects by project number and Field Office, (b) indicate whether or not the fund reservations are older than **24 months** and if amendment funds were or will be needed for the projects, and (c) indicate those projects which have not been finally closed.

S. Scoring Changes Affecting Both 202 and 811 Programs.

(1) Rating Factor 1, Capacity of the Applicant and Relevant Organizational Staff.

- a. Field Offices are no longer assigning one point to organizations that are defined as grassroots organizations.
- b. The points for the scope, extent and quality of the Sponsor's experience in providing housing or related services to the intended residents has been increased from 14 to 15 points for Section 202 projects and from 11 to 15 points for Section 811 projects.
- c. The scope, extent and quality of the Sponsor's experience in providing housing or related services to minority persons or families and the Sponsor's ties to the community at large and to the minority and elderly (202) or disabled (811) communities in particular have been divided into two rating factors of 5 points each. The overall experience in serving minorities is now a separate rating factor from the Sponsor's ties to the community at large and to the minority and elderly (202) or disabled (811) communities in particular. FHEO will rate the Sponsor's experience in serving minorities and the Sponsor's ties to the minority community. The Project Manager will rate the Sponsor's ties to the community at large and to the elderly (202) or disabled (811) community in particular.
- d. The number of points that HUD will deduct from this rating factor due to Sponsor delays in reaching initial closing has been revised to provide for a maximum deduction of up to 4 points based on the length of the delay (except if the delay is beyond the Sponsor's control). Two points will be deducted for delays beyond 24 months of the fund reservation, 3 points if beyond 36 months, and 4 points if beyond 48 months. Additionally, if amendment money was required as a result of the delay for a 202 or 811 project that was extended beyond **24 months** (except if the delay was beyond the Sponsor's control), 1 point will be deducted from Rating Factor 1. This is a change from last year, when 1 point was deducted if the 202 or 811 project required

amendment funds, and 2 points were deducted if the project was extended beyond 36 months.

Examples of delays beyond the Sponsor's control include, but are not limited to, initial closing delays 1) directly attributable to HUD; 2) directly attributable to third party opposition, including litigation, and 3) due to a disaster, as declared by the President of the United States.

**(2) Rating Factor 3, Soundness of Approach.**

- a. The application will receive one point if the proposed design incorporates visitability standards and universal design in the construction or rehabilitation of the project.
- b. The rating criteria regarding the Sponsor's involvement of elderly persons, including minority elderly persons, (202) and the involvement of persons with disabilities, including minority persons with disabilities (811), in the development of the application and their intent to involve them in the development and operation of the project has been moved from Rating Factor 5 and included under Rating Factor 3. For Section 202 proposals, the point assignment for this rating criterion has been increased from two to three points. No change in points has been made for Section 811 proposals, which is still at three points.
- c. Field Offices are no longer required to deduct one point if the Sponsor fails to include a plan for getting the project to initial closing and start of construction within 18 months. This Exhibit has been replaced with the Exhibit requiring a project development timeline, which is addressed under Rating Factor 5.

**(3) Rating Factor 4, Leveraging Resources.** This rating factor has been reduced from 10 to 5 points.

- a. The points to award for the extent of local government support have been reduced from 5 to 2 points.
- b. The points to award for the extent of the Sponsor's activities in the community have been reduced from 5 points to 3 points.

(4) **Rating Factor 5, renamed Achieving Results and Program Evaluation.**

- a. Applications may receive up to 5 points for the extent to which the Sponsor's project development timeline is indicative of the Sponsor's full understanding of the development process.
- b. The rating criterion pertaining to the extent in which the Sponsor has demonstrated that the project will remain viable as housing for the intended residents for a 40-year period has been increased from 2 to 3 points.
- c. Applications are no longer rated with respect to the Sponsor's involvement in the community's planning process.

T. **Submission of Selection Materials to Headquarters.**

Multifamily Hubs are to submit the following selection materials to Headquarters **separately** for the Section 202 and Section 811 programs:

- (1) **Transmittal Memoranda.** A separate transmittal memorandum for each program summarizing the following results of the selection process.
  - a. Number of applications received.
  - b. Number of applications selected.
  - c. 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.
  - d. Identification of any approvable but unfunded applications the Multifamily Hub funded with residual funds from the Program Centers.
  - e. Amount of unused funds being returned for recapture by Headquarters.
  - f. For any applications with the same score on the Hub Approvable but Unfunded List, identify the order in which you would like them selected.
  - g. Achievement of MBE goals, nonmetro achievement for Section 202, etc.



- (2) **Recapitulation Form.** A separate recapitulation form for each program for the Hub.
- (3) **Initial Selection List.** An initial selection list in rank order. For Section 202, a separate metro and nonmetro initial selection list must be submitted.
- (4) **Approvable but Unfunded List.** An approvable but unfunded list in rank order. For Section 202, a separate list must be submitted.
- (5) **Not Recommended List.** A list of applications in rank order for each program that received a score of less than 75 base points.
- (6) **Technical Reject List.** A list of applications for each program that have been technically rejected.
- (7) **Congressional Notification Form.** A completed Congressional Notification Form for each application on the Initial Selection List. Headquarters will notify HUD Offices of which additional applications selected with Headquarters residual funds will need completed Congressional Notification Forms.
- (8) **Program Center Selection Materials.** The following selection materials from the Program Centers **exactly** as they were submitted to the Hub:
  - a. Initial Selection List in rank order for each program. (For 202, metro and nonmetro selections must be on separate lists.)
  - b. Approvable but Unfunded List in rank order for each program. (For 202, metro and nonmetro selections must be on separate lists.)
  - c. Not Recommended List for each program of applications that scored less than 75 base points.
  - d. Technical Reject List for each program.

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

**NOTE:** Although these instructions have not changed from previous years, they are being placed in this section to stress the importance of adhering exactly to the instructions as written.

U. Changes Applicable to the Section 202 Program Only.

- (1) Allocation of Section 202 Funds. The FY 2003 allocation formula is based on the 2000 Census and includes two data elements: (1) number of elderly renter household of all sizes (householder age 65 and older) paying more than 30 percent of their incomes for gross rent; and (2) number of elderly households (householder age 60 and older) living alone with incomes below the poverty level.
- (2) Evidence of Need/Demand. The maximum number of points (12 points) to be assigned by EMAS for the evidence of need/demand for Section 202 projects has not changed. However, we have changed the method by which EMAS is to award these points by making it an "all or nothing" point assignment similar to the assignment of points for evidence of need/demand under the Section 811 program. Beginning this year, where EMAS determines that there is a need for additional supportive housing for the elderly in the area to be served, the project is to be awarded 12 points. If not, the project is to be awarded 0 points. Awarding of points between 0 and 12 points is no longer permitted.
- (3) Scoring Changes.
  - a. Rating Factor 3. This rating factor has been increased from 40 to 45 points. This is due to the (1) 1 point increase for the extent to which the proposed design will meet the physical needs of the elderly, (2) switching the rating criteria regarding the Sponsor's involvement of elderly persons, including minority elderly persons, from Rating Factor 5 with 3 points and including it under Rating Factor 3 with 4 points.
  - b. Rating Factor 5. The rating criterion (which provided 2 points) regarding the extent to which the Sponsor coordinates its application with other organizations not directly participating in the project has been eliminated.

V. Changes Applicable to the Section 811 Program Only.

- (1) Exceptions to the 14-Person Project Size Limit. Added back into the NOFA is the provision allowing Sponsors to request exceptions to the 14-person project size limit for independent living projects. 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)(ix) of the Application.

- (2) **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.
- (3) **Group Homes.** The maximum bedroom size for a resident manager that is permitted to be included in a group home for persons with disabilities is now limited to a one-bedroom unit.
- (4) **Allocation of Section 811 Funds.** The 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.
- (5) **Scoring Changes.**
- a. **Rating Factor 1, Capacity of the Applicant and Relevant Organizational Staff.** This rating factor has been increased from 25 to 30 points. This increase is due to (1) the increase from 11 to 15 points for the scope, extent, and quality of the Sponsor's experience in providing housing or related services for the intended residents, (2) the increase from 8 to a combined 10 points for the scope, extent and quality of the Sponsor's experience in providing housing and related services to minorities and the scope, extent and quality of the Sponsor's ties to the community, and (3) the elimination of one point pertaining to grassroots organizations. Also, the two rating criteria relative to integrated housing (i.e., experience in developing integrated housing and/or whether or not the project will be an integrated housing model) have been combined into one criterion worth up to 5 points depending upon whether the Sponsor has experience and/or the project qualifies as integrated housing.
- b. **Rating Factor 3, Soundness of Approach.** This rating factor has been increased from 38 to 40 points. The rating criteria for site approvability has been increased from 7 to 10 points and the criteria regarding whether or not the site promotes greater choice for minorities has been increased from 8 to 10 points. The rating criteria relative to the involvement of persons with disabilities in the development of the application (3 points) and the Sponsor's coordination efforts with other organizations (2 points) have been shifted from Rating Factor 5 to Rating Factor 3. Also, the two

rating criteria pertaining to the extent to which the project design will meet the needs of the intended residents and the extent to which the project's placement in the neighborhood will facilitate the integration of the residents in the community has been combined for a total maximum of 4 points, in lieu of the 4 points previously assigned to each of these criteria separately.

- c. **Rating Factor 5, renamed Achieving Results and Program Evaluation.** The two rating criteria with respect to the project implementing practical solutions and providing activities to improve computer access, literacy and employment opportunities have been combined for a total maximum of 2 points.

3. **CHANGES PURSUANT TO THE CONSOLIDATED APPROPRIATIONS**

**RESOLUTIONS, 2003:** In accordance with the waiver authority provided in the FY 2003 Consolidated Appropriations Resolutions, the Secretary is extending the following determination made in the Notice, published in 61 F.R. 3047 and in the FYs 1997 through 2002 Section 202 and Section 811 NOFAs, to FY 2003 funding 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 **five-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.**

4. **CHANGES FOR THE FY 2002 AND EARLIER SECTION 202 AND SECTION 811 PROGRAMS WHICH ARE STILL IN EFFECT:**

- A. **Elimination of Certain Certifications.** An applicant's signature on Form HUD-92015 or 92016 is, in effect, a certification that the applicant will comply with all program requirements. Therefore, the following certifications have been eliminated:

- (1) Sponsor's Combined Certifications
- (2) Executive Order 12372
- (3) Lead-Based Paint Certification (811 only)

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(4) Certification for Single Room Occupancy in Section 811 Group Homes

- B. **Exhibits Involving Third Party.** The provision has been eliminated that permitted the Sponsor to cure a deficiency that involved the nonsubmission of the Evidence of Permissive Zoning for Section 202, Form HUD-2991, Certification of Consistency with the Consolidated Plan for Section 202 and Section 811, and the Supportive Services Certification for Section 811 if the Sponsor was not notified of the deficiency during the curable deficiency period and it could provide documentation that it had requested the information from the third party at least 45 days prior to the application deadline date.

The provision has been eliminated because the Sponsor must be afforded the opportunity to cure any item that is curable that is not discovered during the curable deficiency period. Additionally, the evidence of permissive zoning is no longer a curable item.

- C. **Expiration of Funds.** The FY 2002 Appropriations Act requires all 202/811 FY 2002 funds to be obligated by September 30, 2004. No funds can be disbursed from the account after September 30, 2009. The project must be completed through final closing no later than September 30, 2009. All unexpended balances, including any remaining balance on PRAC contracts will be cancelled as of October 1, 2009. Other current appropriations will have to fund any amounts needed to maintain PRAC payments for any remaining term on the affected contract beyond September 30, 2009.
- D. **Applicant Debriefing.** The NOFAs now provide for an applicant debriefing. The request must be in writing to the Director of Multifamily Housing no sooner than 30 days after the awards are publicly announced.
- E. **Term of Leasehold.** If a leasehold is submitted as the form of site control, the term must be at least 75 years.
- F. **Exhibit 8(h) (Certification of Consistency with the RC/EZ/EC Strategic Plan) Is Optional.** It has been clarified that Exhibit 8(h) - Certification of Consistency with the RC/EZ/EC Strategic Plan is not required to be in the application unless the site is located in an RC/EZ/EC. Renewal community (RC) was added to the list of federally-designated areas.
- G. **Definition of Owner for the Purpose of Developing a Mixed-Finance Project.** The definition was revised to indicate that an eligible owner entity would include a for-profit limited partnership (as opposed to a for-

profit limited dividend organization) with a nonprofit as the sole general partner to be consistent with the statutory change of a 202/811 Owner.

- H. **Conducting Business in Accordance with Core Values and Ethical Standards.** In Section V.(B)(3) of 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.
- I. **Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses.** Clarified that with respect to the Department's priority for "Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses and Women-Owned Businesses in HUD Programs", Section 202/811 Sponsors/Owners must comply with EO 12432, Minority Business Enterprise Development and EO 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprise.
- J. **Accessibility.** In accordance with the Departmental Policy Priority of "Encouraging Accessible Design Features", Sponsors are encouraged to add design features beyond those required under civil rights laws and regulations.
- K. **Application Changes.** The following changes have been made to the Application package:
- (1) Exhibit 3(b), Description of Communities, has been expanded to require Sponsor to describe specific geographic areas that they have served.
  - (2) Exhibit 3(g) has been revised to require a description of the practical solutions the Sponsor will implement to enable the residents to achieve independent living and educational opportunities, and how the project will be an improved living environment for the resident when compared to their previous residence.
  - (3) Exhibit 3(i) was added to require Sponsors to describe how the project will remain viable as housing with supportive services for the target population for 40 years.
  - (4) Due to the misinterpretation of the term "delineated," Exhibit 4(d)(v), Map of Site

Location, Racial Composition of Neighborhood and Areas of Racial Composition was revised to indicate that the map must show the location of the site, the racial composition of the neighborhood and any areas of racial concentration. Also, Sponsors are advised that they must use data from the 2000 Census of Population as the basis for determining the racial composition of the neighborhood and areas of minority concentration. This data can be found on the United States Bureau of the Census' website at <http://factfinder.census.gov/servlet/BasicFactsServlet>.

- L. Scoring Changes.** One point will be deducted from Rating Factor 3 (Criterion 3(a)(ii) for 202 and 3(a)(iii) for 811) for proposed sites that are not currently zoned for the intended use.
- M. Changes Applicable to the Section 202 Program Only.**
- (1) **Scattered Site Project.** If a project will be a scattered site development, each site must have at least five units.
  - (2) **Rehabilitation of Sponsor-Owned or Leased Properties.** It has been clarified that Sponsors may propose to rehabilitate an existing structure that they currently own or lease that may or may not already serve the elderly. However, existing Federally funded or assisted projects or projects insured or guaranteed by a Federal agency involving refinancing are not permissible activities under the Section 202 NOFA. For example, Section 202 or Section 202/8 projects cannot be refinanced with capital advances and project rental assistance.
  - (3) **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) which prohibits the selection of a site or location which has the purpose or effect of excluding persons with disabilities from the Federally-assisted activity.
  - (4) **Exhibit 4(d)(iii), Evidence of Permissive Zoning** is not curable.
  - (5) **Application Change.** Exhibit 4(e)(iv), Description of How Residents will be Afforded Opportunities for Employment, was eliminated.

**N. Changes Applicable to the Section 811 Program Only.**

**(1) Project Size Limits.**

- a. **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.
- b. **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).

**(2) The Supportive Services Plan** is a curable deficiency.

**(3) Applications Proposing a Mixed-Finance Project.** It has been clarified that only applications with control of an approvable site are permitted to request consideration of a proposal involving mixed-financing for additional units.

**(4) Change to Application.** 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.

**(5) Rehabilitation of Sponsor-Owned or Leased Properties.** Although it has always been stated that Sponsors may propose to rehabilitate an existing structure that they currently own or lease that may or may not already serve persons with disabilities, it has been clarified that existing Federally funded or assisted projects or projects insured or guaranteed by a Federal agency involving refinancing are not permissible activities under the Section 811 NOFA. For example, Section 202, Section 202/8 or Section 202/PAC projects cannot be refinanced with capital advances and project rental assistance.

**O. Increased Development Cost Limits.** The Development Cost Limits for elevator and non-elevator structures under the Section 202 program and for Section 811 independent living projects have been increased to



reflect the current trend in costs to develop such projects. The Development Cost Limits for Section 811 group homes have also been increased. The high cost factors also have been revised to correspond to the new development cost limits. HUD Offices will calculate Fiscal Year 2003 Section 202 and Section 811 fund reservations based on outstanding program instructions (see Paragraph 3-50 of Handbooks 4571.3REV and 4571.2) using the revised development cost limits and high cost factors. The revised development cost limits are listed in Section IV(D) of the Section 202 NOFA and Section IV(E) of the Section 811 NOFA and were also published in the Federal Register on January 22, 2001.

- P. **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 for additional units, i.e., units in addition to the Section 202 or Section 811 units. Section VIII of the Sections 202 and 811 NOFAs provides the eligibility requirements of the Owner entity when it is later formed by the Sponsor.

**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) nonprofit consumer cooperative, or (3) for purposes of developing a mixed-finance project for developing additional units over and above the Section 202 units, a for-profit limited partnership with a nonprofit entity as the sole general partner.

**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 for developing additional units over and above the Section 811 units, 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 **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 IRS.

- Q. New Exhibit - Description of Plans to Develop a Mixed-Finance Project.** Exhibit (4)(c)(iii) of both Sections 202 and 811 Application package has been added to require those Sponsors who plan to develop a mixed-finance project to describe their plans and the actions they have taken to create a mixed-finance project by developing additional units with the use of Section 202 or Section 811 capital advance funds in combination with other funding sources. Sponsors must specify the number of Section 202 or Section 811 units and the number of additional units from non-Section 202 or non-Section 811 funding sources. Under this Exhibit, Sponsors must also provide copies of any letters that have been sent seeking outside funding for the non-Section 202 or non-Section 811 units along with any responses thereto. The Section 202 and Section 811 Application Forms (Forms HUD-92015-CA and HUD-92016-CA, respectively) have been revised to provide space for the Sponsor to show the breakdown between the Section 202/811 units and the additional units. Further, if developing a mixed-finance project, Sponsors must demonstrate in this Exhibit their ability to proceed with the development of a Section 202 or Section 811 project that will not involve mixed-financing, as proposed in their application, in the event they are later unable to obtain the necessary outside funding or HUD disapproves their proposal for mixed-financing.

Sponsors must be informed that approval of the Section 202 or Section 811 capital advance will not constitute approval of the mixed-finance proposal. If the Sponsor is approved for a fund reservation, they will be required to submit, after reservation of capital advance funds, a detailed proposal outlining how they will fund both development and operation of the additional units in accordance with implementing regulations, the Front End Risk Analysis and HUD instructions that will be issued later. **NOTE:** If the Sponsor submits a detailed proposal outlining how they will fund both development and operation of the additional units in its application, the application is to be submitted to Headquarters for review. Headquarters will review the proposal to determine if the intended financing structures will result in feasible projects that would not jeopardize the Section 202 and Section 811 units. At the completion of the review, Headquarters will provide comments to your Office for inclusion in the project's Notification of Selection Letter, if selected. At the time of making the

fund reservation, HUD will determine whether the Sponsor of a mixed-finance proposal will be permitted to submit such a proposal at a later time after taking into consideration the strength of the sponsoring organization and HUD's prior experience with the Sponsor's other projects, as well as the Sponsor's outline of their intentions. Only those Sponsors that indicate in their application for a fund reservation an intention to propose additional units will be eligible to submit, at a later time, a mixed-finance proposal for additional units.

**For Section 811 proposals**, the additional units cannot cause the project to exceed the project size limits for the type of project proposed unless the additional units will house people without disabilities.

**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.

- R. Applicability of Acquisition of Sites under the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (URA).** In past years, as well as this year, the annual Notices of Fiscal Year Section 202 and Section 811 Policy have included information to remind Sponsors of their exemption from the site acquisition requirements of the URA if they have no power of eminent domain and inform the seller of the land (1) that they have no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement, and (2) of the estimate of the fair market value of the property. Because of the importance of getting this information to Sponsors as early as possible in the project planning stages, beginning in FY 2001, the exemption provisions under the URA's site acquisition requirements are now included in Section IV(L) of the Section 202 NOFA and Section IV(M) of the Section 811 NOFA. See Paragraph 16 of this Notice for more detailed information regarding this requirement.
- S. Section 202 - 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.

- T. **Section 811 - Adjustments to Development Cost Limits for Group Homes.** Section IV(E)(2)(c) of the Section 811 NOFA provides for increases in the development cost limits for Section 811 group homes where it can be documented that high land costs limit or prohibit project feasibility. The NOFA provides an example of acceptable documentation which includes evidence of at least three land sales which have actually taken place (listed prices for land are not acceptable) within the last 2 years in the area where the project is to be built. For Fiscal Year 2003, the average cost of the documented sales must exceed ten percent of the development cost limits for the project in order for an increase to be considered.
- U. **Section 811 - Exhibit 8(j) of the NOFA, Supportive Services Certification.** 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.
- V. **Section 811 - Resident Manager's Units.** 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.
- W. **Initial Screening for Curable Deficiencies.** As in FY 2002, the list of exhibits or portions of exhibits that are considered curable deficiencies has been included in the FY 2003 Section 202 and Section 811 program sections of the SuperNOFA (see paragraph V(A) of the Section 202 or Section 811 program section of the SuperNOFA, as appropriate).

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 no longer be afforded the 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.

- X. Technical Rejections.** At the conclusion of technical processing, the HUD Office will send out 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 and provide the Sponsor 14 calendar days from the date of the letter to appeal the rejection. HUD must respond to the Sponsor within five working days of receipt of the appeal.
- Y. 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 Application package. One of the clarifications that Sponsors must pay particular attention to is that the site option must remain in effect for six months from June 13, 2003, the date on which the applications are due, 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 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 under the Section 202 program. 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 control, for Site Approvability from Valuation or for Site Suitability from FHEO, and the application will be processed as "site identified" as long as the Sponsor indicated 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.

- Z. **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 (1) expanding housing opportunities in non-minority neighborhoods (if located in such a neighborhood), or by (2) 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 and persons with disabilities.

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 percentage of persons of a particular racial or ethnic minority is at least 20 points higher than the minority's or combination of minorities' percentage in the housing market as a whole; (2) the neighborhood's total percentage of minority persons is at least 20 points higher than the total percentage of minorities for the housing market as a whole; or (3) in the case of a metropolitan area, the neighborhood's total percentage of minority persons exceeds 50 percent of its population. The term "nonminority area" is defined as one in which the minority population is lower than 10 percent.

- AA. **Bonus Points for Location of Site.** An application containing satisfactory evidence of control of an approvable site which is located in a Federally designated Empowerment Zone (EZ), Enterprise Community

(EC), Urban Enhanced Enterprise Community (EECs), Strategic Planning Community or Renewal Community (RC) and serves the residents of these Federally designated references (collectively referred to as "RCs/EZs/ECs"), will be awarded 2 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 and will serve residents of the RC/EZ/EC; and (2) is consistent with the strategic plan of the RC/EZ/EC. CPD will determine if the application is eligible for the bonus points (see CPD's Technical Processing Review and Findings Memorandum in Attachment 11 of this Notice). For a scattered site application with site control, all sites must be located in an RC/EZ/EC 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 is attached to the General Section of the SuperNOFA, is available from the SuperNOFA Information Center, is included in the 202/811 Application package (Appendix A of the Section 811 NOFA) and is available through the Internet at: <http://www.hud.gov>. Local HUD Offices should also provide information about the local community agency for applicants to contact to determine if their proposed projects will be located in one of the Federally designated areas identified above.

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

The maximum number of points available to EMAS for rating the need factor is 12. Under Section 811, the application is to receive 12 points if a determination has been made that there is a need for additional supportive housing for persons with disabilities (811) in the area to be served. If not, the application is to be awarded 0 points. Beginning with FY 2003, EMAS will award points for evidence of need/demand for Section 202 projects using the same procedure identified above for Section 811 projects.

- CC. **Allocation of Funds.** The allocation of funds reflects the revised Field Office Multifamily Hub structure.
- DD. **Application Receipt Form.** The Application package contains an Acknowledgement of Application Receipt form which must be completed and returned to the Sponsor indicating whether or not the local HUD Office received the application by the deadline as described above and, consequently, whether it will be considered for funding.
- EE. **Revised 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 HUD Office. 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 HUD Office's metropolitan and nonmetropolitan allocations. Once this is completed, HUD Offices may combine their unused metropolitan and nonmetropolitan funds to select the next highest ranked application in either category using the unit reduction policy described above.

After the Offices have funded all possible projects based on the process above, residual funds from all HUD Offices in each Multifamily Hub will be combined. These funds will be used first to restore units to projects reduced by HUD Offices 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 HUD Office unless there are insufficient approvable applications in other HUD Offices 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. 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: Field 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 HUD Offices as a result of the instructions above and for selecting applications based on field office rankings, beginning with the next highest rated application nationwide. No more than one application will be selected per HUD Office from the national residual amount, unless there are insufficient approvable applications in other HUD Offices. If there are no approvable applications in other HUD Offices, 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. However, for Section 202, 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.

**FF. Application Unit Limit.** A Sponsor or a Co-sponsor may apply for a maximum of 200 units within a single Hub under the Section 202 program and a maximum of 70 units or 4 projects (whichever is less) under the Section 811 program.

**GG. Ineligible Activities.** The NOFAs include a list of activities that are ineligible for funding through either the Section 202 or Section 811 programs.

**HH. 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.

**II. 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.

**JJ. Congressional Notification Memoranda.** Congressional Notification Memoranda (generated by DAP) are to be sent along with the other Headquarters submission requirements (see Attachment 6 for details on the submission requirements) to: Office of Housing Assistance and Grant Administration, Room 6138, Attention: 202/811. **DO NOT SEND THEM TO THE OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS.**

**KK. Environmental Site Assessment.** 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 Environmental Site Assessment of their proposed site(s) with their applications. The Phase I Environmental Site Assessment is to be completed in accordance with the American Society for Testing and Material (ASTM), Standards E 1527-97, as amended, and must be submitted with the application by the application deadline date. The Phase I is **NOT** a curable deficiency under the Section 811 program. Section 811 Sponsors submitting applications with identified sites (i.e., not under control) are not required to submit a Phase I with their applications. However, if they are selected for funding, they must complete the Phase I Environmental Site Assessment 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 study 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 studies 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. Ensure that Sponsors receive a copy of "Choosing an Environmentally Safe Site" to assist them in this process.

If the Sponsor chooses to continue with the original site on which the Phase I study indicated possible contamination or hazards, then a detailed Phase II Environmental Site Assessment 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.** If the Phase II Assessment reveals site contamination, the extent of the contamination and a plan for clean-up (as identified in Section IV.(R)(3) of the Section 202 NOFA and Section IV.(S)(b)(3) of the Section 811 NOFA) 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 eligible for 5 points for site control, the Phase II Assessment and the plan for clean-up including the contract for remediation (if appropriate) must be submitted to the local HUD Office no later than **July 14, 2003**. HUD will not consider a site to be cleaned up or 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 considered a "site identified" application and will **NOT** receive any points for Site Approvability (Rating Criterion 3(a)(i)), 5 points for Site Control (Criterion 3(a)(ii)) or any points for Site Suitability (Criterion 3(b)).

**NOTE: THIS COULD BE AN EXPENSIVE UNDERTAKING. THE COST OF ANY CLEANUP AND/OR REMEDIATION MUST BE BORNE BY THE SPONSOR.**

To be considered valid, no more than 6 months can elapse after completion of the Phase I study. If the Phase I is dated prior to **December 13, 2002**, the preparer or other appropriate environmental professional must update the environmental site assessment. If there have been no changes since the previous assessment, the preparer must

certify to same.

- LL. Historic Preservation.** Sponsors are to submit with their applications, a letter from the State Historic Preservation Officer (SHPO) or Tribal Historic Preservation Officer (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 the required letter and, (2) a copy of the SHPO's/THPO's response, if available.

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).

- MM. 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.

- NN. Limit on Amendments.** Per Section 891.100(d) of the final rule for the Section 202 and Section 811 programs, fund reservations 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.

- OO. 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.

- PP. Minimum and Maximum Project Sizes.** For **Section 202** applications, the minimum project size for both metro and nonmetro proposals is five units including the nonrevenue 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. The maximum of 125 units for projects in metro and nonmetro areas is unchanged.

For **Section 811** projects, the limits are as follow:

**Group home** - The minimum number of persons with disabilities that can be housed in a group home is two and the maximum number is six, with one person per bedroom unless two residents choose to share one bedroom or a resident determines he/she needs another person to share his/her bedroom. An additional one-bedroom unit can be provided for a resident manager. The corresponding development cost limits for the larger group homes have been eliminated from the NOFA since, in many States, funding for supportive services will not be provided to persons with disabilities living in larger housing developments. **Furthermore, exceptions to the 6-person limit for group homes will not be considered in Fiscal Year 2003.**

**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. 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.**

- QQ. Secretary's Representative.** As in FY 2002, the Secretary's Representative will not participate in the rating of applications submitted in response to the Fiscal Year 2003 SuperNOFA.

- RR. Selection of Projects from Residual Funds.** The restriction on the size of a project that can be reduced to use residual funds has been changed from projects of nine units or less to those of five units or less.

- SS. Additional Changes Applicable to the Section 811 Program Only.**

- (1) **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.
- (2) **Reduction in Number of Units that Can be Applied for in a Single Hub.** A Sponsor may apply for the lesser of 70 units or 4 projects in a single Hub in order to facilitate the participation by Sponsors that have not yet participated in the program.
- (3) **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.
- (4) **Section 811 - Sponsor's Board Comprised of At Least 51 percent Persons with Disabilities.** Although Sponsors will continue to receive 5 points if their Boards are comprised of at least 51 percent persons with disabilities, the composition of the Board no longer has to include persons with the same disability or disabilities as those of the proposed residents.
- (5) **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.
- (6) **Supportive Services.** 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 (a) receive supportive services available in the community, (b) receive supportive services available to them from the Sponsor directly or coordinated by

the Sponsor, or (c) 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.

(7) **Opportunities for Employment.** Sponsors must include in their Supportive Services Plans a description of how the residents will be afforded opportunities for employment.

(8) **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: (1) a description of the population to which occupancy will be limited; (2) an explanation of why it is necessary to limit occupancy; (3) how restricted occupancy will promote the goals of the Section 811 program; (4) why the needs of the proposed occupants cannot be met in a more integrated setting; (5) a description of the Sponsor's experience in providing housing and/or supportive services to the proposed occupants; and (6) 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 unless a resident indicates a preference or need to share a bedroom with another resident.

**(9) 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.

**(10) Tenant-based Assistance.** Twenty-five percent of the Section 811 appropriations will be used for tenant-based assistance to be administered through public housing agencies and nonprofit disability organizations under the "Mainstream Housing Opportunities for Persons with Disabilities (Mainstream Program)" which was also published in the SuperNOFA on April 25, 2003.

**(11) Site Issues.**

**a. 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.



- b. **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 fund reservation. The reason for treating Sponsors who submit applications with site control where the site is unacceptable differently from 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 fund reservation than are 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".

- c. **Specific Street Address Required.** Sponsors must provide the specific street address of the site, even if it is an identified site. If the Sponsor proposes one or more condominium units, the unit number(s) must also be provided.
- d. **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.

e. **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 requirements 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.

(12) **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.

(13) **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.e., condominium units

scattered within one or more buildings or non-contiguous independent living units on scattered sites).

- (14) **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.
- (15) **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 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.
- (16) **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.

- (17) **Applicant Eligibility.** Section 603 of the Housing and Community Development Act of 1992 (HCD Act of 1992) amended Section 811 of the 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.
- (18) **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 12-14 units **are** covered by the standards.
- (19) **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.
- (20) **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."
- (21) **Site Issues.** Applications containing satisfactory evidence of control of an approvable site will **NOT** be awarded 10 bonus points. Instead, an application will receive 5 points for Criterion 3(a)(ii), Site Control, if it contains legally acceptable site control for all proposed sites and if all of the proposed sites are approvable by Valuation (a score of 1 or higher for Criterion 3(a)(i), Site Approvability).

If the site control is NOT acceptable in a single site application, the application will be treated as "site identified" and may still receive up to 10 points for Site Approvability (Criterion 3(a)(i)) from Valuation and up to 10 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(b)).

If either VAL or FHEO REJECTS the site in a single site application, the application will receive 0 points for Criterion 3(a)(i), Criterion 3(a)(ii) and Criterion 3(b). The application will be treated as "site identified" and remain in the competition as long as the Sponsor indicated in Exhibit 4(d)(viii) 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 Criterion 3(a)(i), Criterion 3(a)(ii) and Criterion 3(b), **all** proposed sites must be under acceptable control and be approvable.

(22) **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.

(23) **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."

5. **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.

6. **FISCAL YEAR 2003 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).

**Section 202.** The FY 2003 formula for allocating Section 202 capital advance funds consists of two data elements: (1) number of elderly renter households of all sizes (householder age 65 and older) paying more than 30 percent of their incomes for gross rent; and (2) number of elderly households (householder age 60 and older) living alone with incomes below the poverty level. The data elements were taken from the 2000 Census. 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 nonmetropolitan 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 nonmetropolitan portion of each jurisdiction is then multiplied by respective total remaining capital advance funds available nationwide.

Eight-five percent of the total capital advance amount is allocated to metropolitan areas and 15 percent to nonmetropolitan areas. Each HUD Office jurisdiction receives sufficient capital advance funds for a minimum of 20 units in metropolitan areas and 5 units in nonmetropolitan areas. The total amount of capital advance funds to support these minimum set-asides is subtracted from the respective (metropolitan or nonmetropolitan) 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 nonmetropolitan portions of the Multifamily Hub or Program Center jurisdictions reflect the most current definitions of metropolitan and nonmetropolitan areas, as defined by the Office of Management and Budget.

**Section 811.** The FY 2003 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.** HUD-185s will be processed assigning funds to the field offices when all of the selections for the FY 2003 program are finalized.

7. **LOCAL HUD OFFICE ALLOCATIONS:**

A. **Allocation of Funds.**

**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 2003 Section 202 allocations.

- (1) Offices are required to establish allocation areas only for the respective metropolitan and nonmetropolitan 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 nonmetropolitan areas will compete against each other.



- (2) There is a minimum proposal size of 5 units and a maximum of 125 units for projects in metropolitan and nonmetropolitan areas. **Offices may NOT establish their own minimum or maximum application sizes.**

Where the Office allocation in either the metropolitan or nonmetropolitan 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 nonmetropolitan) than permitted in the NOFA (see Attachment 1) and must not exceed the maximum number of units per application as established herein.

**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 nonmetropolitan funding and the requirement for a formula allocation. Accordingly, there will not be any division of funding between metropolitan and nonmetropolitan 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 2003. 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 reserves project rental assistance contract funds for five years consistent with 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 4 and 5 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 Attachment 3 of this Notice.

8. **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 2003. 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 the 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.

9. **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 2003 program.

It should also be pointed out to potential applicants at the workshop that the second to the last page of the Section 202 and Section 811 Application is an optional form for them to fill out with their comments and suggestions about the NOFA and the Application which they can include as part of their applications or submit separately to HUD Headquarters, 451 7th Street, SW, Washington, DC, 20410, Office of Departmental Grants Management and Oversight, Room 3156 with a copy to the Office of Housing Assistance and Grant Administration, Room 6138, Attention: Section 202/811. Local HUD Offices are also encouraged to complete this form and return it to HUD Headquarters at the above address, along with any Sponsor-completed forms that may have been attached to applications.

10. **SUBMISSIONS TO HEADQUARTERS:** For FY 2003, application selection information will be reported to Headquarters via the Development Application Processing (DAP) System. Multifamily

Hubs will submit the following hard copies **separately** for the Section 202 and Section 811 programs to Headquarters, Office of Housing Assistance and Grant Administration, Room 6138, Attention: Section 202/811 (See Attachment 6 for more detailed instructions): (1) a **separate** transmittal memorandum for each program summarizing the results of the selection process (e.g., number of applications received and number of applications selected, identification of any selected applications where units and dollars were reduced by up to 10 percent and the number of units and funds needed to restore the application to its original request, identification of any approvable but unfunded applications the Multifamily Hub funded with residual funds received from the Program Centers, amount of residual money being returned to Headquarters, achievement of MBE goals, nonmetro achievement for Section 202, etc.); (2) a **separate** completed recapitulation form for the Section 202 and Section 811 programs by Program Center and by Hub; (3) an initial selection list in rank order for each Program Center (for Section 202, metro and nonmetro selections must be on separate lists); (4) an approvable but unfunded list in rank order for each Program Center (for Section 202, metro and nonmetro must be on separate lists); (5) a list of applications in rank order that received a score of less than **75** base points; (6) a list of applications that have been technically rejected; (7) a completed Congressional Notification form for each application on the Initial Selection Lists (Do **NOT** send originals or copies to the Office of Congressional and Intergovernmental Relations), (Headquarters will notify HUD Offices of which additional applications selected with residual funds will need completed Congressional Notification forms.); and (8) all selection information (**excluding technical processing review and findings memoranda and standard rating criteria forms**) submitted by the Multifamily Program Centers to the Multifamily Hub). Headquarters will notify Offices regarding the preparation of the 718s and PADs, if deemed necessary, for the initial selections. As was done in the prior fiscal year, Headquarters plans to transmit the FY 2003 Section 202 and Section 811 selections electronically to the Ft. Worth Accounting Center to reserve the funds. **NOTE: IF ANY PROJECT WAS REDUCED BY UP TO 10 PERCENT SO IT COULD BE FUNDED FROM RESIDUAL FUNDS, PLEASE IDENTIFY THE PROJECT IN THE APPLICABLE TRANSMITTAL MEMORANDUM AND ON THE SELECTION LIST. ALSO, INCLUDE IN THE MEMORANDUM THE NUMBER OF UNITS REDUCED AND THE AMOUNT OF CAPITAL ADVANCE AND PRAC FUNDS NEEDED TO RESTORE THE UNITS TO THE PROJECT.**

11. **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 2003 funding round as set forth in Attachments 8 and 9. (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.

12. **NOTIFICATION TO PROGRAM APPLICANTS:** Sponsors must be advised that all applications submitted under the FY 2003 program must be in conformance with the Federal Register SuperNOFA, Regulations, Handbook and local HUD Office Funding Notifications. To this end, FY 2003 applications must follow the format provided in the Section 202/Section 811 Application (attached as Appendix A of the Section 811 NOFA) which is in accordance with the Paperwork Reduction Act of 1980 (P.L. 96-511).

13. **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 which must be met:

<u>Application Deadline</u>	<u>June 13, 2003</u>
Initial Screening for Curable Deficiencies Completed and Deficiency Letters Mailed	June 23, 2003
<u>Expiration of 14-day period for submission of missing application items</u>	July 7, 2003
<u>Submission of the Phase II ESA and/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, <b>IF</b> so indicated by the Phase I ESA and/or Phase II ESA</u>	July 14, 2003
Notification of Technical rejects	July 25, 2003
<u>End of 14 day appeal period for Technical Rejects</u>	Aug. 8, 2003
<u>Program Center Offices submit transmittal memoranda, recapitulation sheets, lists of initial selections, approvable but unfunded applications, applications that scored less than 75 base pts., and Congressional Notification Memoranda to Hubs</u>	<u>Aug. 18, 2003</u>

Hubs submit lists of initial selections, approvable but unfunded applications, applications that scored less than 75 base pts., transmittal memoranda, recapitulation sheets and Congressional Notification Memoranda to Headquarters

Aug. 29, 2003

**14. RELEASE OF INFORMATION ON RATINGS AND RANKINGS:**

Release of information regarding selections or nonselections 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 2003, in response to a written request from the applicant to the Director of Multifamily Housing 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).

- 15. 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 also are reminded that the HUD Reform Act prohibits advance disclosure of funding decisions. Also see 24 CFR Part 4.

- 16. UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION ACT (URA):** It is imperative that the following information be covered at the workshops:

In addition to complying with the URA, Sponsors must be reminded of its site acquisition provisions. These provisions apply to the acquisition of sites with or without existing structures. The implementing instructions regarding site acquisition under the URA are contained in Chapter 5 of HUD Handbook 1378.0 CHG-4, Tenant Assistance, Relocation and Real Property Acquisition.

Sponsors that do not have the power of eminent domain are

exempt from compliance with the site acquisition requirements of the URA under certain conditions. The site acquisition requirements do not apply to the above Sponsors if, prior to entering into a contract of sale or any other method of obtaining site control, the Sponsor informs the seller of the land:

- 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.

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 2003 NOFAs must be in compliance with the above.

**17. 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.

**18. Review of Form HUD-2530, Previous Participation Certification.**

It is the Department's policy that participants in its housing programs be responsible individuals and organizations who will honor their legal, financial, fair housing and contractual obligations. Therefore, to ensure that only those organizations, which have a record of satisfactory performance under HUD's housing programs, are eligible for funding consideration, beginning with this fiscal year, we are requiring Sponsors to submit Form HUD-2530 (under Exhibit

8(i)) with their 202/811 Applications for a Fund Reservation.

Form HUD-2530 must be submitted for the Sponsor and all of the Officers and Directors of the Board of the Sponsor. HUD Field Offices will review the HUD-2530 form in accordance with outstanding instructions contained in HUD Handbook 4065.1REV-1, Previous Participation Handbook. In accordance with paragraph 2-8 of the Previous Participation Handbook, it is acceptable for the HUD Field Office to maintain a Master List of the Sponsor's activities. If such is the case, Sponsors may indicate on Schedule A of the HUD-2530 form that a Master List is on file with the applicable HUD Field Office. The Master List must be current. If your Master List does not reflect up-to-date information of the activities of the Sponsor and its Officers and Directors, Sponsors must submit the updated information with the HUD-2530 form. If the Sponsor refers to a Master List, then the Master List must be on file in the HUD Field Office in which the Sponsor submits its Section 202 and/or Section 811 Application. Form HUD-2530 is required to be submitted with all 202/811 Applications for a Fund Reservation whether or not a Master List is on file with the HUD Field Office. Form HUD-2530 is a curable deficiency.

19. **Salary Limitation for Consultants.** The requirement under Section V(U) of the General Section of the SuperNOFA, pertaining to salary limitations for consultants, applies to the Section 202 and Section 811 programs. In accordance with this section of the General Section of the SuperNOFA, Fiscal Year 2003 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 for level IV of the Executive Schedule, unless specifically authorized by law. This requirement is based on the provision contained in Title IV-General Provisions of the Consolidated Appropriations Resolution for Fiscal Year 2003. Additional instructions regarding this requirement will be addressed in the Agreement Letters for the 202/811 Sponsors selected for funding this fiscal year.
  
20. **APPLICATIONS:** Applicants may request copies of the Application from the SuperNOFA Information Center by calling 1-800-HUD-8929 (the TTY number is 1-800-HUD-2209), by contacting the appropriate HUD Office, or accessing the HUD Homepage on the Internet at <http://www.hud.gov>. Program staff can also obtain copies of the Application for their use by accessing them from the HUD homepage at [www.hud.gov](http://www.hud.gov). A checklist of steps and exhibits involved in the application process is included in the Application.

Programmatic questions concerning the FY 2003 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.

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John C. Weicher  
Assistant Secretary for Housing -  
Federal Housing Commissioner

Attachments



## ATTACHMENT 1

FY 2003 SECTION 202 ALLOCATIONS BY FIELD OFFICE						
	METROPOLITAN		NONMETRO		TOTALS	
OFFICES	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE
<b>BOSTON HUB</b>						
BOSTON	156	14,932,702	5	480,068	161	15,412,770
HARTFORD	77	7,317,872	5	477,581	82	7,795,453
MANCHESTER	43	3,317,869	28	2,138,386	71	5,456,255
PROVIDENCE	47	4,580,681	5	490,018	52	5,070,699
TOTAL	323	30,149,124	43	3,586,053	366	33,735,177
<b>NEW YORK HUB</b>						
NEW YORK	338	40,351,656	5	596,976	343	40,948,632
<b>BUFFALO HUB</b>						
BUFFALO	113	9,706,710	21	1,811,747	134	11,518,457
<b>PHILADELPHIA HUB</b>						
CHARLESTON	20	1,482,490	18	1,323,483	38	2,805,973
NEWARK	171	17,607,889			171	17,607,889
PHILADELPHIA	176	16,255,887	19	1,766,807	195	18,022,694
PITTSBURGH	90	7,065,508	16	1,274,083	106	8,339,591
TOTAL	457	42,411,774	53	4,364,373	510	46,776,147
<b>BALTIMORE HUB</b>						
BALTIMORE	74	5,925,919	10	770,979	84	6,696,898
RICHMOND	76	5,232,195	24	1,663,196	100	6,895,391
WASHINGTON	68	5,577,584			68	5,577,584
TOTAL	218	16,735,698	34	2,434,175	252	19,169,873
<b>GREENSBORO HUB</b>						
COLUMBIA	65	4,902,565	20	1,511,717	85	6,414,282
GREENSBORO	103	9,310,862	42	3,746,240	145	13,057,102
TOTAL	168	14,213,427	62	5,257,957	230	19,471,384
<b>ATLANTA HUB</b>						
ATLANTA	88	6,014,762	37	2,532,809	125	8,547,571
KNOXVILLE	50	3,253,956	15	948,613	65	4,202,569
LOUISVILLE	53	3,932,028	33	2,474,050	86	6,406,078
NASHVILLE	58	3,966,153	20	1,381,882	78	5,348,035
SAN JUAN	108	8,552,474	14	1,105,329	122	9,657,803
TOTAL	357	25,719,373	119	8,442,683	476	34,162,056

**FY 2003 SECTION 202 ALLOCATIONS BY FIELD OFFICE**

OFFICES	METROPOLITAN		NONMETRO		TOTALS	
	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE
<b>JACKSONVILLE HUB</b>						
BIRMINGHAM	78	5,295,482	26	1,795,380	104	7,090,862
JACKSON	36	2,348,015	31	2,002,532	67	4,350,547
JACKSONVILLE	317	21,315,915	19	1,278,578	336	22,594,493
TOTAL	431	28,959,412	76	5,076,490	507	34,035,902
<b>CHICAGO HUB</b>						
CHICAGO	181	17,512,508	27	2,591,634	208	20,104,142
INDIANAPOLIS	84	6,395,358	22	1,700,484	106	8,095,842
TOTAL	265	23,907,866	49	4,292,118	314	28,199,984
<b>COLUMBUS HUB</b>						
CINCINNATI	60	4,272,943	5	358,186	65	4,631,129
CLEVELAND	109	8,761,247	13	1,037,994	122	9,799,241
COLUMBUS	51	3,731,036	17	1,203,664	68	4,934,700
TOTAL	220	16,765,226	35	2,599,844	255	19,365,070
<b>DETROIT HUB</b>						
DETROIT	110	9,229,049	5	420,371	115	9,649,420
GRAND RAPIDS	49	3,532,275	18	1,270,098	67	4,802,373
TOTAL	159	12,761,324	23	1,690,469	182	14,451,793
<b>MINNEAPOLIS HUB</b>						
MINNEAPOLIS	67	6,010,497	26	2,320,859	93	8,331,356
MILWAUKEE	78	6,644,383	27	2,284,925	105	8,929,308
TOTAL	145	12,654,880	53	4,605,784	198	17,260,664
<b>FT. WORTH HUB</b>						
FT. WORTH	148	9,278,060	36	2,290,937	184	11,568,997
HOUSTON	84	5,425,520	13	859,128	97	6,284,648
LITTLE ROCK	45	2,678,163	27	1,599,199	72	4,277,362
NEW ORLEANS	88	5,719,114	20	1,277,143	108	6,996,257
SAN ANTONIO	86	5,271,379	16	964,830	102	6,236,209
TOTAL	451	28,372,236	112	6,991,237	563	35,363,473
<b>KANSAS CITY HUB</b>						
DES MOINES	37	2,639,008	24	1,714,937	61	4,353,945
KANSAS CITY	68	4,913,251	28	2,083,994	96	6,997,245
OKLAHOMA CITY	54	3,417,029	23	1,462,849	77	4,879,878
OMAHA	20	1,492,440	16	1,184,354	36	2,676,794
ST LOUIS	54	4,536,501	20	1,661,719	74	6,198,220

**FY 2003 SECTION 202 ALLOCATIONS BY FIELD OFFICE**

	<b>METROPOLITAN</b>		<b>NONMETRO</b>			<b>TOTALS</b>
<b>OFFICES</b>	<b>UNITS</b>	<b>CAPITAL ADVANCE</b>	<b>UNITS</b>	<b>CAPITAL ADVANCE</b>	<b>UNITS</b>	<b>CAPITAL ADVANCE</b>
<b>TOTAL</b>	233	16,998,229	111	8,107,853	344	25,106,082
<b>DENVER HUB</b>						
DENVER	97	6,517,787	37	2,481,840	134	8,999,627
SAN FRANCISCO	158	17,584,566	12	1,212,506	170	18,797,072
HONOLULU	20	3,581,856	5	895,464	25	4,477,320
PHOENIX	80	5,582,194	12	815,509	92	6,397,703
SACRAMENTO	60	5,493,345	10	892,209	70	6,385,554
TOTAL	318	32,241,961	39	3,815,688	357	36,057,649
<b>LOS ANGELES HUB</b>						
LOS ANGELES	299	27,652,264	5	462,656	304	28,114,920
<b>SEATTLE HUB</b>						
SEATTLE	85	7,567,048	18	1,592,537	103	9,159,585
ANCHORAGE	20	3,581,856	5	895,464	25	4,477,320
PORTLAND	67	5,419,794	25	1,956,581	92	7,376,375
TOTAL	172	16,568,698	48	4,444,582	220	21,013,280
NATIONAL TOTAL	4,764	402,687,645	925	71,062,525	5,689	473,750,170

**Fiscal Year 2003 Allocations for Supportive Housing for Persons  
with Disabilities**  
[Fiscal Year 2003 Section 811 Allocations]

<b>Office</b>	<b>Capital Advance Authority</b>	<b>Units</b>
<b>Boston Hub:</b>		
Boston	\$2,882,229	31
Hartford	1,879,516	20
Manchester	1,470,721	20
Providence	953,813	10
<b>Total</b>	<b>7,186,279</b>	<b>81</b>
<b>New York Hub:</b>		
New York	6,242,982	55
<b>Total</b>	<b>6,242,982</b>	<b>55</b>
<b>Buffalo Hub:</b>		
Buffalo	2,411,846	29
<b>Total</b>	<b>2,411,846</b>	<b>29</b>
<b>Philadelphia Hub:</b>		
Newark	3,541,851	35
Pittsburgh	1,650,458	22
Philadelphia	3,422,418	38
Charleston	1,265,705	18
<b>Total</b>	<b>9,880,432</b>	<b>113</b>
<b>Baltimore Hub:</b>		
Baltimore	1,681,004	22
Richmond	1,871,830	28
D.C.	1,740,967	22
<b>Total</b>	<b>5,293,801</b>	<b>72</b>
<b>Greensboro Hub:</b>		
Columbia	1,920,610	26
Greensboro	3,507,768	40
<b>Total</b>	<b>5,428,378</b>	<b>66</b>

<b>Atlanta Hub:</b>		
Atlanta	2,636,544	39
San Juan	2,194,939	29
Louisville	1,974,386	27
Knoxville	1,208,641	19
Nashville	1,547,123	23
<b>Total</b>	<b>9,561,633</b>	<b>137</b>
<b>Jacksonville Hub:</b>		
Jacksonville	4,541,303	70
Birmingham	1,859,631	28
Jackson	1,397,305	22
<b>Total</b>	<b>7,798,239</b>	<b>120</b>
<b>Chicago Hub:</b>		
Chicago	4,529,429	48
Indianapolis	2,214,683	30
<b>Total</b>	<b>6,744,112</b>	<b>78</b>
<b>Columbus Hub:</b>		
Cincinnati	1,223,277	18
Cleveland	2,108,840	27
Columbus	1,442,452	20
<b>Total</b>	<b>4,774,569</b>	<b>65</b>
<b>Detroit Hub:</b>		
Detroit	2,509,189	31
Grand Rapids	1,484,452	21
<b>Total</b>	<b>3,993,641</b>	<b>52</b>
<b>Minneapolis Hub:</b>		
Milwaukee	2,020,605	24
Minneapolis	1,941,142	22
<b>Total</b>	<b>3,961,747</b>	<b>46</b>
<b>Fort Worth Hub:</b>		
Fort Worth	3,205,618	53
Houston	1,969,739	31
Little Rock	1,275,113	22
New Orleans	1,733,412	27
San Antonio	1,788,371	30
<b>Total</b>	<b>9,972,253</b>	<b>163</b>
<b>Kansas City Hub:</b>		
Des Moines	1,219,468	18
Kansas City	1,832,214	26
Omaha	724,632	10
Oklahoma City	1,433,327	23
St. Louis	1,624,788	20
<b>Total</b>	<b>6,834,429</b>	<b>97</b>
<b>Denver Hub:</b>		
Denver	2,488,179	37

<b>Total</b>	<b>2,488,179</b>	<b>37</b>
<b>San Francisco Hub:</b>		
Honolulu (Guam)	1,711,728	10
Phoenix	1,844,180	27
Sacramento	1,949,590	22
San Francisco	4,942,696	47
<b>Total</b>	<b>10,448,194</b>	<b>106</b>
<b>Los Angeles Hub:</b>		
Los Angeles	7,620,592	85
<b>Total</b>	<b>7,620,592</b>	<b>85</b>
<b>Seattle Hub:</b>		
Anchorage	1,711,728	10
Portland	1,990,603	26
Seattle	2,416,797	28
<b>Total</b>	<b>6,119,128</b>	<b>64</b>
<b>National Total</b>	<b>\$116,760,434</b>	<b>1,466</b>

**NOTE:** In the event that an applicant submits an application requesting more units than allocated for the applicable Multifamily Program Center in this amended Allocation Chart, as specified in the Technical Corrections to the Super Notice of Funding Availability (SuperNOFA) for HUD's Discretionary Programs for Fiscal Year 2003 that was published on May 28, 2003, HUD will reduce the number of units requested to the revised number of units allocated to that Multifamily Program Center, provided the number requested does not exceed the original number of units allocated to that Multifamily Program Center in accordance with the requirements in Section IV(B) of this program section of the SuperNOFA.

**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 5) 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 PC&R staff by the Equal Opportunity Division Directors).

**FUNDING NOTIFICATION FOR FISCAL YEAR 2003  
SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY  
CAPITAL ADVANCE PROGRAM**

The Department of Housing and Urban Development will accept applications from private nonprofit organizations 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:	_____	\$ _____
NONMETROPOLITAN 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 nonmetropolitan).

Appropriate filing information is contained in an Application Kit which may be obtained from the SuperNOFA Information Center at 1-800-HUD-8929 (TTY: 1-800-HUD-2209); or from \_\_\_\_\_

\_\_\_\_\_ (HUD Office Address) \_\_\_\_\_; or on the Internet by accessing the HUD Homepage at <http://www.hud.gov>.

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 June 13, 2003.

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



**FUNDING NOTIFICATION FOR FISCAL YEAR 2003  
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.

Appropriate filing information is contained in an Application Kit which may be obtained from the SuperNOFA Information Center at 1-800-HUD-8929 (TTY-1-800-HUD-2209); or from \_\_\_\_\_

\_\_\_\_\_ (HUD Office Address) \_\_\_\_\_ ; or on the Internet by accessing the HUD Homepage at <http://www.hud.gov>.

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

THE DEADLINE DATE FOR THE SUBMISSION OF APPLICATIONS IS June 13, 2003.

**Fiscal Year 2003 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 received 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.

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 described in paragraph 4.EE. on page 24 above.

Headquarters will coordinate Congressional notification of selected applicants with the Office of Congressional and Intergovernmental Relations based upon Congressional Notification Memoranda completed by HUD Offices. See Attachment 7 for the current Congressional Notification Memorandum format and a sample completed format.

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

**REVISED REVIEW, RATING AND SELECTION PROCEDURES**

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 unapprovable 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 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 that require the 8-Step process identified in 24 CFR Part 55 (Floodplains/ Wetlands), the Form 4128 should indicate that Steps 1 through 6 have been completed, documentation attached. Also, 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. After completion of technical processing, the Form 4128 must be executed by the Supervisory Project Manager and attached to the Valuation Technical Processing Review and Findings Memorandum.
  5. HUD Offices should have initiated the eight-step process for sites located in the 100-year floodplain (500-year floodplain for critical actions) and/or, in the case of sites for new construction, a wetland, prior to submission to the Rating/Selection Panel. The first six steps **must** be completed prior to the convening of the Rating/Selection Panel.
- 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 6138, Attention: 202/811.
- 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 (Section 202 Only). All metropolitan applications will compete against each other and all nonmetropolitan applications 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 12 for 202, Attachment 13 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 nonmetropolitan categories.
  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.

**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 lists described in E. 3. and 4. below.

4. RC/EZ/EC Bonus Points. After rating applications, those that receive at least **75** base points, have complete RC/EZ/EC certifications, and acceptable site control of an approvable site(s) should be reviewed against HUD's list of RCs/EZs/ECs 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, will be located in an RC/EZ/EC, and will serve residents of the RC/EZ/EC may receive the two (2) bonus points.
5. Residual Funds. After making the initial selections, any residual funds may be utilized 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. Applications proposing 5 units or less may not be reduced. For Section 202, the HUD Office may then combine its unused metropolitan and nonmetropolitan 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. Each Program Center, after completion of its selection process, shall submit the following items **separately** for Section 202 and Section 811 to the Director of the appropriate Multifamily Hub in accordance with the schedule in Paragraph 13:

- a. A transmittal memorandum summarizing the results of the selection process (e.g., number of applications received and number of applications selected, identification of those applications, if any, where the number of units requested was reduced by up to 10 percent and the amount of the reduction (units and dollars), the amount of residual funds being returned to the Multifamily Hub, achievement of MBE goals, nonmetro achievement for Section 202, etc).
- b. A separate completed recapitulation form.
- c. An initial selection list in rank order (For Section 202, metro and nonmetro selections must be on separate lists).
- d. An approvable but unfunded list in rank order (For Section 202, metro and nonmetro selections must be on separate lists).
- e. A list of applications in rank order that received a score of less than 75 base points.
- f. A list of applications that have been technically rejected.
- g. A completed Congressional Notification form for each application on the Initial Selection Lists.
- h. The Standard Rating Criteria Form for each application.

**NOTE:** HUD Offices **must** use the DAP System to complete items b. through h. above. (See Paragraph 10 on page 43 of this Notice.)

- 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 will be combined within each program (for Section 202, metropolitan and nonmetropolitan funds are to be combined). These funds will first 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. 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 projects of 5 units or less.

9. Headquarters' Use of Residual Funds. Headquarters will use residual funds first to restore units to projects that were reduced by HUD Offices and/or Multifamily Hubs. After the above, residual funds remaining will be used for the selection of additional applications based on a national rank order. However, no more than one application will be selected per HUD Office from the national residual amount unless there are insufficient approvable applications in other HUD Offices. If funds still remain, additional applications will be selected based on field office ratings, beginning with the highest rated application nationwide insuring an equitable distribution among all HUD Offices.

E. Submission to Headquarters. Each Multifamily Hub shall submit the following items **separately** for Section 202 and Section 811 to Headquarters, Office of Housing Assistance and Grant Administration, Room 6138, Attention: 202/811, in accordance with the schedule in Paragraph 13:

1. A transmittal memorandum summarizing the results of the selection process in the Hub (e.g., number of applications received and number of applications selected, identification of those 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, identification of any approvable but unfunded applications the Multifamily Hub funded with residual funds from the Program Centers, amount of unused funds being returned for recapture by Headquarters, your selection preference for any approvable but unfunded applications on the Hub Approvable but Unfunded List that have identical scores, achievement of MBE goals, nonmetro achievement for Section 202, etc).
2. A separate completed recapitulation form for the Hub.
3. An initial selection list in rank order for the Hub (for Section 202, metro and nonmetro selections must be on separate lists).
4. An approvable but unfunded list in rank order for the Hub (for Section 202, metro and nonmetro selections must be on separate lists).
5. A list of applications in rank order for the Hub that received a score of less than **75** base points.

6. A list of applications for the Hub that have been technically rejected.
7. A completed Congressional Notification form for each application on the Hub Initial Selection Lists (Do **NOT** send the originals or copies to the Office of Congressional and Intergovernmental Relations). Headquarters will notify HUD Offices of which additional applications selected with residual funds will need completed Congressional Notification forms.  
  
**NOTE:** HUD Offices **must** use the DAP System to complete items 2. through 7. Above.
8. All selection information (**excluding Technical Processing Review and Findings Memoranda and Standard Rating Criteria Forms**) EXACTLY as it was submitted by the Multifamily Program Centers to the Multifamily Hub.



**HUD NOTIFICATION**

U.S. Department of Housing and Urban Development  
Washington, D.C. 20410-8000

**MEMORANDUM FOR:** Assistant Secretary for Congressional  
And Intergovernmental Relations

**FROM:**

**HUD OFFICE:**

**ACTION:** Section 202 Supportive Housing for the Elderly Funding Award:  
An assistance program that provides capital advance financing and  
rental assistance to private nonprofit sponsors for the development  
and operation of supportive housing for the elderly.

**PROJECT DESCRIPTION:**

An allocation of funding has been approved to develop housing for the  
elderly as follows:

**Sponsor Name/Address:**

**Project Name/Number:**

**Project Address:**

**Number of Units:**

**Capital Advance Authority:**

**PRAC Contract Authority:**

**PRAC Budget Authority:**

**Total Award (Cap. Adv. + PRAC BA):**

**Project Contact/Phone Number:**

**PROJECT HIGHLIGHTS**

**STATUS**

All administrative, regulatory and statutory requirements have been met.

**LOCAL HUD OFFICE CONTACT/PHONE NUMBER:**

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**CONGRESSIONAL DELEGATION:**

**Senator:**

**Senator:**

**Member of Congress/District:**



**HUD NOTIFICATION**

U.S. Department of Housing and Urban Development  
Washington, D.C. 20410-8000

**MEMORANDUM FOR:** Assistant Secretary for Congressional  
And Intergovernmental Relations

**FROM:**

**HUD OFFICE:**

**ACTION:** Section 811 Supportive Housing for Persons with Disabilities  
Funding Award:  
An assistance program that provides capital advance financing and  
rental assistance to nonprofit sponsors for the development  
and operation of supportive housing to enable persons with  
disabilities to live as independently as possible in the community.

**PROJECT DESCRIPTION:**

An allocation of funding has been approved to develop housing for  
persons with disabilities as follows:

**Sponsor Name/Address:**

**Project Name/Number:**

**Project Address:**

**Number of Units:**

**Capital Advance Authority:**

**PRAC Contract Authority:**

**PRAC Budget Authority:**

**Total Award (Cap. Adv. + PRAC BA):**

**Project Contact/Phone Number:**

**PROJECT HIGHLIGHTS**

**STATUS**

All administrative, regulatory and statutory requirements have been met.

**LOCAL HUD OFFICE CONTACT/PHONE NUMBER:**

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**CONGRESSIONAL DELEGATION:**

Senator:

Senator:

Member of Congress/District:

**HUD NOTIFICATION**

U.S. Department of Housing and Urban Development  
Washington, D.C. 20410-8000

**MEMORANDUM FOR:** Assistant Secretary for Congressional  
And Intergovernmental Relations

**FROM:** Encarnacion C. Loukatos, Director, Philadelphia Multifamily Hub

**HUD OFFICE:** Philadelphia

**ACTION:** Section 811 Supportive Housing for Persons with Disabilities  
Funding Award:  
An assistance program that provides capital advance financing and  
rental assistance to nonprofit sponsors for the development  
and operation of supportive housing to enable persons with  
disabilities to live as independently as possible in the community.

**PROJECT DESCRIPTION:**

An allocation of funding has been approved to develop housing for  
persons with disabilities as follows:

<b>Sponsor Name/Address:</b>	ABC Housing Corporation 2960 Milford Avenue Philadelphia, PA 19131
<b>Project Name/Number:</b>	Tenley Gardens 034HD058/PA26Q031001
<b>Project Address:</b>	243 South 12 <sup>th</sup> Street Philadelphia, PA 19999
<b>Number of Units:</b>	15
<b>Capital Advance Authority:</b>	\$1,266,800
<b>PRAC Contract Authority:</b>	\$66,200
<b>PRAC Budget Authority:</b>	\$331,000
<b>Total Award (Cap. Adv. + PRAC BA):</b>	\$1,597,800
<b>Project Contact/Phone Number:</b>	John Michaels (215)555-5555

**PROJECT HIGHLIGHTS**

The funds will be used for the new construction of a fully wheelchair accessible apartment complex consisting of 8 one-bedroom units and 6 two-bedroom units plus community space for persons with physical disabilities. An additional one-bedroom unit will be provided for a resident manager. This project will contribute to the revitalization of an urban renewal area and is in close proximity to medical facilities, shopping, entertainment, places of worship and recreational activities.

**STATUS**

All administrative, regulatory and statutory requirements have been met.

**LOCAL HUD OFFICE CONTACT/PHONE NUMBER:** John Smith/(215)555-1234

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**CONGRESSIONAL DELEGATION:**

<b>Senator:</b> Arlen Specter	<b>Senator:</b> Rick Santorum
<b>Member of Congress/District:</b> Chaka Fattah/2	

## SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 202 CAPITAL ADVANCE	UNITS
<b>BOSTON HUB</b>		
Boston	\$ 1,877,573	20
Hartford	1,127,311	12
Manchester	384,243	5
Providence	487,567	5
<b>NEW YORK HUB</b>		
New York City	10,330,682	87
<b>BUFFALO HUB</b>		
Buffalo	2,905,922	34
<b>PHILADELPHIA HUB</b>		
Charleston	369,207	5
Newark	3,791,774	37
Pittsburgh	956,934	12
Philadelphia	2,068,031	22
<b>BALTIMORE HUB</b>		
Baltimore	1,894,788	24
Richmond	1,501,147	22
DC	3,033,449	37
<b>GREENSBORO HUB</b>		
Columbia	1,653,509	22
Greensboro	2,863,094	32
<b>ATLANTA HUB</b>		
Atlanta	2,344,513	34
San Juan	1,480,122	19
Louisville	498,439	7
Knoxville	653,980	10
Nashville	832,231	12

## SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 202 CAPITAL ADVANCE	UNITS
<b>JACKSONVILLE HUB</b>		
Jacksonville	3,906,698	58
Birmingham	1,610,577	24
Jackson	1,319,823	20
<b>CHICAGO HUB</b>		
Chicago	4,187,125	43
Indianapolis	795,347	10
<b>COLUMBUS HUB</b>		
Cincinnati	545,962	8
Cleveland	1,155,229	14
Columbus	581,750	8
<b>DETROIT HUB</b>		
Detroit	1,501,589	18
Grand Rapids	747,318	10
<b>MINNEAPOLIS HUB</b>		
Milwaukee	778,978	9
Minneapolis	694,075	8
<b>FT. WORTH HUB</b>		
Ft. Worth	2,636,806	42
Houston	1,432,397	22
Little Rock	672,342	11
New Orleans	1,984,986	31
San Antonio	1,421,357	23

## SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 202 CAPITAL ADVANCE	UNITS
<b>KANSAS CITY HUB</b>		
Des Moines	356,881	5
Kansas City	764,410	10
Oklahoma City	316,875	5
Omaha	371,777	5
St. Louis	735,578	9
<b>DENVER HUB</b>		
Denver	1,216,571	17
<b>SAN FRANCISCO HUB</b>		
Honolulu (Guam)	2,663,781	15
Phoenix	1,231,898	18
Sacramento	2,032,536	22
San Francisco	5,983,148	54
<b>LOS ANGELES HUB</b>		
Los Angeles	8,949,040	97
<b>SEATTLE HUB</b>		
Anchorage	895,464	5
Portland	776,841	10
Seattle	1,310,182	15
<b>TOTAL</b>	<b>\$94,631,857</b>	<b>1,105</b>

## SECTION 811 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 811 CAPITAL ADVANCE	UNITS
<b>BOSTON HUB</b>		
Boston	278,925	3
Hartford	281,927	3
Manchester	220,608	3
Providence	286,143	3
<b>NEW YORK HUB</b>		
New York City	773,771	7
<b>BUFFALO HUB</b>		
Buffalo	298,930	4
<b>PHILADELPHIA HUB</b>		
Charleston	210,951	3
Newark	374,711	4
Pittsburgh	93,041	2
Philadelphia	289,398	3
<b>BALTIMORE HUB</b>		
Baltimore	229,228	3
Richmond	200,199	3
DC	237,405	3
<b>GREENSBORO HUB</b>		
Columbia	243,236	3
Greensboro	377,877	4
<b>ATLANTA HUB</b>		
Atlanta	355,284	5
San Juan	165,262	2
Louisville	75,471	2
Knoxville	92,401	2
Nashville	118,278	2



## SECTION 811 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 811 CAPITAL ADVANCE	UNITS
<b>JACKSONVILLE HUB</b>		
Jacksonville	385,761	6
Birmingham	207,510	3
Jackson	208,254	3
<b>CHICAGO HUB</b>		
Chicago	463,452	5
Indianapolis	221,468	3
<b>COLUMBUS HUB</b>		
Cincinnati	203,880	3
Cleveland	234,316	3
Columbus	216,368	3
<b>DETROIT HUB</b>		
Detroit	191,829	2
Grand Rapids	212,065	3
<b>MINNEAPOLIS HUB</b>		
Milwaukee	252,576	3
Minneapolis	264,701	3
<b>FT. WORTH HUB</b>		
Ft. Worth	358,943	6
Houston	220,557	3
Little Rock	98,468	2
New Orleans	241,615	4
San Antonio	200,249	3
<b>KANSAS CITY HUB</b>		
Des Moines	203,244	3
Kansas City	211,409	3
Oklahoma City	186,957	3
Omaha	217,389	3
St. Louis	243,718	3

ATTACHMENT 9

SECTION 811 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 811 CAPITAL ADVANCE	UNITS
<b>DENVER HUB</b>		
Denver	201,744	3
<b>SAN FRANCISCO HUB</b>		
Honolulu (Guam)	513,518	3
Phoenix	174,455	3
Sacramento	304,869	3
San Francisco	772,919	7
<b>LOS ANGELES HUB</b>		
Los Angeles	1,191,678	13
<b>SEATTLE HUB</b>		
Anchorage	513,519	3
Portland	229,685	3
Seattle	258,943	3
<b>TOTAL</b>	<b>\$14,609,105</b>	<b>178</b>

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 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 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>
1	_____	_____	_____
2(a)	_____	_____	_____
2(b)	_____	_____	_____
2(c)	_____	_____	_____
2(d) (811)	_____	_____	_____
3(a)	_____	_____	_____
3(b)	_____	_____	_____
3(c)	_____	_____	_____
3(d)	_____	_____	_____
3(e)	_____	_____	_____
3(f)	_____	_____	_____
3(g)	_____	_____	_____
3(h)	_____	_____	_____
3(i)(i)	_____	_____	_____
3(i)(ii)	_____	_____	_____
3(i)(iii)	_____	_____	_____
3(j) (811)	_____	_____	_____
4(a)	_____	_____	_____
4(b)	_____	_____	_____
4(c)(i)	_____	_____	_____
4(c)(ii)	_____	_____	_____
4(c)(iii)	_____	_____	_____
4(d)(i)	_____	_____	_____
4(d)(ii)	_____	_____	_____
4(d)(iii)	_____	_____	_____
4(d)(iv)	_____	_____	_____
4(d)(v)	_____	_____	_____
4(d)(vi)	_____	_____	_____
4(d)(vii)	_____	_____	_____

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

**NOTES:**

1. **Section 811 Only** - Sponsors must provide **either** evidence of control of an approvable site (Exhibit 4(d)(i) through (viii) **or** information on an identified site(s)(Exhibit 4(d)(x) through (xiv). Put N/A for those parts of Exhibit 4d that are not applicable to the application.
2. **Section 202 Only** - For those Exhibits or parts of Exhibits that apply only to Section 811, put N/A in the column titled, "Complete".

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

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\_\_\_\_\_ The following Exhibits or portions 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

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**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 12 (202) and Attachment 13 (811)). For example, on the Project Manager's Memorandum Format there is no (b) under Rating Factor 1 because that criterion is rated by FHEO. 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. However, on the Project Manager's Memoranda Format, Rating Factor 1 is worth a maximum of 15 points for 202 and 17 points for 811 because the Project Manager does not rate Rating Criterion 1(b) which is worth 10 points for 202 and 8 points for 811.
3. **Applications Submitted by Co-Sponsors.** Each Co-Sponsor must submit all of the application submission requirements. In rating a co-sponsored application, the technical discipline will rate each Co-Sponsor separately and the highest score for the applicable Rating Criterion will apply.

4. **Missing Information.** If the reviewing discipline discovers that an exhibit or part of an exhibit is missing which was not identified during initial screening for curable deficiencies, the Project Manager must be notified immediately. The Project Manager shall telephone the Sponsor and request the missing information if it is a curable deficiency 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 which must be inserted in the Notification of Selection Letter should the Sponsor be selected for funding:

**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.** A single site application with site control will receive 5 points for Site Control (Criterion 3(a)(iii)) **ONLY** if the evidence of site control is acceptable and the site is approvable by Valuation (this includes the Phase I and Phase II, if necessary, being received according to the NOFA instructions) and FHEO.

If the site control is **NOT** acceptable for a single site application, the application may still receive up to 7 points for Site Approvability (Criterion 3(a)(i)) 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(b)).

If either VAL or FHEO rejects the site, the application will receive 0 points for Criterion 3(a)(i), Criterion 3(a)(iii) and Criterion 3(b). The application will be treated as "site identified" and remain in the competition as long as the Sponsor indicated in Exhibit 4(d)(viii) 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 Criterion 3(a)(i), Criterion 3(a)(iii) and Criterion 3(b).

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

<u>Reviewing Office</u>	<u>Recommendation 1/</u>	
	<u>Acceptable</u>	<u>Not Acceptable</u>
PROJECT MANAGER	_____	_____
A & E	_____	_____
VAL	_____	_____
EMAS	_____	_____
FH&EO	_____	_____
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 which 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 Location: \_\_\_\_\_

Project No.: \_\_\_\_\_

Section 811 Only: Proj. 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/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:

\_\_\_\_\_

Technical Processing - Project Manager) - continued  
Project No. \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_ If No, the application must be rejected.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, application must be rejected.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Technical Processing - Project Manager) - continued  
Project No. \_\_\_\_\_

6. Did the Sponsor describe plans or actions to develop a mixed-finance project that will result in additional units over and above the Section 202 or Section 811 units (whichever applies)? (See Exhibit 4(c)(iii).)

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

If yes, and it is an 811 application, does the Sponsor have control of an approvable site?

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

If No, and the application is selected, the Notification of Selection Letter must indicate that the Sponsor will **not** be permitted to submit a mixed-finance proposal at a later time.

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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Technical Processing - Project Manager) - continued  
Project No. \_\_\_\_\_

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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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.

Technical Processing - Project Manager) - continued  
Project No. \_\_\_\_\_

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 4.SS.(8)(b) 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. If the Sponsor is selected for funding, the paragraph in item 4. of the Instructions above must be included in the Notification of Selection Letter.

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)(ix) have been submitted to Headquarters, Office of Housing Assistance and Grant Administration, room 6138, 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 \_\_\_\_\_



Technical Processing - Project Manager) - continued  
Project No. \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

14. The Sponsor has received 2530 clearance.

Yes \_\_\_\_\_ No \_\_\_\_\_ If No, the application must be  
rejected.

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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (b)(ii) 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 has been extended beyond 24 months (-2 points), 36 months (-3 points) or 48 months (-4 points) (except if the delay was beyond the Sponsor's control).

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (d) Amendment money was required as a result of the delay in (c) above (except if the delay was beyond the Sponsor's control). (-1 point)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (e) **Section 811 Only:** The Sponsor has experience in developing integrated housing (condominium units scattered within one or more buildings or non-contiguous independent living units on scattered sites) and/or the proposed project will be integrated housing. (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

Technical Processing - Project Manager) - continued  
Project No. \_\_\_\_\_

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 (15 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 information in the community's Analysis of Impediments to Fair Housing Choice (AI) or other planning document that analyzes fair housing issues and is prepared by a local planning or similar organization is 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: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 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:

- (d) **Section 811 Only:** The Sponsor's board is comprised of at least 51percent persons with disabilities. (0 or 5 points)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (e) **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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (f) **Section 202 Only:** The extent to which the proposed supportive services meet the identified needs of the (anticipated) residents. (3 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (f) **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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (g) **Section 202 Only:** The extent to which the Sponsor demonstrated that the identified supportive services will be provided on a consistent, long-term basis. (3 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (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. (3 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RATING FACTOR 4 - LEVERAGING RESOURCES (5 POINTS)**

In determining the ability of the Sponsor to secure other community resources which can be combined with HUD's program

resources to achieve program purposes, consider:

- (a) The extent of local government support (including financial assistance, donation of land, provision of services, etc.) for the project. (2 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (b) The extent of the Sponsor's activities in the community, including previous experience in serving the area where the project is to be located, and the Sponsor's demonstrated ability to enlist volunteers and raise local funds. (3 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RATING FACTOR 5 - ACHIEVING RESULTS AND PROGRAM EVALUATION  
(10 POINTS)**

In determining whether the Sponsor has the ability to get the proposed project to initial closing within 18 months, the extent to which the project will implement practical solutions that will result in assisting residents in achieving independent living, educational opportunities, economic empowerment (811 only), and improved living environments and how the long-term viability of the project will be sustained over the 40 year capital advance period, consider:

- (a) The extent to which the Sponsor's project development timeline is indicative of the Sponsor's full understanding of the development process and will, therefore, result in the timely development of the project. (5 points)

Technical Processing - Project Manager) - continued  
Project No. \_\_\_\_\_

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (b) The extent to which the project will implement practical solutions that will result in assisting residents in achieving independent living, economic empowerment (811 only), educational opportunities and improved living environments (e.g., activities that will improve computer access, literacy and employment opportunities(811 only)). (2 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (c) The extent to which the Sponsor demonstrated that the project will remain viable as housing with the availability of supportive services for the target population for the 40-year capital advance period. (3 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 Location: \_\_\_\_\_

Project No.: \_\_\_\_\_

Section 811 Only: Proj. 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 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:

**Section 202**

- (c) The extent to which the proposed design will meet the special physical needs of elderly persons (4 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



(Technical Processing - A&E) - continued  
Project No. \_\_\_\_\_

- (d) 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. (3 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (e) 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. (3 points maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (h) The proposed design incorporates visitability standards and universal design in the construction or rehabilitation of the project. (1 point maximum)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Technical Processing - A&E) - continued  
Project No. \_\_\_\_\_

**Section 811 Only:**

**(c)(i) Section 811:** 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. (4 points)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(c)(ii)** The proposed design incorporates visitability standards and universal design in the construction or rehabilitation of the project. (1 point)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Reviewer

\_\_\_\_\_  
Date

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

SECTION 202/811  
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM

VALUATION BRANCH

MEMORANDUM FOR: Supervisory Project Manager

FROM: \_\_\_\_\_, Chief Appraiser

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor Name: \_\_\_\_\_  
Project Location: \_\_\_\_\_  
Project No: \_\_\_\_\_

Section 811 Only: Proj. 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)(i) below but 0 points for Criterion 3(a)(ii) 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 Criteria 3(a)(i), 3(a)(ii), and 3(b) below. Otherwise, the application will be considered as "site identified" and remain in the competition as long as the Sponsor indicated in Exhibit 4(d)(viii) 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. \_\_\_\_\_

2. 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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NOTE:** 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, six steps of the 8-step process identified in 24 CFR Part 55 must be completed prior to convening of the Rating/Selection Panel.

3. For **Section 202 applications** and **Section 811 applications with site control only**, the Environmental Assessment has been completed (through step 6 of the 8-step process for projects in floodplains/wetlands) including signatures of the Appraiser and Supervisory Project Manager/Operations Director and Hub Director/Program Center Director, and the proposed project meets Environmental Assessment requirements, including Compliance Findings (including SHPO/THPO historic findings) set forth in attached Form HUD-4128.

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_ (Section 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)(i) and Criterion 3(a)(ii) below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Technical Processing - Valuation) - continued  
Project No. \_\_\_\_\_

4. 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)?

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)(i) and Criterion 3(a)(ii) below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Was a Phase I Environmental Site Assessment (ESA) submitted, with an Update, as appropriate, and prepared in conformance with ASTM 1527, as amended?

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)(i) and Criterion 3(a)(ii) below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. If the answer to question #5 is Yes, was either a statement submitted that the project did not involve rehabilitation and/or demolition of a pre-1978 structure or was an asbestos report submitted that indicated the location and condition of any asbestos?

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)(i) and Criterion 3(a)(ii) below.

(Technical Processing - Valuation) - continued  
Project No. \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. If an asbestos report was submitted per question #6, did it include a certification that any identified friable asbestos would be abated and that any identified non-friable asbestos that would be affected by the rehabilitation/demolition would be abated?

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)(i) and Criterion 3(a)(ii) below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Based on the Phase I ESA (and its update, as applicable) and any other evidence deemed appropriate, was further study recommended?

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. If the answer to question #8 is Yes, was a Phase II ESA prepared and submitted 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)(i) and Criterion 3(a)(ii) below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



(Technical Processing - Valuation) - continued  
Project No. \_\_\_\_\_

10. If the answer to question #9 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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. If the answer to question #10 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 submitted by the appropriate date?

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

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

**Section 811:** If No, the site must be rejected and the application shall receive 0 points for Criterion 3(a)(i) and Criterion 3(a)(ii) below **unless** it meets the requirements of the special groundwater exception note below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Special Groundwater Exception**

Even if the answer to question #11 is No, the proposed site may be acceptable if **all** of the following five criteria are met (Check all that apply):

a. All known or suspected contamination appears to come from an offsite source. \_\_\_\_\_

b. All known or suspected contamination on the proposed site is located solely within groundwater which is located at least 30 feet below the surface. \_\_\_\_\_

c. There are no engineering controls of any type  
{D0204347.DOC / 1}104



in existence or required on the proposed site. \_\_\_\_\_

(Technical Processing - Valuation) - continued  
Project No. \_\_\_\_\_

d. There is an outright prohibition on the use of groundwater for any purposes in the vicinity of the proposed site. \_\_\_\_\_

e. No active water supply, testing, monitoring or flushing wells are in existence or required at the proposed site. \_\_\_\_\_

Site is acceptable based on the Special Groundwater Exception: Yes \_\_\_\_\_ No \_\_\_\_\_

12. If the answer to question #11 is Yes, did either the clean-up plan, the remediation contract, or the governmental approval of the plan allow for engineering controls such as vertical barrier walls, capping, or paving over, or require active testing, monitoring, or flushing wells be put in place in relation to known or suspected contamination?

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

**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)(i) and Criterion 3(a)(ii) below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. 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(a)(ii) for 202 and 3(a)(iii) for 811 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)(i) and Criterion 3(a)(ii) below.

(Technical Processing - Valuation) - continued  
Project No. \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RATING FACTOR**

**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 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)(i) 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. (15 points maximum for Section 202, 10 points maximum for Section 811)

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Technical Processing - Valuation) - continued  
Project No. \_\_\_\_\_

**811**

**(a)(ii) Site Control**

Application contains legally acceptable site control for all proposed sites and all proposed sites are approvable. (0 or 5 points)

**NOTE:** Obtain Counsel's determination as to whether the Sponsor has legally acceptable site control for all proposed sites.

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**202**

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

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Technical Processing - Valuation) - continued  
Project No. \_\_\_\_\_

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 treated as "site identified" as long as the Sponsor indicated its willingness to seek an alternate site (Exhibit 4(d)(viii)); otherwise, the application will be rejected.

Explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Signature or 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 202/811  
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 Location: \_\_\_\_\_

Project No.: \_\_\_\_\_

Section 811 Only: Proj. Type/# of Sites: \_\_\_\_\_

# of Units per Site: \_\_\_\_\_

In determining the need for additional supportive housing (elderly or persons with disabilities), EMAS should take into consideration the Sponsor's evidence of need; current and anticipated market conditions in assisted housing (elderly or disabilities); 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 (elderly or persons with disabilities) in the market area; the current occupancy and waiting lists in such facilities; and the extent of the pipeline of assisted housing (for the elderly or persons with disabilities) under construction and for which fund reservations have been issued.

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

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

Yes \_\_\_\_\_ No \_\_\_\_\_

(Technical Processing - EMAS) - continued  
Project 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.**

2. The proposed location is acceptable and desirable for the target population (elderly (202) or persons with disabilities (811)) taking into consideration the proximity or accessibility of public facilities, health care and other necessary services to the intended occupants. **NOTE:** EMAS should complete this question only if it has available relevant information on the site and location.

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RATING FACTOR**

**RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (15 POINTS)**

If a determination has been made that there is a need for additional supportive housing for the elderly (202) or persons with disabilities (811) in the area to be served, the project is to be awarded 12 points. If not, the project is to be awarded 0 points. Awarding of points between 0 and 12 points is not permitted.

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Based on the EMAS review, the application is:

\_\_\_\_\_ Acceptable                      \_\_\_\_\_ Not Acceptable

(Technical Processing - EMAS) - continued  
Project No. \_\_\_\_\_

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, Economic and Market Analysis Division, REE, Office of Policy Development and Research, Attention: Bruce D. Atkinson, 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 Location: \_\_\_\_\_  
Project No.: \_\_\_\_\_

Section 811 Only: Proj. 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(b) under "Rating Factors" below.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

(Technical Processing - FHEO) - continued  
Project No. \_\_\_\_\_

of discrimination; or outstanding letter of noncompliance findings under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973 involving systemic discrimination, or Secretarial charge alleging ongoing discrimination under the Fair Housing Act which have not been resolved to the satisfaction of the Secretary. In cases where such problems exist, HUD will decide whether a charge, lawsuit or finding has been satisfactorily resolved, based on whether the applicant has taken appropriate actions to address the allegations of ongoing discrimination.

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

(Technical Processing - FHEO) - continued  
Project No. \_\_\_\_\_

**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)(i) The scope, extent and quality of the Sponsor's experience in providing housing or related services to minority persons or 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)(ii) 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.

Recommended Rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RATING FACTOR 2 - NEED/EXTENT OF THE PROBLEM (15 points)**

Did the Sponsor utilize the community's Analysis of



(Technical Processing - FHEO) - continued  
Project No. \_\_\_\_\_

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

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

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RATING FACTOR 3 - SOUNDNESS OF APPROACH (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 which the Section 811 Sponsor coordinated its application with other organizations such as centers for independent living as well as the relationship between the project, the community's needs and purposes of the program funding, consider:

- (b) The suitability of the site from the standpoints of promoting a greater choice of housing 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). (10 points maximum)

Recommended rating: \_\_\_\_\_

Technical Processing - FHEO) - continued  
Project No. \_\_\_\_\_

**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)(i) and Criterion 3(a)(ii).

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NOTE:** Although the Project Manager assigns the rating points on this factor, FHEO is to make recommendations and comments to the Project Manager.

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. \_\_\_\_\_

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 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 with 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. \_\_\_\_\_

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 \_\_\_\_\_ (Section 811 site identified)

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

**Section 811:** If No, the site must be rejected; not the application.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Technical Processing - Counsel) - continued  
Project No. \_\_\_\_\_

6. The site control document contains restrictive covenants or reverter clauses which 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; not the application.

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. \_\_\_\_\_

- (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 shall be treated as "site identified" (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: Proj. Type/# of Sites: \_\_\_\_\_  
# of Units per Site: \_\_\_\_\_

The subject application has been reviewed with regard to displacement and acquisition and CPD's findings are the following:

- 1.(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 persons occupying the property on the date of submission of the application (or initial site control, if later).

	No. not to be Displaced	No. to be Displaced
Households (families and individuals)	_____	_____
Business and Nonprofit Organizations	_____	_____
Farms	_____	_____
Totals	_____	_____

(Technical Processing - CPD) continued  
Project No. \_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Organization to administer relocation has been identified.

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Certification of Consistency with the Consolidated Plan (form HUD-2991) has been provided and is signed by the authorized certifying official.

Yes \_\_\_\_\_ No \_\_\_\_\_

(Technical Processing - CPD) continued  
Project No. \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. (a) **BONUS POINTS (2 POINTS)**

Will the project be located in a federally designated Empowerment Zone, Enterprise Community, Urban Enhanced Enterprise Community, Strategic Planning Community or Renewal Community, (collectively referred to as RCs/EZs/ECs), be consistent with the RC/EZ/EC strategic plan, and serve RC/EZ/EC residents?

Yes \_\_\_\_\_ No \_\_\_\_\_

(b) Certification of Consistency with RC/EZ/EC Strategic Plan (form HUD-2990) has been provided and is signed by authorized certifying official.

Yes \_\_\_\_\_ No \_\_\_\_\_ NA \_\_\_\_\_

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

Recommended rating: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. 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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Technical Processing - CPD) continued  
Project No. \_\_\_\_\_

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 CPD Reviewer)

\_\_\_\_\_  
Date

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

Standard Rating Criteria Form (202) Form HUD-9879-CA







Standard Rating Criteria Form (811) 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.

On April 25, 2003, HUD published in the Federal Register a Notice of Funding Availability for the Section 811 Program as part of a Super Notice of Funding Availability (SuperNOFA) for HUD's Housing, Community Development and Empowerment Programs and Housing Voucher Assistance. A copy is enclosed for your information. The application deadline date is June 13, 2003. Nationwide, HUD has \$116,810,724 in capital advance funds available which will facilitate the development of approximately 1,479 housing units for persons with disabilities.

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 a copy 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 threshold requirements which means that if the application does not include them and, after being notified by the HUD Office, the Sponsor does not provide the missing information by (insert deadline for submitting missing information), the application is 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(j) 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**

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?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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.

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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.

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

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

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

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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.

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

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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)?

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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?

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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: \_\_\_\_\_