

Multifamily HUB Directors;
Supervisory Project Managers;
Secretary's Representatives;
Senior Community Builders/
Coordinators

Handbook 4571.2 Disabled
Handbook 4571.3 REV-1 Elderly

Fiscal Year 1998 Policy for Capital Advance Authority
Assignments, Instructions and Additional Program
Requirements for the Section 202 and Section 811
Capital Advance Programs, Application Processing and
Selection Instructions, and Processing Schedule.

1. PURPOSE. This Notice transmits for Fiscal Year 1998:

- A. Changes to Application/Selection Process
- B. Application Processing Schedule
- C. Allocations for Section 202 (ATT.1)
- D. Allocations for Section 811 (ATT.2)
- E. Section 811 Workshop Instructions (ATT.3)
- F. Section 202 Funding Notification (ATT.4)
- G. Section 811 Funding Notification (ATT.5)
- H. Applications Processing and Selections Policy (ATT.6)
- I. Congressional Notification Memorandum Format (ATT.7)
- J. Section 202 Minority Business Enterprise Goals (ATT.8)
- K. Section 811 Minority Business Enterprise Goals (ATT.9)
- L. Initial Screening for Curable Deficiencies (ATT.10)
- M. Technical Review Sheets (ATT.11)
- N. Section 202 Standard Rating Criteria Form (ATT.12)
- O. Section 811 Standard Rating Criteria Form (ATT.13)
- P. Draft Letter to Appropriate State or Local Agency with Enclosures (ATT.14)
- Q. Choosing an Environmentally Safe Site (ATT.15)

This Notice should be used in conjunction with the Final Rule (Part 891), the Super Notice of Funding Availability (SuperNOFA) for Targeted Housing and Homeless Assistance Programs published in the Federal Register on April 30, 1998, and Handbook 4571.3 REV-1 - Section 202 Supportive Housing for the Elderly or Handbook 4571.2 - Section 811 Supportive Housing for Persons with Disabilities, as appropriate.

NOTE: In addition to following the requirements in the Section 202 and/or Section 811 NOFA, it is essential to pay particular attention to the beginning of the SuperNOFA which includes important information regarding the application submission procedures which have changed since Fiscal Year 1997 (as described in paragraph 2.G. below), the Introduction to the SuperNOFA Process and the General Section of the SuperNOFA which contains additional application requirements that are applicable to all programs contained in the SuperNOFA.

2. **CHANGES TO THE FY 1998 SECTION 202 AND SECTION 811 PROGRAMS:**

- A. **Rating Factors.** One of the purposes of publishing the SuperNOFAs instead of 40 individual program NOFAs is to improve customer service by simplifying the application process. To that end, the Department has developed five standard Rating Factors by which all applications for HUD funding will be rated, regardless of the program.

In expanding the Rating Factors for the Section 202 and Section 811 programs from three to five and from two to five, respectively, the existing criteria within the previous factors were retained for the most part but, in some cases, were reorganized to fit within the new Rating Factors.

Furthermore, to ensure consistency among all HUD programs, it was necessary to add some additional criteria within the new Rating Factors as well as corresponding application submission requirements. The new criteria for the Section 202 and Section 811 programs are:

- o The extent to which the Sponsor coordinated its application with other organizations to complement and/or support the proposed project;
- o The extent to which the Sponsor demonstrates that it has been actively involved, or if not currently active, the steps it will take to become actively involved in its community's Consolidated Planning process to identify and address a need/problem that is related in whole or part, directly or indirectly to the proposed project; and
- o The extent to which the Sponsor developed or plans to develop linkages with other activities, programs or projects related to the proposed project to coordinate its activities so solutions are holistic and comprehensive.

In addition to these three criteria, for the Section 811 program only, the following criterion is also new:

- o The extent to which the proposed design of the project and its placement in the neighborhood will facilitate the integration of the residents into the surrounding community.

It is important to note that, as a result of expanding the Rating Factors, it was necessary to change the points associated with many of the criteria. Since they are too numerous to detail here, it is advisable to carefully review the FY 1998 Rating Factors and corresponding points.

- B. Initial Screening for Curable Deficiencies.** HUD Offices will complete an initial screening for curable deficiencies (using the Initial Screening Checklist in Attachment 10) of all applications received by the application deadline date (see Paragraph H. below). 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 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 by the application deadline date will be placed into technical processing. 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 (5) working days of receipt of the appeal.
- C. Allocation of Funds.** The allocation of funds was changed to be consistent with the revised Field Office Multifamily Hub structure.
- D. Bonus Points for Location of Site.** Applications submitted by Sponsors in which there is satisfactory evidence of control of an approvable site for a project that will be located within the boundaries of a Federally designated Empowerment Zone, Urban Supplemental Empowerment Zone, Enterprise Community, or

an Urban Enhanced Enterprise Community will be awarded two (2) bonus points.

A list of the Federally designated Empowerment Zones, Urban Supplemental Empowerment Zones, Enterprise Communities, and Urban Enhanced Enterprise Communities is included in the Application Kit as Appendix B and is available through the Internet at the following address: <http://www.caliper.com/hud>. The local HUD Offices will 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.

- E. Secretary's Representative** - The Secretary's Representative can award up to 10 points to each application for Rating Factor 5 - Comprehensiveness and Coordination. The review of the extent of local government support for the project which was previously reviewed and rated by the Secretary's Representative will now be reviewed and rated by the Project Manager.

The points must be documented in a memorandum from the Secretary's Representative which must be attached to the Secretary's Representative's Technical Review and Processing Memorandum. (See Attachment 11 of this Notice.)

- F. Points for the Involvement of the Target Population in the Development of the Application and in the Future Development and Operation of the Project.** Applications will receive four (4) base points if the Sponsor has involved the target population (elderly persons, particularly minority elderly persons for Section 202 or persons with disabilities (including minorities) for Section 811), in the development of the application, and intends to involve the target population in the development and operation of the project. For Section 202, the Sponsor's intent to involve the target population in the **operation of the project** is a new requirement.

- G. Points for Section 811 Applications Submitted by Sponsors whose Boards are Comprised of at Least 51% Persons with Disabilities.** Section 811 applications submitted by Sponsors whose boards are comprised of at least 51% persons with disabilities, including persons with disabilities similar to those of the prospective

residents, will receive five (5) base points.

- H. **Revised Application Submission Procedures.** Application submission procedures have been made consistent for all programs. For the Section 202 and Section 811 programs in previous years, all applications had to be received in the appropriate HUD Office by the deadline date and time published in the Federal Register, regardless of whether they were hand carried or mailed. In FY 1998, only hand carried applications must follow this procedure. Mailed applications will be determined acceptable as long as they are postmarked on or before midnight on the application due date and received by the appropriate HUD Office within ten (10) days of the application due date. Applications sent by overnight or express mail delivery will be accepted before or on the application due date or after that date as long as there is documentary evidence that they were placed in transit with the overnight delivery service no later than the application due date.

The last page of the Application Kit 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.

- I. **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 60 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 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.

Projects of nine units or less 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 in order to select the next highest ranked application in either category using the unit reduction policy described above, as appropriate.

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% rounded to the nearest whole number, provided the reduction will not render the project infeasible. For this purpose, however, HUD will not reduce the number of units in projects of nine units or less.

Funds remaining after these processes are completed will be returned to Headquarters. Under Section 202, these funds will be used first to fund a FY 1996 application submitted by AHEPA which was not selected due to HUD error. Then for both Section 202 and Section 811, the residual funds will be used to restore units to projects reduced by HUD Offices as a result of the instructions above and, third, for selecting applications on a national rank order. No more than one application will be selected per HUD Office (excluding the Iowa State Office since the above application is being funded from the residual funds) 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 a national rank order, insuring that no more than one application will be selected per HUD Office unless there are insufficient approvable applications in other HUD Offices.

- J. **Application Unit Limit.** Due to the implementation of the new HUD Multifamily Field Office Hub structure, the limit on the number of units that a Sponsor or a Co-sponsor may apply for in the Section 202 program is now imposed within a single Hub rather than within the previous single geographic region. The unit limit is still 200 for Section 202. This requirement has been added to the Section 811 program this year but the unit limit is 100.
- K. **Ineligible Activities.** The NOFAs now include a list of activities that are ineligible to be funded through either the Section 202 or Section 811 NOFAs.
- L. **Section 811 Occupancy.** In the application submission requirements, where the Sponsor is asked to specify whether the proposed housing will serve persons with physical disabilities, developmental disabilities or chronic mental illness, the phrase "or any combination of the three" has been added to make it clear that the Sponsor may serve any or all of the three populations.
- M. **Appeal Period for Technical Rejection.** This year, the appeal period for applications that receive a technical rejection is 14 days rather than 10 days from the date of HUD's letter notifying the Sponsor of the technical rejection.
- N. **Sponsors Cannot Require Residents to Accept Supportive Services.** Sponsors must certify in their applications that they will **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 old Section 202 program or the Section 811 program. **This year, the requirement for a certification also applies to the Section 202 program.**
- O. **Exhibit 6 of the Application Kit which must be**

completed if the site will involve relocation does not apply to Section 811 applications that are "site identified."

- P. Congressional Notification Memoranda are to be sent along with the other Headquarters submission requirements (see Attachment 6 for details on the submission requirements) to: Office of Business Products, room 6138. **DO NOT SEND THEM TO THE OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS.**

3. CHANGES PURSUANT TO THE APPROPRIATIONS ACT OF 1998: In accordance with the waiver authority provided in the FY 1998 Appropriations Act, the Secretary is extending the following determination made in the Notice, published in 61 F.R. 3047 and in the FY 1997 Section 202 and Section 811 NOFAs, to FY 1998 funding by waiving the statutory and regulatory provisions governing the amount and term of the 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 and a maximum project rental assistance contract term which can be supported by funds authorized by the HUD Appropriations Act of 1998. 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. FISCAL YEAR 1997 CHANGES STILL IN EFFECT:

- A. Environmental Site Assessment - For FY 1998, 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 1527-93, as amended. Section 811 Sponsors submitting applications with identified sites (i.e., not under control) who are selected for funding are required to 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.

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 WOULD 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.(B)(4)(d)(v) of the Section 202 NOFA and Section IV.(B)(4)(d)(5)(f) 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. In order 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 10 bonus 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 the date specified in the applicable NOFA. 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 10 bonus points for site control. **NOTE: THIS COULD BE AN EXPENSIVE UNDERTAKING. THE COST OF ANY CLEANUP AND/OR**

REMEDICATION 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 more than 6 months old, the preparer must update the environmental site assessment. If there have been no changes since the previous assessment, the preparer must certify to same.

- B. **Historic Preservation.** For FY 1998, Sponsors are to submit with their applications, a letter from the State Historic Preservation Officer 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.

If the Sponsor cannot obtain a letter from the SHPO due to the SHPO not responding to the Sponsor's request or the SHPO responding that it cannot or will not comply with the requirement, the Sponsor must submit the following: (1) a letter indicating that it attempted to get the required letter from the SHPO but that the SHPO either had not responded to the Sponsor's request or would not honor or recognize the Sponsor's request; (2) a copy of the Sponsor's letter to the SHPO requesting the required letter; and, (3) a copy of the SHPO's response, if available.

In such cases, 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, allow time for a response from the SHPO, and then make the appropriate finding, which must be received prior to convening the Rating/Selection Panel).

- C. **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 requirement responding to this criterion has been broadened to include 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.

- D. **Threshold Score.** The threshold score for an application to be eligible for selection is 60 base points. (The threshold score does not include bonus points.)

- E. **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.

- F. **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.

- G. **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.

- H. **Minimum and Maximum Project Sizes:**

For **Section 202** applications, the minimum project size for both metro and nonmetro proposals is five (5) 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 5 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 follows:

Group home - The minimum number of persons with disabilities that can be housed in a group home is three 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. 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.

Independent living facility - 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 facility is 18.

Exceptions - Sponsors requesting approval to exceed the project size limits must provide the information required in the application kit and in Section IV(B)(5)(h) of the Section 811 NOFA, including documentation (e.g., results of a written or verbal survey) that people with disabilities similar to those of the prospective residents of the proposed project(s) have indicated acceptance of and/or a preference to living in housing with as many people with disabilities as proposed for the project(s).

Although the elimination of the upper limit for exceptions to project size limits remains the policy for FY 98, local HUD Offices should be extremely cautious in approving exceptions to project size limits that would exceed the 15 person limit for a group home and the 40 person limit for an independent living facility outlined in Handbook 4571.2. Local HUD Offices also need to ensure that the program goal of integration is not compromised and should handle each request on a case-by-case basis following the criteria outlined in the NOFA.

- I. **Section 811 - Restricted Occupancy.** Sponsors of projects who are proposing to limit occupancy to a subcategory of one of the three main disability categories (physically disabled, developmentally disabled, chronically mentally ill), e.g., people with autism which is a subcategory of developmentally disabled, are required to submit more detailed

information in their Supportive Service Plans in order 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 Review Sheet 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 (See instructions in Attachment 11 for approval language) and attached to the PM Technical Review Sheet. If the Sponsor is selected for funding, the Notification of Selection Letter must include the information in the Supervisory Project Manager's approval memorandum.

- J. **Section 811 - 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 provided 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.
- K. **Section 811 - Single Occupancy Bedrooms in Group Homes.** Sponsors proposing to develop a group home may no longer require residents to share a bedroom unless a resident indicates a preference or need to share a bedroom with another resident.

- L. **Section 811 - Intermediate Care Facilities (ICFs) are no Longer Eligible.** Sponsors may no longer propose the development of an ICF. On a nationwide basis, the Department has received very few applications proposing an ICF over the last several years. Therefore, 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.
- M. **Section 811 - 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. A separate Notice of Funding Availability for the 25 percent was also published in the Federal Register on April 30, 1998.
- N. **Section 811 - 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.
- O. **Section 811 - Scattered-site Applications.** If Sponsors are applying for a scattered-site project consisting of different project types (e.g., group home and independent living facility) 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 suitability of the site, each site is to be rated separately and then the scores averaged.
- P. **Section 811 - 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., persons with/without disabilities living in the same project/building).

- Q. **Section 811 - 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.
- R. **Section 811 - 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.
- S. **Section 811 - Supportive Services.** The Sponsor is required to submit the Supportive Services Plan of its application to the appropriate State or local agency to complete 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 proposed provision of supportive services is well designed to serve the special 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 individuals of the proposed occupancy category. 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 provided 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, 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 to serve the proposed population and whether or not the supportive services will be provided 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.

- T. **Section 811 - 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 expanding 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.

- U. **Section 811 - 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 facilities with 12 or more units **are** covered by the standards.

- V. **Section 811 - 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.

- W. **Section 811 - Site Issues** - Applications containing satisfactory evidence of control of an approvable site will be awarded 10 bonus points.

To receive the 10 bonus points, Sponsors proposing scattered site projects must provide acceptable evidence of site control for ALL proposed sites, which must be found approvable, upon completion of environmental reviews.

Sponsors submitting applications with site control where the site or the evidence is found unacceptable will not receive the bonus points. However, the application will still be processed provided the Sponsors indicated in their applications that they would be willing to seek alternate sites. If only the evidence is found unacceptable, the Sponsor may still receive points for Criteria 3 (a) and (b). However, if the site is found to be unacceptable, the application is not to be awarded any points for Criteria 3 (a) and (b).

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.

If, in the case of a site identified, 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.

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. Sites that are identified (not under control of the Sponsor) are NOT to receive an environmental review. However, if the local HUD Office happens to have certain 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".

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 in order 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.

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 1998 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 1998 formula for allocating Section 202 capital advance funds consists of one data element: a measure of the number of one and two person renter households with incomes at or below the Department's Very-low Income Limit (50 percent of area median family income, as determined by HUD, with an adjustment for household size), which have housing deficiencies. The counts of elderly renter households with housing deficiencies were taken from a special tabulation of the 1990 Decennial Census. The formula focuses the allocation on targeting the funds based on the unmet needs of elderly renter households with housing problems.

Eight-five (85) percent of the total capital advance amount is allocated to metropolitan areas and 15 percent to nonmetropolitan areas. In addition, 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 then subtracted from the respective (metropolitan or nonmetropolitan) total capital advance amount available. The remainder is fair shared to each HUD Office jurisdiction based on the allocation formula fair share factors.

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.

A fair share factor is developed for each metropolitan and nonmetropolitan portion of each local HUD Office jurisdiction. A fair share factor is developed 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.

Section 811. The FY 1998 formula for allocating Section 811 capital advance funds consists of two data elements from the 1990 Decennial Census: (1) the number of non-institutionalized persons age 16 or older with a work disability and a mobility or self-care limitation; and (2) the number of non-institutionalized persons age 16 or older having a mobility or self-care limitation but having no work disability.

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

The fair share factors were developed by taking the sum of the number of persons in each of the two elements for each state, or state portion, of each HUD Office jurisdiction as a percent of the sum of the two elements for the total United States. The resulting percentage for each local HUD Office jurisdiction 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.

- B. Program Fund Assignments. HUD-185s will be processed assigning funds to the field offices when all of the selections for the FY 1998 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. In order to meet the intent of the Reform Act, the following rules will apply to the FY 1998 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 and must not exceed the maximum number of units per application as established herein. (see Attachment 1)

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 nonmetro 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 1998. In order to be responsive to the NOFA, a Sponsor cannot request more units in a Field Office jurisdiction than was 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 5 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 Instructions. The funding notification format 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 is to 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 1998. 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 1998 program.

It should also be pointed out to potential applicants at the workshop that the second to the last page of the Application Kit is an optional form for them to fill out with their comments and suggestions about the NOFA and the Application Kit which they can include as part of their applications or submit separately to HUD Headquarters, 451 7th Street, S.W., Washington, D.C., Office of Business Products, 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 1998, application selection information will be reported to Headquarters via the Development Application Processing System (DAP). Instructions for transmitting the following selection data will be provided later.

Multifamily Hub Offices will submit the following hard copies separately for the Section 202 and Section 811 programs to Headquarters, Office of Business Products, room 6138, Attention: Section 202/811 (See Attachment 6 for more detailed instructions): (1) a list of initial selections, (2) a list of the approvable but unfunded applications, (3) a list of applications that scored less than 60 base points, (4) a transmittal memorandum, (5) a recap sheet of the funds being allocated and awarded, and (6) Congressional notification memoranda (Do NOT send originals or copies to the Office of Congressional and Intergovernmental Relations). At the same time, Offices are to submit the 718s and PADs for the initial selections to the Office of the Comptroller, Field Accounting Division. These actions must be completed by September 4, 1998. **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 1998 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:** A copy of this Notice shall be included in all Application Kits. Sponsors must be advised that all applications submitted under the FY 1998 program must be in conformance with this Notice as well as the Federal Register SuperNOFA, Regulations, Handbook and local HUD Office Funding Notifications. To this end, FY 1998 applications must follow the format provided in the Section 202 or Section 811 Application Kit, as applicable, 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>July 7, 1998</u>
Initial Screening for Curable Deficiencies Completed and Deficiency Letters Mailed	July 10, 1998
<u>Expiration of 14-day period for submission of missing application items</u>	July 24, 1998
Notification of Technical rejects	Aug. 10, 1998
<u>End of 14 day appeal period for Technical Rejects</u>	Aug. 24, 1998
<u>Program Center Offices submit lists of initial selections, approvable but unfunded applications, applications that scored less than 60 base pts., transmittal memoranda, recapitulation sheets and Congressional Notification Memoranda to Hubs</u>	<u>Aug. 28, 1998</u>
<u>Hubs submit lists of initial selections, approvable but unfunded applications, applications that scored less than 60 base pts., transmittal memoranda, recapitulation sheets and Congressional Notification Memoranda to Headquarters and submit 718s and PADs to appropriate location</u>	<u>Sept. 4, 1998</u>
Funding Announcements Completed	Sept. 30, 1998

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. If rating sheets or technical 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, 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:

- A. 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

- B. 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 1998 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;
- 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. **APPLICATION KITS**: Application Kits can be obtained from the SuperNOFA Information Center, Post Office Box 6424, Rockville, Maryland 20850, 1-800-HUD-8929 (the TDD number is 1-800-483-2209), by contacting the appropriate HUD Office, or accessed from the HUD Homepage on the Internet at <http://www.hud.gov>. A checklist of steps and exhibits involved in the application process is included in the Application Kit.

Programmatic questions concerning the FY 1998 Section 202 program may be discussed with the Office of Business Products in Headquarters at 202-708-2866. Questions concerning DAP should be directed to Gina Flynn, (202-708-0743, extension 2534).

Questions concerning Section 202 or Section 811 Capital Advance or Project Rental Assistance Contract Authority should be directed to the Funding Control Division (202-708-2750).

Acting General Deputy Assistant
Secretary

for Housing/Deputy
Federal Housing Commissioner

Attachments

FISCAL YEAR 1998 ALLOCATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY
FISCAL YEAR 1998 SECTION 202 ALLOCATIONS

TOTALS CAPITAL ADVANCE OFFICES	METROPOLITAN CAPITAL ADVANCE				NONMETROPOLITAN CAPITAL ADVANCE	
	AUTHORITY	UNITS	AUTHORITY	UNITS	AUTHORITY	UNITS
BOSTON HUB						
Boston	\$ 13,928,619	172	731,762	9	14,660,381	181
Hartford	6,942,385	86	405,792	5	7,348,177	91
Manchester	2,938,826	44	2,153,835	33	5,092,661	77
Providence	4,123,859	51	405,792	5	4,529,651	56
TOTAL	\$ 27,933,689	353	3,697,181	52	31,630,870	405
NEW YORK HUB						
New York	\$ 41,649,087	474	439,608	5	42,088,695	479
BUFFALO HUB						
Buffalo	\$ 10,037,944	132	1,939,433	25	11,977,377	157
PHILADELPHIA HUB						
Charleston	\$ 1,339,114	20	1,097,944	16	2,437,058	36
Newark	15,973,798	197	0	0	15,973,798	197
Pittsburgh	5,963,619	84	1,225,255	17	7,188,874	101
Philadelphia	13,091,151	166	1,602,997	20	14,694,148	186
TOTAL	\$ 36,367,682	467	3,926,196	53	40,293,878	520

FISCAL YEAR 1998 ALLOCATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY
 FISCAL YEAR 1998 SECTION 202 ALLOCATIONS

OFFICES	METROPOLITAN		NONMETROPOLITAN		TOTALS	
	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS
BALTIMORE HUB						
Baltimore	\$ 5,081,750	72	696,420	10	5,778,170	82
Richmond	4,076,335	68	1,372,856	23	5,449,191	91
D.C.	5,423,833	73	0	0	5,423,833	73
TOTAL	\$ 14,581,918	213	2,069,276	33	16,651,194	246
GREENSBORO HUB						
Columbia	\$ 3,114,907	48	1,141,145	17	4,256,052	65
Greensboro	6,014,615	79	2,773,050	37	8,787,665	116
TOTAL	\$ 9,129,522	127	3,914,195	54	13,043,717	181
ATLANTA HUB						
Atlanta	\$ 4,619,633	77	2,061,585	34	6,681,218	111
San Juan	3,040,850	41	1,071,493	14	4,112,343	55
Louisville	3,216,301	50	1,716,799	27	4,933,100	77
Knoxville	2,147,040	38	643,568	11	2,790,608	49
Nashville	3,065,606	53	1,088,217	19	4,153,823	72
TOTAL	\$ 16,089,430	259	6,581,662	105	22,671,092	364

FISCAL YEAR 1998 ALLOCATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY

FISCAL YEAR 1998 SECTION 202 ALLOCATIONS						
	METROPOLITAN		NONMETROPOLITAN		TOTALS	
OFFICES	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS
JACKSONVILLE HUB						
Jacksonville	\$ 14,631,792	231	925,540	15	15,557,332	246
Birmingham	3,441,641	58	1,429,361	24	4,871,002	82
Jackson	1,129,454	20	1,639,704	29	2,769,158	49
TOTAL	\$ 19,202,887	309	3,994,605	68	23,197,492	377
CHICAGO HUB						
Chicago	\$ 17,526,276	216	2,639,561	33	20,165,837	249
Indianapolis	5,358,758	81	1,506,829	23	6,865,587	104
TOTAL	\$ 22,885,034	297	4,146,390	56	27,031,424	353
COLUMBUS HUB						
Cincinnati	\$ 4,164,425	65	321,252	5	4,485,677	70
Cleveland	7,698,346	107	1,024,425	14	8,722,771	121
Columbus	3,154,963	49	1,100,274	17	4,255,237	66
TOTAL	\$ 15,017,734	221	2,445,951	36	17,463,685	257

FISCAL YEAR 1998 ALLOCATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY

FISCAL YEAR 1998 SECTION 202 ALLOCATIONS						
	METROPOLITAN		NONMETROPOLITAN		TOTALS	
OFFICES	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS
DETROIT HUB						
Detroit	\$ 8,364,186	113	370,285	5	8,734,471	118
Grand Rapids	2,831,506	45	1,122,203	18	3,953,709	63
TOTAL	\$ 11,195,692	158	1,492,488	23	12,688,180	181
MINNEAPOLIS HUB						
Milwaukee	\$ 6,193,457	85	2,180,078	30	8,373,535	115
Minneapolis	5,857,191	75	2,134,029	27	7,991,220	102
TOTAL	\$ 12,050,648	160	4,314,107	57	16,364,755	217
FT. WORTH HUB						
Ft. Worth	\$ 5,972,570	102	1,793,110	30	7,765,680	132
Houston	3,854,289	65	699,560	12	4,553,849	77
Little Rock	1,948,353	36	1,392,193	26	3,340,546	62
New Orleans	3,785,765	66	913,775	16	4,699,540	82
San Antonio	3,156,527	56	693,858	12	3,850,385	68
TOTAL	\$ 18,717,504	325	5,492,496	96	24,210,000	421

FISCAL YEAR 1998 ALLOCATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY

FISCAL YEAR 1998 SECTION 202 ALLOCATIONS						
OFFICES	METROPOLITAN		NONMETROPOLITAN		TOTALS	
	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS
KANSAS CITY HUB						
Des Moines	\$ 2,323,760	38	1,679,447	27	4,003,207	65
Kansas City	3,998,922	62	1,686,002	27	5,684,924	89
Omaha	1,237,666	20	924,117	15	2,161,783	35
Oklahoma City	2,506,999	44	1,189,530	21	3,696,529	65
St. Louis	4,326,741	60	1,429,173	20	5,755,914	80
TOTAL	\$ 14,394,088	224	6,908,269	110	21,302,357	334
DENVER HUB						
Denver	\$ 6,803,572	102	2,339,655	38	9,143,227	140
SAN FRANCISCO HUB						
Honolulu (Guam)	\$ 2,434,752	20	608,688	5	3,043,440	25
Phoenix	3,606,448	60	578,417	10	4,184,865	70
Sacramento	4,799,921	60	845,564	11	5,645,485	71
San Francisco	14,187,613	175	823,829	10	15,011,442	185
TOTAL	\$ 25,028,734	315	2,856,498	36	27,885,232	351

FISCAL YEAR 1998 ALLOCATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY

FISCAL YEAR 1998 SECTION 202 ALLOCATIONS						
OFFICES	METROPOLITAN		NONMETROPOLITAN		TOTALS	
	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS	CAPITAL ADVANCE AUTHORITY	UNITS
LOS ANGELES HUB						
Los Angeles	28,051,923	350	400,720	5	28,452,643	355
SEATTLE HUB						
Anchorage	\$ 2,434,752	20	608,688	5	3,043,440	25
Portland	4,377,067	61	1,552,869	22	5,929,936	83
Seattle	6,088,705	80	1,239,291	16	7,327,996	96
TOTAL	\$ 12,900,524	161	3,400,848	43	16,301,372	204
NATIONAL TOTAL	\$342,037,612	4,647	60,359,578	895	402,397,190	5,542

ATTACHMENT 2

**Fiscal Year 1998 Allocations for Supportive Housing for Persons
with Disabilities
[Fiscal Year 1998 Section 811 Allocations]**

Office	Capital Advance Authority	Units
Boston HUB:		
Boston **	1,830,164	24
Hartford	1,341,593	17
Manchester	632,702	10
Providence	775,704	10
Total	4,580,163	61
New York HUB:		
New York	4,201,487	50
Total	4,201,487	50
Buffalo HUB:		
Buffalo	1,539,093	21
Total	1,539,093	21
Philadelphia HUB:		
Newark	2,332,929	30
Pittsburgh	1,375,826	20
Philadelphia	2,436,828	32
Charleston	1,027,837	16
Total	7,173,420	98
Baltimore HUB:		
Baltimore	1,235,651	18
Richmond	1,166,701	20
D.C.	1,311,197	19
Total	3,713,549	57

Greensboro HUB:		
Columbia	1,266,240	20
Greensboro	2,033,243	28
Total	3,299,483	48
Atlanta HUB:		
Atlanta	1,559,825	27
San Juan	1,474,968	21
Louisville	1,279,740	21
Knoxville	880,234	16
Nashville	969,444	18
Total	6,164,211	103
Jacksonville HUB:		
Jacksonville	2,857,268	47
Birmingham	1,312,196	23
Jackson	1,027,605	19
Total	5,197,069	89
Chicago HUB:		
Chicago	2,933,910	38
Indiana	1,436,832	23
Total	4,370,742	61
Columbus HUB:		
Cincinnati	999,946	16
Cleveland	1,652,626	24
Columbus	1,003,249	16
Total	3,655,821	56
Detroit HUB:		
Detroit	1,936,041	27
Grand Rapids	597,939	10
Total	2,533,980	37

Minneapolis HUB:		
Milwaukee	1,322,695	19
Minneapolis	1,291,346	17
Total	2,614,041	36
Ft. Worth HUB:		
Ft. Worth	1,682,494	30
Houston	1,220,144	21
Little Rock	905,754	18
New Orleans	1,235,594	22
San Antonio	1,099,397	20
Total	6,143,383	111
Kansas City HUB:		
Des Moines	591,474	10
Kansas City	1,189,668	20
Omaha	591,474	10
Oklahoma City	970,253	18
St. Louis	1,235,942	18
Total	4,578,811	76
Denver HUB:		
Denver	1,514,967	24
Total	1,514,967	24
San Francisco HUB:		
Honolulu (Guam)	1,163,556	10
Phoenix	1,019,473	18
Sacramento	766,008	10
San Francisco	2,319,414	30
Total	5,268,451	68
Los Angeles HUB:		
Los Angeles	4,137,246	54

Total	4,137,246	54
Seattle HUB:		
Alaska	1,163,556	10
Portland	1,188,282	18
Seattle	1,335,167	18
Total	3,687,005	46
National Total	74,372,922	1,096

** The amount for the Boston Office includes Capital Advance Authority of \$529,300 to fund Employment Options, Inc., Marlborough, Massachusetts. Since this 6-unit project was not selected in Fiscal Year 1997 by HUD error, this application will be funded from the Fiscal Year 1998 allocation to the Boston Office.

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 1998
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 (TDD: 1-800-483-2209); 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 Application Kits and to discuss application procedures. The facility for the workshop is accessible to individuals with disabilities. The VOICE/TDD telephone number is _____.

THE DEADLINE DATE FOR THE SUBMISSION OF APPLICATIONS IS JULY 7, 1998.

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

FUNDING NOTIFICATION FOR FISCAL YEAR 1998
 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:

<u>Units</u>	<u>Capital Advance</u>
_____	\$ _____

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 (TDD-1-800-483-2209); 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 Application Kits and to discuss application procedures. The facility for the workshop is accessible to individuals with disabilities. The VOICE/TDD telephone number is _____.

THE DEADLINE DATE FOR THE SUBMISSION OF APPLICATIONS IS JULY 7, 1998.

Fiscal Year 1998 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 60 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 a national rank order.

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 current Congressional Notification Memorandum 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 found unapprovable during technical processing cannot be rated or considered by the Rating/Selection Panel.

NOTE: Sponsors whose applications were 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 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 before technical processing can be completed. For projects that required the WRC 8-Step procedure (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 and Review 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 submission to Headquarters.
- B. Notification of Technical Rejection. Upon completion of technical processing, a marked-up copy of the Application Log shall be sent to Headquarters, Attention: Office of Business Products, room 6138, Attention: 202/811, noting each technical reject application.

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 and to rate 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 Panel will assign points for each of the Rating Factors on the appropriate Standard Rating Criteria Form (Attachment 12 for 202, Attachment 13 for 811).
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 number of units and dollars stated in the NOFA controls. Therefore, a HUD Office may not select more units nor approve more funds than it was allocated.
3. Minimum Score. Only those applications that receive a score of 60 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. 1. and 2. below.

4. 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 9 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.
5. Approvable but Unfunded Applications. After the above process has been completed, HUD Offices must identify all unfunded but otherwise approvable applications.
6. Multifamily Hub's Use of Residual Funds. After the HUD Offices 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 HUD Offices. Then, additional applications within each Multifamily Hub will be selected in rank order with no more than one 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. 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 nine units or less.

7. 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 (with the exception that in the Section 202 program the residual funds will be used first to fund a FY 1996 application submitted by AHEPA which was not selected due to HUD error) and, second, for selecting additional applications on a national rank order. However, no more than one application will be selected per HUD Office (excluding the Iowa State Office for Section 202 since the AHEPA application is being funded from residual Section 202 funds) 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 a national rank order, 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, Attention: Office of Business Products, room 6138, Attention: 202/811, in accordance with the schedule in Paragraph 13:

1. An initial selection list in rank order (For Section 202, metro and nonmetro selections must be on separate lists).
2. An approvable but unfunded list in rank order (For Section 202, metro and nonmetro selections must be on separate lists).
3. A list of applications in rank order that received a score of less than 60 base points.

NOTE: HUD Offices shall use the Development Application Processing System to complete the above lists and must include the contact person for the Sponsor and the local telephone number with area code for each application on the initial selection and approvable but unfunded lists.
(See Paragraph 10 of this Notice.)

4. A separate completed recapitulation format. (See Handbook 4571.3 REV-1 for 202 format and Handbook 4571.2 for 811 format. For Section 811, delete all blocks for Category B and remove reference to Category A but do **not** delete the blocks.)
5. A completed Congressional Notification form for each application on the 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.
6. A transmittal memorandum which identifies those applications, if any, where the number of units requested was reduced and the amount of the reduction, as well as any unused funds for recapture by Headquarters.

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

MEMORANDUM FOR: Hal C. DeCell, III, Assistant Secretary for
 Congressional and Intergovernmental Relations

FROM:

HUD OFFICE:

ACTION: (Section 202 Supportive Housing for the Elderly or
 Section 811 Supportive Housing for Persons with Disabilities)

PROJECT DESCRIPTION

An allocation of funding has been approved to develop housing for
 (choose one: the elderly/persons with disabilities) as follows:

Sponsor Name/Address:
 Project Number/Name:
 Project Address:
 Number of Units:
 Capital Advance Authority:
 PRAC Contract Authority: \$
 PRAC Budget Authority: \$
 Total Award (Cap. Adv. + PRAC BA): \$
 Project Contact/Phone Number:

PROGRAM/PROJECT HIGHLIGHTS

(choose one: Section 202/Section 811) is an assistance program that provides capital advance financing and rental assistance to (private) nonprofit sponsors for the development and operation of supportive housing to enable (choose one: the elderly/persons with disabilities) to live as independently as possible in the community. An allocation of funding has been approved to provide (describe in some detail what the award will be used for i.e., type of effort [new construction, rehab, or acquisition] resident population [the elderly or specific population of persons with disabilities {persons with physical disabilities, developmental disabilities, chronic mental illness or combination of any of the three}] and any interesting facts about the project).

STATUS

All administrative, regulatory and statutory requirements have been met.

Local HUD Office Contact/Phone Number:

CONGRESSIONAL DELEGATION

Senator: _____ Senator:
 Member of Congress/District:

SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 202 CAPITAL ADVANCE	UNITS
BOSTON HUB		
Boston	\$1,057,188	13
Hartford	529,890	6
Manchester	367,241	5
Providence	325,782	5
NEW YORK HUB		
New York City	9,774,243	111
BUFFALO HUB		
Buffalo	2,781,444	36
PHILADELPHIA HUB		
Charleston	485,521	7
Newark	3,709,513	45
Pittsburgh	1,432,199	20
Philadelphia	2,927,434	37
BALTIMORE HUB		
Baltimore	1,151,152	16
Richmond	1,085,612	18
D.C.	1,080,559	14
GREENSBORO HUB		
Columbia	1,128,812	17
Greensboro	2,330,710	30
ATLANTA HUB		
Atlanta	1,772,027	29
San Juan	1,090,896	15
Louisville	1,308,382	20
Knoxville	740,138	13
Nashville	1,101,698	19

SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 202 CAPITAL ADVANCE	UNITS
JACKSONVILLE HUB		
Jacksonville	\$4,126,197	65
Birmingham	1,291,912	22
Jackson	734,450	13
CHICAGO HUB		
Chicago	3,006,985	37
Indianapolis	1,023,746	16
COLUMBUS HUB		
Cincinnati	668,871	10
Cleveland	1,300,677	18
Columbus	634,509	10
DETROIT HUB		
Detroit	1,302,421	18
Grand Rapids	589,548	9
MINNEAPOLIS HUB		
Milwaukee	1,248,601	17
Minneapolis	1,191,592	15
FT. WORTH HUB		
Ft. Worth	2,021,687	34
Houston	1,185,531	20
Little Rock	869,665	16
New Orleans	1,223,461	21
San Antonio	1,002,395	18
KANSAS CITY HUB		
Des Moines	381,643	6
Kansas City	541,968	8
Omaha	206,092	5
Oklahoma City	352,487	6
St. Louis	548,736	8

SECTION 202 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 202 CAPITAL ADVANCE	UNITS
DENVER HUB		
Denver	\$894,214	14
SAN FRANCISCO HUB		
Honolulu (Guam)	889,232	7
Phoenix	1,222,458	20
Sacramento	1,649,126	21
San Francisco	4,385,058	54
LOS ANGELES HUB		
Los Angeles	8,311,428	103
SEATTLE HUB		
Anchorage	278,985	5
Portland	543,583	7
Seattle	671,739	9
TOTAL	\$80,479,438	1,108

SECTION 811 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 811 CAPITAL ADVANCE	UNITS
BOSTON HUB		
Boston	\$131,109	3
Hartford	94,572	3
Manchester	45,036	3
Providence	56,015	3
NEW YORK HUB		
New York City	965,820	10
BUFFALO HUB		
Buffalo	354,290	4
PHILADELPHIA HUB		
Newark	536,036	6
Pittsburgh	270,618	3
Philadelphia	479,721	5
Charleston	203,602	3
BALTIMORE HUB		
Baltimore	242,660	3
Richmond	228,781	3
D.C.	257,539	3
GREENSBORO HUB		
Columbia	331,433	5
Greensboro	534,036	7
ATLANTA HUB		
Atlanta	410,605	7
San Juan	389,627	5
Louisville	337,012	5
Knoxville	232,260	4
Nashville	254,139	4

SECTION 811 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 811 CAPITAL ADVANCE	UNITS
JACKSONVILLE HUB		
Jacksonville	\$748,939	10
Birmingham	344,012	5
Jackson	269,318	4
CHICAGO HUB		
Chicago	432,684	5
Indianapolis	211,302	3
COLUMBUS HUB		
Cincinnati	147,687	3
Cleveland	242,860	3
Columbus	148,087	3
DETROIT HUB		
Detroit	285,096	3
Grand Rapids	88,372	3
MINNEAPOLIS HUB		
Milwaukee	194,824	3
Minneapolis	191,024	3
FT. WORTH HUB		
Ft. Worth	433,084	6
Houston	314,954	5
Little Rock	234,160	3
New Orleans	317,254	5
San Antonio	283,096	4
KANSAS CITY HUB		
Des Moines	56,415	3
Kansas City	113,330	3
Omaha	56,415	3
Oklahoma City	91,072	3
St. Louis	117,030	3

SECTION 811 MINORITY BUSINESS ENTERPRISE (MBE) GOALS

OFFICES	SECTION 811 CAPITAL ADVANCE	UNITS
DENVER HUB		
Denver	\$146,887	3
SAN FRANCISCO HUB		
Honolulu (Guam)	337,312	3
Phoenix	295,175	4
Sacramento	221,681	3
San Francisco	670,345	8
LOS ANGELES HUB		
Los Angeles	1,194,126	14
SEATTLE HUB		
Anchorage	105,251	3
Portland	107,151	3
Seattle	120,730	3
TOTAL	\$14,874,584	219

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 bearing 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 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 4(e)(1) 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. 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)(1)	_____	_____	_____
3(h)(2)	_____	_____	_____
3(h)(3) or	_____	_____	_____
3(h)(1)	_____	_____	_____
3(i)	_____	_____	_____
4(a)	_____	_____	_____
4(b)	_____	_____	_____
4(c)(1)	_____	_____	_____
4(c)(2)	_____	_____	_____
4(d)(1)	_____	_____	_____
4(d)(2)	_____	_____	_____
4(d)(3)	_____	_____	_____
4(d)(4)	_____	_____	_____
4(d)(5)	_____	_____	_____
4(d)(6)	_____	_____	_____
4(d)(7) (811)	_____	_____	_____
4(d)(8)(i) (811)	_____	_____	_____
4(d)(8)(ii) (811)	_____	_____	_____
4(d)(8)(iii) (811)	_____	_____	_____
4(d)(8)(iv) (811)	_____	_____	_____
4(d)(8)(v) (811)	_____	_____	_____
4(d)(8)(vi) (811)	_____	_____	_____
4(d)(8)(vii) (811)	_____	_____	_____

<u>EXHIBIT NO.</u>	<u>COMPLETE</u>	<u>INCOMPLETE</u>	<u>MISSING</u>
4(d)(9)(i) (811)	_____	_____	_____
4(d)(9)(ii) (811)	_____	_____	_____
4(d)(9)(iii) (811)	_____	_____	_____
4(d)(9)(iv) (811)	_____	_____	_____
4(d)(9)(v) (811)	_____	_____	_____
4(e)(1) (202)	_____	_____	_____
4(e)(2) (202)	_____	_____	_____
4(e)(3) (202)	_____	_____	_____
4(e)(1) (811)	_____	_____	_____
4(e)(1)(i) (811)	_____	_____	_____
4(e)(1)(ii)(A) (811)	_____	_____	_____
4(e)(1)(ii)(B) (811)	_____	_____	_____
4(e)(1)(iii) (811)	_____	_____	_____
4(e)(1)(iv) (811)	_____	_____	_____
4(e)(2) (811)	_____	_____	_____
4(e)(3) (811)	_____	_____	_____
4(e)(4)(i) (811)	_____	_____	_____
4(e)(4)(ii) (811)	_____	_____	_____
4(e)(4)(iii) (811)	_____	_____	_____
4(e)(4)(iv) (811)	_____	_____	_____
4(e)(4)(v) (811)	_____	_____	_____
4(e)(4)(vi) (811)	_____	_____	_____
4(e)(5) (811)	_____	_____	_____
4(e)(6) (811)	_____	_____	_____
4(e)(7) (811)	_____	_____	_____
5	_____	_____	_____
6(a)	_____	_____	_____
6(b)	_____	_____	_____
6(c)	_____	_____	_____
6(d)	_____	_____	_____
7(a)	_____	_____	_____
7(b)	_____	_____	_____
7(c)	_____	_____	_____
7(d)	_____	_____	_____
7(e)	_____	_____	_____
7(f)	_____	_____	_____
7(g)	_____	_____	_____
7(h)	_____	_____	_____
7(i)	_____	_____	_____
7(j)	_____	_____	_____
7(k) (811)	_____	_____	_____
7(l) (811)	_____	_____	_____

NOTES:

1. Section 811 Only - Sponsors must provide **either** evidence of control of an approvable site (Exhibit 4(d)(1) through (7) **or** information on an identified site(s)(Exhibit 4(d)(9)(i) through (v)). Put N/A for whichever part of Exhibit 4d is

- not applicable to the application.
2. Section 811 Only - Exhibit 4(d)(8)(i) through (vii) applies only to applications in which the Sponsor requests an exception to the project size limits. If it is not applicable to the application, put N/A for Exhibit 4(d)(8)(i) through (vii).
 3. 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

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

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 8 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 memorandum 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 Criterion Form. For example, Rating Factor 1 on the Standard Rating Criteria Form is worth 30 base points. However, on the Project Manager's Memoranda Format, Rating Factor 1 is worth 20 points because the Project Manager does not rate Rating Criterion 1(b) which is worth 10 points.
 3. 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 5 working 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.

4. 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 that the Sponsor's request to restrict occupancy has been approved. The memorandum shall be attached to the Project Manager's Technical 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:

"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 disability, provided the person can benefit from the housing and/or services provided."

5. 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	_____	_____
SEC REP	_____	_____

1/ If an application receives a "not acceptable" recommendation, it should not 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 Struct.: _____

of Units per Struct.: _____

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 has previous experience in developing, operating and/or providing housing, related facilities or services for the elderly (if 202) or persons with disabilities (if 811), including minorities, preferably, but not necessarily, among those in the low to moderate income category.

Yes ___ No ___ If No, the application must be rejected.

Comments: _____

(Technical Processing - Project Manager) - continued
Project No. _____

3. The Sponsor/Co-sponsor submitted a board resolution stating its commitment to cover the required minimum capital investment, estimated start-up expenses, and the estimated cost of any amenities or features and (operating costs related thereto) which would not be covered by the approved capital advance.

Yes _____ No _____ If No, was a board resolution provided by another organization to furnish these funds or a combination thereof?

Yes _____ No _____ If No, the application must be rejected.
If Yes, name of organization:

Comments: _____

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

Yes _____ No _____ If No, the application must be rejected.

Comments: _____

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

Yes _____ No _____ N/A _____

Comments: _____

6. 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. _____

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 provision of supportive services is well designed to meet the special needs of the persons with disabilities the housing is intended to serve?

Yes ____ No ____ If No, the application must be rejected.

9. **Section 811 Only:** Did the State/local agency Supportive Services Certification indicate that the proposed housing is consistent with the agency's plans/policies governing the development and operation of housing to serve the proposed population?

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.

10. **Section 811 Only:** Did the State/local agency Supportive Services Certification indicate that the necessary supportive services will be provided on a consistent, long-term basis?

Yes ____ No ____ If No, the application must be rejected.

Comments: _____

NOTE: Any application that must be rejected based on a "No" response to any of the above questions, 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 - Project Manager) continued
Project No. _____

11. **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.I. 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: If approval is granted, a memorandum to the file indicating such 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.

12. **Section 811 Only:** If the Sponsor is requesting approval to exceed the project size limits, does the Sponsor sufficiently justify approval of such an exception?

Yes ____ No ____ (Explain below) N/A ____

Comments: _____

RATING FACTORS

1. CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATIONAL STAFF (30 POINTS)

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. (20 points maximum)

(Technical Processing - Project Manager) - continued
Project No. _____

Recommended rating: _____

Comments: _____

2. NEED/EXTENT OF THE PROBLEM (10 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. (2 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 shows how the AI or planning document supports the need for the project will be given 2 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: _____

3. SOUNDNESS OF APPROACH (40 POINTS)

In determining the quality and effectiveness of the project as well as the relationship between the project, the community's needs and purposes of the program funding, consider:

- (e) **Section 811 Only:** The Sponsor's board is comprised of at least 51% persons with disabilities including

(Technical Processing - Project Manager) - continued
Project No. _____

persons with disabilities similar to those of the prospective residents. (5 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: _____

(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)

Recommended rating: _____

Comments: _____

4. LEVERAGING RESOURCES. (10 POINTS)

In determining the ability of the Sponsor to secure other community resources which can be combined with HUD's program resource to achieve program purposes, consider: (10 points)

(a) The extent of local government support (including financial assistance, donation of land, provision of services, etc.) for the project. (5 points maximum)

Recommended rating: _____

Comments: _____

(Technical Processing - Project Manager) - continued
Project No. _____

- (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 (**Section 202 only**) and raise local funds. (5 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 Struct.: _____

of Units per Struct.: _____

The subject application has been reviewed and Architectural, Engineering and Cost's findings are as follows:

RATING FACTORS

3. SOUNDNESS OF APPROACH (40 POINTS)

In determining the quality and effectiveness of the project as well as the relationship between the project, the community's needs and purposes of the program funding, consider:

- (c) The extent to which the proposed design will meet the special physical needs of elderly persons (**Section 202**) or any special needs of persons with disabilities the housing is expected to serve (**Section 811**). (3 points maximum (**202**); 5 points maximum (**811**))

Recommended rating: _____

Comments: _____

Section 202 Only:

- (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: _____

Section 811 Only:

- (d) The extent to which the proposed design of the project and its placement in the neighborhood will facilitate the integration of the residents into the surrounding community. (5 points maximum)

Recommended rating: _____

Comments: _____

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

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),4(e) 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 Struct.: _____
of Units per Struct.: _____
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. The application will still be rated as a whole but will not be ranked. The applicant will not be notified of the rejection until technical processing has been completed. 2) If the Section 811 Sponsor is proposing a scattered-site project with some sites under control and some identified, the application must be treated as a site identified application and rated under Criterion 3 (b) below.

RATING FACTOR

3. SOUNDNESS OF APPROACH (40 POINTS)

In determining the quality and effectiveness of the project as well as the relationship between the project, the community's needs and purposes of the program funding, consider: (10 base points maximum)

- (a) 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)

Recommended rating: _____

(Technical Processing - Valuation) - continued
Project No. _____

Comments: _____

BONUS POINTS

- (a) The application contains acceptable evidence of control of an approvable site. **(10 bonus points)**

Recommended rating: _____

Comments: _____

The following additional findings have been made:

1. The number of units and bedroom sizes are marketable.

Yes ____ No ____

Comments: _____

2. The proposed site is located inside the 100-year floodplain (or, if a critical action, the 500-year floodplain) and, if a new construction project, the proposed site is located in a wetland.

Yes ____ No ____ If Yes, the 8-step process must be initiated.

Comments: _____

NOTE: Six steps of the 8-step process identified in 24 CFR Part 55 must be completed, if an application is recommended for funding.

(Technical Processing - Valuation) - continued
Project No. _____

3. For **Section 202 applications** and **Section 811 applications with site control only**, the proposed project meets Environmental Assessment requirements, including Compliance Findings (including SHPO 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 application shall **NOT** be rejected. It shall receive 0 points for Criterion 3 (a) and no bonus points for site control. It will remain in the competition provided the Sponsor indicated its willingness to seek an alternative site (Exhibit 4(d)(7), it meets all other requirements and scores at least 60 base points).

Comments: _____

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. The application shall be treated as site identified and receive 0 points for Criterion 3 (a) and no bonus points for site control.

Comments: _____

5. Was the Phase I Environmental Site Assessment submitted?

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. The application shall be treated as site identified and receive 0 points for Criterion 3 (a) and no bonus points for site

control.
(Technical Processing - Valuation) - continued
Project No. _____

If yes, check one of the following:

____ No further study was indicated.

____ Further study was indicated and the Phase II
Environmental Assessment was completed.

Comments: _____

6. If the Phase II Assessment was completed, did it reveal site contamination?

____ Yes ____ No ____ N/A

Comments: _____

7. If the answer to Question #6 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 to HUD within the appropriate time?

____ Yes ____ No ____ N/A

Section 202: If no, the application must be rejected.

Section 811: If no, the site must be rejected. The application shall be treated as site identified and receive 0 points for Criterion 3 (a) and no bonus points for site control.

Comments: _____

(Technical Processing - Valuation) - continued
Project No. _____

8. If the answer to Question #7 is Yes, do the approval letters appear to reflect proper governmental approval of the clean-up plan and remediation contract, and does the clean-up plan and remediation contract appear adequate to address the contamination prior to initial closing?

Yes ____ No ____

Section 202: If no, the application must be rejected.

Section 811: If no, the site must be rejected. The application shall be treated as site identified and receive 0 points for Criterion 3 (a) and no bonus points for site control.

Comments: _____

9. 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.

Yes ____ No ____ If no, application must be rejected.

Comments: _____

10. **Section 202 Only:** The proposed congregate dining facility will be financially viable.

Yes ____ No ____ N/A ____

Comments: _____

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 Struct.: _____
of Units per Struct.: _____

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, current and anticipated housing market conditions in assisted housing for the type of project proposed (elderly or disabled) and comments from the Rural Housing Service, is there sufficient demand for the number and type of units proposed?
Yes No

If No, the application is a technical reject and is to be given zero (0) points on Rating Factor 2 below.

Explain basis for the finding: _____

2. The proposed location is acceptable and desirable for the target population (elderly (202) or disabled (811)) taking into consideration the proximity or accessibility of public facilities, health care and other necessary services to the intended occupants.

Yes No

Comments: _____

NOTE: EMAS should complete this question only if it has available relevant information on the site and location.

RATING FACTOR

2. NEED/EXTENT OF THE PROBLEM (10 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:

- (a) The extent of the need for the project in the area based on a determination by the HUD Office. This determination will be made by taking into consideration the Sponsor's evidence of need in the area as well as other economic, demographic and housing market data available to the HUD Office. (8 points maximum)

Section 202: The data could include the availability of existing Federally assisted housing (HUD and RHS) (e.g., considering availability and vacancy rates of public housing) for the elderly and current occupancy in such facilities; Federally assisted housing for the elderly under construction or for which fund reservations have been issued; and, in accordance with an agreement between HUD and the RHS, comments from the RHS on the demand for additional assisted housing and the possible harm to existing projects in the same housing market area. Also, to the extent that the community's Analysis of Impediments to Fair Housing Choice (AI) or other planning documents that analyzed fair housing issues and is prepared by a local planning or similar organization identifies the level of the problem and the urgency in meeting the need, the AI or planning document should be referred to in the response. Applications in which the AI or planning document supports the need for the project are to be reviewed more favorably by HUD.

Section 811: The data could include the availability of existing comparable subsidized housing for persons with disabilities and current occupancy in such facilities, comparable subsidized housing for persons with disabilities under construction or for which fund reservations have been issued, and, in accordance with an agreement between HUD and the RHS, comments from the RHS on the demand for additional comparable subsidized housing and the possible harm to existing projects in the same housing market area. Also, to the extent that

(Technical Processing - EMAS) - continued
Project No. _____

the community's Analysis of Impediments to Fair Housing Choice (AI) or other planning documents that analyzes fair housing issues and is prepared by a local planning or similar organization identifies the level of the problem and the urgency in meeting the need, the AI or planning document should be referred to in the response. Applications in which the AI or planning document supports the need for the project are to be reviewed more favorably by HUD.

Rating Section 202 projects: Rating points for all Section 202 projects, determined to have sufficient demand, are to be based on the ratio of the number of units in the proposed project to the estimate of unmet need for housing assistance by the income eligible elderly households with selected housing conditions, as follows. Unmet housing need is defined as the number of very low-income renter households with housing problems, as of the 1990 Census minus the number of Federally assisted housing units provided since the 1990 Census. To the extent practicable, consider all units provided for the elderly under the Section 8 programs, the Public and Indian Housing programs, the Section 202 program, and the Rural Housing Service's Section 515 Rural Rental Housing program.

8 points The number of units proposed is 10 percent or less of the income eligible unmet need.

4 points The number of units proposed is 11 percent or more of the income eligible unmet need.

Recommended rating: _____

Unmet Needs Ratio: _____

Comments: _____

(Technical Processing - EMAS) - continued
Project No. _____

Rating Section 811 projects: If a determination has been made that there is a need for additional supportive housing for persons with disabilities in the area to be served, the project is to be awarded 8 points. If not, the project is to be awarded 0 points. Awarding of points between 0 and 8 points is not permitted.

Recommended rating: _____

Comments: _____

Based on the EMAS review, the application is:

Acceptable

Not Acceptable

Explain: _____

(Signature of Economist)

Date

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

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 Struct.: _____
of Units per Struct.: _____

The Office of Fair Housing and Equal Opportunity (FHEO) has reviewed the subject application in accordance with the Rating Factors as outlined in the NOFAs, 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) and no bonus points for site control.

Comments: _____

2. Sponsor is in compliance with civil rights laws and regulations, i.e., there is no pending Department of Justice civil rights suit, or outstanding finding of non-compliance with civil rights statutes, executive orders, or regulations (as a result of formal administrative proceedings), or Secretarial charge under the Fair Housing Act which has not been resolved; and, there has not been a deferral of the

processing of applications from the Sponsor.

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

Yes ____ No ____

Comments: _____

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

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

Yes ____ No ____

Comments: _____

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

RATING FACTORS

1. CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATIONAL STAFF (30 POINTS)

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

- (b) The scope, extent and quality of the Sponsor's experience in providing housing or related services to minority persons or families (10 points maximum).

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

Recommended rating: _____

Comments: _____

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

2. NEED/EXTENT OF THE PROBLEM (10 points)

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

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

Comments: _____

3. SOUNDNESS OF APPROACH (40 POINTS)

In determining the quality and effectiveness of the project 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. (10 points maximum)

Recommended rating: _____

Comments: _____

The following additional findings have been made:

- 1. The project addresses a low participation rate and an identified need for housing for very low income minority elderly persons/families (**Section 202**) or persons with disabilities, including minorities (**Section 811**).

Yes ____ No ____

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

Comments: _____

2. Based upon data submitted in Exhibit 3(b), the Sponsor indicates ties to the minority community.

Yes ____ No ____

Comments: _____

3. The Sponsor's project is consistent with the affirmatively furthering fair housing provisions of the jurisdiction's Consolidated Plan Certification.

Yes ____ No ____

Comments: _____

4. For projects with relocation indicated, is the information submitted in Exhibit 6 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), 6 and 7 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 Struct.: _____

of Units per Struct.: _____

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 ____

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 documentary evidence of site control which does not contain restrictive covenants or reverter clauses unacceptable to HUD.

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. The application shall be treated as site identified and receive 0 points for Criterion 3 (a) and no bonus points for site control.

Comments: _____

6. 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

(Technical Processing - Counsel) - continued
Project No. _____

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: _____

(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: _____

NOTE: If the answer to any item is checked "No", with the exception of Question 5 for 811 only and Question 4 for 202 only, Counsel will check "not acceptable" below and the application will be rejected. (If "Yes" is checked for Question 4, the application is "not acceptable" and must be rejected.)

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, and 4(d) 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 Struct.: _____
 # of Units per Struct.: _____

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 6, Data on Project Occupancy, Displacement and Real Property Acquisition.

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

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

Yes No

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

Yes No

3. Organization to administer relocation has been identified.

Yes No

4. Certification of compliance with relocation and real property acquisition requirements has been provided.

Yes No

BONUS POINTS (2 POINTS)

2. Will the project be located in an Empowerment Zone, Urban Supplemental Empowerment Zone, Enterprise Community, or Urban Enhanced Enterprise Community?

Yes No

If Yes, application will receive **two (2) bonus points**.

Recommended rating: _____

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), and 6 WERE REVIEWED TO DETERMINE THE
ABOVE FINDINGS.

SECTION 202/811
TECHNICAL PROCESSING REVIEW AND FINDINGS MEMORANDUM
SECRETARY'S REPRESENTATIVE

MEMORANDUM FOR: Supervisory Project Manager

FROM: _____, Secretary's Representative

SUBJECT: Technical Processing Review and Findings Memorandum

Sponsor Name: _____
Project Location: _____
Project No.: _____

Section 811 Only: Proj. Type/# of Struct.: _____
of Units per Struct.: _____

The subject application has been reviewed according to outstanding instructions and the findings are as follows:

RATING FACTORS:

5. COMPREHENSIVENESS AND COORDINATION (10 POINTS)

In determining the extent to which the Sponsor coordinated its activities with other known organizations, participates or promotes participation in a community's Consolidated Planning process, and is working towards addressing a need in a holistic and comprehensive manner through linkages with other activities in the community, consider: (10 points)

- (a) The Sponsor's involvement of elderly persons, particularly minority elderly persons (Section 202), persons with disabilities (including minority persons with disabilities) (Section 811), in the development of the application, and its intent to involve elderly persons, particularly minority elderly persons (Section 202) persons with disabilities (including minority persons with disabilities) (Section 811), in the development and operation of the project. (4 points maximum)

Recommended rating: _____

Comments: _____

(Technical Processing - Sec Rep) - continued
Project No. _____

- (b) The extent to which the Sponsor coordinated its application with other organizations to complement and/or support the proposed project. (2 points max.)

Recommended rating: _____

Comments: _____

- (c) The extent to which the Sponsor demonstrates that it has been actively involved or, if not currently active, the steps it will take to become actively involved in its community's Consolidated Planning process to identify and address a need/problem that is related in whole or part, directly or indirectly to the proposed project. (2 points maximum)

Recommended rating: _____

Comments: _____

- (d) The extent to which the Sponsor developed or plans to develop linkages with other activities, programs or projects related to the proposed project to coordinate its activities so solutions are holistic and comprehensive. (2 points maximum)

Recommended rating: _____

Comments: _____

The subject application is acceptable.

Yes _____ No _____

Explain: _____

Signature of Secretary's Representative

Date

NOTE: EXHIBITS 1, 3(f), 3(g), 3(h) and 3(i) WERE REVIEWED TO

DETERMINE THE ABOVE FINDINGS.

Standard Rating Criteria
for Section 202 Program Applications
Supportive Housing for the Elderly

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

Sponsor's Name			Section 202 Project No		PRAC Number			
Location of Project					Metro Area	Non-Metro Area		
Total Number of Units	Number of Units for Elderly	Unit for Resident Manager? <input type="checkbox"/> Yes <input type="checkbox"/> No		Capital Advance Amount \$	PRAC Amount \$	Score		
Technical Discipline					Rating Factors and Bonus Points	(Points)	Factor Rating	Over-All Rating
1. Capacity of the Applicant and Relevant Organizational Staff					(30)			
PM	(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.				(20)			
FHEO	(b) The scope, extent and quality of the Sponsor's experience in providing housing or related services to minority persons or families.				(10)			
2. Need/Extent of the Problem					(10)			
EMAS	(a) The extent of the need for the project in the area based on a determination by the HUD Office. This determination will be made by taking into consideration the Sponsor's evidence of need in the area, as well as other economic, demographic and housing market data available to the HUD Office.				(8)			
PM	(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.				(2)			
3. Soundness of Approach					(40)			
VAL	(a) The 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; freedom of the site from adverse environmental conditions; and compliance with site and neighborhood standards in 24 CFR 891.125.				(15)			
FHEO	(b) The suitability of the site from the standpoints of promoting a greater choice of housing opportunities for minority elderly persons/families and affirmatively furthering fair housing.				(10)			
ARCH	(c) The extent to which the proposed design of the project will meet the special physical needs of elderly persons.				(3)			
ARCH	(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)			
ARCH	(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)			
PM	(f) The extent to which the proposed supportive services meet the identified needs of the anticipated residents.				(3)			
PM	(g) The extent to which the Sponsor demonstrated that the identified supportive services will be provided on a consistent, long-term basis.				(3)			
4. Leveraging Resources					(10)			
PM	(a) The extent of local government support (including financial assistance, donation of land, provision of services, etc.) for the project.				(5)			
PM	(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.				(5)			
5. Comprehensiveness and Coordination					(10)			
SEC REP	(a) The Sponsor involved 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.				(4)			
SEC REP	(b) The extent to which the Sponsor coordinated its application with other organizations to complement and/or support the proposed project.				(2)			
SEC REP	(c) The extent to which the Sponsor demonstrates that it has been actively involved, or if not currently active, the steps it will take to become actively involved in its community's Consolidated Planning process to identify and address a need/problem that is related in whole or part, directly or indirectly to the proposed project.				(2)			
SEC REP	(d) The extent to which the Sponsor developed or plans to develop linkages with other activities, programs or projects related to the proposed project to coordinate its activities so solutions are holistic and comprehensive.				(2)			
Total Base Points					(100)			
Bonus Points					(2)			
CPD	Location of proposed site in an EC/EZ area.				(2)			
Base Points plus Bonus Points					(102)			

HUD Office Comments

Printed Name & Signature & Phone Number of Project Manager and Date

X

Printed Name & Signature & Phone Number of Supervisory Project Manager and Date

X

The Signatories by signing above certify that to the best of their knowledge no identity of interest will exist between the Sponsor and any firm with which the Sponsor and Owner will contract to provide services or products related to the construction and operation of the proposed project.

Instructions for Completing the Standard Rating Criteria Form

for Section 202 Program Applications

Supportive Housing for the Elderly

- A. **Rating/Selection Panel.** The Rating/Selection Panel shall assign points for each of the Rating Factors in the space provided. The designated points on the rating form are maximum limitations and must not be exceeded.
- B. **Signatures.** The rating form must contain original signatures.
- C. **Fund Reservation Amounts.**

Capital Advance Amount. The HUD Office shall calculate the capital advance amount for selection purposes in accordance with Chapter 3, paragraph 3-50B7, of Handbook 4571.3 REV-1. Capital Advance Authority shall be rounded **down** to the nearest one hundred dollars.

PRAC Amount. In determining the amount of Project Rental Assistance Contract Authority at the Fund Reservation stage, HUD Offices shall follow instructions in Chapter 3, paragraph 3-50B8, of Handbook 4571.3 REV-1, using the approved Operating Cost Standard. PRAC authority shall be rounded **up** to the nearest one hundred dollars.

Standard Rating Criteria
for Section 811 Program Applications
Supportive Housing for Persons with Disabilities

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

Sponsor's Name:											Section 811 Project No:	
Address of Site:											PRAC Number:	
Project Information											Capital Advance Amount: \$	
Site	Group Home		Independent Living Facility					Occupancy Type (DD, PD, CMI)	Production Method (NC, R, ACQ)	PRAC Amount: \$		
	Number Disabled Residents	Res. Mgr. (check)	Units by Number of Bedrooms							Total Units	Total Units Disabled	Total Disabled Residents
# 1			0BR	1BR	2BR	3BR	4BR					
# 2												
# 3												
Technical Discipline											Score:	

Technical Discipline	Rating Factors and Bonus Points	(Points)	Factor Rating	Over-All Rating
	1. Capacity of the Applicant and Relevant Organizational Staff	(30)		
PM	(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.	(20)		
FHEO	(b) The scope, extent and quality of the Sponsor's experience in providing housing or related services to minority persons or families.	(10)		
	2. Need/Extent of the Problem	(10)		
EMAS	(a) The extent of the need for the project in the area based on a determination by the HUD Office. This determination will be made by taking into consideration the Sponsor's evidence of need in the area, as well as other economic, demographic and housing market data available to the HUD Office.	(8)		
PM	(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.	(2)		
	3. Soundness of Approach	(40)		
VAL	(a) The 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 tenants; adequacy of utilities and streets; freedom of the site from adverse environmental conditions (site control projects only); and compliance with site and neighborhood standards in 24 CFR 891.125.	(15)		
FHEO	(b) The suitability of the site from the standpoints of promoting a greater choice of housing opportunities for minority persons with disabilities and affirmatively furthering fair housing.	(10)		
ARCH	(c) The extent to which the proposed design of the project will meet any special needs of persons with disabilities the housing is expected to serve.	(5)		
ARCH	(d) The extent to which the proposed design of the project and its placement in the neighborhood will facilitate the integration of the residents into the surrounding community .	(5)		
PM	(e) The Sponsor's Board includes persons with disabilities (including persons with disabilities who have similar disabilities to those of the prospective residents).	(5)		
	4. Leveraging Resources	(10)		
PM	(a) The extent of local government support (including financial assistance, donation of land, provision of services, etc.) for the project.	(5)		
PM	(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 raise local funds.	(5)		
	5. Comprehensiveness and Coordination	(10)		
SEC REP	(a) The Sponsor involved persons with disabilities (including minorities) in the development of the application, and will involve persons with disabilities (including minorities) in the development and operation of the project.	(4)		
SEC REP	(b) The extent to which the Sponsor coordinated its application with other organizations to complement and/or support the proposed project.	(2)		
SEC REP	(c) The extent to which the Sponsor demonstrates that it has been actively involved, or if not currently active, the steps it will take to become actively involved in its community's Consolidated Planning process to identify and address a need/problem that is related in whole or part, directly or indirectly to the proposed project.	(2)		
SEC REP	(d) The extent to which the Sponsor developed or plans to develop linkages with other activities, programs or projects related to the proposed project to coordinate its activities so solutions are holistic and comprehensive.	(2)		
Total Base Points		(100)		
Bonus Points		(12)		
VAL	(a) Acceptable evidence of control of an approvable site.	(10)		
CPD	(b) Location of proposed site in an EC/EZ area.	(2)		
Base Points plus Bonus Points		(112)		

Printed Name & Signature & Phone Number of Project Manager & Date:

X

Printed Name & Signature & Phone Number of Supervisory Project Manager & Date:

X

The Signatories by signing above certify that to the best of their knowledge no identity of interest will exist between the Sponsor and any firm with which the Sponsor and Owner will contract to provide services or products related to the construction and operation of the proposed project.

Instructions for Completing the Standard Rating Criteria Form
for Section 811 Program Applications
Supportive Housing for Persons with Disabilities

A. General.

1. Fill in the Sponsor's name and the entire address of the site for both site control applications and site identified applications.
2. Under "Project Information" for each site, complete either the "Group Home" or "Independent Living Facility" column as well as the "Occupancy Type" and "Production Method" columns. If the project will be a condominium, place a "C" after the total units under the independent living facility category. For example, if there are 10 total units, put 10C in the "Total Units" category.
3. Complete each block in the far right section of the form, beginning with the Section 811 project number.

B. Rating/Selection Panel.

The Rating/Selection Panel shall assign points for each of the Rating Factors in the space provided. The designated points on the rating form are maximum limitations and must not be exceeded.

C. Fund Reservation Amounts.

Capital Advance Amount. The HUD Office shall calculate the capital advance amount for selection purposes in accordance with Chapter 3, paragraph 3-50B5 of Handbook 4571.2. Capital Advance Authority shall be rounded down to the nearest one hundred dollars.

PRAC Amount. In determining the amount of Project Rental Assistance Contract Authority at the Fund Reservation stage HUD Offices shall follow instructions in Chapter 3, paragraph 3-50B6 of Handbook 4571.2 using the approved Operating Cost Standard. PRAC authority shall be rounded up to the nearest one hundred dollars.

D. Signatures. The rating forms must contain original signatures.

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 30, 1998, HUD published in the Federal Register a Notice of Fund Availability for the Section 811 Program as part of a SuperNOFA for Targeted Housing and Homeless Assistance Programs. A copy is enclosed for your information. Applications for funding are due in HUD Offices no later than 6:00 p.m. on July 7, 1998. Nationwide, HUD has \$ 74,372,922 in capital advance funds available which will facilitate the development of 1,096 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 applications (with primary emphasis on 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 facility is consistent/inconsistent with State or local plans and policies governing the development and operation of similar facilities. For example, if the proposed project will be a group home for four developmentally disabled adults 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 are proposing a project that is sanctioned by that agency. And, finally, there is space for the reviewer to indicate whether or not the necessary supportive services will be provided on a consistent, long-term basis.

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 special needs of the proposed occupants;

- 2) the proposed housing facility is **inconsistent** with State or local plans and policies governing the development and operation of housing facilities for the proposed occupants; (if the agency will be a major funding or referral source for or license the proposed project); or
- 3) the necessary supportive services will **not** be provided on a consistent, long-term basis, the application will also be rejected.

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 supportive services plan to your agency for review and completion of the 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 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 4(e) of the Section 811 Application) to facilitate completion of the Supportive Services Certification (Exhibit 7(k) 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.

2. Does the Sponsor have experience in providing (or ensuring the provision of) the proposed services to the anticipated occupancy and appear to have a good working knowledge of the potential service needs in general for the proposed occupants? Explain.

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

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

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

6. If the Sponsor is also the service provider, is there sufficient staff, both in terms of quantity and experience, to ensure the effective delivery of the proposed services? Briefly describe the number and qualifications of staff proposed.

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

8. If the Sponsor indicates a particular agency will fund or provide some or all of the supportive services, is there a letter of intent from each agency named indicating its willingness to fund or provide the service(s)?

9. For those residents who will be taking responsibility for acquiring their own supportive services, did the Sponsor provide a description of appropriate services in the community from which the residents can choose and did the Sponsor get any commitments from outside service providers that the proposed residents will have access to these services?

(State/Local Agency - cont'd)

Project No. _____

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?

RECOMMENDATION: Application is

[] Acceptable

[] Unacceptable

Explain: _____

Print Name of Reviewer: _____

Signature: _____/Date: _____

Name of Agency: _____

Address: _____

Telephone Number: _____

ATTACHMENT 15

**A Guide for Use by Sponsors/Owners Developing Housing Under HUD's
-- Section 202 Supportive Housing for the Elderly Program
-- Section 811 Supportive Housing for Persons with Disabilities
Program**

I. PURPOSE

This guide is designed to be used to assist Sponsors/Owners participating in the Section 202 and Section 811 Programs in screening sites to identify environmental conditions **prior to** entering into a contract for sale or option agreement, and ultimately choosing a site that presents little or no environmental risks. This guideline addresses the most common, but not all, environmental problems --

- o Toxic/Hazardous Waste
- o Underground Storage Tanks
- o Asbestos
- o Lead

NOTE: This does not replace the HUD environmental review; but supplements it. HUD must still prepare an environmental assessment/compliance record for environmental factors that are addressed by the National Environmental Policy Act and other environmental laws, statutes, Executive Orders and regulations in accordance with 24 CFR Part 50.

II. BACKGROUND

There has been a rise in the number of incidences of Sponsors/Owners acquiring property which was later discovered to be contaminated. It is essential that Sponsors/Owners become familiar with the potential environmental issues involving property acquisitions **before** acquiring the property. Innocent Sponsors/Owners that acquire the property with good intentions could face inordinate costs, indefinite delays in using the property, termination of HUD's funding commitment and/or defaults.

In addition, there is the bureaucratic maze of local, State, and Federal environmental agencies to confront, as each will become involved in overseeing the clean-up.

A. Environmental Legislation -- Federal Superfund Statute

The legislation that has the most serious impact on persons involved in real estate and transactions undertaken in connection with the purchase and sale of real property is the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as amended by the Superfund Amendments

and Reauthorization Act) or more commonly known as "**CERCLA**". CERCLA was enacted to establish a trust fund, referred to as the "Superfund", for the Government cleanup of hazardous waste sites. Although Federal and State Governments may finance the cleanup actions from the Superfund, CERCLA authorizes the Government to recover the Superfund expenditures from the parties deemed responsible for contaminating the site.

B. Innocent Landowner Defense

The innocent landowner defense provision was added to the CERCLA to provide some relief from liability under the CERCLA to those "innocent" landowners who unknowingly purchased contaminated properties. However, under the innocent landowner defense, it must be proved that the purchaser of the contaminated property could not have known that the disposal of hazardous substances had taken place on the land and that the landowner undertook all appropriate inquiries into the previous ownership and uses of the property in accordance with good commercial and customary practice. Accordingly, if you, the purchaser, do not make all of the appropriate inquiries about the property, it would be very difficult to prove that you had no reason to know of the contamination if it is later discovered that such contamination exists.

III. THE TYPES OF ENVIRONMENTAL AUDITS/ASSESSMENTS

The environmental audit/assessment is an inspection or examination technique designed to screen real estate for environmental problems. The assessment is performed in several stages and when completed it will provide a detailed description of the environmental condition of the property. **However, its benefits can only be realized if the assessment is performed before your organization closes/settles on any offer to purchase a site or property.**

A. Phase I Site Assessment

A Phase I Site Assessment is required for all Section 202 projects and all Section 811 projects for which the Sponsor has site control.

This is a **qualitative** assessment. The Phase I assessment, along with the Transaction Screening Process, is intended to help Owners satisfy the requirements to qualify for the innocent landowner defense to CERCLA liability. Upon its completion, you should be able to meet the definition of an "appropriate" inquiry for purposes of the CERCLA's innocent

landowner defense. This covers three general areas regarding the environmental condition of the property:

- Conducting an historical research into the previous ownership and uses of the property, such as ~~
 - ^ reviewing recorded chain title documents (i.e., deeds, easements, leases, restrictions, and covenants for a 50-year period;
 - ^ reviewing aerial photographs reflecting prior uses; and
 - ^ determining the existence of recorded environmental liens.
- Making a comprehensive government records review at the Federal, State, and local levels.
- Making a critical visual site inspection of the subject property and of the immediate adjacent properties, including a look for any chemical uses, storages, treatment and disposal operations on the property.

NOTE THAT ~~ In the Phase I assessment, no samples are taken and no tests are made of any materials (i.e., no air, water, soil, or site substances are tested or analyzed).

B. Phase II Site Assessment

The Phase II assessment may be defined as a **quantitative** assessment. It is the actual testing for specific hazards, which may have been identified in the Phase I assessment, such as soil (soil boring), water, on-site substances, and direct testing of the property.

C. Phase III Site Assessment

Phase III is a **management action** stage. It involves an assessment of the seriousness of the hazard(s) identified based on the findings of the previous phases with corrective action. The action may include:

- The removal, along with the appropriate transport and disposal, of any contaminants or hazardous materials;
AND
- Clean-up of any contaminated materials on the site;
OR

- The development of a plan to manage and control the hazard.

IV. COMPLIANCE WITH SECTION 202 AND SECTION 811 PROGRAM REQUIREMENTS REGARDING ENVIRONMENTAL ASSESSMENTS

To help Sponsors focus on this important issue, HUD now requires, all applicants that are planning on submitting an Application for a Section 202 and/or Section 811 Fund Reservation to conduct an environmental review/assessment of their proposed sites by completing a **Phase I Environmental Site Assessment and, if required based on the following instructions, a Phase II Environmental Site Assessment**. The environmental assessments are to be done in accordance with the American Society for Testing and Material (ASTM), Standard E 1527-93, as amended. Your consultant, architect, attorney, or engineer may be able to provide you a copy of the ASTM standards. Also, to obtain these materials, you may write ASTM directly at the following address: ASTM Customer Service, 100 Barr Harbor Drive, Conshohacken, Pennsylvania 19428 or for faster service, call (610) 832-9500 (fax number is (610) 832-9555).

- All Section 202 and Section 811 Sponsors must complete and submit to the local HUD Office a Phase I Environmental Site Assessment. **This must be submitted to the local HUD Office with the Application for a Fund Reservation.**
- If the Phase I Environmental Assessment indicates the possible presence of contamination and/or hazards, further study or action is required.
- If after completing the Phase I Assessment and it is determined that further study is required, The Sponsor must decide whether to continue with the original site or choose another site.
- If the Sponsor chooses another site, the same environmental site assessment identified above (the Phase I Assessment) must be completed for the alternate site and submitted to the local HUD Office with the Application for a Fund Reservation.
- If the Sponsor chooses to continue with the original site, a detailed Phase II Environmental Site Assessment by an appropriate professional will have to be completed and submitted to the local HUD Office by the deadline date specified in the current Section 202 and Section 811 Notices of Fund Availability (NOFA).

BEWARE: THE PHASE II ASSESSMENT COULD BE AN EXPENSIVE UNDERTAKING. ALTHOUGH THE COST OF THE STUDY CAN BE PAID OUT OF THE CAPITAL ADVANCE AMOUNT IF THE PROJECT IS SELECTED, THE COST OF ANY CLEAN-UP AND/OR REMEDIATIONS MUST BE BORNE BY THE SPONSOR/OWNER. ALL COSTS ASSOCIATED WITH THE ENVIRONMENTAL ASSESSMENTS DESCRIBED IN THIS SECTION MUST BE BORNE BY THE SPONSOR IF THE APPLICATION IS NOT SELECTED.

- ^ If the Phase II Environmental Assessment reveals site contamination, the extent of the contamination and a plan for clean-up of the site also must be submitted to the local HUD Office by the deadline date identified in the NOFA.
- ^ 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.

V. BE SUSPICIOUS OF A "GOOD" DEAL

Because Section 202 and Section 811 Sponsors are nonprofits and organized for charitable purposes, the Sponsors are not only looking for the "right" site and location but a good deal on the purchase price. It is not unusual for Sponsors to:

- o Be offered and accept donated property (including existing structures and land or both);
- o Target blighted neighborhood structures or land for housing redevelopment; or
- o Obtain properties at bargain basement prices, low-interest loans and grants, or through "special deals" with Federal or local government housing or community development agencies or programs.

In spite of good intentions, donated property and property acquired based on special deals are no longer the clear-cut benefit they once were. If the property you acquired contains toxic (or hazardous) wastes, underground storage tanks, asbestos, or lead, mere ownership of a contaminated site can be enough to make your organization liable for all clean-up costs.

BEWARE THAT ~~ Even if you can demonstrate and legally prove that you, the most recent one to acquire the

property, "did not" contaminate or contribute (transfer, store, or dispose of) wastes to the property, and the previous owners/operators of the property can be found and are solvent, you, the Sponsor, can expect to face a legal battle to divide the costs of cleaning the site. Meanwhile, the development of the property is suspended indefinitely.

VI. STEPS TOWARD SECURING A "CLEAN" SITE

In searching for the perfect site and location, before you invest the organization's funds in securing a site, there are certain things you can do or consider which will aid you in determining the possible presence of hazardous substances on site.

A. Take care in choosing the site/location for your proposal.

For example, sites that were previously used as or near agricultural/farming operations could have environmental problems because of the storage of pesticides on the site. Sites that were used as tanneries also could present a health hazard because of the potential for spreading contagious diseases.

B. Make a quick visual inspection of the site for signs of ~~

o Distressed vegetation

-- This could be an indication of soil contamination.

o Vent or fill pipes

-- This could be a sign of current or previous existence of underground storage tanks.

o Storage/Oil tanks or questionable containers

-- These are most often used to store heating fuels, chemicals, and petroleum products.

o Pits, ponds or lagoons

-- These have the potential for holding liquids or sludge containing hazardous substances or petroleum products. The potential is increased if there also exist (1) water discoloration; (2) distressed vegetation; and (3) wastewater discharge.

o Stained soil or pavement (other than water stains)

-- This could mean that the soil is contaminated and could be a sign of current or previous leakage of piping and liquid storage containers.

o Pungent, foul or noxious odors

-- This could indicate leaks of hazardous substances or petroleum products or contaminants.

C. Determine the past use of the site. If the land is currently vacant, inquire of the Owner of its knowledge of the site usage. Some States/localities require the transferor to disclose specific information about the environmental condition of the site to the purchaser. If your State/locality has no such requirement, negotiate such a disclosure with the owner. Certain uses (past and present) of the site may raise concerns about the possibility of contamination, such as the following operations:

- o Gasoline stations
- o Vehicle repair shops
- o Car dealerships
- o Garages
- o Depots
- o Warehouses
- o Commercial printing facilities
- o Dry cleaners
- o Photo developing laboratories
- o Hospitals
- o Apartment buildings
- o Junkyards or landfills
- o Waste treatment, storage, disposal, processing or recycling facilities
- o Agricultural/Farming Operations
- o Tanneries

NOTE THAT ~~ These facilities involve the use of hazardous substances, petroleum products, or pose a potential health hazard. If the site was used for these purposes, a further and more detailed review is required to determine the possible release of any hazardous substances.

D. Note the adjoining properties/surrounding area for evidence of any facilities as described above.

NOTE THAT ~~ A site that may be considered free and clear of any hazardous substances may still be contaminated as a result from toxic and hazardous waste produced by neighboring facilities.

E. Research Federal, State and local records about possible toxins and hazards at the site.

VII. HOW TO PROTECT YOUR ORGANIZATION

- A. Demand the seller/donor to make full disclosures about the environmental condition of the property.**
- o To protect your organization, insist on having language included in the site contract documents that address liability for environmental problems. Consult with an attorney, if necessary. Include protective language that ~~
 - ^ Addresses the obligation for financial responsibilities for removal, transport, disposal, clean-up or abatement action;
 - ^ Allows for property audits;
 - ^ Allows cancellation of the contract if the audit or disclosures reveal problems;
 - ^ Addresses seller warranties of conditions; and
 - ^ Addresses seller indemnification.
 - o Use State or local "Property Transfer" statutes, if available. These statutes often contain provisions for disclosure of environmental problems.
- B. Beware of the overanxious seller/donor. Be alert to ~~**
- o Property being sold "as-is".
 - o Seller/Donor's reluctance to allow an environmental inspection.
 - o Seller/Donor's reluctance to accept contingency clauses.
 - o Seller/Donor's unwillingness to disclose information about the property.
 - o Any unexplained concessions in price to speed up the real estate transaction.
- C. Consider an alternate site, if based on the findings of the Transaction Screening Process and/or a Phase I Assessment and an environmental professional, the property has significant environmental problems and the related abatement/clean-up action would be costly.**
- D. Get to Know the environmental laws/regulations.**

- o Federal "**Superfund**" Statute aka **CERCLA** (Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by **SARA** (Superfund Amendments and Reauthorization Act) and other amendments.
 - ^ Identifies Owner of hazardous waste sites as potentially liable for cleanup costs and other costs and damages.
 - ^ Assigns liability -- Parties involved in the real estate transaction may find themselves strictly and jointly and severally liable for clean-up costs.
 - ^ Establishes defenses ~~
 - Bequests
 - Landowners' relief for innocent purchasers
 - Third party provisions

- o **Resource Conservation and Recovery Act**, as amended aka **RCRA**.
 - ^ Contains special provisions concerning Underground Storage Tanks and enforced by ~~
 - State or Municipal Environmental Protection Agency - Leaking Underground Storage Tanks Program
 - State Fire Marshal - Registry and Financial Responsibility
 - Fire Marshal - Inspection and Permitting
 - State or Municipal Emergency Services and Disaster Agency
 - ^ Defines and regulates Treatment, Storage or Disposal Facilities (TSD) of hazardous wastes -- EPA maintains a TSD Facilities List.

- o **Asbestos Regulations**. Contact the U.S. Environmental Protection Agency (EPA) to obtain a copy of the Asbestos Demolition/Renovation Regulations.

- o **Lead Toxicity Risk Assessment**. Published in the Federal Register by EPA. Contact EPA or the local HUD Office to obtain a copy of this document.

- o **Environmental Justice**.
 - ^ Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and

Low-Income Populations".

- Directs Federal agencies to incorporate environmental justice as part of their overall mission.
- Establishes an Interagency Working Group to provide guidance and work with Federal agencies to develop environmental justice strategies.

^ Its purpose is to achieve fair environmental protection so that no segment of the population, regardless of race, ethnicity, culture, or income bears a disproportionate burden of the consequences of environmental pollution (i.e., to ensure that no one part of the population, primarily minority and low-income, receives inequitable treatment in the location of housing designed for their needs).

^ Administered by the EPA Office of Environmental Justice.

NOTE: Take care in choosing the site/location for your project. The site you choose should never raise an environmental justice concern.

- o **EPA Program Hotline Telephone Numbers.** A list of the EPA program hotline telephone numbers is attached to this guide for your reference.

VIII. GETTING ACQUAINTED WITH POTENTIAL ENVIRONMENTAL PROBLEMS

A. TOXIC AND HAZARDOUS WASTES

Toxic and hazardous wastes can summarily be described as the "spoils" of industrial operations. This category of wastes include solids, liquids, or gases that threaten the environment and human health. Toxic and hazardous wastes can be ignitable, corrosive, reactive, and contain high concentrations of metals, pesticides, chemicals, etc. that when released, contaminate soils, ground and surface water, and air. Toxic wastes are classified as such, because of their carcinogenic, mutagenic (gene-changing), or teratogenic (causing fetal abnormalities/birth defects) characteristics.

It is possible for a site to have multiple toxic and hazardous wastes -- in contaminated soils, sitting in tanks (above and below ground), impounded in buildings, and dumped into wells, adjacent to, or onto open space surrounding the building. In this case, the waste might be buried improperly in pits where their leaking can contaminate surface and

ground water and soils.

REMEMBER ~~ A site that appears to be free of toxic and/or hazardous waste could be contaminated as a result of current or previous operations of adjoining or neighboring facilities.

B. UNDERGROUND STORAGE TANKS (USTs)

USTs, by themselves, are not dangerous. Their contents and propensity to leak present the danger. Until recently, most USTs were constructed of material that rusted, corroded, and had no leak detection or protection devices. Consequently, once rusted, the tank's contents easily contaminate surrounding soil and groundwater. Groundwater contamination can cause significant cleanup problems. According to the Environmental Protection Agency, a single gallon of gasoline can render one million gallons of water undrinkable.

USTs were and are used most often by the petroleum industry, as well as other commercial facilities, where processing requires on-site application. For example, dry cleaning operations normally store chemicals on-site in USTs. This results in storage of large amounts of chemicals. To reduce the risk of fires and explosions, chemicals and petroleum products are stored underground in USTs.

Many residential properties also have USTs for heating oil and other uses. Because it is cheaper to place these tanks above ground, the tanks for some residential properties are located above ground.

NOTE THAT ~~

- ^ If you acquire a site with an UST, you may be responsible for the cost of removing it, as well as, cleaning up the site if it later is found to have been contaminated.
- ^ If you acquire a site that had USTs and the USTs were removed prior to you acquiring the site, but without any further testing for contamination, you still could be financially liable for cleanup costs and any costs of compensating other people for bodily injury and property damage.

REMEMBER ~~ **BE SUSPICIOUS IF THE SITE HAS/HAD OPERATIONS INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING OPERATIONS** --

- o Gasoline stations
- o Vehicle repair shops

- o Car dealerships
- o Garages
- o Depots
- o Warehouses
- o Commercial printing facilities
- o Dry cleaners
- o Photo developing laboratories
- o Hospitals
- o Apartment buildings
- o Junkyards or landfills
- o Waste treatment, storage, disposal, processing
or recycling facilities
- o Agricultural/farming operations
- o Tanneries

<<< **RESOURCES TO HELP YOU IDENTIFY SUSPECT PROPERTIES** >>>

Knowing what sites to avoid may be difficult if the land use for the site changed over time. The following aids can help you assess probable location by land use or the presence of USTs:

o Sanborn Fire Insurance Maps

- ^ Aid fire insurance companies in evaluating risk
- ^ Designate gasoline stations
- ^ Identify other land uses on a block-by-block basis
- ^ Dated to the late 19th Century making it possible to trace uses of a land parcel from the 1880's to the present day

o Registry of USTs

- ^ EPA requires each State to develop an UST regulatory program
- ^ Many States/localities maintain public records in the State Fire Marshal's Office or its equivalent, Groundwater Management Division, or State Emergency Planning and Management Agency
- ^ Some States/localities developed their own UST regulatory programs and you will have to contact the responsible office that oversees the program

o U.S. Environmental Protection Agency (EPA)

^ If all else fails and you are still uncertain, contact the EPA's Underground Storage Tank Office.

^ The local HUD Office can provide you with the appropriate EPA Office or you can contact EPA directly at the appropriate hotline telephone number which is attached to this guide.

C. ASBESTOS (Projects Requiring Rehabilitation or Demolition of Existing Structures)

Asbestos is a generic term that refers to a family of mineral silicates -- six naturally occurring fibrous minerals found in certain types of rock formations. Of the six minerals, three -- chrysolite, amosite, crocidolite -- have been most commonly used in building products. When processed, asbestos separate into thin but extremely strong fibers.

Because of its unique characteristics -- resilience, weightlessness, corrosion-resistance nature, low conductivity, and, more importantly, its inability to burn, asbestos was used in many buildings and commercial products -- floor tiles, roofing and sound proofing, ceilings, sealants, cement pipe, decoration, paper products, textiles, appliances, and pipe and boiler insulation, among other things -- beginning early in this century and up until the mid-1980's.

Consequently, most buildings constructed before the mid-1980's are likely to contain asbestos. However, asbestos is not biodegradable or easily destroyed.

Asbestos or asbestos-containing-material (ACM) -- i.e., any material or product that contains more than one percent asbestos -- can be grouped into two broad categories ~~

o **Friable:** Materials and products which, when dry, can be crumbled, pulverized, disturbed, punctured or otherwise easily reduced to powder by mere hand pressure.

Friable asbestos and ACM emit fibers easily into the air when disturbed and once emitted, asbestos fibers are easily inhaled in the lungs. When inhaled in sufficient quantities, asbestos and ACM can cause serious health problems. Asbestos-caused symptoms and diseases can take as long as 20 or more years before being diagnosed.

- o **Nonfriable:** Asbestos fibers that are bound and contained within a hard or solid matrix, such as roofing, siding, or flooring and are not prone to escape or emit fibers under ordinary use.

Once disturbed in either renovation, demolition, or rehabilitation construction activities, nonfriable materials also will release asbestos fibers into the air.

REMEMBER ~~ Whenever asbestos fibers become airborne, they become a human health threat and air quality contaminant.

<<< **HOW TO DETERMINE THE EXISTENCE OF ASBESTOS IN A BUILDING THAT YOU ARE CONSIDERING ACQUIRING** >>>

- o **Step A:** Quick and Inexpensive

- Collect information about the construction materials in the building directly from the product manufacturer (if accessible and available).

NOTE ~~ EPA has published in Volume 55 of the Federal Register, dated February 13, 1990, (beginning on page 5144), Asbestos; Publication of Identifying Information; Notice, which summarizes the information submitted by manufacturers and processors of certain asbestos products with an explanation on how individuals may obtain additional information.

- Request a visual inspection by people in the building trades, particularly heating and plumbing contractors, to ascertain the presence of asbestos. However, the accuracy of visual inspections can vary considerably.

- o **Step B:** More Expensive, but More Conclusive

- Hire a licensed or certified specialist from the asbestos abatement industry to inspect the property.
- Collect and submit sample materials to a laboratory qualified to conduct asbestos testing.

NOTE ~~ To assure quality laboratory testing, EPA maintains a national listing of approved laboratories that test samples for their asbestos contents. Contact EPA to obtain this information. Refer to the EPA program hotline telephone numbers which are attached to this guide.

<<< **ABATING ASBESTOS** >>>

o **Federal/State Requirements**

The removal of asbestos is expensive. As with other hazards, there are both Federal regulations, and in most instances, comparable State requirements that regulate:

- ^ Worker exposure to asbestos
- ^ Procedures for abating asbestos when building undergoes renovation or demolition
- ^ Disposal (transport, storage, and disposal) of asbestos-contained materials

o **Options for Minimizing the Risk of Asbestos Exposure**

- ^ Maintenance
- ^ Encapsulation
- ^ Enclosure
- ^ Removal

Choose the option based on the type of asbestos or ACM and in accordance with Federal, State and local requirements.

For example:

o **REMOVAL** ~~

-- EPA requires the removal of all friable asbestos before any other demolition, renovation, or rehabilitation take place.

-- This is the most expensive, complicated and strictly regulated option.

o **MAINTENANCE, ENCAPSULATION AND ENCLOSURE** ~~

- Under these options, the asbestos and ACM remains in place.
- These options are not as closely regulated as the removal option, but available guidelines still must be followed.

NOTE THAT ~~ Regardless of the option you choose, it would be in your organization's best interest to hire a qualified asbestos contractor.

D. LEAD (Existing Structures for Families Where Children Under 6 Years of Age Reside or may be Expected to Reside)

Lead poisoning is one of the most common health hazards to humans. Although anyone can contract lead poisoning, children and women of childbearing age are at the greatest risk. Childhood lead poisoning is considered a major health problem because of its extremely damaging and irreversible effects. The exposure to lead in children (including pregnant women) can cause brain damage, liver and kidney disorders, behavioral problems, blindness, permanent learning disabilities, and even death.

Buildings and homes constructed **before 1978** could have lead based paint. **The primary source of lead is from the chipping and peeling of lead-based paint and paint dust.** It is more commonly found on exterior and interior walls, but also may be on baseboards, door and window trimmings and heating units. Lead poisoning also can be obtained from lead in the air, dust, soil, food, certain commercial products (eg., automotive and industrial batteries), and even water. In the latter case, the use of lead soldered pipes in older structures is responsible for lead getting into the water.

NOTE THAT ~~ The risk of the presence of lead in older buildings that you plan on acquiring may result in an expensive acquisition. Consider the health risk to the occupants and the possible costs of civil liability and criminal penalties if lead is present, but neither detected or removed. Also, the cost of lead removal or abatement, by itself, may be significant.

<<< DETERMINING THE PRESENCE OF LEAD >>>

Two methods may assist you in determining whether lead is

present in the property you plan on acquiring --

o **Method 1: Scoring the Building Based on Risk Factors**

- Use the Lead Toxicity Risk Assessment developed by EPA as a guide to help you detect potential lead problems.
 - ^ This is not scientific, but less costly, and can help establish the likelihood of lead problems.
 - ^ A copy of the Lead Toxicity Risk Assessment may be obtained from EPA or the local HUD office.

o **Method 2: Testing**

- There are two testing methods that produce accurate lead readings:
 - ^ **XRF-X-Ray Fluorescence Detector** -- This is the newest testing technology which is also available in portable form. The XRF portable is capable of measuring between 30-50 samples in three hours and provide immediate results.
 - ^ **Laboratory Testing** -- Laboratory testing of samples physically collected and removed from the property is a method of obtaining lead readings. However, unlike the newer technology of XRF, it is more time-consuming and the results are not immediately available.

<<< **ABATING LEAD** >>>

- o Hire certified lead abatement contractors only for the removal or other lead abatement remedies. They are most familiar with applicable Federal and State requirements for removal and disposal.

NOTE: Do not assign this task to general contractors, volunteers or occupants.

- o Find out what State and local programs exist regarding lead blood screening for children that may affect your organization, particularly Section 811 Sponsors proposing existing housing (with or without rehabilitation) for persons and families with disabilities.

NOTE: Some States have mandatory lead blood screening

for children, such as Illinois.

- o For additional information ~~
 - Get a copy of the EPA Pamphlet, developed in cooperation with HUD and the Consumer Product Safety Commission, entitled "Protect Your Family from Lead in Your Home"; and
 - Contact your local Health Department; or
 - Call the National Lead Information Center at 1-800-532-3394 (1-800-LEAD-FYI), a toll-free number.

It is important to note that an occurrence of heightened lead blood levels may result in your organization becoming liable for remediation activity. In many localities, a doctor who identifies the heightened lead blood levels may be required to report such a finding to the local health authorities who, in turn, may have the power to require lead abatement for the child's living environment.

REMEMBER ~~ The Owner of a building occupied by a child with an elevated/heightened lead blood level may, at a minimum, face a court hearing or a court order to clean-up the property along with fines. Ignoring a potential lead problem could financially ruin your organization.

SOURCE: The Property That You Acquire May Be An Environmental Toxic Plot

-- By Antoinette G. Sebastian
Office of Environment and Energy
U.S. Department of Housing and Urban Development

ATTACHMENT

U. S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY

PROGRAM HOTLINE TELEPHONE NUMBERS

EPA Program Hotlines can answer questions about regulations and rules, and order documents. Existing EPA hotline numbers are:

RCRA/SUPERFUND	1-800-424-9346
SOLID WASTE	1-800-424-9346
UNDERGROUND STORAGE TANKS	1-800-424-9346
GROUNDWATER PROTECTION	1-800-426-4791
TOXIC SUBSTANCES CONTROL ACT (TSCA) ASSISTANCE	1-202-554-1404
ASBESTOS	1-202-554-1404
LEAD-BASED PAINT	1-800-532-3394 (1-800 LEAD FYI)
ENVIRONMENTAL JUSTICE	1-800-962-6215