

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**ASSISTED LIVING CONVERSION
PROGRAM (ALCP)**

FUNDING AVAILABILITY FOR THE ASSISTED LIVING CONVERSION PROGRAM (ALCP) FOR ELIGIBLE MULTIFAMILY HOUSING PROJECTS PROGRAM OVERVIEW

Purpose of the Program. The purpose of this program is to provide grants for the conversion of some or all of the dwelling units in an eligible project into assisted living facilities (ALFs) for frail elderly persons.

Available Funds. Approximately \$93 million are available for the conversion of eligible multifamily projects to ALFs (\$50 million under the Fiscal Year 2002 Appropriations Act and \$43 million in Fiscal Year 2001 carryover funds).

Eligible Applicants. Only private nonprofit project owners of eligible developments (as described in Section III of this NOFA) may apply for and become the recipient of a grant.

Application Due Dates. July 3, 2002. *Match.* None required.

ADDITIONAL INFORMATION

I. Application Due Date, Application Kits, and Technical Assistance

Application Due Date. Your completed application (one original and four copies) is due on July 3, 2002, at the address shown below.

Application Submission Procedures. New Security Procedures. HUD has implemented new security procedures that impact application submission procedures. See the General Section of the SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, or overnight delivery.) Only ALCP applications mailed by the United States Postal Service (USPS) will be accepted by HUD.

Addresses for Submitting Applications. The official place for receipt of your application is ONLY in the appropriate Multifamily Hub Office. Submit an original and four copies of the ALCP application to the Director of the appropriate HUD Multifamily Hub Office, as listed in Appendix A of this NOFA, with jurisdiction over your development.

Appendix B to this NOFA lists the 18 Multifamily Hubs with the Program Centers under them, to facilitate applicants knowing the correct location to send the application. Your application will be considered timely filed if your application is postmarked on or before 12:00 midnight on the application due date and received by the designated HUD Office on or within fifteen (15) days of the application due date. All applicants must obtain and save a Certificate of Mailing showing the date, when you submit your application

to the USPS. The Certificate of Mailing will be your documentary evidence that your application was timely filed.

For Application Kits, Further Information, and Technical Assistance.

For Application Kits. You may obtain an ALCP application kit and supplemental information by calling the SuperNOFA Information Center at (voice) 1-800-HUD-8929 (1-800-483-8929). Persons with hearing or speech impairment may call the Center's TTY number at 1-800-HUD-2209. Please be sure to provide your name, address (including zip code), and telephone number (including area code). The application kit is also available on the Internet through the HUD web site at <http://www.hud.gov/grants>.

Note: There is a separate application kit for service coordinator funds (which is necessary for those needing to enhance or add service coordination per Section III (B)(13) of this NOFA).

For Further Information and Technical Assistance. You should contact the Multifamily Hub where you will be mailing your ALCP Application. (Please refer to Hub telephone numbers in Appendix A.)

You also may contact Faye Norman, Housing Project Manager at (202) 708-3000 x2482 or Aretha Williams, Director, Grant Policy and Management Division, Room 6138 at (202) 708-3000 x2480 for questions regarding the ALF process. This is not a toll free number. Ms. Williams can be reached, by e-mail, at "aretha_m_williams@hud.gov" and Ms. Norman at "faye_l_norman@hud.gov. Both Ms. Williams and Ms. Norman are located at the Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410.

If you have a hearing or speech impairment, you may access the telephone number via TTY by calling the Federal Information Relay Service at 1-800-877-8339.

II. Amount Allocated

This NOFA makes available approximately \$93 million (approximately \$78 million for the physical conversion of eligible multifamily assisted housing projects or portions of projects to ALFs and approximately \$15 million for the conversion of up to 3 unused or underutilized commercial properties to ALFs). The Fiscal Year (FY) 2002 funding of \$50 million is in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act Pub.L.107-73, approved November 26, 2002). The \$93 million includes \$43 million in Fiscal Year 2001 carryover

funds. The allocation formula used for the ALCP to fair share the \$78,000,000 reflects demographic characteristics of age and incidence of frailty that would be expected for program participants. The FY 2002 formula consists of three data elements from the 1990 decennial census:

- (1) The number of non-institutional elderly population aged 75 years or older with a self-care limitation,
- (2) The number of non-institutional elderly population aged 75 or older with a mobility limitation, and,
- (3) The number of the non-institutional elderly population aged 75 or older with both a mobility limitation and a self-care limitation. The data were taken from the 1990 Census Special Tabulation on Aging, STP-14, sponsored by the Administration on Aging, U.S. Department of Health and Human Services.

A mobility limitation is defined as a health condition that has lasted for six (6) or more months, making it difficult for the person to go outside the home alone. This includes outside activities such as shopping or visiting the doctor's office. A self-care limitation is defined as a health care limitation that has lasted for six (6) months or more which makes it difficult for the person to take care of his/her own personal needs such as dressing, bathing, or getting around in the home.

A fair share factor for each state was developed by taking the sum of the three elements within each state as a percentage of the sum of the three elements for the total United States. The resulting percentage for each state was then adjusted to reflect the relative difference in the cost of providing housing among the states. The total of the grant funds available (\$78 million) was multiplied by the adjusted fair share percentage for each state, and the resulting funds for each state were totaled for each Hub.

The ALCP grant funds fair share allocations, based on the formula above, to the 18 multifamily Hubs are as shown on the following chart:

FISCAL YEAR ALLOCATION 2002 FOR THE ASSISTED LIVING CONVERSION PROGRAM (ALCP) OF ELIGIBLE ASSISTED MULTIFAMILY PROJECTS

HUB	Grant authority
Boston	4,726,439
Buffalo	2,091,360
New York	4,497,621
Philadelphia	8,527,962
Baltimore	3,183,601
Greensboro	3,276,631

FISCAL YEAR ALLOCATION 2002 FOR
THE ASSISTED LIVING CONVERSION
PROGRAM (ALCP) OF ELIGIBLE AS-
SISTED MULTIFAMILY PROJECTS—
Continued

HUB	Grant au- thority
Atlanta	5,712,662
Jacksonville	6,746,209
Chicago	5,957,418
Columbus	3,345,185
Detroit	2,733,470
Minneapolis	2,843,015
Fort Worth	5,972,447
Kansas Coty	4,841,730
Denver	1,728,217
Los Angeles	4,574,289
San Francisco	4,649,855
Seattle	2,591,889
Total	78,000,000

III. Program Description; Eligible and Ineligible Applicants, Developments, and Activities

(A) *Program Description.* Assisted living facilities (ALFs) are designed to accommodate frail elderly persons and people with disabilities who need certain support services (e.g., assistance with eating, bathing, grooming, dressing and home management activities). ALFs must provide support services such as personal care, transportation, meals, housekeeping, and laundry. Frail elderly person means an individual 62 years of age or older who is unable to perform at least three activities of daily living (ADLs) as defined by the regulations for HUD's Section 202 Program (Supportive Housing for the Elderly) at 24 CFR 891.205. Assisted living is defined in section 232(b)(6) of the National Housing Act (12 U.S.C. 1715w).

The ALCP provides funding for the physical costs of converting some or all of the units of an eligible multifamily development into an ALF, including the unit configuration, common and services space and any necessary remodeling, consistent with HUD or the State's statute/regulations (whichever is more stringent). Typical funding will cover basic physical conversion of existing project units, common and services space. There must be sufficient community space to accommodate a central kitchen or dining facility, lounges, recreation and other multiple-areas available to all residents of the project, or office/staff spaces in the ALF. When food is prepared at an off-site location, the preparation area of the facility must be of sufficient size to allow for the installation of a full kitchen, if necessary. You must provide supportive services for the residents

either directly or through a third party. Your application must include a firm commitment for the supportive services to be offered within the ALF as part of the application. You may charge assisted living residents for meals and/or service fees. Residents may contract with third party agencies directly for nursing, therapy or other services not offered by the ALF.

(B) *Program Requirements.* The following program requirements apply: (**Note:** Program Requirements described in paragraphs 3, (8)(a) and (b), and (12) below are not applicable to applicants requesting funding to convert commercial facilities):

(1) Your ALF facility must be licensed and regulated by the state (or if there is no state law providing such licensing and regulation, by the municipality or other subdivision in which the facility is located). Each assisted living unit must include its own kitchen, bathroom, living/dining area (1 bedroom unit) or bedroom/living/dining area (efficiency unit) and must meet the state and/or local licensing, building, zoning and other requirements for an ALF.

(2) Your ALF must be available to qualified elderly persons and persons with disabilities, consistent with the rules and payment plans of the State, who need and want the supportive services in order to remain independent and avoid premature institutionalization.

(3) Your ALF's residents must be tenants or residents of the multifamily project and must comply with the requirements applicable to the project. Thus, you cannot charge additional rent over what is charged to residents in the non-ALF portion of the project. All admissions to the ALF must be through the applicable project admissions office. However, persons accepted into the ALF also must sign an ALF admissions agreement which shall be an addendum to the applicable project lease.

(4) At a minimum, your ALF must provide room, board (as defined in Section III(B)(6)) of this NOFA) and continuous protective oversight (CPO). CPO involves a range of activities and services that may include such things as awareness by management and staff of the occupant's condition and location as well as an ability to intervene in a crisis for dependent and relatively independent occupants on a 24-hour basis. The two occupant groups in an ALF are:

(a) *Independent Occupants:* Awareness by management and staff of the occupant's condition and whereabouts as well as the availability of assistance for the occupants as needed.

(b) *Dependent occupants:* Supervision of nutrition, assistance with medication and continuous responsibility for the occupants' welfare.

(5) Anyone moving into an ALF unit must agree to accept as a condition of occupancy the board and services required for the purpose of complying with state and local law and regulation. *However, occupancy in an ALF unit may not be conditioned on receipt of other services or board not required by state or local requirements.*

(6) Your ALF must offer three meals per day to each resident.

(a) Residents in projects which were originally constructed without kitchens in their units must take such meals as required by their mandatory meals agreement, or by the state's mandated requirements if more stringent (e.g., 2 meals, 2 snacks daily).

(b) Residents whose apartments have kitchens must take at least the number of meals a day provided by the facility, per their mandatory meals requirement, or as required by state or local rules, if more stringent. If the facility does not have a mandatory meals plan, then state and local rules govern.

In either case, ALF management must coordinate meals requirements with the needs of residents who are out part of the day (e.g., in day care). The meals program may not be operated at a profit by the project owner.

(7) Your ALF's operation must be part of the project owner's management organization. Some or all of its functions may be contracted out. The ALF must predicate its budget on a two-tiered structure under which board and supportive service income and expenses must be maintained separately and independently from the regular income and expenses of the applicable project. The two components of ALF costs are:

(a) Charges/payment for board, which may be on a sliding scale or any other equitable fee system; and

(b) Charges/payment for necessary supportive services, which may include a combination of resident fees, Medicaid and/or other third party payments.

(8) Priority admissions for ALF units are as follows:

(a) Current residents desiring an ALF unit and meeting the program requirements (no resident can be required to accept an ALF unit).

(b) Qualified individuals or families needing ALF services who are already on the project's waiting list;

(c) Qualified individuals or families in the community needing ALF services wanting to be added to the project's waiting list; and

Note: Qualified disabled non-elderly persons needing assisted living services are

eligible to occupy these units on the same basis as elderly persons, except for section 202 project rental assistance contracts (PRAC) projects and unused/underutilized commercial properties.

(9) The management of the project must set up a separate waiting list for ALF units. ALF units must be for eligible residents who meet the admissions/discharge requirements as established for assisted living by State and local licensing, or HUD frailty requirements under 24 CFR 891.205 if more stringent.

(10) Costs of meals and supportive services are NOT covered by this HUD grant. These items must be paid for through other sources (e.g., a mix of resident fees and/or third party providers). Evidence of third party commitment(s) must be included as part of the application. (See Section IV(B) of this NOFA.) The assisted living supportive services program must promote independence and provide personal care assistance based on individual needs in a home-like environment (see Section VI(B)(8)(b) through (c) of this NOFA).

(11) Upon receipt of a grant under this program, all project owners participating in the ALCP must provide a Declaration of Restrictive Covenants (DRC), which will be recorded with the land, to retain the low income character of the housing, and to maintain the project (including the ALF), as a moderate, low, or very low income facility (as appropriate) for at least 20 years beyond the current 40-to-50 year term of the mortgage loan or capital advance. Recipients of grant funds to convert unused or underutilized commercial property must provide a DRC for at least 20 years or for the term of the mortgage on the property whichever is longer.

(12) This program does NOT allow permanent displacement of any resident living in the project at the time the application was submitted to HUD. (HUD will only provide temporary relocation costs for current tenants if they must vacate their unit while conversion work is underway (normal temporary relocation costs include increases in rent, reconnection of telephones, moving costs and appropriate out-of-pocket expenses)).

(13) The ALCP requires service coordination responsible for linking the ALF to services in the community which are available to low income persons. All projects funded under this NOFA must have sufficient service coordination in place, or request additional funds if appropriate, to ensure that services meeting licensing requirements are available to ALF

residents on an ongoing basis. Service coordination must be described in the application (see Section VI(B)(8)(b) through (c) of this NOFA). If you need to enhance an existing service coordination program or add one where it does not exist, you may apply for funding through the Service Coordinator NOFA, published elsewhere in this SuperNOFA, and attach a copy of the Form HUD 424M so indicating the request to the ALCP application. Alternatively, you may show evidence that funding for the enhanced service coordination is provided by other sources and indicate such funding on the HUD Form 424M which is exhibit 10(c) of your ALF application. If you are funded under this NOFA and requested new or enhanced service coordination you will be funded first under the service coordinator NOFA.

Note: If you are a Section 202 PRAC project owner or an owner with unused or underutilized commercial properties, you are NOT eligible to request funding under the service coordinator NOFA. Section 202 PRAC owners can pay for the service coordinator out of PRAC funds.

In addition to above requirements, the following applicable guidelines are stated:

(a) The ALF must be staffed either directly or through coordination with local agencies, depending on state regulations or local requirements. These may also serve non-ALF residents of the project on a time available and appropriate fee basis.

(b) The ALF may cater to the special needs of residents depending on their condition or diagnosis, such as Alzheimer's disease. If it does so, the design/environment of such facilities must accommodate those needs, e.g., dementia special care unit. However, the ALF CANNOT provide a service it is not licensed by the State or locality to provide.

Note 1: Owners of section 202/PRAC projects are reminded that they may include a PRAC payment of up to \$15/unit/month not to exceed 15% of the total program cost, consistent with 24 CFR 891.225(b)(2) to cover part of the cost of meals and/or supportive services for frail elderly residents, including residents of the ALF.

Note 2: Training for ALF staff is an eligible project cost under existing operating procedures.

For further information on ALFs, please refer to Handbook 4600.1, CHG-1, "Mortgage Insurance for Residential Care Facilities," Chapter 13. This Handbook and recent ALF program Notices are accessible through HUDCLIPS on HUD's web site. The URL for the HUDCLIPS Database Selection Screen is <http://www.hudclips.org/>

[subscriber/cgi/legis.cgi](http://www.hudclips.org/). These notices are in the Handbooks and Notices—Housing Notices database. Enter only the number without the letter prefix (e.g., 99-16) in the "Document number" to retrieve the program notice.

For further guidance on service coordinators, please refer to Handbook 4381.5 REV-2, CHANGE-2, Chapter 8, "The Management Agent's Handbook," which is also available through the HUDCLIPS database.

(C) *Eligible Applicants.* Only private nonprofit owners of eligible multifamily assisted housing developments specified in section 683(2) (B), (C), (D), (E), and (F) of the Housing and Community Development Act of 1992 (Pub. L. 102-550, approved October 28, 1992) and private nonprofit owners of an unused or underutilized commercial property are eligible for funding. To be eligible, project owners must meet the following criteria where applicable:

(1) Must be in compliance with your Loan Agreement, Capital Advance Agreement, Regulatory Agreement, Housing Assistance Payment contract, Project Rental Assistance Contract, Rent Supplement or LMSA contract, or any other HUD grant or contract document.

(2) Must be in compliance with all fair housing and civil rights laws, statutes, regulations, and executive orders as enumerated in 24 CFR 5.105(a). See Section V(B) of this NOFA for further explanation.

Note: If your eligibility status changes during the course of the grant term, making it ineligible to receive the grant (e.g., prepayment of mortgage, sale/TPA of property, or opting out of a Section 8 Housing Assistance Payment (HAP) contract), HUD retains the right to terminate the grant and recover funds made available through this NOFA.

(D) *Eligible Developments.*

(1) Section 202 projects, Section 202 projects receiving rental assistance under Section 8, and Section 202 projects receiving project rental assistance under Section 202(C)(2). Rural housing projects assisted under Section 515 of the Housing Act of 1949 receiving Section 8 rental assistance are also included. Projects receiving project-based rental assistance under Section 8, among others, housing constructed, substantially rehabilitated or receiving moderate rehabilitation assistance under Section 8. Also included are housing financed by a below-market interest rate loan or mortgage insured under Section 221(d)(3) of the National Housing Act; and housing with financing insured, assisted or held by HUD or a State or State Agency under Section 236 of the National Housing Act. The housing projects must be owned by a private

nonprofit entity that is designated primarily for occupancy by elderly persons. The project must have been in occupancy for at least five years from the date the HUD-92485 Form Permission to Occupy Project Mortgages was issued and final closing must have been completed. Your project must:

(a) Meet HUD's Uniform Physical Conditions Standards at 24 CFR part 5, subpart G. Meeting these standards as described, means that the project, based on the most recent Real Estate Assessment Center (REAC) physical inspection report and responses thereto, must have a "satisfactory" rating as evidenced by a score of 60 or better or a HUD-approved and on schedule repair plan for developments scoring less than 60. Additionally, the project must have no uncorrected and outstanding Exigent Health and Safety violations. Finally, the project must not have on file a management review with a rating of "minimally satisfactory" or "unsatisfactory" with open and unresolved findings.

(b) Have a residual receipts account separate from the Reserve for Replacement account, or agree to establish this account as a condition for getting the award(s).

(2) Unused and underutilized commercial properties.

(E) *Ineligible Applicants.*

(1) Owners of developments designed specifically for people with disabilities.

(2) Owners of Section 232 developments.

(3) Property management companies and agents of property management companies.

(4) Limited dividend partnerships.

(5) Nonprofit Public Agencies.

(6) Owners of unused/underutilized hospitals or other health-related facility which are considered to be eleemosynary institutions rather than commercial enterprises.

(F) *Eligible Conversion Activities.* Eligible activities are:

(1) Retrofitting to meet Section 504 accessibility requirements, minimum property standards for accessibility and/or building codes and health and safety standards for ALFs in that jurisdiction. Examples are items such as addition of:

(a) Sprinkler systems;

(b) An elevator or upgrades thereto;

(c) Lighting upgrades;

(d) Major physical or mechanical systems of projects necessary to meet local code or assisted living requirements;

(e) Upgrading to accessible units for the ALF with movable cabinetry, accessible appliances, sinks, bathroom and kitchen fixtures, closets, hardware and grab bars, widening of doors, etc.;

(f) Upgrades to safety and emergency alert systems;

(g) Addition of hallway railings; and,
(h) Medication storage and work stations;

(2) Retrofitting to add, modify and/or outfit common space, office or related space for ALF staff including a service coordinator and file security, and/or a central kitchen/dining facility to support the ALF function (e.g., outfit lounge/common space/dining furniture, kitchen equipment for cooking/serving and dishware).

(3) Retrofitting to upgrade a regular unit to an accessible unit for a person/family with disabilities who is being displaced from an accessible unit in the portion of the project that is being converted to the ALF, where another accessible unit is not available.

(4) Temporary relocation (not applicable to commercial property).

(5) Consultant, architectural and legal fees.

(6) Vacancy payments not more than 30 days after conversion to an ALF.

(G) *Ineligible Activities.* You may not use funds available through this NOFA to:

(1) Add additional dwelling units to the existing project (not applicable to commercial property);

(2) Pay the costs of any of the necessary direct supportive services needed to operate the ALF;

(3) Purchase or lease additional land;

(4) Rehabilitate (see definition at 24 CFR 891.105) the project for needs unrelated directly to the conversion of units and common space for assisted living;

(5) Use the ALCP to reduce the number of accessible units in the project that are not part of the ALF (not applicable to commercial property);

(6) Permanently relocate any resident out of the project; and,

(7) Increase the management fee.

IV. Program Requirements

Each applicant must comply with the following requirements:

(A) *Statutory, Regulatory, and Other Program Requirements.* You must comply with all applicable statutory requirements to the projects specified in Section 202(b) and statutory requirements under Section 232(b)(6). Please note that all ALCP projects must conform to the 500-year flood plain limitation (See Section VII of this NOFA.) Construction of ALCP units is considered a "critical action" for purposes of the flood plain requirement.

Excess Residual Receipts (over \$500/unit) and Reserve for Replacement (R4R) funds (over \$1000/unit) in Project Accounts that are not approved for

another use at the time of application to HUD under this NOFA are considered available funds and must be applied towards the cost of conversion activities. Before making this determination, however, HUD staff will consider the extent of repair/replacement needs indicated in the most recent REAC physical inspection and not yet approved and any ongoing commitments such as non-grant-based service coordinator or other funding, where existing, deduct the estimated costs of such items from the R4R and residual receipts balances to determine the extent of available residual receipts and R4R funds for the ALCP. (This paragraph is not applicable to commercial properties.)

If funded, you must also file a HUD Form-2530 for all construction contractors, architects, consultants, and service provider organizations under direct contract with you that will be engaged under this NOFA and comply with all State and local licensing, zoning and building code requirements.

(B) *Meals and Supportive Services.* You must develop and submit a Supportive Services Plan (SSP) for the services and coordination of the supportive services which will be offered in the ALF to the appropriate state or local organization(s) which are expected to fund those supportive services. (See Section VI(B)(8) of this NOFA below, for the information which must be in the SSP.) You must submit one copy of your SSP to each appropriate State or local service funding organizations well in advance of the application deadline, for appropriate review. The State or local funding organization(s) must return the SSP to you with appropriate comments and indication of funding commitment, which you will then include with the application you submit to HUD.

You must ALSO submit the SSP to the appropriate organization(s) which license ALFs in your jurisdiction. The licensing agency(ies) must approve your plan, and must also certify that the ALF and the proposed supportive services identified in your SSP, are consistent with local statute and regulations and well designed to serve the needs of the frail elderly and people with disabilities who will reside in the ALF portion of your project.

Finally, you must also submit an agreement to pursue appropriate ALF licensing in a timely manner.

(C) *Minimum Size Limits for an ALF.* An ALF must be economically feasible. Consistent with HUD Handbook 4600.1, CHG-1, the minimum size for an ALF is five units.

(D) *Economic Opportunities for Low and Very Low Income Persons (Section 3)*. You must comply with section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Economic Opportunities for Low and Very Low Income Persons), and its implementing regulations at 24 CFR part 135. You must ensure that training, employment and other economic opportunities shall, to the greatest extent feasible, be directed toward low and very low income persons, particularly those who are recipients of government assistance for housing and to business concerns which provide economic opportunities to low and very low income persons and including people with disabilities.

(E) *Compliance with Fair Housing and Civil Rights Laws*. If you, the applicant (a) have been charged with a systemic violation of the Fair Housing Act by the Secretary alleging ongoing discrimination; (b) are the defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) have received a letter of noncompliance findings under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, your application will not be evaluated under this NOFA if, the charge, lawsuit, or letter of findings has not been resolved to the satisfaction of the Department before the application deadline, HUD's decision regarding whether a charge, lawsuit, or a letter of findings has been satisfactorily resolved will be based upon whether appropriate actions have been taken to address allegations of ongoing discrimination in the policies or practices involved in the charge, lawsuit, or letter of findings.

(F) *Additional Nondiscrimination Requirements*. As you will be converting some of your project to an ALF, you should note that 24 CFR 891.120(b) requires you to meet all accessibility requirements. Additionally, you must comply with the section 504 regulations at 24 CFR part 8, the Americans with Disabilities Act and the regulations at 28 CFR part 36, as applicable.

(G) *Executive Order 12372*. Information regarding this requirement may be found in the General Section of the SuperNOFA.

(H) *Conducting Business in Accordance with HUD Core Values and Ethical Standards*. Owners are required to develop and maintain a written code of conduct in accordance with 24 CFR 84.42. Consistent with regulations governing specific programs, your code of conduct must prohibit real and

apparent conflicts of interest that may arise among employees, officers or agents; prohibit the solicitation and acceptance of gifts or gratuities by your officers, employees and agents for their personal benefit in excess of minimal value, and outline administrative and disciplinary actions available to remedy violations of such standards. If awarded assistance, you will be required, prior to entering into a grant agreement with HUD, to submit a copy of your code of conduct and describe the methods you will use to ensure that all officers, employees and agents of your organization are aware of your code of conduct. You will also be required to sign the Conflict of Interest Resolution and include it in your application see Exhibit (10)(i).

(I) *Ensuring the Participation of Small Businesses, Small Disadvantaged Business, and Women-Owned Business*. Information regarding this provision may be found in the General Section of the SuperNOFA. Upon acceptance of grant funds under the ALCP, Grantees must comply with the requirements pursuant to Executive Orders 11625 and 12432 (concerning Minority Business Enterprises) and Executive Order 12138 (concerning Women's Business Enterprise).

(J) *Compliance with Other Program Requirements*: By the submission of the application for grant funds, the Owner is certifying to comply with the following program requirements:

(1) Establish a residual receipt account as soon as there is surplus cash available, if applicable.

(2) Apply for an ALF license with due diligence and in a timely fashion.

(3) Comply with the requirements of the Fair Housing Act, Title VI of the Civil Rights Act, the Age Discrimination Act of 1975, Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135, the affirmative fair housing marketing requirements of 24 CFR part 200, subpart M and the implementing regulations at 24 CFR part 108, and other applicable Federal, State and local laws prohibiting discrimination and promoting equal opportunity including affirmatively furthering fair housing, and other certifications listed in the application.

(4) Comply with section 232 of the National Housing Act, as applicable, the Uniform Federal Accessibility Standards (24 CFR 40.7), section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations at 24 CFR part 8, and the design and construction requirements of the Fair Housing Act and HUD's implementing

regulations at 24 CFR part 100, and the Americans with Disabilities Act of 1990 for all portions of the development physically affected by this proposal;

(5) Comply with the Davis-Bacon requirements and the Contract Work Hours and Safety Standards Act as applied to this program. While it has been determined that Davis-Bacon does not apply statutorily to the ALCP, the Department has administratively determined that Davis-Bacon standards and overtime rates in accordance with the Contract Work Hours and Safety Standards Act will be adhered to in any ALCP conversion grant in which the total cost of the physical conversion to an ALF (and including any additional renovation work undertaken at the same time) is \$500,000 or more (this includes ALCP grant funds, owner funds, or any third party funds loaned or granted in support of the conversion or other renovation for the project associated with this grant), AND in which the ALF portion of the project is 12 units or more.

V. Application Selection Process

(A) *Review for Curable Deficiencies*. You should ensure that your application is complete before submitting it to HUD.

HUD will screen all applications received by the deadline for curable deficiencies. With respect to correction of deficient applications, HUD may not, after the application due date and consistent with HUD's regulations in 24 CFR part 4, subpart B, consider any unsolicited information an applicant may want to provide. HUD may contact an applicant to clarify an item in the application or to correct technical deficiencies. Please note, however, that HUD may not seek clarification of items or responses that improve the substantive quality of a response to any selection factors. In order not to unreasonably exclude applications from being rated and ranked, HUD may contact applicants to ensure proper completion of the application and will do so on a uniform basis for all applicants. *Examples* of curable (correctable) technical deficiencies include failure to submit the proper certifications or failure to submit an application that contains an original signature by an authorized official. In each case, under this NOFA, the appropriate HUD Multifamily Hub Office will notify you in writing by describing the clarification or technical deficiency. You must submit clarifications or corrections of technical deficiencies in accordance with the information provided by the Hub Office within 14 calendar days of the date of receipt of the HUD notification. (If the

due date falls on a Saturday, Sunday, or Federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or Federal holiday.) If the deficiency is not corrected within this time period, HUD will reject the application as incomplete, and it will not be considered for funding. The following is a list of the deficiencies that will be considered curable in ALCP applications:

Exhibits

- (1) *(a) Articles of Incorporation, or certification of Articles of Incorporation.
- * (b) By-laws, or certification of by-laws.
- (3) Evidence of occupancy for at least five years (not applicable to commercial facilities).
- (5) (c) Original project plans.
 - (h) Relocation (not applicable to commercial property).
- (7) Evidence of Permissive Zoning.
- (8) (g) Support Letters from Governmental Agencies that License ALFs.
- (10) *Certifications, Forms and Resolution*
 - (a) Standard Form 424, Application for Federal Assistance and Compliance with Executive Order 12372.
 - (b) Standard Form 424D, Assurances Construction Programs.
 - (c) Form HUD 424M, Federal Assistance Funding Matrix.
 - (d) Form HUD-50070, Drug-free Workplace.
 - (e) Form HUD-50071, Payments to Influence Federal Transactions and Standard Form-LLL, Disclosure of Lobbying Activities.
 - (f) Form HUD 2880, Applicant/Recipient Disclosure/Update Report including Social Security and Employment Identification numbers.
 - (g) Form HUD-2992, Certification Regarding Debarment and Suspension.
 - (h) Form HUD-2991, Certification of Consistency with the Consolidated Plan (Plan), for the Jurisdiction in which the Proposed ALF will be located.
 - (i) Conflict of Interest Resolution.

The appropriate Hub Office will notify you in writing if your application is missing any of the exhibits listed above and you will be given 14 days from the date of receipt of the HUD notification to submit the information required to cure the noted deficiencies. The exhibits identified by an asterisk (*) must be dated on or before the application deadline date. If not so dated the application will be rejected.

After the completeness review, HUD staff will review your application to determine whether the application meets the threshold requirements listed below. Only if your application meets all the threshold requirements is it eligible to be rated and ranked. Applications that do not pass threshold will be rejected.

(B) *Threshold Review*. In order to pass threshold, you must:

- (1) Be in compliance with all fair housing and civil rights laws, statutes, regulations, and executive orders as enumerated in 24 CFR 5.105(a), and as noted earlier in this NOFA under Sections III(B)(2) and IV(E).
- (2) Be an eligible applicant.
- (3) Not request more funds than advertised.

(4) Additionally, HUD will also reject your application if the SSP and/or commitment and support letter(s) from the appropriate funding organizations and the appropriate licensing agency(ies):

- (i) Are not submitted with your application;
- (ii) Indicate that the ALF units, facilities, meals and supportive services to be provided are not designed to meet the special needs of the residents who will reside in the ALF as defined in this NOFA,
- (iii) Do not show commitment for funding the meals and supportive services proposed; or
- (iv) Indicate that the project as proposed will not meet the licensing requirements of the appropriate State/local agency(ies).

(C) *Review Panels*

The Office of Housing's Multifamily Hubs will establish panels to review all eligible applications that have passed threshold. The panels may include knowledgeable persons not currently employed by HUD.

(D) *Rating of Applications* (See paragraph below for selection of applications for commercial properties).

HUD staff teams will review and rate ALCP applications in accordance with the Ranking and Selection procedures (see Section V(F) of this NOFA below). All applications will be either rated or technically rejected at the end of technical review. If your application meets all program eligibility requirements after completion of technical review, it will be rated according to the rating selection factors in Section V(G) of this NOFA. HUD reserves the right to reduce the amount requested in the application if any proposed components are ineligible or if the cost of items is not deemed reasonable. HUD will *NOT* reject an ALCP application based on technical

review without notifying you of that rejection with all the reasons for the rejection, and providing you an opportunity to appeal. As discussed above, you will have 14 calendar days from the date of HUD's written notice to appeal a technical rejection to the Multifamily Hub where the applications were sent originally. HUD staff will make a determination on an appeal before finalizing selection recommendations.

(E) *Applicant Debriefing*. Beginning not less than 30 days after the awards for assistance are announced in the above-mentioned **Federal Register** notice, and for not longer than 120 days after awards for assistance are announced, HUD will provide a debriefing to any applicant requesting a debriefing on their application. All requests for debriefing must be made in writing and submitted to the local Hub in which you applied for assistance. Materials provided to you during your debriefing will include the final scores you received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied.

(F) *Ranking and Selection Procedures*. (Paragraphs (F)(1)—(4) are not applicable to applicants of commercial properties.)

Applications submitted in response to this NOFA that are eligible, pass threshold and have a total score of 70 points (or more) are eligible for ranking and selection. (Applications for the conversion of commercial properties with a score of at least 70 points will not be ranked but will be submitted to HUD Headquarters for selection.)

(1) Hub staff teams will be established for ALCP review in each Hub to do the application ratings (see Section V(D) above). See list of Hubs in Appendix A of this NOFA.

(2) From within rank order, Hub staff teams in each of the 18 Hubs will select the highest ranked applications from within that Hub in order, that can be funded from within the dollars available. Each Hub will select applications based on rank order up to and including the last application that can be funded out of each Hub's allocation. Hubs must not skip over any applications in order to select one based on the funds remaining.

(3) After making the initial selections, however, Hubs may use any residual funds to select the next rank-ordered application by reducing the dollars requested by no more than 10 percent (10%) and reducing the number of units proposed, but in no case reducing the

number of units below the financial threshold feasibility of five ALF units.

(4) Funds remaining after these processes are completed will be returned to HUD Headquarters. HUD will use these funds to restore units to any project reduced as a result of using the residual grant funds in a Hub. Secondly, HUD will use these funds for selecting one or more additional applications based on the Hubs rating and rankings, beginning with the highest rated application within the 18 Hubs. Only one application will be selected per Hub from the national residual amount. If there are no approvable applications in other Hubs, the process will begin again with the selection of the next highest rated application within the remaining Hubs. This process will continue until all approvable applications are selected using the available remaining funds. If there is a tie score between two or more applications, and there are insufficient residual funds to cover all tied applications, HUD Headquarters staff will choose the winning application(s) by lottery and/or reduction of grant requests consistent with the instructions above.

(5) Up to 3 applications will be selected using the \$15 million set-aside to provide grant funds to nonprofit applicants proposing to convert *unused or underutilized commercial property into assisted living*. HUD Multifamily Hubs will review applications for commercial properties for completeness and compliance with the eligibility criteria set forth in Section III of this NOFA. Hub staff will forward applications to Headquarters providing the application was received by the deadline date, meets all eligibility criteria, proposes reasonable costs for eligible activities, and includes all technical corrections by the designated deadline date. Headquarters will select no more than 3 applications on a first-come, first-served basis that can be funded within the \$15,000,000 available.

Note: Only applications that can be fully funded will be selected. If an application that cannot be fully funded is selected, it will be discarded and another application selected until an applicant is selected that is within the available remaining funds. Any remaining funds after this selection process will be returned to the funds allocated for eligible multifamily assisted projects.

(G) Factors For Award Used To Evaluate and Rate Applications.

HUD will rate ALCP applications that successfully complete technical processing using the Rating Factors set forth below and in accordance with the application submission requirements

identified in Section VI(B) of this NOFA, below. The maximum number of points an application may receive under this program is 100.

(1) The Department encourages applicants to either partner, fund or sub-contract with grassroots organizations, particularly faith-based and other community-based organizations in conducting their work programs. (See the General Section of the SuperNOFA for the definition of "grassroots organizations").

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (20 Points)

This factor addresses your capacity to carry out the conversion in a timely, cost-conscious and effective manner. It also reviews your experience with the supportive services which the ALF intends to provide to elderly residents, especially in such areas as meals, 24-hour staffing and on-site health care. Submit information responding to this factor in accordance with Application Submission Requirements in Sections VI(B)(5)(a), (8)(h), and (2)(d) of this NOFA.

In rating this factor, HUD will consider the extent to which your application demonstrates your ability to carry out a successful conversion of the project and to implement the plan to deliver the supportive services on a long term basis, considering the following:

(1) (9 points) The practicality of your plan and timetable to carry out the physical conversion of the development to the ALF.

(2) (10 points) Your past experience in providing or arranging for supportive services either on or off site for those who are frail. (If you are applying to convert an unused or underutilized commercial facility to assisted living and you do not own or operate a project with frail elderly residents, you must provide information on any past experience in providing or arranging supportive services for those who are frail.) Examples are: Meals delivered to apartment of resident or in a congregate setting (2 points), arranging for or providing personal care (3 points), providing 24-hour staffing (1 point), providing or making available on-site preventive health care (2 points) and other support services (2 points).

(3) (1 point) Your organization is a "grassroots" organization as defined in the General Section of the SuperNOFA.

Rating Factor 2: Need/Extent of the Problem (20 Points)

This factor addresses the extent to which the conversion is needed by the categories of elderly persons and

persons with disabilities that the ALF is intended to serve (very low income elderly persons and people with disabilities who have limitations in three or more activities of daily living). The application must provide evidence of current needs among project residents (not applicable to applications proposing to convert unused or underutilized commercial facilities) and needs of potential residents in the housing market area for such persons including economic and demographic information on very-low income frail elderly and people with disabilities and information on current assisted living resources in the market area.

The factor also addresses your inability to fund the repairs or conversion activities from existing financial resources. In making this determination, HUD will consider project financial information or the organization's financial information for unused or underutilized commercial facilities. Submit information responding to this factor in accordance with Application Submission Requirements in Section VI(B)(4)(a) through (d), (2)(c) and (9)(a) through (c) of the NOFA. In evaluating this factor, HUD will consider:

(1) (7 points) The need for assisted living among the elderly and disabled residents of the project taking into consideration those currently in need and the depth of future needs given aging in place. (Not applicable to applications to convert unused or underutilized commercial facilities to assisted living.)

(2) (3 points) (10 points for applications to convert unused or underutilized commercial facilities to assisted living.) The need for assisted living among very-low income elderly persons and people with disabilities in the housing market area.

(3) (9 points) Insufficient funding for any needed conversion work, as evidenced by the project's financial statements and specifically the lack of excess reserve for replacement dollars (R4R) and residual receipts. If the available R4R and residual receipts are less than 10% of the total funds needed = 9 points; if the available R4R and residual receipts are 10 - 50% of need = 5 points; and, if the available R4R and residual receipts are 51% or more of the total funds of need = 0 points). For commercial properties, if the available working capital exceeds 10 percent of the total conversion = 5 points; if the working capital is less than 10 percent of the total conversion = 9 points.

(4) (1 point) The Department will provide one (1) point to those

applications which establish a connection between the proposed ALF and 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.

Rating Factor 3: Soundness of Approach (40 Points).

This factor addresses the quality and effectiveness of your proposal in addressing the proposed conversion, effectiveness of service coordination and management planning and the meals and supportive services which the ALF intends to provide. There must be a relationship between the proposed activities, the project's and the community's needs and purposes of the program funding for your application to receive points for this factor. Submit information responding to this factor in accordance with Application Submission Requirements in Sections VI(B)(5)(b) through (e) and (h) and (7) and (B)(8)(a) through (e) and (g) and (h) of this NOFA.

In evaluating this factor, HUD will consider the following:

(1) (12 points) The extent to which the proposed ALF design will meet the special physical needs of frail elderly persons or persons with disabilities expected to be served at reasonable cost (consider the ALF design: meets needs = 12 points; ALF design partially meets needs = 6 points; and ALF design does not meet needs = 0 points).

(2) (12 points) The extent to which the ALF's proposed management and operational plan ensures that the provision of both meals and supportive services planned will be accomplished over time. (Consider ALF design/management plan: meets needs of management operations = 12 points; ALF design/management plan partially meets needs of management operations = 6 points; and ALF design/management plan does not meet needs of management operations = 0 points.)

(3) (7 points) The extent to which the proposed supportive services meet the anticipated needs of the frail elderly and disabled residents (consider Yes = 7 points; partially meets needs = 4 points; and, does not meet needs = 0 points); and

(4) (7 points) The extent to which the service coordination function is addressed and explained as onsite and sufficient, onsite and augmented or new, and addresses the ongoing procurement of needed services for the residents of the ALF (does meet = 7 points, partially meets = 4 points, does not meet = 0 points).

(5) (2 point) The extent to which there is an operating philosophy which promotes the autonomy and independence of the frail elderly persons it is intended to serve (is fully addressed = 2 points, no or not addressed = 0 points).

Rating Factor 4: Leveraging Resources (10 Points)

This factor addresses your ability to secure other community resources which can be combined with HUD's grant funds to achieve program purposes. For the ALCP to succeed, you *MUST* generate local funding for the necessary supportive services to operate the ALF. HUD also encourages local funding for some of the necessary conversion work, or other work needed in the project (e.g., general modernization) which is *NOT* specifically linked to the ALF).

Submit information responding to this factor in accordance with Application Submission Requirements in Section VI(B)(5)(f), (g), and (B)(8)(f) of this NOFA.

(1) (5 points) The extent to which there are commitments for the funding needed for the meals and the supportive services planned for the ALF and that the total cost of the estimated budget of the ALF is covered. Consider 90% or more commitment for the total budget with no more than 10% general support = 5 points; 80–89.9% or more commitment for the total budget with no more than 20% general support = 4 points; 65–79.9% firm commitment with no more than 35% general support = 3 points; 40–64.9% firm commitment for the total budget with no more than 60% general commitment = 2 points; less than 40% firm commitment for the total budget with no more than 60% general support = 0 points.

(2) (3 points) The extent of local organizations' support which is firmly committed to providing at least 50 percent of the total cost of ALF conversion (consider 50% or more = 3 points, 20–49.9% = 2 points, and under 20% = 0 points).

(3) (2 points) The extent of local organizational support which is firmly committed to providing funds for additional repair or retrofit necessary for the project *NOT* specifically directed to activities eligible under this NOFA (consider yes = 2 points, no = 0 points).

Rating Factor 5: Coordination, Self-sufficiency and Sustainability (10 Points)

This factor addresses the extent to which you have evidenced general support for conversion by participating in your community's Consolidated

Planning Process, involving the residents in the planning process (not applicable to applications proposing to convert unused or underutilized commercial facilities); the extent to which you have coordinated your activities with other known organizations that are not directly participating in your proposed work activities and are working toward addressing the need in a holistic and comprehensive manner through linkages with other activities in the community; the extent to which your project will implement practical solutions that will result in assisting residents in achieving independent living and the extent to which the project will be viable absent HUD funds but rely more on state, local and private funds. Submit information responding to this factor in accordance with Application Submission Requirements in Section VI(B)(2)(a) through (d), (B)(8)(a)–(e) of this NOFA.

(1) (4 points) The extent to which you have coordinated your activities with other known organizations that are not directly participating in your proposed work activities, but share common goals and objectives and are working together to meet objectives; the involvement of project residents (including minority residents) or their representatives, in the development of the ALCP application, and your intent to involve residents, in the development and operation of the project and in relocation planning (Minus two (– 2) points if not addressed); (If you are applying to convert an unused or underutilized commercial facility to assisted living, provide information on the involvement of elderly persons in the development of the ALCP application, and your intent to involve residents, in the development and operation of the project.)

(2) (2 points) The extent to which you demonstrated that you have been actively involved (or if not currently active, the steps you will take to become actively involved) in your community's Consolidated Planning/AI processes to identify and address a need/problem that is related in whole or part, directly or indirectly to the proposed project;

(3) (2 points) The extent to which your assisted living facility will implement practical solutions that will result in assisting residents in achieving independent living and improved living environment.

(4) (2 points) The extent to which you demonstrate that the project will be viable absent HUD funds while relying more on state, local and private funds.

VI. Application Submission Requirements

(A) *Application—General.* Your application must include all of the information, materials, forms, and exhibits listed in Section VI(B). In cases where your (i) articles of incorporation and (ii) by-laws have NOT changed since the project was originally approved by HUD, self-certification to that effect—that the documents on file with HUD are current—is sufficient. Items in Section VI(B) for which self-certification of currency is possible are denoted by a “***”.

In addition to the relief of paperwork burden in preparing applications, you will not have to submit certain new/recent information and exhibits you have previously prepared. See individual item descriptions, below to identify such items. An example of such an item may be the FY 2001 Annual Financial Statement.

(B) General Application Requirements.

(1) Application Summary for the Assisted Living Conversion Program and Evidence that you are a private non-profit organization or nonprofit consumer cooperative and have the legal ability to operate an ALF program, per the following:

(a) Articles of Incorporation, constitution, or other organizational documents, or self-certification of these documents, if there has been no change in the Articles since they were originally filed with HUD;*** and

(b) By-laws, (for non-profits) or self-certification of by-laws, if there has been no change in the by-laws since they were originally filed with HUD.***

(2) A description of your community ties and established linkages:

(a) A description of your links to the community at large and to the minority and elderly communities in particular; and

(b) A description of your efforts to involve elderly persons, including minority elderly persons and persons with disabilities in:

(i) The development of the application;

(ii) The development of the ALF operating philosophy;

(iii) Review of the application prior to submission to HUD; and

(iv) Your intent to involve elderly persons in the operation of the project or not.

Also, demonstrate that you made the application available to the residents of the project (in their language(s)) AND requested and considered comments from them (in their language(s)). Applicants of converted commercial

facilities should indicate that the application will be made available to the residents of the project in their language(s) and will request and consider comments from them in their language(s).

(c) A description of your involvement in your community's Consolidated Planning and Analysis of Impediments to Fair Housing (AI) processes including:

(i) An identification of the lead/facilitating agency(ies) that organizes/administers the processes;

(ii) A listing of the Consolidated Plan/AI issue areas in which you participate; and

(iii) The level of your participation in the processes, including active involvement with any neighborhood-based organizations, associations, or any committees that support programs and activities that enhance projects or the lives of residents of the projects, such as the one proposed in your application.

If you are not currently active, describe the specific steps you will take to become active in the Consolidated Planning and AI processes. (Consult the local HUD Office for the identification of the Consolidated Plan community process for the appropriate area.)

(d) A description of how the assisted living facility will implement practical solutions that will result in assisting residents in achieving independent living and improved living environment.

(3) Evidence of your project being in occupancy for at least five years as of the date of application to HUD. (Not applicable to commercial facilities.)

(4) A market analysis of the need for the proposed ALF units, including information from both the project and the housing market, containing:

(a) Evidence of need for the ALF by current project residents: (Not applicable to commercial facilities.)

(i) A description of the demographic characteristics of the elderly residents currently living in the project, including the current number of residents, distribution of residents by age and sex, an estimate of the number of residents with frailties/limitations in activities of daily living and an estimate of the number of residents in need of assisted living services. (Not applicable to commercial facilities.)

(ii) A description of the services which are currently available to the residents and/or provided on or off-site and what services are lacking; (Not applicable to commercial facilities.)

(b) Evidence of the need for ALF units by very low income elderly and disabled households in the market area; a description of the trend in elderly and

disabled population and household change; data on the demographic characteristics of the very low income elderly in need of assisted living services (age, race, sex, household size and tenure) and extent of residents with frailty/limitations in existing federally-assisted housing for the elderly (HUD and Rural Housing Service); and an estimate of the very low income elderly and disabled in need of assisted living taking into consideration any available State or local data.

(c) A description of the extent, types and availability and cost of alternate care and services locally, such as: Home health care, adult day care, housekeeping services, meals programs, visiting nurses, on-call transportation services, health care and providers of supportive services who address the needs of the local low income population.

(d) A description of how information in the community's Analysis of Impediments to Fair Housing Choice was used in documenting the need for the ALF (covering items in Section VI(B)(4)(a) and (b) of this NOFA).

(5) A description of the physical ALF conversion, including the following:

(a) How you propose to carry out the physical conversion (including a timetable and relocation planning).

(b) A short narrative stating the number of units, special design features, community and office space/storage, dining and kitchen facility and staff space and the physical relationship to the rest of the project. Also, you must describe how this design will facilitate the delivery of services in an economical fashion and accommodate the changing needs of the residents over at least the next 10 years.

(c) A copy of the original plans for all units and other areas of the development which will be included in the conversion. (If you are applying to convert an unused or underutilized commercial facility to assisted living, provide a copy of the original plans of the facility).

(d) A description of the conversion must clearly address the following accessibility issues: All door openings must have a minimum clear opening of 32 inches; and, all bathrooms and kitchens must be accessible to and functional for persons in wheelchairs, according to the “Uniform Federal Accessibility Standards.”

(e) Architectural sketches of the conversion to a scale of ¼ inch to one foot that indicate the following:

(i) All doors being widened;

(ii) Typical kitchen and bathroom reconfiguration: Show all wheelchair clearances, wall reinforcing, grab bars

and elevations of counters and work surfaces;

- (iii) Bedroom/living/dining area modification, if needed;
- (iv) Any reconfigured common space;
- (v) Added/reconfigured office and storage space;
- (vi) Monitoring stations, and
- (vii) The kitchen and dining facility.

All architectural modifications must meet section 504 and ADA requirements as appropriate.

(f) A budget showing at least estimated costs for materials, supplies, fixtures and labor for each of the items listed in Section VI(B)(5)(e), items i through vii, above.

(g) Include firm commitment letters with specific dollar amounts from appropriate organization(s) for conversion needs (within the scope of the ALF conversion NOFA) which will be supported by non-HUD funding.

(h) A description of any relocation of current tenants including a statement that: (Not applicable to commercial property applicants.)

(i) Indicates the estimated cost of temporary relocation payments and other related services;

(ii) Identifies the staff organization that will carry out the relocation activities; and

(iii) Identifies all tenants that will have to be temporarily moved to another unit within the development OR from the development during the period that the physical conversion of the project is under way.

Note: If any of the relocation costs will be funded from sources other than the ALCP grant, you must provide evidence of a firm commitment of these funds. When evaluating applications, HUD will consider the total cost of proposals (i.e., cost of conversion, temporary relocation, service coordinator and other project costs).

(6) A description of any retrofit or renovation which will be done at the project (with third party funds) that is separate and distinct from the ALF conversion. With such description, attach firm commitment letters from third party organizations in specific dollar amounts which will cover the cost of any work outside the scope of this NOFA.

(7) Evidence of permissive zoning, showing that the modifications to include the ALF into the project as proposed are permissible under applicable zoning ordinances or regulations, or a statement of the proposed action required to make the proposed project permissible and the basis for your belief that the proposed action will be completed successfully within six months of the date of grant award by HUD (e.g., a summary of the

results of any requests for rezoning and/or the procedures for obtaining special or conditional use permits on land in similar zoning classifications and the time required for such rezoning, or preliminary indications of acceptability from zoning bodies, etc.);

(8) A supportive services plan (SSP), a copy of which must be submitted to the appropriate state and/or local agency as instructed in Section IV(B) of this NOFA. For those applicants needing to contact state Medicaid offices, a list is provided on the Internet at "www.hcfa.gov/medicaid/medicaid.htm." The SSP must include:

(a) A description of the supportive services needed for the frail elderly the ALF is expected to serve. This must include at least (i) meals and such other supportive services required locally or by the State, and (ii) such optional services or care to be offered on an "as needed" basis.

Examples of both mandatory and optional services (which will vary from state to state) are: Two meals and two snacks or three meals daily; 24-hour protective oversight; personal care; housekeeping services; personal counseling and transportation.

(b) A description of how you will provide the supportive services to those who are frail and have disabilities (i.e., on or off-site or combination of on or off-site), including an explanation of how the service coordination role will facilitate the adequate provision of such services to ALF residents, and how the services will meet the identified needs of the residents. Also indicate how you intend to fund the service coordinator role.

(c) A description of how the operation of your ALF will work. Address: (i) General operating procedures; (ii) ALF philosophy and how it will promote the autonomy and independence of the frail elderly and persons with disabilities; (iii) what will the service coordination function will do and the extent to which this function already exists, or will be augmented or new; (iv) ALF staff training plans; and (v) the degree to which and how the ALF will relate to the day-to-day operations of the rest of the project.

(d) The monthly individual rate for board and supportive services for the ALF listing the total fee and components of the total fee for the items required by state or local licensing AND list the appropriate rate for any optional services you plan to offer to the ALF residents. Provide an estimate of the total annual costs of the required board and supportive services you expect to provide and an estimate of the amount

of optional services you expect to provide.

(e) List who will pay for the board and supportive services (e.g., \$__ for meals by sponsor, \$__ for housekeeping services by city government; \$__ for personal care by State Department of Health; \$__ for __ by state __ program; \$__ in fees by tenants; and, \$__ by __).

The amounts and commitments from both tenants and/or providers must equal the estimated amounts necessary to cover the monthly rates for the number of people expected to be served. If you include tenant fees in the proposal, list and show any proposed scaling mechanism. All amounts committed/collected must equal the annualized cost of the monthly rates calculated by the expected percentage of units filled.

(f) A support/commitment letter from EACH listed proposed funding source per paragraph (e), above, for the planned meals and supportive services listed in the application. The letter must cover the total planned annual commitment (and multiyear amount total, if different), length of time for the commitment, and the amounts payable for each service covered by the provider/paying organization. There must be a letter from EACH participating organization listed in Section VI(B)(8)(e) of this NOFA, above.

(g) A support letter from EACH governmental agency which provides licensing for ALFs in that jurisdiction.

(h) A description of your relevant experience in arranging for and/or delivering supportive services to frail residents. (If you are applying to convert an unused or underutilized commercial facility to assisted living, provide information on your relevant experience in arranging for and/or delivering supportive services to frail elderly persons). The description should include any supportive services facilities owned/operated; your past or current involvement in any project-based programs that demonstrates your management capabilities. The description should include data on the facilities and specific meals and/or supportive services provided on a regular basis, the racial/ethnic composition of the populations served, if available, and information and testimonials from residents or community leaders on the quality of the services.

Note: If a funds request for service coordination for the ALF and/or the whole project is included as part of this application, the Form HUD-424M, indicating the dollars requested must be attached as Exhibit 10(c). Do NOT attach the whole service coordinator application.

(9) A description of your project's resources: (Items (9)(a)–(b) are not applicable to applicants of commercial property.)

(a) A copy of the most recent project Repair and Replacement (R4R) account statement, and an R4R analysis showing plans for its use over the next five years, and any approvals received from the HUD field office to date.

(b) A copy of the most recent Residual Receipts Account statement. Indicate any approvals for the use of such receipts from the field office for over \$500/unit.

(c) Annual Financial Statement (AFS). If your FY 2002 AFS was due to REAC more than 120 days BEFORE the due date for this application, in the interest of reducing work burden, only include the date that it was sent to REAC. If the AFS was due to REAC 120 days or less from the due date of this application, you MUST include a paper copy. For commercial properties, the most recent financial statement or annual report.

(10) *Forms, Certifications and Resolutions*. The following exhibits, forms, certifications and assurances are required:

(a) *Standard Form 424, Application for Federal Assistance* and indication of whether you are delinquent on any federal debt and compliance with Executive Order 12372 (a certification that you have submitted a copy of your application, if required, to the State agency (Single Point of Contact) for State review in accordance with Executive Order 12372 (see the General Section of the SuperNOFA for instructions in submitting this form).

(b) *Standard Form 424D, Assurances, Construction Programs*.

(c) *Form HUD 424M, Federal Assistance Funding Matrix*.

(d) *Form HUD-50070, Drug-free Workplace*. Certification to provide a drug-free workplace.

(e) *Form HUD-50071, Payments to Influence Federal Transactions and Standard Form-LLL, Disclosure of Lobbying Activities*. Certification of whether any of the funds received will be used to influence any federal transactions and disclosure of these activities, if applicable.

(f) *Form HUD 2880, Applicant/Recipient Disclosure/Update Report, including Social Security and Employment Identification numbers*. A disclosure of assistance from other government sources received in connection with the project.

(g) *Certification Regarding Debarment and Suspension (HUD-2992) (24 CFR 24.510)*.

(h) *Form HUD-2991, Certification of Consistency with the Consolidated Plan*

(Plan), for the jurisdiction in which the proposed ALF will be located. The certification must be made by the unit of general local government if it is required to have, or has, a complete Plan. Otherwise, the certification may be made by the State, or by the unit of general local government if the project will be located within the jurisdiction of the unit of general local government authorized to use an abbreviated strategy, and if it is willing to prepare such a Plan.

All certifications must be made by the public official responsible for submitting the plan to HUD. The certifications must be submitted as part of the application by the application submission deadline date set forth herein. The Plan regulations are published in 24 CFR part 91.

(i) *A certified Board Resolution that no officer or director of the Owner has or will have any financial interest in any contract with the Owner or in any firm or corporation that has or will have a contract with the Owner, including a current listing of all duly qualified and sitting officers and directors by title, and the beginning and ending dates of each person's term.*

VII. Environmental Requirements

Your ALCP application is subject to the National Environmental Policy Act of 1969 and applicable related Federal environmental authorities. (See 24 CFR part 50, as applicable.) An environmental review will be completed by HUD before the award of any grant under this program. Pursuant to 24 CFR part 55, ALCP projects are critical actions for purposes of floodplain management review.

VIII. Authority

The Assisted Living Conversion Program is authorized by Section 202(b) of the Housing Act of 1959 (12 U.S.C. 1701q-2) and the Fiscal Year 2002 Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act.

Appendix A.—HUD Field Office List for Mailing Assisted Living Conversion Program Applications

HUD—Boston Hub

Boston Office, Room 301, Thomas P. O'Neill, Jr., Federal Building, 10 Causeway Street, Boston, MA 02222-1092, (617) 565-5234, TTY Number: (617) 565-5453.

HUD—New York Hub

New York Office, 26 Federal Plaza—32nd Floor, New York, NY 10278-0068, (212) 264-8000, TTY Number: (212) 264-0927

HUD—Buffalo Hub

Buffalo Office, Fifth Floor, Lafayette Court, 465 Main Street, Buffalo, NY 14203-1780, (716) 551-5755, TTY Number: (716) 551-5787

HUD—Philadelphia Hub

Philadelphia Office, The Wanamaker Building, 100 Penn Square East, Philadelphia, PA 19107-3380, (215) 656-0600, TTY Number: (215) 656-3452

HUD—Baltimore Hub

Baltimore Office, Fifth Floor, City Crescent Building, 10 South Howard Street, Baltimore, MD 21201-2505, (410) 962-2520, TTY Number: (410) 962-0106

HUD—Greensboro Hub

Greensboro Office, Koger Building, 2306 West Meadowview Road, Greensboro, NC 27407-3707, (336) 547-4000, TTY Number: (336) 547-4055

HUD—Atlanta Hub

Atlanta Office, 40 Marietta Street—Five Points Plaza, Atlanta, GA 30303-2806, (404) 331-5001, TTY Number: (404) 730-2654

HUD—Jacksonville Hub

Jacksonville Office, Suite 2200, Southern Bell Tower, 301 West Bay Street, Jacksonville, FL 32202-5121, (904) 232-2626, TTY Number: (904) 232-2631

HUD—Chicago Hub

Chicago Office, Ralph H. Metcalfe Federal Building, 77 West Jackson Boulevard, Chicago, IL 60604-3507, (312) 353-5680, TTY Number: (312) 353-5944

HUD—Detroit Hub

Detroit Office, Patrick V. McNamara Federal Building, 477 Michigan Avenue—17th Floor, Detroit, MI 48226-2592, (313) 226-7900, TTY Number: (313) 226-6899

HUD—Columbus Hub

Columbus Office, 200 North High Street, 7th Floor, Columbus, OH 43215-2499, (614) 469-5737, TTY Number: (614) 469-6694

HUD—Minneapolis Hub

Minneapolis Office, 220 Second Street, South, Minneapolis, MN 55401-2195, (612) 370-3000, TTY Number: (612) 370-3186

HUD—Ft. Worth Hub

Ft. Worth Office, 801 N. Cherry Street, P.O. Box 2905, Fort Worth, TX 76113-2905, (817) 978-9000, TTY Number: (817) 978-9273

HUD—Kansas City Hub

Kansas City Office, Room 200, Gateway Tower II, 400 State Avenue, Kansas City, KS 66101-2406, (913) 551-5462, TTY Number: (913) 551-6972

HUD—Denver Hub

Denver Office, 633 17th Street, Denver, CO 80202-3607, (303) 672-5440, TTY Number: (303) 672-5248

HUD—San Francisco Hub

San Francisco Office, Philip Burton Federal Building and U.S. Courthouse, 450 Golden Gate Avenue, P.O. Box 36003, San Francisco, CA 94102-3448, (415) 436-6550, TTY Number: (415) 436-6594

HUD—Los Angeles Hub

Los Angeles Office, 611 West 6th Street, Suite 800, Los Angeles, CA 90017-3106, (213) 894-8000, TTY Number: (213) 894-8133

HUD—Seattle Hub

Seattle Office, Seattle Federal Office Building, 909 1st Avenue, Suite 200, Seattle, WA 98104-1000, (206) 220-5101, TTY Number: (206) 220-5185

Note: The first line of the mailing address for all offices is the U. S. Department of Housing and Urban Development. Telephone numbers listed are not toll free.

Appendix B*HUD—Boston Hub*

Hartford Office, One Corporate Center, 19th Floor, Hartford, CT 06103-3220, (860) 240-4800, TTY Number: (860) 240-4665

Boston Office, Room 375, Thomas P. O'Neill, Jr., Federal Building, 10 Causeway Street, Boston, MA 02222-1092, (617) 565-5234, TTY Number: (617) 565-5453

Manchester Office, Norris Cotton Federal Building, 275 Chestnut Street, Manchester, NH 03101-2487, (603) 666-7681, TTY Number: (603) 666-7518

Providence Office, Sixth Floor, 10 Weybosset Street, Providence, RI 02903-2808, (401) 528-5230, TTY Number: (401) 528-5403

HUD—New York Hub

New York Office, 26 Federal Plaza, New York, NY 10278-0068, (212) 264-8000, TTY Number: (212) 264-0927

HUD—Buffalo Hub

Buffalo Office, Fifth Floor, Lafayette Court, 465 Main Street, Buffalo, NY 14203-1780, (716) 551-5755, TTY Number: (716) 551-5787

HUD—Philadelphia Hub

Philadelphia Office, The Wanamaker Building, 100 Penn Square East, Philadelphia, PA 19107-3380, (215) 656-0600, TTY Number: (215) 656-3452

Charleston Office, Suite 708, 405 Capitol Street, Charleston, WV 25301-1795, (304) 347-7000, TTY Number: (304) 347-5332

Newark Office, Thirteenth Floor, One Newark Center, Newark, NJ 07102-5260, (973) 622-7900, TTY Number: (973) 645-3298

Pittsburgh Office, 339 Sixth Avenue, Sixth Floor, Pittsburgh, PA 15222-2515, (412) 644-6428, TTY Number: (412) 644-5747

HUD—Baltimore Hub

Baltimore Office, Fifth Floor, City Crescent Building, 10 South Howard Street, Baltimore, MD 21201-2505, (410) 962-2520, TTY Number: (410) 962-0106

Washington, DC Office, 820 First Street, NE, Suite 300, Washington, D.C. 20002-4205, (202) 275-9200, TTY Number: (202) 275-0772

Richmond Office, The 3600 Centre, 3600 West Broad Street, Richmond, VA 23230-4920, (804) 278-4500, TTY Number: (804) 278-4501

HUD—Greensboro Hub

Greensboro Office, Koger Building, 2306 West Meadowview Road, Greensboro, NC 27407-3707, (336) 547-4000, TTY Number: (336) 547-4055

Columbia Office, Strom Thurmond Federal Building, 1835-45 Assembly Street, Columbia, SC 29201-2480, (803) 765-5592, TTY Number: (803) 253-3071

HUD—Atlanta Hub

Atlanta Office, Richard B. Russell Federal Building, 75 Spring Street, S.W., Suite 600, 40 Marietta Street—Five Points Plaza, Atlanta, GA 30303-3388 2806, (404) 331-5136 5001, TTY Number: (404) 730-2654

San Juan Office, Edificio Administracion de Terrenos, 171 Carlos Chardon Avenue, Suite 301, San Juan, PR 00918-0903, (787) 766-5400, TTY Number: (787) 776-5609

Louisville Office, 601 West Broadway, P.O. Box 1044, Louisville, KY 40201-1044, (502) 582-5251, TTY Number: 1-800-648-6056

Knoxville Office, Third Floor, John J. Duncan Federal Building, 710 Locust Street, Knoxville, TN 37902-2526, (423) 545-4384, TTY Number: (423) 545-4559

Nashville Office, Suite 200, 251 Cumberland Bend, Nashville, TN 37228-1803, (615) 736-5213, TTY Number: (615) 736-2886

HUD—Jacksonville Hub

Jacksonville Office, Suite 2200, Southern Bell Tower, 301 West Bay Street, Jacksonville, FL 32202-5121, (904) 232-2626, TTY Number: (904) 232-2631

Birmingham Office, Suite 300, Beacon Ridge Tower, 600 Beacon Parkway, West, Birmingham, AL 35209-3144, (205) 290-7617, TTY Number: (205) 290-7624

Jackson Office, Suite 910, Doctor A.H. McCoy Federal Building, 100 West Capitol Street, Jackson, MS 39269-1096, (601) 965-4700, TTY Number: (601) 965-4171

HUD—Chicago Hub

Chicago Office, Ralph H. Metcalfe Federal Building, 77 West Jackson Boulevard, Chicago, IL 60604-3507, (312) 353-5680, TTY Number: (312) 353-5944

Indianapolis Office, 151 North Delaware Street, Indianapolis, IN 46204-2526, (317) 226-6303, TTY Number: (317) 226-7081

HUD—Detroit Hub

Detroit Office, Patrick V. McNamara Federal Building, 477 Michigan Avenue, Detroit, MI 48226-2592, (313) 226-7900, TTY Number: (313) 226-6899

Grand Rapids Office, Trade Center Building, 50 Louis Street, NW, Third Floor, Grand Rapids, MI 49503-2648, (616) 456-2100, TTY Number: (616) 456-2159

HUD—Columbus Hub

Columbus Office, 200 North High Street, 7th Floor, Columbus, OH 43215-2499, (614) 469-5737, TTY Number: (614) 469-6694

Cleveland Office, Renaissance Building, 1350 Euclid Avenue, Suite 500, Cleveland, OH 44115-1815, (216) 522-4058, TTY Number: (216) 522-2261

HUD—Minneapolis Hub

Minneapolis Office, 220 Second Street, South, Minneapolis, MN 55401-2195, (612) 370-3000, TTY Number: (612) 370-3186

Milwaukee Office, Suite 1380, Henry S. Reuss Federal Plaza, 310 West Wisconsin Avenue, Milwaukee, WI 53203-2289, (414) 297-3214, TTY Number: (414) 297-1423

HUD—Ft. Worth Hub

Little Rock Office, Suite 900, TCBY Tower, 425 West Capitol Avenue, Little Rock, AR 72201-3488, (501) 324-5931, TTY Number: (501) 324-5931

New Orleans Office, Ninth Floor, Hale Boggs Federal Building, 501 Magazine Street, New Orleans, LA 70130-3099, (504) 589-7200, TTY Number: (504) 589-7279

Ft. Worth Office, 801 N. Cherry Street, P.O. Box 2905, Fort Worth, TX 76113-2905, (817) 978-9000, TTY Number: (817) 978-9273

Houston Office, Suite 200, Norfolk Tower, 2211 Norfolk, Houston, TX 77098-4096, (713) 313-2274, TTY Number: (713) 834-3274

San Antonio Office, Washington Square, 800 Dolorosa Street, San Antonio, TX 78207-4563, (210) 475-6800, TTY Number: (210) 475-6885

HUD—Great Plains

Des Moines Office, Room 239, Federal Building, 210 Walnut Street, Des Moines, IA 50309-2155, (515) 284-4512, TTY Number: (515) 284-4728

Kansas City Office, Room 200, Gateway Tower II, 400 State Avenue, Kansas City, KS 66101-2406, (913) 551-5462, TTY Number: (913) 551-6972

Omaha Office, Executive Tower Centre, 10909 Mill Valley Road, Omaha, NE 68154-3955, (402) 492-3100, TTY Number: (402) 492-3183

Saint Louis Office, Third Floor, Robert A. Young Federal Building, 1222 Spruce Street, St. Louis, MO 63103-2836, (314) 539-6583, TTY Number: (314) 539-6331

Oklahoma City Office, 500 West Main Street, Suite 400, Oklahoma City, OK 73102-2233, (405) 553-7401, TTY Number: 1-800-877-8339

HUD—Denver Hub

Denver Office, 633 17th Street, Denver, CO 80202-3607, (303) 672-5440, TTY Number: (303) 672-5248

HUD—San Francisco Hub

Phoenix Office, Suite 1600, Two Arizona Center, 400 North 5th Street, Phoenix, AZ 85004-2361, (602) 379-4434, TTY Number: (602) 379-4464

San Francisco Office, Philip Burton Federal Building and U.S. Courthouse, 450 Golden Gate Avenue, P.O. Box 36003, San Francisco, CA 94102-3448, (415) 436-6550, TTY Number: (415) 436-6594

Honolulu Office, Suite 500, 7 Waterfront Plaza, 500 Ala Moana Boulevard, Honolulu, HI 96813-4918, (808) 522-8185, TTY Number: (808) 522-8193

HUD—Los Angeles Hub

Los Angeles Office, 611 West 6th Street, Suite 800, Los Angeles, CA 90017-3106,

(213) 894-8000, TTY Number: (213) 894-8133

HUD—Seattle Hub

Portland Office, 400 Southwest Sixth Avenue, Suite 700, Portland, OR 97204-

1632, (503) 326-2561, TTY Number: (503) 326-3656

Note: The first line of the mailing address for all offices is the U. S. Department of Housing and Urban Development. Telephone numbers listed are not toll free.

APPENDIX C

The non-standard forms required for the ALCP application.

BILLING CODE 4210-32-P

APPENDIX C

EXHIBIT I

**Multifamily Housing
Assisted Living Conversion Program
APPLICATION SUMMARY SHEET**

**U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

Owner (Funds Recipient) Name _____

Address _____

City _____ State _____ Zip _____

Phone (Include Area Code) _____

Grant Contact Person (Name) _____

Phone (Include Area Code) _____

E-mail address _____

List the specific development(s) targeted for assistance under this grant. Use additional sheets as needed.

Development Name _____

Address _____

City _____ State _____ Zip _____

FHA/Project Number _____ Sec.8 Number _____

Project Type (e.g., 236) _____ No. of Units _____

Location (Urban, suburban, or rural) _____

Number of Residents _____ Estimated number of frail elderly _____

Estimated number of non-elderly people with disabilities _____

Estimated number of at-risk elderly _____

Are you applying for a Service Coordinator Grant? _____ Yes _____ No

Will this development share a service coordinator with other developments? _____ Yes _____ No
If yes, please give name and address of the development(s) if different.

Senators 1. _____ 2. _____

Congressional Representative(s) Name(s) 1. _____ District(s) 1. _____
2. _____ 2. _____

EXHIBIT 10(i)**OWNER'S CONFLICT OF INTEREST RESOLUTION**

TO: The Secretary of Housing and Urban Development

SUBJECT: Assisted Living Conversion Program (ALCP) for Eligible
Multifamily Housing Projects - Application for Grant

Owner:

Project Location:

WHEREAS, Section 202b of the Housing Act of 1959, as amended, authorizes the making of grants to owners of eligible multifamily housing projects designated for the elderly for conversion (in whole or in part) into assisted living facilities for elderly persons.

WHEREAS, HUD has implemented this statutory requirement by promulgating a regulation providing that the owner may not be controlled by or under the direction of persons or firms seeking to derive profit or gain therefrom. The regulation also prohibits any officer or director of the owner from having any financial interest in any contract in connection with the rendition of services, the provision of goods or supplies, procurement of furnishings or equipment, construction of the project, procurement of the site or any other matters whatsoever, except with respect to management or supportive services contracts entered into by the owner with its nonprofit affiliate.

WHEREAS, HUD has determined that assurance of compliance with this prohibition can best be obtained by requiring that all officers and directors of the owner corporation, if different, certify that they do not have and will not have during their term of office, any prohibited financial interest.

WHEREAS, because of the time constraints imposed under the application process and difficulties in meeting these deadlines caused by such factors as large boards and unavailability of officers and directors of the board, some owners have been unable or experienced hardship in obtaining all of the required certifications for submission with the applications for fund reservation.

WHEREAS, HUD is willing to defer submission of the required owners Conflict of Interest and Disclosure Certifications until no later than 45 days after receipt by the owner of an approval letter for funding for a grant under the Assisted Living Conversion Program (ALCP) if such certifications are provided by all the owner's officers and directors listed below, who are duly qualified and sitting in these capacities from the date of submission of the owner's ALCP application.

[LIST THE NAME, TITLE, AND THE BEGINNING AND ENDING DATES OF THE TERM OF ALL OFFICERS AND DIRECTORS]

NOW, THEREFORE, in order to induce HUD to forego requiring submission of the Conflict of Interest and Disclosure Certifications until after ALCP conversion projects have been selected and funds granted, it is hereby resolved and agreed by the Boards of Directors of the owner:

1. That both entities will submit updated Incumbency Certificates, in a form prescribed by HUD, showing all changes in incumbency for submission with the Owner's Application for the ALCP grant.

2. That no officer or director of the owner has or will be permitted to have any prohibited interest which would prevent him or her from signing the required Conflict of Interest and Disclosure Certification.

3. That the grant will be subject to cancellation by HUD if the officers or directors of the owner fail to submit Conflict of Interest and Disclosure Certifications duly executed.

4. That no HUD ALCP grant will be expended on account of any contract or arrangement where a conflict of interest is determined to exist, and the owner shall be responsible for the payment of any and all obligations involving its officers and directors.

5. That should any contract or arrangement entered into by the Owner be determined by HUD to involve a conflict of interest, involving either the owner's officers or directors, the owner will exercise its best efforts to promptly cancel or terminate such contract or arrangement at HUD's request.

Adopted and approved by the Board of Trustees of the owner on the _____ date of _____, _____.

Authorized Signature