

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**SECTION 202 SUPPORTIVE HOUSING
FOR THE ELDERLY**

Billing Code 4210-32-C

FUNDING AVAILABILITY FOR SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM (SECTION 202 PROGRAM)

PROGRAM OVERVIEW

Purpose of the Program. This program provides supportive housing for very low-income persons 62 years of age or older.

Available Funds. Approximately \$485.6 million.

Eligible Applicants. Private nonprofit organizations and nonprofit consumer cooperatives (see Section III(B) of this NOFA). (See Section VIII of this NOFA for information regarding the formation of the Owner corporation.)

Eligible Activities. New construction, rehabilitation, or acquisition of housing with or without rehabilitation (see Section III(C) of this NOFA).

Application Deadline. June 5, 2002.

Match Requirements. No.

ADDITIONAL INFORMATION

If you are interested in applying for funding under this program, please review carefully the General Section of this SuperNOFA and the following additional information.

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

Application Due Date. Submit your completed applications on or before 6 p.m., local time, on June 5, 2002 at the address shown below.

See the General Section of this SuperNOFA for specific procedures governing the submission of applications to HUD Field Offices. Only Section 202 applications mailed by United States Postal Service (USPS) will be accepted.

Address for Submitting Applications. Submit your completed application (an original and four copies are required) to the Director of the appropriate Multifamily Hub Office or Multifamily Program Center as listed in Appendix A to the Section 811 program section of this SuperNOFA with the following exceptions:

1. Applications for projects proposed to be located within the jurisdiction of the Seattle, Washington and the Anchorage, Alaska Offices must be submitted to the Portland, Oregon Office.
2. Applications for projects proposed to be located within the jurisdiction of the Sacramento, California Office must be submitted to the San Francisco, California Office.
3. Applications for projects proposed to be located within the jurisdiction of the Cincinnati, Ohio Office must be submitted to the Columbus, Ohio Office.

4. Applications for projects proposed to be located within the jurisdiction of the Washington, DC Office must be submitted to the Baltimore, Maryland Office.

The application kit also includes a listing of the Multifamily Hubs and Program Centers, their addresses and telephone numbers, including TTY numbers. This information is also available from HUD's SuperNOFA Information Center at 1-800-HUD-8929 and from the Internet through the HUD web site at <http://www.hud.gov/grants>. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209.

For Application Kits. For an application kit and any supplemental materials, please call HUD's SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209. When requesting an application kit, please refer to the Section 202 Program and provide your name, address (including zip code), and telephone number (including area code). The application kit also will be available on the Internet through the HUD web site at <http://www.hud.gov/grants> and from the appropriate Multifamily Hub or Multifamily Program Center.

For Further Information and Technical Assistance. You may contact the appropriate Multifamily Hub Office or Multifamily Program Center, Evelyn Berry at HUD Headquarters at (202) 708-2866, or access the Internet at <http://www.hud.gov/grants>. Persons with hearing and speech challenges may access the above number via TTY (text telephone) by calling the Federal Relay Service at 1-800-877-8339 (this is a toll-free number).

HUD encourages minority organizations and grassroots organizations (e.g., civic organizations, congregations and faith-based and other community-based organizations) to participate in this program and strongly recommends that prospective applicants attend the local HUD Office workshop. At the workshops, HUD will explain application procedures and requirements as well as address concerns such as local market conditions, building codes and accessibility requirements, historic preservation, floodplain management, displacement and relocation, zoning, and housing costs. If you are interested in attending the workshop, make sure that your name, address and telephone number are on the appropriate HUD Office's mailing list so that you will be informed of the date, time and place of

the workshop. Persons with disabilities should call the appropriate HUD Office to ensure that any necessary arrangements can be made to enable your attendance and participation in the workshop.

If you cannot attend the workshop, call the appropriate HUD Office if you have any questions concerning the submission of applications to that particular office and to request any materials distributed at the workshop.

Satellite Broadcast. HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of the application. For more information about the date and time of the broadcast, you should consult the HUD web site at <http://www.hud.gov/grants>.

II. Amount Allocated

For FY 2002, \$ 485,585,696 is available for capital advances for the supportive housing for the elderly program. The FY 2002 HUD Appropriations Act, Pub. L. 107-73, approved November 26, 2001, (HUD Appropriations Act) provides \$683,286,000 for capital advances, including amendments to capital advance contracts, for supportive housing for the elderly as authorized by section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act (Pub. L. 101-625, approved November 28, 1990), and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959. Of this amount, \$600,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems.

In accordance with the waiver authority provided in the HUD Appropriations Act, the Secretary is waiving the following statutory and regulatory provision: The term of the project rental assistance contract is reduced from 20 years to 5 years. HUD anticipates that at the end of the contract terms, renewals will be approved subject to the availability of funds. In addition to this provision, HUD will reserve project rental assistance contract funds based on 75 percent rather than on 100 percent of the current operating cost standards for approved units in order to take into account the average tenant contribution toward rent.

The allocation formula used for Section 202 reflects the "relevant characteristics of prospective program participants," as specified in 24 CFR

791.402(a). The FY 2002 formula consists of one data element: A measure of the number of one and two person elderly renter households with incomes at or below HUD'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.

Under Section 202, 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 are subtracted from the respective (metropolitan or nonmetropolitan) total capital advance amounts available. The remainder is fair shared to each HUD Office jurisdiction whose fair share exceeds the minimum set-aside based on the allocation formula fair share factors described below.

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 by dividing the number of

elderly renter households in the respective metropolitan and nonmetropolitan portion of the jurisdiction by the total number of elderly rental households in the metropolitan and nonmetropolitan portions of 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 the respective total remaining capital advance funds available nationwide. Based on the allocation formula, HUD has allocated the available capital advance funds as shown on the following chart:

BILLING CODE 4210-32-P

ATTACHMENT I

OFFICES	FY 2002 SECTION 202 ALLOCATIONS BY FIELD OFFICE					
	METROPOLITAN			NONMETRO		
	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE
BOSTON HUB						
BOSTON	182	17,095,800	9	871,849	191	17,967,649
HARTFORD	90	8,323,282	5	462,656	95	8,785,938
MANCHESTER	46	3,419,646	36	2,619,501	82	6,039,147
PROVIDENCE	53	4,946,196	5	467,631	58	5,413,827
TOTAL	371	33,784,924	55	4,421,637	426	38,206,561
NEW YORK HUB						
NEW YORK	445	52,963,795	5	594,489	450	53,558,284
BUFFALO HUB						
BUFFALO	139	11,586,210	27	2,281,610	166	13,867,820
PHILADELPHIA HUB						
CHARLESTON	20	1,432,742	17	1,253,338	37	2,686,080
NEWARK	209	20,455,274			209	20,455,274
PHILADELPHIA	175	15,167,280	22	1,883,785	197	17,051,065
PITTSBURGH	89	6,708,139	19	1,400,751	108	8,108,890
TOTAL	493	43,763,435	58	4,537,874	551	48,301,309
BALTIMORE HUB						
BALTIMORE	75	5,813,649	10	795,860	85	6,609,509
RICHMOND	72	4,900,280	25	1,659,129	97	6,559,409
WASHINGTON	77	6,343,979			77	6,343,979
TOTAL	224	17,057,908	35	2,454,989	259	19,512,897

OFFICES	METROPOLITAN			NONMETRO			TOTALS		
	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	
GREENSBORO HUB									
COLUMBIA	50	3,577,352	19	1,347,983	69	4,925,335			
GREENSBORO	83	7,136,248	40	3,392,949	123	10,529,197			
TOTAL	133	10,713,600	59	4,740,932	192	15,454,532			
ATLANTA HUB									
ATLANTA	84	5,583,511	37	2,485,079	121	8,068,590			
KNOXVILLE	39	2,544,398	12	767,283	51	3,311,681			
LOUISVILLE	52	3,673,056	29	2,031,880	81	5,704,936			
NASHVILLE	56	3,691,879	20	1,323,179	76	5,015,058			
SAN JUAN	42	4,206,569	14	1,428,319	56	5,634,888			
TOTAL	273	19,699,413	112	8,035,740	385	27,735,153			
JACKSONVILLE HUB									
BIRMINGHAM	64	4,202,269	25	1,675,945	89	5,878,214			
JACKSON	20	1,273,549	31	1,996,275	51	3,269,824			
JACKSONVILLE	263	17,005,562	16	1,006,576	279	18,012,138			
TOTAL	347	22,481,380	72	4,678,796	419	27,160,176			
CHICAGO HUB									
CHICAGO	229	20,860,254	35	3,208,125	264	24,068,379			
INDIANAPOLIS	85	6,085,240	24	1,750,973	109	7,836,213			
TOTAL	314	26,945,494	59	4,959,098	373	31,904,592			
COLUMBUS HUB									
CINCINNATI	68	4,757,977	5	350,723	73	5,108,700			
CLEVELAND	113	8,804,341	15	1,180,209	128	9,984,550			
COLUMBUS	51	3,518,332	18	1,260,390	69	4,778,722			
TOTAL	232	17,080,650	38	2,791,322	270	19,871,972			

OFFICES	METROPOLITAN			NONMETRO			TOTALS		
	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS
DETROIT HUB									
DETROIT	119	9,784,106	9	732,309	128	10,516,415			
GRAND RAPIDS	47	3,260,631	19	1,326,569	66	4,587,200			
TOTAL	166	13,044,737	28	2,058,878	194	15,103,615			
MINNEAPOLIS HUB									
MINNEAPOLIS	79	6,762,238	30	2,532,642	109	9,294,880			
MILWAUKEE	90	7,352,513	32	2,658,828	122	10,011,341			
TOTAL	169	14,114,751	62	5,191,470	231	19,306,221			
FT. WORTH HUB									
FT. WORTH	111	7,291,523	33	2,149,978	144	9,441,501			
HOUSTON	71	4,632,362	12	814,571	83	5,446,933			
LITTLE ROCK	38	2,290,047	28	1,685,013	66	3,975,060			
NEW ORLEANS	72	4,537,849	17	1,062,119	89	5,599,968			
SAN ANTONIO	61	3,759,266	13	801,214	74	4,560,480			
TOTAL	353	22,511,047	103	6,512,895	456	29,023,942			
KANSAS CITY HUB									
DES MOINES	39	2,677,581	29	2,009,507	68	4,687,088			
KANSAS CITY	66	4,803,339	29	2,033,464	95	6,836,803			
OKLAHOMA CITY	47	2,969,922	23	1,417,292	70	4,387,214			
OMAHA	20	1,462,591	16	1,162,010	36	2,624,601			
ST LOUIS	63	5,114,191	21	1,733,176	84	6,847,367			
TOTAL	235	17,027,624	118	8,355,449	353	25,383,073			
DENVER HUB									
DENVER	85	6,447,806	41	2,836,584	126	9,284,390			

OFFICES	METROPOLITAN			NONMETRO			TOTALS		
	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	UNITS	CAPITAL ADVANCE	
SAN FRANCISCO HUB									
SAN FRANCISCO	189	21,226,464	12	1,214,906	201	22,441,370			
HONOLULU	20	3,581,856	5	895,464	25	4,477,320			
PHOENIX	64	4,365,093	10	694,269	74	5,059,362			
SACRAMENTO	63	5,634,521	11	998,142	74	6,632,663			
TOTAL	336	34,807,934	38	3,802,781	374	38,610,715			
LOS ANGELES HUB									
LOS ANGELES	372	32,775,813	5	440,270	377	33,216,083			
SEATTLE HUB									
SEATTLE	84	7,285,506	17	1,505,772	101	8,791,278			
ANCHORAGE	20	3,581,856	5	895,464	25	4,477,320			
PORTLAND	65	5,073,957	23	1,741,806	88	6,815,763			
TOTAL	169	15,941,319	45	4,143,042	214	20,084,361			
NATIONAL TOTAL	4,856	412,747,840	960	72,837,856	5,816	485,585,696			

III. Program Description; Eligible Applicants; Eligible Activities

(A) *Program Description.* HUD provides capital advances and contracts for project rental assistance in accordance with 24 CFR part 891. Capital advances may be used for the construction or rehabilitation of a structure, or acquisition of a structure with or without rehabilitation (including structures from the Federal Deposit Insurance Corporation (FDIC). Capital advance funds bear no interest and are based on development cost limits published in this SuperNOFA. Repayment of the capital advance is not required as long as the housing remains available for occupancy by very low-income elderly persons for at least 40 years.

Project rental assistance contract (PRAC) funds are used to cover the difference between what the residents pay for rent and the HUD-approved expense to operate the project. PRAC funds may also be used to provide supportive services and to hire a service coordinator in those projects serving the frail elderly residents. The supportive services must be appropriate to the category or categories of frail elderly residents to be served.

(B) *Eligible Applicants.* Private nonprofit organizations and nonprofit consumer cooperatives are the only eligible applicants under this Section 202 Program. Neither a public body nor an instrumentality of a public body is eligible to participate in the program.

A Sponsor or Co-sponsor may not apply for more than 200 units of housing for the elderly in a single Hub or more than 10 percent of the total units allocated to all HUD Offices. Also, no single application may propose more than the number of units allocated to a HUD office or 125 units, whichever is less. Reservations for projects will not be approved for fewer than 5 units. If the proposed project will be a scattered-site development, the 5-unit minimum requirement will apply to each site. Affiliated entities that submit separate applications are considered to be a single entity for the purpose of these limits.

(C) *Eligible Activities.* Section 202 capital advance funds must be used to finance the development of housing through new construction, rehabilitation, or acquisition of housing with or without rehabilitation. Capital advance funds may also be used in combination with other non-Section 202 funding sources to develop additional units for a mixed-finance or mixed-used project. Project rental assistance funds are provided to cover the difference

between the HUD-approved operating costs and the amount the residents pay (each resident pays 30 percent of adjusted income) as well as to provide supportive services to frail elderly residents. In projects principally serving the frail elderly, eligible costs include the salary of a service coordinator.

Note: For purposes of approving Section 202 capital advances, HUD will consider proposals involving mixed-financing or a mixed-use purpose for additional units. However, you must obtain funds to assist the additional units with other than PRAC funds. HUD will not provide PRAC funds for non-Section 202 units.

(D) *Ineligible Activities.* Section 202 funds may not be used for nursing homes, infirmaries, medical facilities, mobile home projects, community centers, headquarters for organizations for the elderly, nonhousekeeping accommodations, or refinancing of sponsor-owned facilities without rehabilitation.

Note: You may propose to rehabilitate an existing currently-owned or leased structure that may or may not already serve elderly persons.

IV. Program Requirements

In addition to the program requirements listed in the General Section of this SuperNOFA, as an applicant, you must comply with the following requirements. By signing the Section 202 Application for a Fund Reservation, you are certifying that you, the applicant, will comply with all program requirements, including the following requirements:

(A) *Statutory and Regulatory Requirements.* You must comply with all Section 202 Program statutory and regulatory requirements, as listed in Sections III, IV and IX of this program section of the SuperNOFA.

(B) *HUD/RHS Agreement.* HUD and the Rural Housing Service (RHS) have an agreement to coordinate the administration of the agencies' respective rental assistance programs. As a result, HUD is required to notify RHS of applications for housing assistance it receives. This notification gives RHS the opportunity to comment if it has concerns about the demand for additional assisted housing and possible harm to existing projects in the same housing market area. HUD will consider RHS' comments in its review and application selection process.

(C) *Development Cost Limits.* (1) The following development cost limits, adjusted by locality as described in Section IV(C)(2) of this program section of the SuperNOFA, below, will be used to determine the capital advance

amount to be reserved for projects for the elderly:

(a) The total development cost of the property or project attributable to dwelling use (less the incremental development cost and the capitalized operating costs associated with any excess amenities and design features you must pay for) may not exceed:

Nonelevator structures:

\$41,238 per family unit without a bedroom;

\$47,548 per family unit with one bedroom;

\$57,344 per family unit with two bedrooms;

For elevator structures:

\$43,398 per family unit without a bedroom;

\$49,748 per family unit with one bedroom;

\$60,493 per family unit with two bedrooms.

(b) These cost limits reflect those costs reasonable and necessary to develop a project of modest design that complies with HUD minimum property standards; the accessibility requirements of § 891.120(b); and the project design and cost standards of § 891.120 and § 891.210.

(2) Increased development cost limits.

(a) HUD may increase the development cost limits set forth in Section IV(C)(1) of this program section of the SuperNOFA, above, by up to 140 percent in any geographic area where the cost levels require, and may increase the development cost limits by up to 160 percent on a project-by-project basis. This increase may include covering additional costs to make dwelling units accessible through rehabilitation.

(b) If HUD finds that high construction costs in Alaska, Guam, the Virgin Islands, or Hawaii make it infeasible to construct dwellings, without the sacrifice of sound standards of construction, design, and livability, within the development cost limits provided in Section IV(C)(1) of this program section of the SuperNOFA, above, the amount of the capital advances may be increased to compensate for such costs. The increase may not exceed the limits established under this section (including any high cost area adjustment) by more than 50 percent.

(D) *Minimum Capital Investment.* Selected nonprofit organizations must provide a minimum capital investment of one-half of one percent of the HUD-approved capital advance amount, not to exceed \$10,000 in accordance with § 891.145, with the following exception. If you, as Sponsor or Co-Sponsor, have

one or more Section 202 or one or more Section 811 project(s) under reservation, construction, or management in two or more different HUD geographical regions (Hubs), the minimum capital investment shall be one half of one percent of the HUD-approved capital advance amount, not to exceed \$25,000.

(E) *Accessibility.* If you intend to construct, substantially rehabilitate, or acquire, with or without rehabilitation, structures to be used as housing for the elderly, you should note 24 CFR 891.120, which requires that your project meets accessibility requirements. In addition, you should note that 24 CFR 8.4(b)(5) prohibits the selection of a site or location which has the purpose or effect of excluding persons with disabilities from the Federally-assisted program or activity. Thus, if you choose an existing structure, make sure that it can be made accessible in accordance with 24 CFR 891.120 and section 504 of the Rehabilitation Act of 1973, without resulting in an infeasible project. HUD also encourages you to add accessible design features beyond those required under civil rights laws and regulations. See Section VI(C) of the General Section of this SuperNOFA, entitled "Encouraging Accessible Design Features."

(F) *Conducting Business in Accordance with HUD Core Values and Ethical Standards.* Section 202 Sponsors are not subject to the requirements of 24 CFR parts 84 and 85 as outlined in the General Section of this SuperNOFA. However, Sponsors are still subject to the core values and ethical standards as they relate to the conflict of interest provisions in 24 CFR 891.130. To ensure compliance with the program's conflict of interest provisions, Section 202 applicants are required to sign a Conflict of Interest Resolution and include it in the Section 202 application package. Further, if awarded a Section 202 fund reservation, the officers, directors, board members, trustees, stockholders and authorized agents of the Section 202 Sponsor and Owner entities will be required to submit to HUD individual certifications regarding compliance with HUD's conflict of interest requirements.

(G) *Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses.* Although the Section 202 program is not subject to the provision of 24 CFR 85.36(e) as described in the corresponding paragraph in the General Section of the SuperNOFA, you are required to comply with Executive Order 12432, Minority Business Enterprise Development and Executive Order 11625, Prescribing Additional Arrangements for Developing and

Coordinating a National Program for Minority Business Enterprise as they relate to the encouragement of HUD grantees to utilize minority business enterprises.

(H) *Fair Housing Requirements.* You must comply with the requirements of the Fair Housing Act, Title VI of the Civil Rights Act, the Age Discrimination Act of 1975, 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. In addition, you are required to affirmatively further fair housing in conducting your program or activities in accord with Section II(D) of the General Section of the SuperNOFA entitled "Affirmatively Furthering Fair Housing."

(I) *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. To comply with Section 3 requirements, you are hereby certifying that you will strongly encourage your general contractor and subcontractors to participate in local apprenticeship programs or training programs registered with or certified by the Department of Labor's Office of Apprenticeship, Training, Employer and Labor Services or recognized State Apprenticeship Agency.

(J) *Design and Cost Standards.* You must comply with HUD's Section 202 design and cost standards (24 CFR 891.120 and 891.210, 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 for covered multifamily dwellings designed and constructed for first occupancy after March 13, 1991, 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.

(K) *Acquisition and Relocation.* You must comply with the Uniform Relocation Assistance and Real Property

Acquisition Policies Act of 1970, as amended (49 CFR part 24, and 24 CFR 891.155(e)) (URA) which covers the acquisition of sites, with or without, existing structures. However, you are exempt from complying with the site acquisition requirements of the URA if you do not have the power of eminent domain and prior to entering into a contract of sale, option to purchase or any other method of obtaining site control, you inform the seller of the land (1) that you do not have the power of eminent domain and, therefore, you will not acquire the property if negotiations fail to result in an amicable agreement, and (2) of the estimate of the fair market value of the property. An appraisal is not required to meet this requirement, however, your files must include an explanation (with reasonable evidence) of the basis for the estimate.

(L) *Formation of Owner Corporation.* You must form an Owner (in accordance with 24 CFR 891.205) after issuance of the capital advance, must cause the Owner to file a request for determination of eligibility and a request for capital advance, and must provide sufficient resources to the Owner to ensure the development and long-term operation of the project, including capitalizing the Owner at firm commitment processing in an amount sufficient to meet its obligations in connection with the project.

(M) *Supportive Services.* You must not require residents to accept any supportive services as a condition of occupancy.

(N) *Davis-Bacon.* You must comply with the Davis-Bacon requirements and the Contract Work Hours and Safety Standards Act.

(O) *Flood Disaster Protection Act of 1973.* You must comply with the requirements under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128) and the Coastal Barrier Resources Act (16 U.S.C. 3601).

(P) *National Environmental Policy Act.* You must comply with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and applicable related environmental authorities at 24 CFR 50.4, HUD's implementing regulations at 24 CFR part 50 and 24 CFR 891.155(b).

(Q) *Truth and Accuracy.* By signing your application, you are certifying that the information you are providing to HUD in your application under the Section 202 Program of Supportive Housing for the Elderly is true and accurate, to the best of your knowledge.

(R) *Expiration of Section 202 Funds.* The FY 2002 HUD Appropriations Act requires HUD to obligate all 202 funds appropriated for FY 2002 by September

30, 2004. Under 31 U.S.C. Section 1551, no funds can be disbursed from the account after September 30, 2009. Under Section 202, obligation of funds occurs for both capital advances and project rental assistance upon fund reservation and acceptance. If all funds are not disbursed by HUD and expended by the project Owner by September 30, 2009, the funds even though obligated will expire and no further disbursements can be made from this account. In submitting an application you need to carefully consider whether your proposed project can be completed through final capital advance closing no later than September 30, 2009. Furthermore, absent Congressional relief, all unexpended balances, including any remaining balance on PRAC contracts, will be cancelled as of October 1, 2009. Amounts needed to maintain PRAC payments for any remaining term on the affected contracts beyond that date will have to be funded from other current appropriations.

V. Application Selection Process

(A) *Review for Curable Deficiencies.* You should ensure that your application is complete before submitting it to the appropriate HUD Office. HUD will screen all applications received by the deadline for curable deficiencies. A curable deficiency is a missing Exhibit or portion of an Exhibit that will not affect the rating of the application. The following is a list of the deficiencies that will be considered curable in a Section 202 application:

Exhibits

- (1) Form 92015-CA (Application Form)*
- (2) (a) Articles of Incorporation*
- (b) By-laws*
- (c) IRS tax exemption ruling*
- (4) (c)(ii) Energy efficiency
- (d)(i) Evidence of site control
- (d)(ii) Evidence site is free of limitations, restrictions or reverters
- (d)(vi) Phase I Environmental Site Assessment
- (d)(vii) Letter from State Historic Preservation Officer (SHPO)
- (6) Relocation
- (7) (a) Standard Form 424, Application for Federal Assistance and Compliance with Executive Order 12372*
- (b) HUD-50070, Certification of a Drug-free Workplace
- (c) Form-HUD 50071, Certification of Payments to Influence Federal Transactions and Standard Form-LLL, Disclosure of Lobbying Activities
- (d) Form-HUD 2880, Applicant/Recipient Disclosure/Update Report
- (e) Form-HUD 2992, Certification Regarding Debarment and Suspension
- (f) Form-HUD 2991, Certification of Consistency with Consolidated Plan
- (g) Conflict of Interest Resolution
- (h) Resolution for Commitment to Project*

The HUD Office will notify you in writing if your application is missing any of the above exhibits or portions of exhibits and you will be given 14 days from the date of the HUD notification to submit the information required to cure the noted deficiencies. The items identified by an asterisk (*) must be dated on or before the application deadline date.

(B) *Rating.* HUD will review and rate your application in accordance with the Application Selection Process in the General Section of this SuperNOFA with the following exception. HUD will not reject your application based on technical review without notifying you of that rejection with all the reasons for rejection, and providing you an opportunity to appeal. You will have 14 calendar days from the date of HUD's written notice to appeal a technical rejection to the HUD office.

The HUD office will make a determination on an appeal before making its selection recommendations. 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 factors in Section V(D) of this Section 202 Program section of the SuperNOFA.

If an Exhibit or portion of an Exhibit listed above as curable is not discovered as a missing item until technical processing, HUD will provide you with 14 calendar days in which to cure the deficiency.

(C) *Ranking and Selection Procedures.* Applications submitted in response to the advertised metropolitan allocations or nonmetropolitan allocations that have a total base score (without the addition of EC/EZ bonus points) of 70 points or more and meet all of the applicable threshold requirements of Section II(B) of the General Section of the SuperNOFA will be eligible for selection, and HUD will place them in rank order per metropolitan or nonmetropolitan allocation. These applications, after adding any bonus points for EC/EZ, will be selected based on rank order, up to and including the last application that can be funded out of each HUD office's metropolitan or nonmetropolitan allocation. HUD offices must not skip over any applications in order to select one based on the funds remaining. After making the initial selections in each allocation area, however, HUD may use any residual funds to select the next rank-ordered application by reducing the number of units by no more than 10 percent, rounded to the nearest whole number,

provided the reduction will not render the project infeasible. For this purpose, however, HUD will not reduce the number of units in projects of five units or less.

Once this process has been completed, HUD offices may combine their unused metropolitan and nonmetropolitan funds in order to select the next ranked application in either category, using the unit reduction policy described above, if necessary.

After the offices have funded all possible projects based on the process above, combined metropolitan and nonmetropolitan 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 only one application selected per HUD Office. More than one application may be selected per HUD Office if there are no 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. Applications may not be skipped over to select one based on funds remaining. However, HUD may use any remaining residual funds to select 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 or result in the project being less than five units.

Funds remaining after these processes are completed will be returned to Headquarters. HUD Headquarters will use these residual funds first to restore units to projects reduced by HUD offices as a result of the instructions for using their residual funds. Second, HUD Headquarters will use these funds for selecting applications based on field offices' rankings beginning with the highest rated application nationwide. However, after restoring units to projects where necessary, priority will be given to those applications for projects in non-metropolitan areas, if necessary to meet the statutory requirement pertaining to Section 202 funding in non-metropolitan areas. Only one application will be selected per HUD office from the national residual amount. If there are no approvable applications in other HUD offices, the process will begin with the selection of the next highest rated application nationwide. This process will continue until all approvable applications are

selected using the available remaining funds.

(D) *Factors For Award Used To Evaluate and Rate Applications.* HUD will rate 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) below. The maximum number of points an application may receive under this program is 102. This includes two EZ/EC bonus points, as described in the General Section of the SuperNOFA.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (25 Points)

This factor addresses the extent to which you have the organizational resources to successfully implement the proposed activities in a timely manner. Submit information responding to this factor in accordance with Application Submission Requirements in paragraphs (B)(2), (B)(3)(a), (B)(3)(b), (B)(3)(e) and (B)(5) of Section VI of this program section of the SuperNOFA.

In rating this factor, HUD will consider the extent to which your application demonstrates your ability to develop and operate the proposed housing on a long-term basis, considering the following:

(a)(i) (14 points) The scope, extent, and quality of your 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 your demonstrated development and management capacity as well as your financial management capability;

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

(b) (10 points) The scope, extent, and quality of your experience in providing housing or related services to minority persons or families as well as your ties to the community at large and to the minority and elderly communities in particular. For purposes of this program section of the SuperNOFA, “minority” means the basic racial and ethnic categories for Federal statistics and administrative reporting, as defined in the Appendix section of the Office of Management and Budget’s (OMB) **Federal Register** Notice entitled “Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity” and dated October 30, 1997 (62 FR 58782–90). It can be found on the OMB Website at

www.whitehouse.gov/omb/fedreg/ombdir15.html.

(c) (–2 points) A fund reservation you received under either the Section 202 Program of Supportive Housing for the Elderly or the Section 811 Program of Supportive Housing for Persons with Disabilities has been extended beyond 36 months (except if the delay was beyond your control). Examples of such delays include, but are not limited to, initial closing delays that are: (1) directly attributable to HUD, (2) directly attributable to third party opposition, including litigation, and (3) due to a disaster, as declared by the President of the United States.

(d) (–1 point) Amendment money was required as a result of the delay (except if the delay was beyond your control).

Rating Factor 2: Need/Extent of the Problem (15 Points)

This factor addresses the extent to which there is a need for funding the proposed activities to address a documented problem in the target area. Submit information responding to this factor in accordance with Application Submission Requirements in paragraphs (B)(4)(a) and (B)(4)(b) of Section VI of this program section of the SuperNOFA. In evaluating this factor, HUD will consider:

The extent of the need for the project in the area based on a determination by the HUD Office. In making this determination, HUD will consider your evidence of need in the area, as well as other economic, demographic, and housing market data available to the HUD office. The data could include information on the number of existing Federally assisted housing units (HUD and RHS) for the elderly in the area 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. The Department will also review more favorably those applications which establish a connection between the proposed project 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. You must show how your proposed project will address an impediment to fair housing choice described in the AI or

meet a need identified in the other type of planning document.

Rating Factor 3: Soundness of Approach (40 Points)

This factor addresses the quality and effectiveness of your proposal. There must be a clear relationship between your proposed activities, 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 paragraphs (B)(4)(c), (B)(4)(d) and (B)(4)(e) of Section VI of this program section of the SuperNOFA. In evaluating this factor, HUD will consider the following:

(a)(i) (15 points) 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; compliance with site and neighborhood standards (24 CFR 891.125(a), (d) and (e));

(a)(ii) (–1 point) HUD will deduct one (1) point from this Factor if the site(s) is not already permissively zoned for the intended use.

(b) (10 points) 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. In reviewing this criterion, HUD will assess whether the site meets the site and neighborhood standards at 24 CFR 891.125(b) and (c) by examining relevant data in your application or in the HUD Office. Where appropriate, HUD may visit the site.

(i) The site will be deemed acceptable if it increases housing choice and opportunity by:—Expanding housing opportunities in non-minority neighborhoods (if located in such a neighborhood). The term “nonminority area” is defined as one in which the minority population is lower than 10 percent; or

— Contributing to the revitalization of and reinvestment in minority neighborhoods, including improvement of the level, quality and affordability of services furnished to minority elderly. You should refer to the Site and Neighborhood Standards provisions of the regulations governing the Section 202 Supportive Housing for the Elderly program (24 CFR 891.125(b) and (c)) when considering sites for your project.

(ii) For the purpose of this competition, the term “minority

neighborhood (area of minority concentration)" is defined as one where any one of the following statistical conditions exists:

- The percentage of persons of a particular racial or ethnic minority is at least 20 points higher than the minority's or combination of minorities' percentage in the housing market as a whole; or,
- The neighborhood's total percentage of minority persons is at least 20 points higher than the total percentage of minorities for the housing market as a whole; or,
- In the case of a metropolitan area, the neighborhood's total percentage of minority persons exceeds 50 percent of its population.

(c) (3 points) The extent to which your proposed design will meet the special physical needs of elderly persons;

(d) (3 points) The extent to which the proposed size and unit mix of the housing will enable you to manage and operate the housing efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion;

(e) (3 points) 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;

(f) (3 points) The extent to which the proposed supportive services meet the identified needs of the anticipated residents; and

(g) (3 points) The extent to which you demonstrate that the identified supportive services will be provided on a consistent, long-term basis.

(h) (-1 point) HUD will deduct one (1) point from the rating of this Factor if you do not include a plan for completing your project within the initial fund reservation period of 18 months.

Rating Factor 4: Leveraging Resources (10 Points)

This factor addresses your ability to secure other community resources which can be combined with HUD's program resources to achieve program purposes. Submit information responding to this factor in accordance with Application Submission Requirements in paragraphs (B)(3)(c) and (B)(3)(d) of Section VI of this program section of the SuperNOFA.

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

(b) (5 points) The extent of your activities in the community, including previous experience in serving the area where the project is to be located, and your demonstrated ability to enlist volunteers and raise local funds.

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

This factor addresses the extent to which you coordinated your activities with other known organizations that will not be directly involved in the proposed project, participate or promote participation in the community's planning process (e.g., the Consolidated Planning process, including the Analysis of Impediments to Fair Housing Choice), and are working toward addressing a need in a holistic and comprehensive manner to ensure that the project will not operate in isolation. This factor also addresses the extent to which your project will implement practical solutions that will result in assisting residents in achieving independent living, educational opportunities, and improved living environments. Finally, this factor addresses the extent to which the long-term viability of your project will be sustained for the duration of the 40-year capital advance period. Submit information responding to this factor in accordance with Application Submission Requirements in paragraphs (B)(3)(f), (B)(3)(g), (B)(3)(h), (B)(3)(i) and (B)(3)(j) of Section VI of this program section of the SuperNOFA.

(a) (2 points) Your involvement of elderly persons, particularly minority elderly persons, in the development of the application, and your intent to involve elderly persons, particularly minority elderly persons, in the development and operation of the project;

(b) (2 points) The extent to which you coordinated your application with other organizations that will not be directly participating in your project, but with which you share common goals and objectives and are working toward meeting these objectives in a holistic and comprehensive manner;

(c) (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 the community's planning process (e.g., the Consolidated Planning process, including the Analysis of Impediments to Fair Housing Choice) to identify and address a need/problem that is related in whole or part, directly or indirectly to the proposed project;

(d) (2 points) The extent to which your project will implement practical solutions that will result in assisting residents in achieving independent living, educational opportunities, and improved living environments; and

(e) (2 points) The extent to which you demonstrated that your project will remain viable as housing with the availability of supportive services for very low-income elderly persons for the 40-year capital advance period.

Bonus Points

(2 bonus points) Location of proposed site in an EZ/EC area, as described in the General Section of this SuperNOFA. Submit the information responding to the bonus points in accordance with the Application Submission Requirements in paragraph (B)(7)(i) of Section VI of this program section of the SuperNOFA.

(E) *Applicant Debriefing*. Beginning not less than 30 days after the awards for assistance are announced pursuant to this program NOFA, HUD will provide a debriefing to any applicant requesting a debriefing on their application. All requests for debriefings must be made in writing and submitted to the Director, of the Office of Multifamily Housing in the local HUD Office in which the application was filed. 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.

VI. Application Submission Requirements

(A) *Application*. Your application must include all of the information, materials, forms, and exhibits listed in Section VI(B) of this program section of the SuperNOFA (unless you were selected for a Section 202 fund reservation within the last three funding cycles). If you qualify for this exception, you are not required to submit the information described in Sections VI(B)(2)(a), (b), and (c) of this program section of the SuperNOFA (Exhibits 2.a., b., and c. of the application kit), which are the articles of incorporation, (or other organizational documents), by-laws, and the IRS tax exemption, respectively. If there has been a change in any of these documents since your previous HUD approval, you must submit the updated information in your application. HUD offices will verify your indication of previous HUD approval by checking the project number and approval status with the appropriate HUD Office based on the

information submitted in response to Section VI(B)(2) below.

In addition to this relief of paperwork burden in preparing applications, you will be able to submit information and exhibits you have previously prepared for prior applications under Section 202, Section 811, or other funding programs. Examples of exhibits that may be readily adapted or amended to decrease the burden of application preparation include, among others, those on previous participation in the Section 202 or Section 811 Programs, your experience in the provision of housing and services, supportive services plan, community ties, and experience serving minorities.

(B) *General Application Requirements.* Your application must contain the items listed in this Section VI(B). These items include the standard forms, certifications, and assurances listed in the General Section of the SuperNOFA that are applicable to this funding (collectively referred to as the "standard forms"). The standard forms can be found in Appendix B to the General Section of the SuperNOFA. The remaining application items that are forms (i.e., excluding such items as narratives), referred to as the "non-standard forms" can be found as Appendix B to this program section of the SuperNOFA. The items are as follows:

(1) Form HUD-92015-CA, Application for Section 202 Supportive Housing Capital Advance.

(2) Evidence of your and each Co-Sponsor's legal status as a private nonprofit organization or nonprofit consumer cooperative, including the following:

(2)(a) Articles of Incorporation, constitution, or other organizational documents;

(2)(b) By-laws;

(2)(c) IRS tax exemption ruling (this must be submitted by you and each Co-Sponsor, including churches). A consumer cooperative that is tax exempt under State law, has never been liable for payment of Federal income taxes, and does not pay patronage dividends may be exempt from the requirement set out in the previous sentence if it is not eligible for tax exemption.

Note: If you received a Section 202 Fund Reservation within the last three funding cycles, you are not required to submit the documents described in paragraphs (2)(a), (2)(b), and (2)(c), above. Instead, you must submit the project number of the latest application selected and the HUD office to which it was submitted. If there have been any modifications or additions to the subject documents, indicate such, and submit the new material.

(3) A description of your purpose, community ties, and experience, including the following:

(3)(a) A description of your purpose, current activities and how long you have been in existence;

(3)(b) A description of your ties to the community in which your project will be located and to the minority and elderly communities in particular, including a description of the specific geographic area(s) in which you have served;

(3)(c) A description of local government support for the project (including financial assistance, donation of land, provision of services, etc.);

(3)(d) Letters of support for your organization and for the proposed project from organizations familiar with the housing and supportive services needs of the elderly that you expect to serve in the proposed project;

(3)(e) A description of your housing and/or supportive services experience. The description should include any rental housing projects and/or supportive services facilities that you have sponsored, owned, and/or operated; your past or current involvement in any programs other than housing that demonstrates your management capabilities (including financial management) and experience; your experience in serving the elderly, including elderly persons with disabilities, and/or families and minorities; and the reasons for receiving any increases in fund reservations for developing and/or operating previously funded Section 202 or Section 811 projects. The description should include data on the facilities and services provided, the racial/ethnic composition of the populations served, if available, and information and testimonials from residents or community leaders on the quality of the activities. Examples of activities that could be described include housing counseling, nutrition and food services, special housing referral, screening and information projects.

(3)(f) A description of your efforts to involve elderly persons, including minority elderly persons, in the development of the application, as well as your intent to involve elderly persons in the development and operation of the project.

(3)(g) A description of the steps you took to coordinate your application with other organizations, that will not be directly involved in your project but with which you share common goals and objectives, to complement and/or support the proposed project so that the project will provide a comprehensive and holistic solution to the needs of the

elderly. Also, describe the steps you will take, if funded, to share information on solutions and outcomes relative to the development of the proposed project.

(3)(h) A description of your involvement in the community's planning process (e.g., the Consolidated Planning process, including the Analysis of Impediments to Fair Housing Choice), including:

(3)(h)(i) An identification of the lead/facilitating agency that organizes/administers the process;

(3)(h)(ii) An identification of the areas of the community's planning process in which you participate;

(3)(h)(iii) Your level of participation in the process, 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 community's planning process. If adopting the Consolidated Plan community process, consult the local HUD Office for the identification of the appropriate area.

(3)(i) A description of the practical solutions you will implement which will enable the residents of your project to achieve independent living. In addition, describe the educational opportunities you will provide for the residents and how you will provide them. This description should include any activities that will enhance the quality of life for the residents. And, finally, describe how your proposed project will be an improved living environment for the residents when compared to their previous place of residence.

(3)(j) Describe how you will ensure that your proposed project will remain viable as housing with the availability of supportive services for very low-income elderly persons for the 40-year capital advance period. This description should address the measures you would take should any of the following occur: (i) funding for any of the needed supportive services becomes depleted, or (ii) if, for any state-funded services for your project, the state changes its policy regarding the provision of supportive services to projects such as the one you propose, or (iii) if the need for housing for the elderly wanes over time, causing vacancies in your project.

(4) Project information, including the following:

(4)(a) Evidence of need for supportive housing. Such evidence would include a description of the category or

categories of elderly persons the housing is intended to serve and evidence demonstrating sustained effective demand for supportive housing for that population in the market area to be served, taking into consideration the occupancy and vacancy conditions in existing Federally assisted housing for the elderly (HUD and RHS; e.g., public housing); State or local data on the limitations in activities of daily living among the elderly in the area; aging in place in existing assisted rentals; trends in demographic changes in elderly population and households; the numbers of income eligible elderly households by size, tenure, and housing condition; the types of supportive services arrangements currently available in the area; and the use of such services as evidenced by data from local social service agencies or agencies on aging. Also, a description of how information in the community's Analysis of Impediments to Fair Housing Choice was used in documenting the need for the project.

(4)(b) A description of how the proposed project will benefit the target population and the community in which it will be located.

(4)(c) A description of the project, including the following:

(4)(c)(i) A narrative description of the building design, including a description of the number of units with bedroom distributions, any special design features, amenities, and/or community space, and how this design will facilitate the delivery of services in an economical fashion and accommodate the changing needs of the residents over the next 10–20 years.

Note: If these community spaces, amenities, or features would not comply with the project design and cost standards of 24 CFR 891.120 and the special project standards of 24 CFR 891.210, you must state your ability and willingness to contribute both the incremental development cost and continuing operating cost associated with the community spaces, amenities, or features;

(4)(c)(ii) A description of whether and how the project will promote energy efficiency, and, if applicable, innovative construction or rehabilitation methods or technologies to be used that will promote efficient construction.

(4)(c)(iii) If applicable, a description of any plans and the actions you have taken to create a mixed-finance/mixed-use project by developing additional units (i.e., in addition to the Section 202 units) with the use of Section 202 capital advance funds in combination with other funding sources. Specify the number of Section 202 units and the number of additional units from non-Section 202 funding sources. Provide

copies of any letters you have sent seeking outside funding for the non-Section 202 units and any responses thereto. You also must demonstrate your ability to proceed with the development of a Section 202 project that will not involve mixed-financing or a mixed-use purpose, as proposed in your application, in the event you are later unable to obtain the necessary outside funding or HUD disapproves your proposal for mixed-financing or a mixed-use.

Note: Approval of the Section 202 capital advance will not necessarily be approval of the mixed-finance/mixed-use proposal. If approved for a reservation of capital advance funds, you will be required to submit, after reservation of capital advance funds, a detailed proposal outlining how you will fund both development and operation of the additional units in accordance with HUD instructions that will be issued later. Based on the strength of your organization and HUD's prior experience with your projects, as well as your outline of your intentions, at the time of making the fund reservation, HUD will determine whether you will be permitted to submit a mixed-finance/mixed-use proposal at a later time. Only those Sponsors that indicate in their application for a fund reservation an intention to propose additional units will be eligible to submit, at a later time, a mixed-finance/mixed-use proposal for additional units. (A mixed-finance/mixed-use project, as used here, does not include the development of Section 202 units using secondary/supplemental financing or the development of a mixed-use project in which the Section 202 units are mortgaged separately from the other uses of the structure).

(4)(c)(iv) Describe your plan for completing the proposed project within the initial 18-month term of the fund reservation (optional).

(4)(d) Evidence that the Sponsor has site control and permissive zoning, including the following:

(4)(d)(i) Acceptable evidence of site control is limited to any one of the following:

(A) Deed or long-term leasehold which evidences that you have title to or a leasehold interest in the site. If a leasehold, the term of the lease must be at least 75 years;

(B) Contract of sale for the site which is free of any limitations affecting ability to deliver ownership to you after you receive and accept a notice of Section 202 capital advance. The only condition for closing on the sale can be your receipt and acceptance of the capital advance. The contract of sale cannot require closing on a date earlier than the Section 202 closing.

(C) Option to purchase or for a long-term leasehold which must remain in effect for six months from the date on which the applications are due, and

must state a firm price binding on the seller. The only condition on which the option may be terminated is if you are not awarded a fund reservation. The option must be renewable at the end of the six months option period.

(D) Where the proposed site is subject to a mortgage under a HUD program (e.g., an earlier 202 or an FHA insured mortgage), you must submit evidence that consent to release of the site from that mortgage has been obtained or has been requested from HUD and from the mortgagee, if other than HUD.

(E) For sites to be acquired from a public body, evidence is needed that the public body possesses clear title to the site and has entered into a legally binding agreement to lease or convey the site to you after you receive and accept a notice of Section 202 capital advance. Where HUD determines that time constraints of the funding round will not permit all of the required official actions (e.g., approval of Community Planning Boards) that are necessary to convey publicly-owned sites, a letter in the application from the mayor or director of the appropriate local agency indicating that conveyance or leasing of the site is acceptable without imposition of additional covenants or restrictions and only contingent on the necessary approval action. Such a letter commitment will be considered sufficient evidence of site control.

Note: For this funding cycle, New York City-owned sites that are designated as community gardens and are involved in litigation will not meet site control requirements due to litigation involving those sites.

(4)(d)(ii) Whether you have title to the site, a contract of sale, an option to purchase, or are acquiring the site from a public body, you must provide evidence (a title policy or other acceptable evidence) that the site is free of any limitations, restrictions, or reverters which could adversely affect the use of the site for the proposed project for the 40-year capital advance period under HUD's regulations and requirements (e.g., reversion to seller if title is transferred). If the title evidence contains restrictions or covenants, copies of such covenants or restrictions must be submitted with the application. If the site is subject to any such limitations, restrictions, or reverters, the application will be rejected. Purchase money mortgages that will be satisfied from capital advance funds are not considered to be limitations or restrictions that would adversely affect the use of the site. If the contract of sale or the option agreement contains

provisions that allow a Sponsor not to purchase the property for reasons such as environmental problems, failure of the site to pass inspection, or the appraisal is less than the purchase price, then such provisions are not objectionable and a Sponsor is allowed to terminate the contract of sale or the option agreement.

Note: A proposed project site may not be acquired or optioned from a general contractor (or its affiliate) that will construct the section 202 project or from any other development team member.

(4)(d)(iii) Evidence that the project as proposed is 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 before the submission of the firm commitment application (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.).

(4)(d)(iv) A narrative topographical and demographic description of the suitability of the site and area, and how the site will promote greater housing opportunities for minority elderly persons, thereby affirmatively furthering fair housing.

Note: You can best demonstrate your commitment to affirmatively furthering fair housing by describing how your proposed activities will assist the jurisdiction in overcoming impediments to fair housing choice identified in the applicable jurisdiction's Analysis of Impediments to Fair Housing Choice (AI), which is a component of the jurisdiction's Consolidated Plan, or any other planning document that addresses fair housing issues. The applicable Consolidated Plan and AI may be the Community's, the County's, or the State's, to which input should have been provided by local community organizations, agencies in the community, and residents of the community. Alternatively, a document that addresses fair housing issues and remedies to barriers to fair housing in the community that was previously prepared by a local planning, or similar organization, may be used. Applicable impediments could include the need for improved housing quality and services for elderly minority families, lack of affirmative marketing and outreach to minority elderly persons, and the need for quality eldercare services within areas of minority concentration when compared with the type and quality of similar services and housing in nonminority areas.

(4)(d)(v) A map showing the location of the site, the racial composition of the

neighborhood, and any areas of racial concentration. For this competition, applicants should use the racial and ethnic data categories stated in the Appendix section of the October 30, 1997, Office of Management and Budget **Federal Register** Notice (62 FR 58782-90), (www.whitehouse.gov/omb/fedreg/ombdir15.html) and data from the 1990 Census of Population when determining the racial and ethnic composition of the neighborhood surrounding the proposed site. Data from the 1990 Census of Population may be found at www.factfinder.census.gov/servlet/BasicFactsServlet.

(4)(d)(vi) A Phase I Environmental Site Assessment (ESA), in accordance with the American Society for Testing and Material (ASTM) Standards E 1527-97, as amended. The Phase I ESA must be completed and submitted with the application. In order for the Phase I ESA to be acceptable, it must have been completed, or updated, no earlier than six months prior to application deadline date. Therefore, it is important that you start the Phase I ESA process as soon after publication of this SuperNOFA as possible.

If the Phase I ESA indicates the possible presence of contamination and/or hazards, you must decide whether to continue with this site or choose another site. Should you choose another site, the same Phase I ESA process identified above must be followed for the new site. **NOTE:** You are not limited to acquiring properties from the FDIC. However, if the property is to be acquired from the FDIC, include a copy of the FDIC prepared Transaction Screen Checklist or Phase I ESA, and applicable documentation, per the FDIC/RTC Environmental Guidelines.

If you choose to continue with the original site on which the Phase I ESA indicated contamination or hazards, you must undertake a detailed Phase II Environmental Site Assessment (ESA) by an appropriate professional. If the Phase II ESA reveals site contamination, the extent of the contamination and a plan for clean-up 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 the application to be considered for review under this FY 2002 funding competition, you must submit this information to the local HUD office on or before July 5, 2002.

Note: This could be an expensive undertaking. You must pay for the cost of any clean-up and/or remediation.

(4)(d)(vii) A letter from the State Historic Preservation Officer (SHPO) indicating whether the proposed site has any historical significance. If you cannot obtain a letter from the SHPO due to the SHPO not responding to your request or the SHPO responding that it cannot or will not comply with the requirement, you must submit the following:

(A) A letter indicating that you attempted to get the required letter from the SHPO but that the SHPO either had not responded to your request or would not honor or recognize your request;

(B) A copy of your letter to the SHPO requesting the required letter; and,

(C) A copy of the SHPO's response, if available.

(4)(e) Provision of supportive services in the proposed facility:

(4)(e)(i) A detailed description of the supportive services proposed to be provided to the anticipated occupancy;

(4)(e)(ii) A description of public or private sources of assistance that reasonably could be expected to fund the proposed services;

(4)(e)(iii) The manner in which such services will be provided to such persons (i.e., on or off-site), including whether a service coordinator will facilitate the adequate provision of such services, and how the services will meet the identified needs of the residents.

Note: You may not require residents, as a condition of occupancy, to accept any supportive service.

(5) A list of the applications, if any, that you have submitted or are planning to submit to any other HUD office in response to this announcement of Section 202 Program funding availability or the announcement of Section 811 Program (Supportive Housing for Persons with Disabilities) funding availability, published elsewhere in this SuperNOFA. Indicate by HUD office, the proposed location by city and State, and the number of units requested for each application. Include a list of all FY 2001 and prior year projects to which you are a party. Identify each by project number and HUD Office and include the following information: (a) Whether the project has initially closed and, if so, when; (b) if the project was older than 36 months when it initially closed or is older than 36 months now and has not initially closed, provide the reasons for the delay in closing; (c) whether amendment money was or will be needed for any project in (b) above; and (d) those projects which have not been finally closed.

(6) A statement that:

(6)(a) Identifies all persons (families, individuals, businesses, and nonprofit

organizations), by race/minority group, and status as owners or tenants, occupying the property on the date of submission of the application for a capital advance;

(6)(b) Indicates the estimated cost of relocation payments and other services;

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

(6)(d) Identifies all persons who have moved from the site within the past 12 months.

Note: If any of the relocation costs will be funded from sources other than the section 202 capital advance, 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 site acquisition, relocation, construction, and other project costs).

(7) *Certifications and Resolutions.* In addition to the certifications and assurances listed in the General Section of this SuperNOFA with the exception of SF-424A, SF-424B, SF-424C, SF-424D, HUD-424M and the OMB Circulars which are not required, you are required to submit signed copies of the following:

(7)(a) *Standard Form 424.* Application for Federal Assistance, 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 instructions for submitting this form in the Consolidated Application Submission section of the General Section of the SuperNOFA.)

(7)(b) *Drug-Free Workplace (HUD-50070).* Certification to provide a drug-free workplace.

(7)(c) *Payments to Influence Federal Transactions (HUD-50071) 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 those activities, if applicable.

(7)(d) *Applicant/Recipient Disclosure/Update Report, including Social Security Numbers and Employee Identification Numbers, (HUD-2880).* A disclosure of assistance from other government sources received in connection with the project.

(7)(e) *Certification Regarding Debarment and Suspension (HUD-2992) (24 CFR 24.510).* A certification attesting to the eligibility of your principals.

(7)(f) *Certification of Consistency with the Consolidated Plan (Plan), Form HUD-2991, for the jurisdiction in which*

the proposed project 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 in this program section of the SuperNOFA. The Plan regulations are published in 24 CFR part 91.

(7)(g) *A certified Board Resolution that no officer or director of the Sponsor or 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.*

(7)(h) *A certified Board Resolution, acknowledging the responsibilities of sponsorship, long-term support of the project(s), your willingness to assist the Owner to develop, own, manage, and provide appropriate services in connection with the proposed project, and that it reflects the will of your membership. Also, the resolution shall indicate your willingness to fund the estimated start-up expenses, the Minimum Capital Investment (one-half of one-percent of the HUD-approved capital advance, not to exceed \$10,000, if nonaffiliated with a National Sponsor; one-half of one-percent of the HUD-approved capital advance, not to exceed \$25,000, for all other Sponsors;), and the estimated cost of any amenities or features (and operating costs related thereto) that would not be covered by the approved capital advance.*

(7)(i) *Certification of Consistency with the EZ/EC Strategic Plan, HUD-2990.* A certification that the project is consistent with the EZ/EC strategic plan, is located within the EZ/EC, and serves EZ/EC residents. (This certification is not required if the project site(s) will not be located in an EZ/EC.)

VII. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications.

VIII. Formation of Owner Corporation for Development of Section 202 Projects and for Section 202 Projects Involving Mixed-Financing or a Mixed-Use Purpose.

Applicant eligibility for purposes of applying for a Section 202 fund reservation under this NOFA has not changed; i.e., all Section 202 Sponsors and Co-Sponsors must be private nonprofit organizations and nonprofit consumer cooperatives. However, the Owner corporation, when later formed by the Sponsor, may be (1) a single-purpose private nonprofit organization that has tax-exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986, (2) nonprofit consumer cooperative, OR (3) for purposes of developing a mixed-finance/mixed-use project for developing additional units over and above the Section 202 units, a for-profit limited partnership with a nonprofit entity as the sole general partner.

IX. Authority

The Section 202 Supportive Housing for the Elderly Program is authorized by section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act (Pub.L. 101-625; approved November 28, 1990); the Housing and Community Development Act of 1992 (Pub.L. 102-550; approved October 28, 1992), the Rescissions Act (Pub.L. 104-19; enacted on July 27, 1995); the American Homeownership and Economic Opportunity Act of 2000 (Pub. L. 106-569; approved December 27, 2000); and the Fiscal Year 2002 HUD Appropriations Act (Pub. L. 107-73, approved November 26, 2001).

Appendix A

Addresses for Submitting Applications

Please see Appendix A to the Section 811 Program Section of this SuperNOFA. Submit your completed application (an original and four copies) to the Director of the appropriate Multifamily Hub Office or Multifamily Program Center as listed in Appendix A to the Section 811 program section of this SuperNOFA. See Section I., Address for Submitting Applications, of this program NOFA, for the exceptions regarding where to file your application.

Appendix B

The non-standard forms, which follow, are required for your Section 202 Program application.

BILLING CODE 4210-32-P

APPENDIX B

TABLE OF CONTENTS

	PAGE
<hr/>	
PART I - APPLICATION FORM FOR SECTION 202 SUPPORTIVE HOUSING - CAPITAL ADVANCE	
EXHIBIT 1: Form HUD-92015-CA, Application for Section 202 Supportive Housing Capital Advance	_____
<hr/>	
PART II - YOUR ABILITY TO DEVELOP AND OPERATE THE PROPOSED PROJECT	
EXHIBIT 2: Your Legal Status	
(a) Articles of Incorporation (or other organizational documents)	_____
(b) By-laws	_____
(c) IRS Tax Exemption Ruling	_____
[EXCEPTION: SEE EXHIBIT TO DETERMINE IF YOU MAY BE EXEMPT FROM SUBMITTING THESE DOCUMENTS.]	
EXHIBIT 3: Your purpose, community ties and experience:	
(a) Purpose(s), current activities, how long you have been in existence	_____
(b) Ties to the community at large, to the target population, and description of geographic areas served	_____
(c) Local government support for project	_____
(d) Letters of support for your organiza- tion and for the proposed project	_____
(e) Housing and/or supportive services experience	_____

PAGE

- (f) Efforts to involve target population _____
- (g) Identification/coordination with other organizations; information sharing on solutions/outcomes about project development _____
- (h) Involvement in the community's planning process including Analysis of Impediments to Fair Housing Choice:
 - (i) Agency that organizes/administers the process _____
 - (ii) Identification of areas of community's planning process in which you participate _____
 - (iii) Level of your participation in the process _____

OR

Specific steps you will take to become active in the process _____

- (i) Description of practical solutions to be implemented _____
- (j) Description of how project will remain viable _____

PART III - THE NEED FOR SUPPORTIVE HOUSING FOR THE TARGET POPULATION IN THE AREA TO BE SERVED, SITE CONTROL AND SUITABILITY OF SITE, ADEQUACY OF THE PROVISION OF SUPPORTIVE SERVICES AND OF THE PROPOSED PROJECT

EXHIBIT 4: Project information including:

- (a) Evidence of need for project _____
- (b) How project will benefit target population and community _____
- (c) A narrative description of the project, including:
 - (i) Building design _____

PAGE

- (ii) Whether and how project will promote energy efficiency _____
- (iii) If, applicable, description of plans and actions to create a mixed-finance/mixed-use project _____
- (iv) Description of plan for completing project within 18 mth fund reservation period (optional) _____
- (d) Evidence of site control and permissive zoning
 - (i) Site control document(s) _____
 - (ii) Evidence site is free of limitations, restrictions, or reverters _____
 - (iii) Evidence of permissive zoning or statement of proposed action required to make project permissible _____
 - (iv) Narrative topographical/demographic description of site/area suitability, how site will promote greater housing opportunities for minorities/target population _____
 - (v) Racial composition/concentration map of site _____
 - (vi) Phase I Environmental Site Assessment _____
 - (vii) Letter from State Historic Preservation Office (SHPO) _____

OR

If no response from SHPO:

- (A) Letter indicating no response from SHPO and why _____
- (B) Your letter to SHPO requesting required letter _____

PAGE

(C) SHPO's response, if available _____

(e) Provision of supportive services:

(i) Description of services _____

(ii) Public/private funding sources
for proposed services _____(iii) Manner in which services will be
provided _____**PART IV - GENERAL APPLICATION REQUIREMENTS, CERTIFICATIONS
AND RESOLUTIONS**

EXHIBIT 5: A list of applications, if any, you have submitted or are planning to submit to any other HUD Office in response to the Section 202 or Section 811 NOFA, and required information about each _____

EXHIBIT 6: A statement that:

(a) Identifies all persons occupying property on application submission date _____

(b) Indicates estimated cost of relocation payments/other services _____

(c) Identifies staff organization that will carry out relocation activities _____

(d) Identifies all persons who have moved from site within past 12 months _____

EXHIBIT 7: **CERTIFICATIONS AND RESOLUTIONS:**

(a) Standard Form 424 _____

(b) Drug-Free Workplace (HUD-50070) _____

(c) Certification of Payments to Influence Federal Transactions (HUD-50071), and _____

Disclosure of Lobbying Activities (Standard Form LLL), if applicable _____

	PAGE
(d) Applicant/Recipient Disclosure/Update Report (HUD-2880)	_____
(e) Certification Regarding Debarment and Suspension (HUD-2992)	_____
(f) Certification of Consistency with the Consolidated Plan (HUD-2991)	_____
(g) Sponsor's Conflict of Interest Resolution	_____
(h) Sponsor's Resolution for Commitment to Project	_____
(i) Certification of Consistency with the EZ/EC Strategic Plan (HUD-2990)	_____

Supportive Housing for Persons with Disabilities
Section 811

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

OMB Approval No. 2502-0462
(exp.6/30/2002)

**Application for Capital Advance
Summary Information**

For HUD Use Only	HUD Project Number	PRAC Number
-------------------------	--------------------	-------------

<p>1. Name(s), Address(es), Contact Person, and Telephone Number(s) of Sponsor(s)</p>	<p>2. Minority Sponsor Designation: A minority sponsor is one in which at least 51 percent of the board members are minority. Is this sponsor a minority applicant? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," identify by numeric code as shown below <input type="checkbox"/></p> <p>Codes: 2 - Black; 3 - Native American 4 - Hispanic; 5 - Asian Pacific 6 - Asian Indian</p>
---	---

<p>3a. Location of Site (city & State)</p>	<p>3b. Will project be located within the boundaries of a Federally-designated: (1) Empowerment Zone, (2) Enterprise Community, (3) Urban Enhanced Enterprise Community, or (4) Strategic Planning Community? (Contact local HUD Office for information on these designated areas.)</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," please indicate appropriate number as shown above. <input type="checkbox"/></p>
<p>4a. Congressional District</p>	<p>5. Capital Advance Amount Requested</p> <p>\$</p>
<p>4b. Census Tract</p>	

<p>6. Project Rental Assistance Contract Amount Requested</p> <p>\$</p>	<p>7. Application Contains</p> <p><input type="checkbox"/> Evidence of Site Control</p> <p><input type="checkbox"/> Identification of Site</p>	<p>9a. Occupancy Type</p> <p><input type="checkbox"/> Physically Disabled</p> <p><input type="checkbox"/> Developmentally Disabled</p> <p><input type="checkbox"/> Chronically Mentally Ill</p> <p><input type="checkbox"/> Mixed Occupancy</p> <p>Identify Categories _____</p>	<p>9b. Restricted Occupancy Requested</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If "Yes," identify subcategory _____</p>
<p>Note: For a group home(s) in 10. below, include the number of disabled residents in both the "Total Units" and the "Total Disabled Residents" categories. For an independent living project(s), include Resident Manager unit, if applicable, in the "Total Units" category.</p>			
<p>8. Type of Construction</p> <p><input type="checkbox"/> New Construction</p> <p><input type="checkbox"/> Rehabilitation</p> <p><input type="checkbox"/> Acquisition</p>			

10. Project Type & Number of Units/Residents Proposed

a. **Group Home**

Site	No. of Disabled Residents	Resident Mgr. Unit (Y/N)	Address
#1			
#2			
#3			
#4			

b. **Independent Living Project**

Site	Units by No. of Bedrooms				Total Disabled		Resident Mgr. Unit (Y/N)	Total Units	Address
	0	1	2	3	Units	Residents			
#1									
#2									
#3									
#4									

c. **Condominium**

Site	Units by No. of Bedrooms				Total Disabled		Resident Mgr. Unit (Y/N)	Total Units	Address
	0	1	2	3	Units	Residents			
#1									
#2									
#3									
#4									

Note: If an elevator structure in b or c above, indicate by placing an "E" next to the total number of units for each applicable site.

Totals

Units (Section 811)	
Disabled Residents	
Sites	

Mixed Finance or Mixed Use Project for Additional Units

Yes No # of Add'l Units _____

11. Check utilities and services not included in the rent and to be paid directly by the tenant

- Electric
- Water
- Heat
- Gas

12. Unusual Site Features

- None
- Cuts
- Fill
- Erosion
- Poor Drainage
- Retaining Walls
- Rock Foundations
- High Water Table
- Other (specify)

13. Off-Site Facilities:

	Public	At Site	Ft. from Site
Water	<input type="checkbox"/>	<input type="checkbox"/>	_____
Sewer	<input type="checkbox"/>	<input type="checkbox"/>	_____
Paving	<input type="checkbox"/>	<input type="checkbox"/>	_____
Gas	<input type="checkbox"/>	<input type="checkbox"/>	_____
Electric	<input type="checkbox"/>	<input type="checkbox"/>	_____

14. Community Spaces to be included in Project: (identified by site no. indicated in 10 above):

15. If Sponsor is applying for more than one HUD program from the SuperNOFA, indicate which application(s) contain the forms with original signatures.
Program Name _____ Form _____

16. Name, Address and Telephone Number of (mark one box)

- Consultant
- Agent
- Authorized Representative

17. Sponsor's Attorney (name, address and telephone number)

By (signature of sponsor's authorized representative)

Type in Name

Title

Date(mm/dd/yyyy)

Public reporting burden for this collection of information is estimated to average 46 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is in support of HUD's efforts to expand the supply of Supportive Housing for Persons with Disabilities under Section 811. The information is necessary to assist HUD to determine applicant eligibility and ability to develop housing for disabled with statutory and program criteria. A thorough evaluation of an applicant's qualifications and capabilities is critical to protect the Government's financial interest and to mitigate any possibility of fraud, waste or mismanagement of public funds. This application does not collect any sensitive information. HUD does not ensure confidentiality.

SPONSOR'S CONFLICT OF INTEREST RESOLUTION

TO: The Secretary of Housing and Urban Development

SUBJECT: Section 202 Program - Application for Fund Reservation
Section 811 Program - Application for Fund Reservation

Sponsor:
Project Location:

WHEREAS, Section 202 of the Housing Act of 1959, as amended, authorizes the making of capital advances for housing for the elderly to private, nonprofit corporations, OR Section 811 of the National Affordable Housing Act of 1990, as amended, authorizes the making of capital advances to nonprofit corporations for housing for persons with disabilities, no part of the net earnings of which inure to the benefit of any member, founder, contributor or individual;

WHEREAS, HUD has implemented this statutory requirement by promulgating a regulation providing that the Sponsor 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 Sponsor 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 the Sponsor or 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 Sponsor 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 prospective Sponsors 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 Sponsors' Conflict of Interest and Disclosure Certifications until the submission of the firm commitment applications by those

(2)

Owners for which fund reservations were approved, if such certifications are provided by all the Sponsor's officers and directors listed below, who are duly qualified and sitting in these capacities from the date of the Sponsor's fund reservation 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 projects have been selected and fund reservations granted, it is hereby resolved and agreed by the Board of Directors of the Sponsor:

1. That it will submit an updated Incumbency Certificate, in a form prescribed by HUD, showing all changes in incumbency for submission with the Owner's Application for Firm Commitment, initial closing and final closing.

2. That no officer or director of the Sponsor 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 fund reservation will be subject to cancellation by HUD if the officers or directors of either the Sponsor or the Owner fail to submit Conflict of Interest and Disclosure Certifications duly executed by each and all of their respective officers and directors.

4. That no HUD capital advance funds or project rental assistance funds will be expended on account of any contract or arrangement where a conflict of interest is determined to exist, and the Sponsor 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 Sponsor's or Owner's officers or directors, the Sponsor will exercise its best efforts to cause the Owner to promptly cancel or terminate such contract or arrangement at HUD's request.

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

Authorized Signature

SPONSOR'S RESOLUTION FOR COMMITMENT TO PROJECT

TO: Secretary of Housing and Urban Development

SUBJECT: Section 202 Program - Application for Fund Reservation
Section 811 Program - Application for Fund Reservation

Sponsor:
Project Location:

1. WHEREAS, under the Section 202 Program for Supportive Housing for the Elderly, the Sponsor acknowledges its responsibilities of sponsorship, long-term support, its willingness to assist the Owner to develop, own, manage and provide appropriate services in connection with the proposed project, and it reflects the will of its membership. The Sponsor is required to make a commitment to cover the estimated start-up expenses, the minimum capital investment of 1/2 of one percent of the HUD-approved capital advance, not to exceed \$25,000 (\$10,000 for sponsors not affiliated with a national sponsor) and the estimated cost of any amenities or features (and operating costs related thereto) which would not be covered by the approved capital advance.

OR

Whereas, under the Section 811 Program of Supportive Housing for Persons with Disabilities, the Sponsor acknowledges its responsibilities of sponsorship, long-term support, its willingness to assist the Owner to develop, own, manage and provide appropriate services in connection with the proposed project, and that it reflects the will of its membership. The Sponsor is required to make a commitment to cover the estimated start-up expenses, the minimum capital investment of 1/2 of one percent of the HUD-approved capital advance, not to exceed \$10,000 and the estimated cost of any amenities or features (and operating costs related thereto) which would not be covered by the approved capital advance.

2. WHEREAS, HUD has determined that assurance by the Sponsor of its commitment and willingness to provide those funds can best be assured by requiring a resolution of the Board of Directors that funds will be made available for such purposes.
3. NOW, THEREFORE, the Board of Directors of the Sponsor hereby resolves and agrees that funds will be available for the subject project to meet estimated start-up expenses, the

(2)

minimum capital investment and the estimated cost of any amenities or features (and operating costs related thereto) which would not be covered by the approved capital advance.

Adopted and approved by _____ of the
Sponsor on the _____ day of _____, _____.

Authorized Signature