

Review of Applications (cont'd)

- **HUD Technical Processing-**
 - Request for clarifying information or curable items not discovered until technical processing
 - 14 calendar day deadline for response
 - If applicable, you must submit HUD Phase II ESA by:
 - June 26, 2006 – 811
 - July 3, 2006 - 202

Review of Applications (cont'd)

- **Schedule (cont'd)**
 - **Technical reject letters issued:**
 - **July 17, 2006 – 811**
 - **July 24, 2006 - 202**
 - **Applicant can appeal within 14 calendar days**
 - **Local HUD Office responds to appeal within 5 working days**

Rating and Ranking of Applications

- **Approvable applications rated according to Rating Criteria in NOFA**
- **HUD holds Rating/Selection Panel**
 - **After the 14-day period for appeals, ie, after decisions on tech reject appeals**
 - **After completion of all environmental reviews for projects with site control**

Rating and Ranking of Applications (cont'd)

- HUD holds Rating/Selection Panel (cont'd)
 - After receipt of any Single Point of Contact (SPOC) comments, where applicable, or end of comment period (pursuant to EO 12372)

Rating Factors

- **1. Capacity of the Applicant and Relevant Organizational Staff (23 pts –202/28 pts - 811)**
 - a. Housing or related services experience/scope of project compared to your development and management (including financial) capability (13 pts)**

Rating Factors (cont'd)

- **Rating Factor 1 (cont'd)**
 - b(1) Housing or related services experience to minority persons/families (5 pts)**
 - b(2) Ties to community and to minority and elderly (202) or disability (811) communities (5 pts)**

Rating Factors (cont'd)

- **Rating Factor 1 (cont'd)**
- **A Sec. 811 or Sec. 202 fund reserv. in FY'01 & later has been extended beyond 24, 36, or 48 months (except if delay was beyond your control) (-3 to -5 pts)**
 - 3 pts: beyond 24 months**
 - 4 pts: beyond 36 months**
 - 5 pts: beyond 48 months**

Rating Factors (cont'd)

- **Rating Factor 1 (cont'd)**
- **d. Amendment money was required as a result of the delay (except if delay was beyond your control). A sliding scale based on amt. of amend. funds over original Cap. Adv. amt. (-3 to -5 pts)**
 - 3 pts: 25% or less**
 - 4 pts: Between 26% and 50%**
 - 5 pts: Over 50%**

Rating Factors (cont'd)

- **Rating Factor 1 (cont'd)**
 - e. **Experience in developing integrated housing and/or proj. will be integrated housing (5 pts – 811 Only)**

Rating Factors (cont'd)

2. Need/Extent of the Problem (13 pts)

a. Extent of need for proj. in area:

- >202: - Unmet needs ratio of
15% or less (10 pts)**
- Unmet needs ratio greater
than 15% (5 pts)**
- No Need (0 pt)**

Rating Factors (cont'd)

2. Need/Extent of the Problem (cont'd)

- >811: - A need demonstrated for
 proposed proj. (10 pts)
 - No need (0 pt)**

Rating Factors (cont'd)

2. Need/Extent of the Problem (cont'd)

**b. The extent that a connection has been established between project and the Community's Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI) or other planning document.
(3 pts)**

Rating Factors

Section 202

3. Soundness of Approach (47 pts)

a. Site approvability (20 pts)

b. One or more of proposed sites is not permissively zoned (-1 pt)

c. Site promotes greater choice of housing for minority elderly (10 pts)

Rating Factors (cont'd)

Section 202

3. Soundness of Approach (cont'd) (47 pts)

- d. Design meets physical needs of the elderly (2 pts)**
- e. Size & unit mix promote efficient mgmt./ economic service provision (2 pts)**

Rating Factors (cont'd)

Section 202

- 3. Soundness of Approach – (cont'd)**
 - f. Design accommodates services over useful life of hsg (2 pts)**
 - g. Supp. services meet needs of residents & provided on a long-term basis (3 pts)**
 - h. Design incorporates visitability stds & universal design (1 pt)**

Rating Factors (cont'd)

Section 202

3. Soundness of Approach – (cont'd)
 - i. Involvement of elderly persons in appl. dev. & in dev. & operation of project (2 pts)
 - j. Efforts the local jurisdiction has taken in removing reg. barriers to affordable housing (2 pts)
 - k. Extent of energy efficiency in proj. design/operation (1 pt)

Rating Factors (cont'd)

Section 202

3. Soundness of Approach – (cont'd)

I. Description of plans to expand economic opportunities for low & very low-income persons in project area (2 pts)

> (1 pt): Training/employment opportunities

> (1 pt): Award contracts

Rating Factors

Section 811

- 3. Soundness of Approach
(42 points)**
 - a. Site approvability (14 pts)**
 - b. One or more of proposed sites
is not permissively zoned
(-1 pt)**
 - c. Site promotes greater housing
choice (10 pts)**

Rating Factors (cont'd)

Section 811

3. Soundness of Approach (cont'd)

- d. Design meets resident needs & will facilitate integration & indep. (2 pts)**
- e. Design incorporates visitability stds & universal design (1 pt)**
- f. Board includes persons with disabilities (4 pts)**

Rating Factors (cont'd)

Section 811

3. Soundness of Approach (cont'd)

- g. Involvement of persons with disabilities in dev. of appl. & in dev & operation of project (3 pts)**
- h. Extent to which you coordinated appl with other organizations (2 pts)**

Rating Factors (cont'd)

Section 811

3. Soundness of Approach (cont'd)
 - i. Consultation with Continuum of Care orgs. and dev. of ways to end chronic homelessness (1 pt)
 - j. Efforts the local jurisdiction has undertaken in removing reg. barriers to affordable housing (2 pts)
 - k. Extent of energy efficiency in proj. design/operation (1 pt)

Rating Factors (cont'd)

Section 811

3. Soundness of Approach – (cont'd)

I. Description of plans to expand economic opportunities for low & very low-income persons in project area (2 pts)

> (1 pt): Training/employment opportunities

> (1 pt): Award contracts

Rating Factors (cont'd)

4. Leveraging Resources (5 pts)

A sliding scale based on written evidence of firm funding commitments from outside sources in relationship to the \$ value with the HUD-approved Cap. Adv. amount:

a. 0 pt: 5% or less

Rating Factors (cont'd)

- **Leveraging Resources (cont'd)**
 - b. (1 pt): Between 6% - 10%
 - c. (2 pts): Between 11%- 15%
 - d. (3 pts): Between 16%- 20%
 - e. (4 pts): Between 21%- 25%
 - f. (5 pts): Over 25%

Rating Factors (cont'd)

5. Achieving Results and Program Evaluation (12 pts)

- a. Project Development Timeline
indicative of full understanding of
development process (5 pts)**
- b. Evidence of past performance indicates
timely dev. of proposed proj. (2 pts)**

Rating Factors (cont'd)

5. Achieving Results and Program Evaluation (cont'd)

- c. Proj will implement practical solutions
(2 pts)**
- d. Extent to which you demonstrated
that proj. will remain viable
throughout 40-year term (3 pts)**

Bonus Points(2)

Location of Project in RCs/EZs/EC-Is:

- > Renewal Community**
- > Empowerment Zone**
- > Enterprise Community**
- > Designated in Round II by USDA**
- > RC Tax Incentive Utilization Plan**

Bonus Points (2 Points) ***(Cont'd)***

Location of Project in RCs/EZs/ECs:

- To find designated areas, go to:

**[www.hud.gov/offices/adm/grants/
fundsavail.cfm](http://www.hud.gov/offices/adm/grants/fundsavail.cfm)**

Selection Process

- **Three Tiered**
 - **Program Center**
 - **Hub**
 - **Headquarters**

Selection Process

Program Center

- Only approvable applications scoring 75 points or more prior to addition of RC/EZ/EC-II Bonus Points are eligible for selection

Selection Process

Program Center

- **Applications placed in rank order**
 - **Applications are selected until there are not sufficient funds to select the next project for the number of units and dollars requested**
 - **For 202, applications are ranked & selected separately for metro and non-metro categories**

Selection Process (Cont'd)

Program Center

- Applications placed in rank order
 - For 811, applications placed in rank order in 2 categories:
 - ^ Category A:
 - > Approvable appls. with acceptable site control of all sites & all sites are approvable

Selection Process (Cont'd)

Program Center

- Applications placed in rank order
 - ^ Category B:
 - > Approvable appls. with identified sites;
 - > Appls. submitted with site control & evidence of site control and/or any sites unapprovable

Selection Process (Cont'd)

Program Center

- Applications placed in rank order
 - ^ Category B (cont'd):
 - > Applications with combination of sites under control & identified sites

Selection Process (Cont'd)

Program Center

- Fund next project by reducing units up to 10% rounded to nearest whole number if:
 - Project remains feasible
 - Will not reduce projects of 5 or less units (2 units or less if group home)
- Cannot skip over a project

Selection Process (cont'd)

Program Center- Section 202

- Can combine residual metro & non-metro funds
- Can select next project in either category if there are sufficient funds and may use unit reduction policy if necessary

Selection Process (Cont'd)

Program Center- Section 811

- **Must select applications first from Category A**
- **Can select next from Category B, if sufficient funds are available**
- **May use unit reduction policy, if necessary**

Selection Process HUB

- **Residual funds from Program Centers combined**
 - **Restore units that were reduced**
 - **Select applications in HUB-WIDE rank order with no more than 1 application selected per Program Center**
 - **For 811, select first from Category A, if funds remain, then from Category B**

Selection Process HUB

- Repeat process until funds can no longer support next ranked project**
- Utilize unit reduction policy, if possible, for last project**
- Cannot skip over a project**

Selection Process Headquarters

- **Residual funds from all Hubs combined**
- **If necessary, fund previously submitted projects from last FY not selected due to HUD error**

Selection Process

Headquarters

- Restore unit reductions
- Select projects in NATIONWIDE rank order with no more than 1 application selected per HUD Office
 - For 202 only, priority is given to non-metro projects to comply with statutory requirement
- Repeat Process
- May skip over higher ranked appl to use remaining funds

Selection Process Headquarters (Cont'd)

- For 811 only, select projects first from Category A, if funds still remain, and then from Category B
- Repeat Process
- May skip over a Category A appl. to ensure only 1 appl funded per HUD Office
- Repeat Process

Legal Issues

1. Eligible Applicants

- . Application requires SF-424 (Gen. Sec.) & HUD-92015-CA (202) & HUD-92016-CA (811)**
- . Note certs and assurances in SF-424**
 - Governing body has authorized the application**

Legal Issues (Cont'd)

- 1. Eligible Applicants (cont'd)**
 - Applicant has legal authority to apply for assistance**
 - Applicant will administer award in accord with HUD requirements (reduces need for indiv. Certs in E-Grant Appl.**

Legal Issues (Cont'd)

2. Eligibility of Applicant

. Legal Review -- Sponsor is Eligible:

- Articles of Incorporation**
- By-laws**
- IRS tax exemption ruling**

**> These will be attached to appl.
by scanner or FAX &
incorporated by contractor**

Legal Issues (Cont'd)

2. Eligibility of Applicant (cont'd)

- > No authentication for 3rd party signatures, seals, letter head, etc.**
- > Ask for hard copy if insufficient for a determination**

Legal Issues (Cont'd)

3. Sponsor has necessary legal authority

- Review legal documents
- Note assurances as to authority in SF-424

Legal Issues (Cont'd)

4. IRS Exemption Ruling

- Copy of individual ruling**
- Copy of blanket ruling**
- Copy of action of holder adding
Sponsor to blanket ruling**
 - > None of these will be covered
by SF-424 certifications**
 - > Ask for hard copies, if needed**

Legal Issues (Cont'd)

5. Legally Acceptable Evidence of Site Control

- Deed
- Option Agreement
- Option for Lease
- Control of Sale
- Title Evidence
- Copies of any Restrictive Covenants

Legal Issues (Cont'd)

5. Legally Acceptable Evidence of Site Control (cont'd)

- > May be a need for hard copies**
- > Legibility may be a problem**
- > If new info. is needed, treat as deficiency**
- > Cure of deficiencies & remainder of process will be by hard copies**

Legal Issues (Cont'd)

6. Conflict-of-Interest Resolution

- . HUD-92041 is in the
202/811 NOFAs**
 - Review for exceptions,
completeness & execution**

FY2006 Section 202 Allocation Formula

**One-person Very Low-Income Renter
Household Age 62+ With Housing
Conditions**

**Incomes at or below the 1 person Section 8
Income Limit**

FY2006 Section 202 Allocation Formula (cont'd)

With Housing Conditions:

- **Living in a unit lacking plumbing or kitchen facilities**
- **Overcrowded**
- **Excess Rent Burden: More than 30% of income for rent**

Data Source: 2000 Census Special Tabulations of Households

FY2006 Section 202 Allocation Formula (cont'd)

**Allocations are based on the Office of
Management and Budget metropolitan
definitions as of February 18, 2004**

Definitions can be found at www.omb.gov

FY2006 Section 202

Evidence of Need

Sponsor's evidence of need should include:

- **Estimate of demand**
- **Market conditions in existing supply (Pub. Hsg., RHS, LIHTC, Sec. 8, & 202)**
- **Assisted housing under construction**

FY2006 Section 202 EMAD Points Awarded for Market Need

Only projects in market areas with adequate demand will be awarded points. Either 10 points or 5 points

**Points depend on the unmet need ratio:
project units as a percent of the unmet
need**

FY2006 Section 202 EMAD Points Awarded for Market Need

**Unmet need is the the number of one-person
renters age 75 with very-low incomes and with
housing conditions,
minus any rental assistance provided since 2000**

15 percent or less – 10 points

Greater than 15 percent – 5 points

FY2006 Section 811

EMAD will no longer conduct market reviews of Section 811 applications and will not assign rating points

EMAD will provide assistance to the field Housing staff in cases where there is a concern about market conditions

FY2006 Section 202

**Special Tabulations of Households for 1990
and 2000**

**[http://www.huduser.org/datasets/
spectabs.html](http://www.huduser.org/datasets/spectabs.html)**

SITE SELECTION AND THE ENVIRONMENTAL REVIEW PROCESS

General

- **Timing of environmental review**
 - 811s with site control & 202s: at application processing stage
 - 811s approved as Category B or changed site for approved grant: prior to issuance of FIRM
 - Same environmental requirements as at time of SuperNOFA

General (cont'd)

- 202/811 Sponsors and HUD are partners
- HUD wants Sponsors to
 - Find a site with no concerns/easily resolvable concerns, especially
 - Toxic Hazards
 - Historic Preservation
 - Floodplain or Wetland

General (cont'd)

- HUD wants Sponsors to provide certain information to HUD
 - Phase I ESA
 - Comprehensive Asbestos building survey when pre-78 structures (other than just 1-4 units) (technical correction for 811)
 - HP
 - Other information as requested
- HUD appraiser will perform environmental review based on
 - Sponsor provided information
 - Research
 - Legwork

Curable Deficiencies

Phase I ESA

Comprehensive Asbestos

Bldg Survey or no- pre78

Structure, or only 1-4 units on site

Statement

Historic Preservation

- Letter to SHPO
- SHPO response or statement of no SHPO response

Hazard Identification and Remediation

- **Phase I Environmental Site Assessment (ESA) *Must use ASTM 1527-05, as amended***
 - Required on all 202 projects and Section 811 projects with site control
 - Can be no older than 6 months from application due dates (No older than 11/26/5 for 811 or 12/02/5 for 202), unless
 - Updated by Environmental Professional with credentials per Appendix X2 of 1527-05

ASTM Standards on

Environmental Site Assessments for Commercial Real Estate

E 1527-96 2000

Standard Practice for
Environmental Site Assessments:
1. Environmental Site

Hazard I & R (cont'd)

- If Phase I indicates possible presence of contamination and/or hazards
 - Phase II required if Sponsor opts to continue with site
 - Phase II must indicate total extent of hazards
 - Must be received by 6/26/6 for 811, 7/03/6 for 202

Hazard I & R (cont'd)

- **If Phase II indicates hazards, the following must be received by HUD by 6/26/6 for 811, 7/03/6 for 202**
 - **Contract for Remediation, and**
 - **Remediation Plan approved by local/State/Federal gov't**
- **Remediation at Sponsor's expense**
- **After remediation, must be clean to non-site specific standards: no capping, monitoring wells, etc.**

Hazard I & R (cont'd)

- **Groundwater exception to clean site**
 - All contamination in GW at least 25 feet below surface
 - No groundwater use in area or active water supply wells on site
- **Remediation able to be completed prior to Initial Closing**
 - All passive and active remediation completed
 - Monitoring wells closed out

Comprehensive Building Asbestos Survey

- Not required if sponsor statement that no Pre-1978 structures or only 1-4 units residential on site
- Must be a thorough inspection throughout structures
- Asbestos screen not acceptable
- Friable or affected by rehabilitation/demolition – abate
- Other asbestos: O&M plan
- Abatement allowable cost to limit of Capital Advance

Choosing an Environmentally “Safe” Site

- Accessed through WEB page of 202/811 SuperNOFA
- *Excellent discussion*
- Discusses Phase I ESAs, especially for 202/811 programs
- Special discussions on
 - Toxic & hazardous substances
 - USTs
 - Asbestos
 - LBP

Choosing an Environmentally "Safe" Site



Choosing an Environmentally “Safe” Site Supplemental Guidance

- **Accessed through WEB page of
202/811 SuperNOFA**
- **Discusses manmade hazards as
well as items that HUD may
look at during environmental
review**

Choosing an Environmentally “Safe” Site

Supplemental Guidance, contd.

- **Natural Resources**
- **Manmade Hazards**

HUD Form 4128

- Used to record environmental review
- HUD appraiser performs site visit and records results on the “Sample Field Notes Checklist”

HUD Form 4128, contd.

- HUD may request additional environmental information with type of information found on 4128 and SFNC
 - WEB address listed in the SuperNOFA as
<http://www.hud.gov/utilities/intercept.cfm?/offices/cpd/energyenviron/environment/compliance/forms/4128.pdf>

Environmental Assessment and Compliance Findings for the Related Laws

RMS: HI-00487R

U.S. Department of Housing
and Urban Development

1. Project Number:

HUD Program:

2. Date Received:

Findings and Recommendations are to be prepared **after** the environmental analysis is completed. Complete items 1 through 15 as appropriate for all projects. For projects requiring an environmental assessment, also complete Parts A and B. For projects categorically excluded under 24 CFR 50.20, complete Part A. Attach notes and source documentation that support the findings.

3. Project Name and Location: (Street, City, County, State)

4. Applicant Name and Address (Street, City, State, Zip Code)

5. ☐ Multifamily ☐ Elderly ☐ Other
(if Other, explain)

6. Number of: _____ Dwelling Units
_____ Buildings _____ Stories _____ Acres

7. Displacement: ☐ No ☐ Yes
(if Yes, explain)

8. ☐ New Construction ☐ Rehabilitation ☐ Other
(if Other, explain)

10. Planning Findings: Is the project in compliance or conformance with the following plans?

Local Zoning: ☐ Yes ☐ No ☐ Not Applicable
Coastal Zone: ☐ Yes ☐ No ☐ Not Applicable
Air Quality (SIP): ☐ Yes ☐ No ☐ Not Applicable
Explain any "No" answer:

9. Has an environmental report (Federal, State, or local) been used in completing this form? ☐ No ☐ Yes
(if Yes, identify)

Are there any unresolved conflicts concerning the use of the site? ☐ No ☐ Yes
(if Yes, explain)

11. Environmental Finding: (check one)

- ☐ Categorical exclusion is made in accordance with § 50.20 or
☐ Environmental Assessment and a Finding of No Significant Impact (FONSI) is made in accordance with § 50.33 or
☐ Environmental Assessment and a Finding of Significant Impact is made, and an Environmental Impact Statement is made in accordance with §§ 50.33(d) and 50.41.
☐ Project is recommended for rejection (State reasons):

Part A. Compliance Findings for §50.4 Related Laws and Authorities

§ 50.4 Laws and Authorities

16. Coastal Barrier Resources
17. Floodplain Management
(24 CFR Part 55)
18. Historic Preservation
(36 CFR Part 800)
19. Noise Abatement
(24 CFR Part 51 Subpart B)
20. Hazardous Operations
(24 CFR Part 51 Subpart C)
21. Airport Hazards
(24 CFR Part 51 Subpart D)
22. Protection of Wetlands
(E. O. 11990)
23. Toxic Chemicals & Radioac-
tive Materials (§ 50.3(i))
24. Other § 50.4 authorities (e.g.,
endangered species, sole
source aquifers, farmlands
protection, flood insurance,
environmental justice)

Project is
in Compliance
Yes No

Source Documentation and Requirements for Approval

Part B. Environmental/Program Factors

Factors

Anticipated
Impact/Deficiencies
None Minor Major

25. Unique Natural Features
and Areas
26. Site Suitability, Access, and
Compatibility with
surrounding development
27. Soil Sta...

Source Documentation and

Sample Field Notes Checklist

Project Number:

HUD Program:

Project Name:

Location: (street, city, county/state, & zip code)

Number of Dwelling Units:

- ☐ New construction
☐ Rehabilitation

Project site is in a location described as:

- ☐ Central city ☐ Suburban
☐ Infill urban development ☐ In developing rural area
☐ In undeveloped area

Note to Reader: An Environmental Assessment (EA) is a concise public document that a Federal agency must prepare in order to comply with the National Environmental Policy Act (NEPA) and the related Federal environmental laws and authorities. The EA must support decision making process and provide a clear rationale, justification, and documentation for ratings assigned.

Instructions

It is recommended that this checklist be used by HUD staff who prepare the Environmental Assessment (EA; form HUD-4128). It will constitute full documentation for many factors on the EA, and partial documentation for others. It will avoid narrative reports and expedite the environmental review process. This checklist, which is a slightly revised version of Appendix C of Handbook 1390.2, should be used pending revision of Handbook 1390.2.

- The number for each checksheet topic is the number that appears on form HUD-4128. Also, each checklist title/heading is followed by a reference to where the topic appears in the current Handbook 1390.2.

tion to cite the information source used (e.g., title of a technical report, map, or special study; site inspection/field observation; name and location of the qualified data source(s) that provided the information, for example, the local planning agency, the local housing and/or community development agency, the State environmental protection agency, the State Historic Preservation Officer, or other qualified data source.)

Preparers are to obtain and use, as appropriate, any environmental report (Federal, State, or local) that may have already been prepared for the property or area in which the property is located.

HUD Form 4128, contd.

- HUD appraiser completes during Technical processing
- If cannot completed during technical processing due to complexity
 - 202: Rejected and not rated/ranked
 - 811: Placed in Category B for selection purposes

HUD Form 4128

Conclusions

- **Acceptable as submitted**
- **Acceptable with conditions & safeguards placed on approval documents**
- **Not acceptable, then**
 - **202: Projects rejected and not rated/ranked**
 - **811: Placed in Category B for selection purposes**

Historic Preservation

- **SHPO**
 - Letter to SHPO/THPO (on tribal land)
 - Response
- **If no response**
 - Sponsor statement indicating that it attempted, but SHPO THPO did not respond

Historic Preservation (cont'd)

- **Sample letter to SHPO/THPO**
 - Accessed through WEB page of 202/811 SuperNOFA
 - Developed by HUD HPO
 - Includes all information necessary for SHPO/ THPO to provide comment
 - Allows for dual response to sponsor & HUD
 - Some Field Offices might have other sample letters

Historic Preservation (cont'd)

- If no or incomplete response**
 - HUD will then initiate process**

Historic Preservation (cont'd)

- **NRHP or no NRHP properties**
- **If NRHP - Effect or No Effect**
- **If Effect – Not Adverse or Adverse**
- **If Adverse –MOA to mitigate adverse effects or Failure to Agree process**
- **Can be a long process**

Historic Preservation (cont'd)

- If not sufficient time to complete all above steps of historic preservation process during technical processing
 - 202: Reject
 - 811: Placed in Category B for selection purposes

Historic Preservation (cont'd)

**If HUD possesses knowledge
that a site might have
Religious or Cultural
Significance to Indian tribe or
Native Hawaiian Organization
– HUD will request their comments**

Floodplains and Wetlands

**HUD cannot approve sites in
FEMA 100-year floodplain in
non-participating/suspended
jurisdictions**

Floodplains and Wetlands (cont'd)

- Sponsors should try to select sites out of
 - 100-year floodplain
 - 500-year floodplain for critical actions: special care; i.e..., not independent living projects
 - Wetlands

Floodplains and Wetlands (cont'd)

- **First 6 steps of 8-step process must be completed at application stage**
- **New construction requires**
 - **CLOMA/CLOMR prior to firm**
 - **FLOMA/FLOMR prior to final closing**
 - **Flood insurance during construction**

Floodplains and Wetlands (cont'd)

- If not sufficient time to complete first six steps during technical processing
 - 202: Reject
 - 811: Placed in Category B for selection purposes

CPD's Role in 202/811 Application Reviews

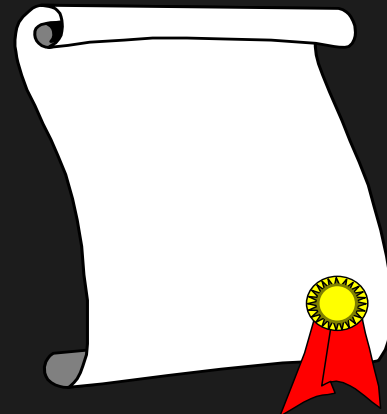
Three areas of review:

- 1) Acquisition and Relocation**
- 2) Certification of Consistency
with the Consolidated Plan**
- 3) RC/EZ/EC-II Bonus Points**



Acquisition and Relocation

Applicants must comply with
*the Uniform Relocation Assistance
and Real Property Acquisition
Policies Act of 1970 (URA, or
Uniform Act)*



The Uniform Act Covers:

- **The Acquisition of Real Property
(with or without existing
structures)**
- **The permanent and involuntary
displacement, or temporary
relocation, of both residential and
nonresidential persons**

Acquisition Exception...

Sponsors are exempt from complying with Subpart B of the Uniform Act only if an identified site can be acquired "*voluntarily*" in accordance with Sec. 24.101 of Subpart B

A failure to comply with the 24.101 regulation can trigger the requirements of Subpart B

The “Voluntary” Process

[49 CFR 24.101]

- The buyer is required to inform the Seller, prior to executing an agreement to purchase,
 - That it does not have the power of eminent domain and, it will not be able to buy the property if negotiations fail to result in an amicable agreement
 - Of the Sponsor's estimate of fair market value of the property to be acquired

Estimating Fair Market Value (FMV)

- Even though an appraisal is not required by the URA to establish the FMV of a property, the acquiring agency's acquisition file must include an explanation, with reasonable evidence, of the basis for the estimate
- If the negotiated price is above the estimate of FMV, it's best that the above-value difference be paid with non-federal funds

Application Instructions – Acquisition (Exhibit 4)

- Applications must include evidence of compliance with the “voluntary” acquisition requirements of the URA that the Seller was advised
 - That the Sponsor does not have the power of eminent domain and that it will not be able to buy the property if negotiations fail to result in an amicable agreement
 - Of the Sponsor’s estimate of fair market value of the property to be acquired

Exhibit 4 Instructions (Continued)

- HUD requires that the Seller must be offered the right to withdraw from any written purchase agreement if, before that agreement was executed, the Seller was not advised that the acquisition is “voluntary” in nature, and informed of the Sponsor’s estimate of FMV of the property to be acquired

Exhibit 4 Instructions (Continued)

- If it was necessary that the Sponsor offer the Seller an opportunity to withdraw (in accordance with HUD's corrective action instructions), the Sponsor is encouraged to include such document(s)
- Inclusion of such documents can help affirm to HUD that the Sponsor's "firm commitment" is valid in respect to the "voluntary" acquisition requirements found at

Projects Involving Relocation

- **Owner Occupants – Owner occupants who sell their property voluntarily are not entitled to displacement assistance**
- **Residential and Nonresidential Tenants – All tenants are entitled to displacement assistance, as required by the URA**

Relocation Planning

- **Nonresidential Planning**
 - **Personal interview required**
[\$24.205(c)(2)(i)]
 - **Site requirements**
 - **Outside specialists**
 - **Personalty/realty issues**
 - **Time required to vacate**
 - **Site availability**
 - **Advance payment needs**

Relocation Planning

- **Residential Tenant Planning**
 - **Residential Tenant Survey**
 - **Determine Household Income**
 - **Estimate Monthly Housing Cost**
 - **Average Monthly Utilities**
 - **Monthly Lease or Rent Amount**
 - **Identify Special Needs**
 - **Determine Replacement Housing Needs**
 - **Estimate Cost of Replacement Housing**

Relocation Planning

- **Prepare Relocation Budget Estimate**
 - **Nonresidential move/reestablishment cost (personal interview)**
 - **Residential move cost (FHWA's Fixed Move Schedule)**
 - **Residential housing cost increase for 42-month period**
 - **Compare: Lesser of Household's Ability to Pay (if low income)**
vs. Monthly Housing Cost Paid at Displacement Unit
 - **With: Estimated Monthly Housing Cost of a Comparable unit that is in Decent, Safe, and Sanitary Condition**

Required Relocation Notices

- **Issue General Information Notices (GIN)**
 - Each GIN must include advisory services such as that outlined in HUD's brochure **Relocation Assistance to Tenants Displaced From Their Homes**
 - All GINs should be issued at the time date the application is submitted
 - A receipt is required to document deliver of a GIN

Relocation Guidance

- Relocation can be both:
 - Costly
 - Complex
- Sponsors may wish to call HUD's Office of CPD for relocation guidance *before* entering into a purchase agreement
- URA guidance for HUD's programs can also be found at www.hud.gov/relocation



Application Instructions – Relocation (Exhibit 7)

- Identifies all persons (families, individuals, businesses, and non-profit 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
- Indicates the estimated cost of relocation payments and other services

Exhibit 7 Instructions (Continued)

- **Indicates the estimated cost of relocation payments and other services**
 - **NOTE: If any of the relocation costs will be funded from sources other than the Section 202 capital advance {Section 811 capital advance}, the Sponsor must provide evidence of a firm commitment of these funds**

Exhibit 7 Instructions (Continued)

- Identifies the staff or organization that will carry out the relocation activities, and
- Identifies all persons that have moved from the site within the past 12 months
- If site is vacant land, or has a structure but is unoccupied property, please explain [Do not use "NA"]

Achieving Results and Program Evaluation

- **Certification of Consistency
With The**
 - **Consolidated Plan**
 - Exhibit 8 (e)
 - **RC/EZ/EC–II Strategic Plan {2
Bonus Points}**
 - Exhibit 8 (h)

Exhibit 8 (e) [Form HUD-2991]

- Form HUD-2991 is a required form
 - The “Certification of Consistency with the Consolidated Plan” must be completed and submitted with your application, in order to comply with the submission instructions
 - This Exhibit requires the name, title, and signature of the authorized certifying official

Exhibit 8 (e) [Form HUD-2991]

- **Who is the “certifying official?”**

The certifying official of the jurisdiction is the person authorized to sign on behalf of the entitlement grantee

Exhibit 8 (e) [Form HUD-2991]

- **The local HUD Office of Community Planning and Development (CPD) can provide a list of names and phone numbers of the contact persons for the respective Entitlement grantee**
- **Sponsors should contact the local State office responsible for HUD program grants and compliance to determine who to contact for those areas not located in entitlement communities (i.e., rural areas)**

2 Bonus Points for Projects Located in a RC/EZ/EC-II

- 2 Bonus Points are available for projects that are located in RC/EZ/EC-II
- Form HUD-2990 (Exhibit 8(h)) must be submitted to earn these bonus points



Exhibit 8 (h) [Form HUD-2990]

- Form HUD-2990 is NOT a required form
- Only Sponsors who have projects located within a RC/EZ/EC-II area should complete and submit this form; and,
- Only if the form is properly completed and submitted can the 2 bonus points be earned

Exhibit 8 (h) [Form HUD-2990]

- For projects in a RC/EZ/EC-II, this Form will:
 - Certify that the proposed activities are consistent with the strategic plan of a federally designated RC/EZ/EC-II
 - Certify that the proposed activities will be located within the RC/EZ/EC-II

Exhibit 8 (h) [Form HUD-2990]

- **This Form requires the name, title, and signature of the authorized certifying official**
- **Who is the “certifying official?”**

The official authorized to certify that the project is in compliance with the RC/EZ/EC-II strategic plan, is located in an RC/EZ/EC-II, and serves the residents located in the RC/EZ/EC-II area

Exhibit 8 (h) [Form HUD-2990]

- Sponsors who wish to determine if their site is located within an RC/EZ/EC-II area, or who need to determine who the contact person is for a specific RC/EZ/EC-II, may go online to HUD's Address Locator at <http://hud.esri.com/egis/cpd/rcezec/welcome.htm>

Exhibit 8 (h) [Form HUD-2990]

- From this web site, a sponsor can “link” to the two following web sites to obtain general information on RC/EZ/EC-II programs:
 - Renewal Communities and Urban EZ/ECs administered by the U.S. Dept. of Housing and Urban Development www.hud.gov/cr
 - Rural EZ/EC-IIs administered by the U.S. Dept. of Agriculture www.ezec.gov

Exhibit 8 (h) [Form HUD-2990]

- While this online tool can help verify if a particular location is eligible for the tax incentives offered in RC/EZ/EC-II areas, it should be noted that this web site lists both the current and past designations in the designation history

Questions Regarding the URA

- Acquisition and Relocation Guidance

Contact the local HUD Office of Community Planning and Development, or a Regional Relocation Specialist (RRS)

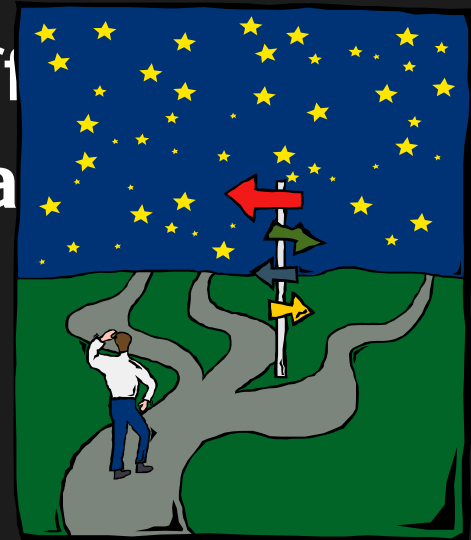
To find the RRS for your area, visit HUD's web site at www.hud.gov/relocation



Questions on RC/EZ/EC–II Designations

- Information on HUD's RC/EZs

Contact the local HUD Office
of Community Planning and
Development



Common Mistakes

- Failure to read the General Section and the Program NOFA THOROUGHLY.
- Failure to obtain a DUNS No. & Register early.
- If HUD waiver given to submit paper appl., submitting less than original + 4 copies.

Common Mistakes

(Cont'd)

- Submitting an application and you do not have the appropriate IRS tax exemption because the IRS is still processing your request.
- Submitting an application and you have no organizational experience (eg., newly formed and no experienced Co-Sponsor)

Common Mistakes

(Cont'd)

- Submitting an application and you are not eligible
 - For 202, public bodies and its affiliates are not eligible
 - For 811, must have 501(c)(3) IRS ruling even if public body

Common Mistakes

(Cont'd) Common Mistakes

(Cont'd)

- You have outstanding delinquent Federal debt with no approved workout plan for repayment prior to deadline.
- Failure to submit your appl. to State Point of Contact (SPOC), if required, by deadline date.

Common Mistakes

(cont'd)

- Failure to submit appl. deadline.
- Failure to submit a Phase I (no substitutions) completed within last 6 mths for 202s and 811s with site control.
 - Your appl. will be rejected if a 202 or downgraded to site identified if an 811, and it is not submitted with appl. or during curable deficiency period.

Common Mistakes

(cont'd)

- For previous fund reservations that went to initial closing after 24, 36 or 48 mths:
 - Reasons were not provided for delay
 - No indication as to whether amendment \$ was needed

Common Mistakes (cont'd)

- For 202, failure to have site control or submitting control of a poor site
- For 202s and 811s with site control, the site control failed to meet minimum requirements (e.g., no reverters, etc., option must extend beyond 6 mths from appl. deadline and be renewable)

Common Mistakes (cont'd)

- For 202, proposing to develop a licensed assisted living facility.
- Proposing independent living units with shared bathrooms and kitchens – each must have a separate bathroom and kitchen

Common Mistakes

(cont'd)

- Proposing a 202 scattered site project with less than 5 units per site.
- Site not properly zoned and no indication of likelihood that zoning will be changed

Common Mistakes

(cont'd)

- For an 811, proposing a group home exceeding 6 residents
- Requesting more units than allocated to the applicable HUD Office.
- - For 202, this applies to metro and non-metro categories separately