

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****[Docket No. FR-5390-N-01]****Notice of Funding Availability for the  
Section 202 Demonstration Pre-Development Grant Program**

**AGENCY:** Office of the Assistant Secretary for Housing – Federal Housing Commissioner, HUD.

**ACTION:** Notice of Funding Availability (NOFA) for the Section 202 Demonstration Pre-Development Grant Program.

**SUMMARY:** This NOFA authorizes \$20,000,000 for pre-development grants to private nonprofit organizations and the Supportive Housing for the Elderly Program. Predevelopment funding is made available for architectural and engineering work, site control, and other planning related expenses that are eligible for funding under the Section 202 Program. This NOFA clearly defines the policies and procedures that govern the application selection process under the Fiscal Year (FY) 2009 Section 202 Demonstration Pre-Development Grant Program.

**FOR FURTHER INFORMATION CONTACT:** Questions regarding specific Section 202 Pre-Development Grant Program requirements should be directed to the appropriate local HUD office or Denise Taylor-Parker at HUD Headquarters at 202-402-2892 or via the Internet at [Denise.L.Taylor-Parker@hud.gov](mailto:Denise.L.Taylor-Parker@hud.gov). Persons with hearing or speech impairments may access the above number via TTY by calling the Federal Information Relay Service at 800-877-8339.

**SUPPLEMENTARY INFORMATION:** The \$20,000,000 is made available for pre-development grants to private nonprofit organizations and the Supportive Housing for the Elderly Program as authorized by the Omnibus Appropriations Act, 2009 (Pub. L. 111-8), approved March 11, 2009. The grant provides pre-development funding for architectural and engineering work, site control, and other planning related expenses that are eligible for funding under the Section 202 Program. Funding under this program will provide resources for pre-development costs that would otherwise not be reimbursable until Initial Closing or would be payable from funding resources secured outside of Section 202 Capital Advance funding. This program is intended to strengthen the ability of project sponsors to expedite the development processing of projects from Section 202 Fund Reservation to Initial Closing within the 18-month time frame and provide funding for predevelopment activities in order to reduce the number of delays that are attributable the lack of such funding. This grant program will allow faster access to monies that would not otherwise be available until Initial Closing, reduce the number of requests for amendment fund waivers, and eliminate the need for the sponsor to seek outside funding sources to cover pre-development project costs. The lack of predevelopment funding is often a contributing factor in instances where project sponsors are unable to move their approved projects from Fund Reservation award to Initial Closing within the required 18-month time frame; the Section 202 Demonstration Pre-Development Grant Program addresses this concern and provides a solution to the funding problem.

**OVERVIEW INFORMATION**

**A. Federal Agency Name:** Department of Housing and Urban Development, Office of Housing.

**B. Funding Opportunity Title:** Section 202 Demonstration Pre-Development Grant Program.

**C. Announcement Type:** Initial announcement.

**D. Funding Opportunity Number:** The OMB approval number for this NOFA is 2502-0267. The Federal Register number is FR-5390-N-01.

**E. Catalog of Federal Domestic Assistance (CFDA) Number(s):** 14.157, Section 202 Demonstration Pre-Development Grant Program.

**F. Dates:** The application deadline date is October 4, 2010. All applications must be received and validated by [Grants.gov](http://Grants.gov) no later than 11:59:59 pm Eastern Time on the application deadline date. HUD's Fiscal Year 2009 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs (**FY2009 General Section**) published in the Federal Register on December 29, 2008 (73 FR 79548), as amended on April 16, 2009 (74 FR 17685), establish threshold and other critical application requirements that affect this NOFA. The notice providing information regarding the application process, funding criteria and eligibility requirements is available on the Grants.gov website and applicants are also referred to Section IV of this program NOFA.

**G. Additional Overview Content Information:** Applicants must be registered to apply online at Grants.gov to submit an application. Private nonprofit organizations and nonprofit consumer cooperatives interested in applying for funding under this program, in addition to this Program Section, should carefully review the **FY2009 General Section**, as amended, and the information detailed in this Program NOFA, which covers the registration, submission, timely receipt, and additional requirements for this funding opportunity. Applicants are advised to start the registration process immediately upon publication of this NOFA. Registration can take several weeks to complete.

## **FULL TEXT OF ANNOUNCEMENT**

### **I. Funding Opportunity Description**

**A. Program Description.** The purpose of this Demonstration Pre-Development Grant Program is to assist Sponsors of projects that receive Fund Reservation Awards pursuant to the FY 2009 NOFA for the Section 202 Supportive Housing for the Elderly Program by providing pre-development grant funding for architectural and engineering work, site control, and other planning related expenses that are eligible for funding under the Section 202 Supportive Housing for the Elderly Program. Subsequent to providing pre-development grant funding to the selected applicants, HUD will assess the impact of the availability of such funding on the ability of project Sponsors to expedite the development processing of projects from Section 202 Fund Reservation to Initial Closing within 18 months.

HUD is aware of the complexities of developing Section 202 projects and understands that a lack of pre-development funding may be a contributing factor in many instances where project Sponsors are not able to move their approved projects from Fund Reservation award to Initial Closing within the required 18-month time frame. Funding under this program is not intended to duplicate Section 202 Capital Advance funding, but rather to provide a source of funding for pre-development costs that would otherwise not be reimbursable until Initial Closing or would be payable from eligible funding resources secured outside of Section 202 Capital Advance funding.

**B. Authority.** The Section 202 Demonstration Pre-Development Program is authorized by the Consolidated Appropriations Resolution, 2003 (Pub. L. 108-7), approved February 20, 2003.

## **II. Award Information**

**A. Funding Available.** The Omnibus Appropriations Act, 2009 (Pub. L. 111-8, approved March 11, 2009), authorized approximately \$20,000,000 for pre-development grants to private nonprofit organizations and consumer cooperatives in connection with the development of housing under the Section 202 Supportive Housing for the Elderly Program.

**B. Funding Process.** HUD will make offers to fully fund as many applications as possible from the \$20,000,000 allocated for Sponsors that receive Section 202 Fund Reservations pursuant to the FY 2009 Program NOFA. Applicants selected for funding under the FY 2009 Section 202 Supportive Housing for the Elderly NOFA are not guaranteed funding under this demonstration program.

**C. Maximum Grant Award.** The maximum grant amount per single application is \$400,000. However, no more than \$800,000 may be awarded to a single entity or its affiliated organizations. The amount of funding requested must be within the maximum grant award amounts or the application will not receive funding consideration.

**D. Reduction of Requested Grant Amount.** HUD may make an award in an amount less than requested, if:

1. HUD determines that any of the proposed pre-development activities are ineligible for funding under the Section 202 Supportive Housing for the Elderly Program;
2. HUD determines that an eligible applicant has not been able to provide sufficient evidence to support the proposed cost of an eligible pre-development item or activity;
3. HUD determines that a reduced grant would prevent duplicative federal funding; or
4. HUD determines that proposed costs for pre-development activities are not based on comparable costs for eligible items and activities in the applicant's community. HUD field office staff will review proposed costs in accordance with customary and reasonable costs for such items within the geographical jurisdiction of the respective Multifamily Hub and/or Multifamily Program Center Office. If requested by HUD, eligible applicants must provide supportable evidence of comparable costs for proposed activities.

**E. Term of Funded Activities.** The grant term is 18 months from the date of the Section 202 Supportive Housing for the Elderly Agreement Letter to Initial Closing. Funds not expended by

the end of the grant term are subject to recapture and/or repayment if expended on ineligible activities. Failure to complete the development processing of the Section 202 project by the end of the grant term may result in grant termination, grant reduction, or other action deemed appropriate by HUD. HUD may consider past performance in making future funding decisions.

### **III. Eligibility Information**

#### **A. Eligible Applicants.**

1. All private nonprofit organizations and nonprofit consumer cooperatives that submitted an application for funding consideration under the FY2009 NOFA for the Section 202 Supportive Housing for the Elderly Program are eligible to apply for funding under this Demonstration Pre-Development Grant Program. (Please refer to the FY2009 Section 202 Program NOFA for a discussion on the eligibility criteria for the Section 202 Program.) However, funding awards under this Section 202 Demonstration Pre-Development Grant Program will be restricted to those applicants that are selected for Fund Reservation Awards under the FY 2009 Program NOFA for the Section 202 Supportive Housing for the Elderly Program. Funding under this Program will not be fair shared to each HUD office.
2. **Ineligible applicants.** Ineligible applicants include:
  - a. Applicants that failed to submit a request for Fund Reservation under the FY 2009 Section 202 Program NOFA.
  - b. Applications from eligible applicants that do not receive a Fund Reservation Award under the FY 2009 NOFA for the Section 202 Program.
  - c. Applications from applicants that are ineligible under the Section 202 Program including public bodies and instrumentalities of public bodies.
  - d. Applicants submitting proposals involving mixed-financing for additional units.

**B. Cost Sharing or Matching.** No match required.

#### **C. Other**

1. Requirements and Procedures. To receive and administer funding under this demonstration program, applicants must fully satisfy the eligibility requirements for participation in the Section 202 Supportive Housing for the Elderly Program as well as comply with the following:
  - a. **Statutory and Regulatory Requirements.** You must comply with all statutory, regulatory, threshold, and public policy requirements listed in the **FY2009 General Section**.
  - b. **Allowable Use of Funds.** Pre-development grant funds may be used to cover the cost of pre-development activities relating to the development of supportive housing for the elderly under the Section 202 Program as described in Section IV.E.1. (“Eligible Activities”). However, before a grantee can enter into a contract for professional services, the entity must receive approval under the form HUD-2530 clearance process. Such entities include, but are not limited to, housing consultants (including those instances where eligible sponsors proposed to provide such services), general contractors, and management agents.
  - c. **Organizational Costs.** Eligible organizational expenses and/or costs are limited to those incurred in connection with the organization of an owner entity, pursuant to the requirements of the Section 202 Supportive Housing for the Elderly Program.
  - d. **Site Control.** Applicants are required to provide evidence of site control, consistent with the requirements of the Section 202 Program, as a condition to being funded under the FY2009

Section 202 NOFA. Applicants that receive funding awards under this NOFA may utilize this funding to extend site control in accordance with the site control requirements under the Section 202 Supportive Housing for the Elderly Program. For further discussion, see the Section 202 Program NOFA.

e. **Phase I and Phase II Environmental Site Assessments (ESA).** The requirements for Phase I and II ESAs are the same as those that apply to the Section 202 Supportive Housing for the Elderly Program and are contained in the Section 202 Program NOFA.

f. **False Statements.** See the **FY2009 General Section**.

g. **Delinquent Federal Debts.** In addition to the requirements in the General Section of the FY2009 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2009 NOFAs for Discretionary Programs, applicants at the time of award that have federal debt or are in default of an agreement with the Internal Revenue Service (IRS) will not be funded. Applicants selected for funding have an obligation to report to HUD changes in status of a current IRS agreement covering federal debt.

2. **Program Related Threshold Requirements.** In addition to the threshold requirements in the **FY2009 General Section**, applicants must adhere to all program-specific threshold requirements, as detailed in this NOFA. HUD will consider an application non-responsive to this NOFA and will not accept it for processing if the applicant:

- a. Is determined to be ineligible (Please refer to Section III.A. of this NOFA for a more detailed discussion on ineligible applicants);
- b. Requested more than the maximum grant amount;
- c. Is granted a waiver to submit a paper application, but fails to submit the required original and four copies; or
- d. Failed to submit the threshold requirements as identified by the asterisk (\*) in Section IV.B. of this Program NOFA by the deadline date.

#### **IV. Application and Submission Information**

**A. Addresses to Request Application Package.** All information needed for the preparation and submission of this application is included in this Program NOFA and in the **FY2009 General Section**, as amended. Copies of the **FY2009 General Section**, this Program NOFA, and needed forms are found in the instructions and application downloads are on the Grants.gov website, [www.Grants.gov](http://www.Grants.gov). If you have difficulty accessing the information, you may call the Grants.gov Support Desk toll free at 800-518-GRANTS or email your questions to Support@Grants.gov. The Support Desk staff will assist you in accessing the information.

Your application must be transmitted electronically using [www.Grants.gov/applicant/apply\\_for\\_grants.jsp](http://www.Grants.gov/applicant/apply_for_grants.jsp) unless you request and receive a waiver of the requirement for electronic application submittal. See Section IV. of the **FY2009 General Section**, as amended, for further information and instructions pertaining to electronic application submission and waiver request requirements.

For applicants receiving a waiver to submit a paper application, an original and four copies of the completed application package must be received by the appropriate local HUD office on or before 4:00 pm local time on October 4, 2010. See <http://www.hud.gov/offices/adm/grants/fundsavail.cfm> (select "Important Information Related to the NOFA" and then select "Field Offices") for a complete listing of the Multifamily Hub Offices and Multifamily Program Centers.

## **B. Content and Form of Application Submission.**

You should ensure that your application is complete before transmitting it to the following website: [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). In cases where a waiver of electronic submission requirement is granted, an original and four copies must be submitted to the appropriate HUD office. In addition, all applicable documents must have an original signature. Upon receipt of the application by HUD staff, HUD will screen all applications to determine if there are any curable deficiencies. See Section V.B.2. of this Program NOFA for further discussion.

Applicants may submit more than one application to a single field office. However, no more than one application may be submitted per project. Each application must propose a separate project, and the proposed development must be located within the jurisdiction of the appropriate field office. To be eligible for review, all applications must contain the required exhibits that include form SF-424, form HUD-2880, and the narrative discussions. Forms needed for the application may be obtained from [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). Threshold items are identified by an asterisk (\*). Failure to include threshold items in your initial application submission will render your application nonresponsive and it will not be considered for funding by HUD. Applications must contain the required exhibits as listed below:

1. Cover Letter. A brief narrative detailing the project's name, HUD project number, and the name(s), addresses(es), contact person name(s), and telephone number(s) of the Sponsor(s). The letter must also detail the total grant amount being requested under this Program NOFA.
2. Standard Form 424 – Application for Federal Assistance. Applicants must enter their legal name in box 8.a. of the SF-424 as it appears in the Central Contractor Register (CCR). The legal name entered into box 8.a. of the SF-424 must correspond to the information provided to Dun & Bradstreet (D&B) and CCR. See the **FY2009 General Section** regarding CCR and D&B registration.
3. \* Narrative Demonstrating Need for Pre-Development Funding. This exhibit requires applicants to submit form HUD 2880, Applicant/Recipient Disclosure/Update Report ("HUD Applicant Recipient Disclosure Report" on Grants.gov). A disclosure of assistance from other government sources received in connection with the project is required. Applicants must also submit a brief narrative describing the financial circumstances that resulted in their need to apply for funding assistance with pre-development activities and how the lack of such assistance has impacted the organization's previous or current development efforts.
4. \* Proposed Pre-Development Activities and Budget. This exhibit requires applicants to submit a spreadsheet that specifically identifies the proposed activity(ies) and their anticipated cost. The recommended format is as follows:  
 Column 1 – Clearly identify each eligible pre-development activity being proposed by the applicant.  
 Column 2 – Identify the anticipated cost for each activity.  
 The spreadsheet must identify the total pre-development funding assistance being proposed in the application.
5. \* Project Development Schedule. This exhibit should include a detailed development schedule that identifies the pre-development activities being proposed, their projected start and completion dates, the projected completion date for **all** pre-development planning activities, and a brief narrative describing the applicant's plan for monitoring this schedule of activities and addressing delays should they occur. All projected development schedules must clearly

demonstrate the applicant's ability to move its approved FY2009 Section 202 elderly housing project from Fund Reservation to Initial Closing within 18 months of grant approval and must provide a statement addressing how access to pre-development funding will assist the applicant in moving its FY2009 Section 202 elderly housing project to Initial Closing within 18 months of Fund Reservation approval. The completion of the Logic Model (form HUD 96010) will assist you in responding to this exhibit.

6. Program Outcome Logic Model (HUD 96010). The Logic Model is representative of this Section 202 Demonstration Pre-Development Grant Program proposal and it serves as the "executive summary" for this grant request. Applicants must ensure that its Logic Model accurately represents the purpose of the funding request and the expected impact on the development process.

7. Third-Party Documentation Facsimile Transmittal ("Facsimile Transmittal Form" on Grants.gov) (HUD 96011). This form must be used as part of the electronic application to transmit third-party documents and other information as described in the FY2009 General Section (if applicable).

8. Acknowledgment of Application Receipt (HUD 2993). This is not required for applications submitted electronically.

If changes have been made to any of the forms that were submitted under the FY2009 Section 202 NOFA, HUD requires that the updated form(s) be resubmitted under this Demonstration Pre-Development Grant NOFA.

9. SF 424 Supplement, Survey for Ensuring Equal Opportunity for Applicants ("Faith Based EEO Survey (SF 424 SUPP)" on Grants.gov).

10. SF-LLL, Disclosure of Lobbying Activities, if applicable.

**C. Submission Dates and Times.** Your application must be received and validated electronically by Grants.gov no later than 11:59:59 p.m. eastern time by the application deadline date, unless a waiver of the electronic delivery process has been approved by HUD. Please refer to the **FY2009 General Section** and Section IV.F. below for instructions on applying for a waiver. If a waiver is granted, HUD must receive an **original and four copies** of your application by 4:00 pm local time on October 4, 2010. The notification approving your waiver request will provide submission instructions. Paper applications must be received by the deadline date.

**D. Intergovernmental Review.** This funding opportunity is subject to Executive Order (EO) 12372, "Intergovernmental Review of Federal Programs." You must contact your State's Single Point of Contact (SPOC) to find out about and comply with the state's process under EO 12372. The names and addresses of the SPOCs are listed on the Office of Management and Budget's home page at <http://www.whitehouse.gov/omb/grants/spoc.html>. If required by the state, the submission to the state needs to occur no later than the application deadline date. HUD recommends that you provide the state with sufficient time to review the application. Therefore, it is important that you consult with the SPOC for state review time frames and take that into account when submitting the application.

**E. Funding Restrictions.**

1. Eligible Activities. Section 202 Demonstration Pre-Development Grant Program funds must be used exclusively to facilitate planning, design, and pre-development activities for projects

funded under the FY2009 Section 202 Supportive Housing for the Elderly Program. Such activities include architectural and engineering work, site control planning, and other planning activities related to the development of a multifamily housing project funded under the FY 2009 Section 202 Supportive Housing for the Elderly Program. Grantees may not use funds for land acquisition, leasing, new construction, or property rehabilitation, alteration, demolition, or disposition.

a. All expenses related to eligible activities must be limited to those actual costs that are incurred prior to initial closing and be otherwise eligible activities under the Section 202 Program.

Activities that are eligible for funding include the following:

(1) Appraisals. The applicant's cost for obtaining an appraisal to establish the fair market value of the proposed site completed by a qualified and licensed appraiser.

(2) Architect Services. The design fees charged by licensed architectural/engineering firms for architectural services regarding the applicant's project.

(3) Engineering Services. Actual cost of boundary survey, topographic survey, soil borings, and tests.

(4) Environmental Site Assessment. Actual cost incurred for the environmental site assessment, i.e., Phase I and Phase II.

(5) Consultant Services. Up to 20 percent of the total amount of the contract between the applicant and its consultant for services related to the development and submission of an approvable Section 202 Fund Reservation Application.

(6) Cost Analysis. The cost of the contract between the applicant and a professional with experience in cost estimation, for an independent cost estimate needed to determine the viability of a proposed project as required for firm commitment processing under the Section 202 Program.

(7) Legal Fees. The cost for legal services and title binder fees.

(8) Site Control. The applicant's cost for extending the site control of the original site, including costs necessary to extend the option agreement for up to 18 months, to the closing target date. The proceeds of this grant may not be used for site acquisition.

(9) Market Studies. The applicant's cost for a study completed by a qualified, independent, third-party market research firm for purposes of examining the need for and verifying the marketability of the proposed project.

(10) Organizational Expenses. The actual cost related to the creation of an owner entity for the proposed project pursuant to Section 202 Program regulations.

(11) Impact Fees. One-time fees that local governments charge Sponsor/Owners to offset the impact such housing will have on the community. (Typical impact fees are traffic, solid waste, sewer, water, electric, gas, police protection, and fire protection).

(12) Relocation Expenses. If the project involves displacement of site occupants who are eligible for relocation assistance, indicate the total estimated cost.

(13) Building Permits and Variance Fees. The cost of obtaining building permits and variances.

2. Ineligible Activities. No proposed activity that is deemed to be ineligible will be funded from the Demonstration Pre-Development Grant funds.

a. Examples of ineligible items for which Section 202 Demonstration Pre-Development Grant Program funds may not be used include the following:

(1) To acquire sites or other real property, to fund organizational overhead and/or operating expenses, to pay staff salaries, or to fund any planning activity that is otherwise ineligible for assistance under the Section 202 Supportive Housing for the Elderly Program.

(2) To meet Minimum Capital Investment (MCI) requirements for the Section 202 Program.

(3) To meet Performance/Payment Bonds (dual obligee).

(4) To pay taxes and interest.

(5) To pay bond premium, builder's risk, liability insurance, fidelity bond insurance, performance bond insurance, cash bond, and insurance premiums.

b. In the event that funding awarded under this program is utilized for activities or purposes that have not been approved by HUD, the Department will seek repayment or any other available remedies.

3. Applicants submitting proposals involving mixed-financing for additional units are **not** eligible to be considered for pre-development funding under this NOFA.

#### **F. Other Submission Requirements.**

Application Submission and Receipt Procedures. This section provides the application submission and receipt instructions for HUD program applications. Refer to the **FY2009 General Section** for specific procedures for additional information on application submission requirements.

1. Electronic Delivery. Demonstration Pre-Development Grant applicants must submit their applications electronically through [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp), unless a waiver is granted.

a. The Grants.gov website offers a simple, unified application process. Submission requires an authenticated signature and registration at Grants.gov. There are five steps to complete the registration process, and information is available at the [www.grants.gov](http://www.grants.gov) website. HUD recommends that all prospective applicants take the time to carefully read the notice entitled "Notice of Opportunity to Register Early and other Important Information for Electronic Application Submission via Grants.gov," published on December 5, 2008 (73 FR 74179). This notice is also available on HUD's website at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm> and on [www.Grants.gov](http://www.Grants.gov). Applicants are encouraged to start the Grants.gov registration process immediately upon publication of this NOFA. The registration process can take several weeks to complete.

b. In addition, applicants should carefully read the **FY2009 General Section**, as amended. These notices alert applicants to a recent change in the registration process with the Central Contractor Registry (CCR). As of August 1, 2006, CCR registrants will not be able to enter or modify their name and address information, because it will be pre-populated using Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) record data. During a new registration or when updating a record, CCR registrants will have a choice to accept or reject the information provided from D&B. If the CCR registrant agrees with the D&B supplied information, the D&B data will be accepted into the CCR registrant record. If the CCR registrant disagrees with the D&B-supplied information, the registrant will need to go to the D&B web site, <http://fedgov.dnb.com/webform>, to modify the information contained in the D&B record before proceeding with its CCR registration. See further details in the above-referenced FR Notice.

2. Instructions on how to submit an electronic application to HUD via [grants.gov/Apply](http://grants.gov/Apply) are contained in section IV.F. of the **FY2009 General Section**. Also, Grants.gov has a full set of instructions on how to apply for funds on its website at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). In addition, HUD has published a Desktop User Guide for Submitting Electronic Grant Applications, which is available on HUD's website at <http://www.hud.gov/utilities/intercept.cfm?/offices/adm/grants/deskuserguide.pdf>. The guide contains screen shots and detailed instructions. Applicants are encouraged to read all sources of instructions carefully.

3. Grace Period Policy. In FY2009, HUD established a one-day grace period from the date of notification of a rejection from Grants.gov, to allow applicants that successfully upload an application to Grants.gov prior to the deadline date and time, but receive a rejection notice after the deadline date and time, to cure the reason for rejection and re-upload the application to Grants.gov. The paragraphs below describe HUD's Grace Period Policy for FY2009.

a. Applicants that have successfully uploaded their application to Grants.gov prior to the deadline, and subsequently receive a rejection notice from Grants.gov after the deadline date and time, will have a one-day grace period from the date stamp on the first Grants.gov rejection notice after the deadline, to cure the basis for the rejection and upload an application that corrects the problems cited in the rejection notice. Applicants can upload the application as many times as needed to cure noted deficiencies within the one-day grace period. The Grants.gov rejection notice identifies the reasons why the application was rejected. Applicants that do not understand the error messages received in the rejection notice should immediately contact the Grants.gov Help Desk so that they can get assistance in clearing the problem. Generally, Grants.gov will reject an application because it contains an incorrect DUNS number or a DUNS number that does not match the Authorized Organization Representative's (AOR's) registration, the application was submitted by an individual without proper authorization as the AOR, and/or the application contains file names that trigger a "Virus Detect" message. The grace period ends one day after the date stamp on the first rejection notice received after the deadline date.

WARNING: Applications that contain file names longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a "Virus Detect" message. In FY2008, the use of spaces and special characters in file names (including hyphens, special characters, and spaces even in the form name) and the use of file names which were longer than fifty characters, resulted in the most instances of an applicant receiving a "Virus Detect" rejection. Applicants should also scan files for viruses because the Grants.gov system will also reject files with viruses. Applications received by Grants.gov, including those received during the grace period, must be validated by Grants.gov to be rated or ranked or receive funding consideration by HUD. HUD will use the date and time stamp on the Grants.gov system to determine dates when the grace period begins and ends.

b. Applications uploaded to Grants.gov after the deadline date under the following circumstances do not qualify for the grace period and will not be considered for funding:

(1) Applications uploaded and received by Grants.gov after the deadline date and time for which there is no prior rejection notice in the Grants.gov system logs will be considered late and will not be rated and ranked or receive funding consideration. Failure to successfully upload the application to Grants.gov by the deadline date and time does not qualify for the grace period as described above.

(2) Applications receiving a rejection notice due to the funding opportunity being closed will not be provided the one-day grace period to correct the “opportunity closed deficiency” or any other basis for rejection because the applicant missed the deadline date and time and therefore does not qualify for the grace period, as described above.

(3) If an application is uploaded during the grace period and is subsequently rejected after the grace period ends, the applicant will not be afforded additional time to correct the deficiency(ies) noted in the rejection notice.

c. The grace period ends at 11:59:59 p.m., one day from the date stamp on the first rejection notice issued by the Grants.gov system to the email address provided in the Grants.gov registration. Applicants must ensure that their email notification address contained in the Grants.gov registration is up-to-date. Neither HUD nor Grants.gov will be responsible if email messages are not received at the address listed in the registration process. Applicants must also ensure that their email systems will accept messages from Grants.gov. Applicants are responsible for monitoring their email messages. Messages from Grants.gov come from [Support@grants.gov](mailto:Support@grants.gov).

d. The only exceptions to HUD’s grace period policy are:

(1) The Grants.gov system is down and not available to applicants for at least 24 hours prior to the deadline date, or the system is down for 24 hours or longer, thus impacting the ability of applicants to cure a submission deficiency within the grace period; and/or

(2) There is a presidentially declared disaster in the applicant’s area. In the event of either or both of these events, HUD will publish a notice extending the deadline or cure period, for applicants affected, as appropriate.

e. Busy servers or slow processing are not the basis for HUD to extend the deadline dates or the grace period. Applicants are advised to monitor the Grants.gov system using the Grants.gov blog at <http://grants-gov.blogspot.com/>. The Grants.gov blog provides information on server capacity, traffic on the Grants.gov site, and other federal grant closings each day. Applicants should monitor the site and take into account the amount of traffic on the site when applying.

4. An applicant will not be provided additional opportunities to correct rejection errors if an application is rejected after the one-day grace period has expired. As with any electronic system, applicants may experience issues when attempting to submit their application that does not permit the uploading of the application to Grants.gov. Such issues can be due to firewall and virus protection software that the applicant has placed on its system or network, proxy and cache settings, Internet traffic, limitation on the size of the files attempting to be transmitted established at the applicant’s site or by the applicant’s Internet provider, Grants.gov servers experiencing busy traffic, or any number of issues. Therefore, HUD strongly advises applicants to submit their applications at least 48 hours prior to the deadline and when the Grants.gov Help Desk is open so that assistance can be provided. Assistance may require diagnosing an applicant’s particular issues. An applicant that does not follow HUD’s advice increases the applicant’s risk of not being able to meet the timely receipt requirements. A submission attempt less than the recommended 48 hours before the deadline does not allow the time needed to research the reason for the problem or to work with the applicant in overcoming the uploading difficulty. Similarly, attempting to submit within 24 hours of the deadline or when the Grants.gov Help Desk is closed does not allow the time needed for Grants.gov or HUD to provide the needed assistance. In addition, HUD staff cannot provide assistance or contact Grants.gov on your behalf after the Help Desk is closed. HUD strongly encourages applicants to carefully read the December 29, 2008, **FY2009 General Section** for additional information regarding the Grants.gov registration

process, submitting an application through Grants.gov, and timely receipt instructions. HUD also encourages applicants to submit their applications early with sufficient time to address issues that might prevent their applications from being received by Grants.gov. Applicants should also note that Adobe has put out a new version of Adobe Reader compatible with Grants.gov. This version is Adobe Reader 9.2. Applicants are advised to use Adobe Reader version 9.2 or whichever is the newest version of Adobe Reader compatible with Grants.gov. For information on compatibility go to: [http://www.grants.gov/help/download\\_software.jsp](http://www.grants.gov/help/download_software.jsp).

5. Waiver of Electronic Submission Requirement. HUD will only accept electronic applications submitted through [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp) unless the applicant has received a waiver. Applicants that are unable to submit their application electronically must seek a waiver of the electronic grant submission requirement. Waiver requests must be submitted no later than 15 days before the application deadline date. Waiver requests should be submitted by mail or by fax. Waiver requests submitted by mail or fax should be submitted on the applicant's letterhead and signed by an official with the legal authority to request a waiver from the Department. Applicants may also email their requests to [aretha.m.williams@hud.gov](mailto:aretha.m.williams@hud.gov). The request must be in letter format addressed to the Assistant Secretary for Housing at the following address: David H. Stevens, Assistant Secretary for Housing-Federal Housing Commissioner, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 9100, Washington, DC 20410-8000. Waiver requests submitted by fax must be sent to 202-708-3104. If a waiver is granted, you must submit the required number of copies of your application to the Director of the appropriate local HUD office, and the application must be received no later than that HUD office's close of business on the application deadline date. The waiver approval notification will identify the appropriate HUD office where the application should be submitted and the required number of copies that must be submitted.

6. Proof of Timely Submission. Applicants must submit their applications to [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp) in time for receipt at Grants.gov by 11:59:59 p.m. eastern time on the application deadline date. Applicants are advised to submit 72 hours in advance of the deadline so that they have sufficient time to correct any deficiencies that would prevent the acceptance of your application by Grants.gov. (Refer to the FY2009 General Section for specific procedures regarding proof of timely submission of applications.)

6. Address for Submitting Applications. Applications must be submitted electronically through the [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp), unless the applicant receives a waiver from the electronic application submission requirement. See section IV of the **FY2009 General Section**, "Application Submission and Receipt Procedures," for information on applying online. The applications submitted electronically via [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp) will be electronically downloaded and forwarded to the appropriate local HUD office.

## **V. Application Review Information**

**A. Criteria.** HUD Headquarters will select applications for the Section 202 Demonstration Pre-Development Grant based on the HUD Multifamily Program Center's rating of the respective FY 2009 Section 202 applications. HUD will award funding under the following process until all available funding has been exhausted.

### **B. Review and Selection Process.**

1. HUD's application review process will include, but is not limited to, an eligibility review of each pre-development planning activity being proposed by the applicant, the reasonableness of the proposed cost for each activity, the reasonableness of the applicant's proposed budget, and the ability of project Sponsors to expedite the development processing of projects from Section 202 Fund Reservation to Initial Closing within the 18-month time frame. All activities must be related to the development of the Section 202 housing project selected under the FY2009 Section 202 Supportive Housing for the Elderly Program and be otherwise eligible activities under the Section 202 Program.
2. Review for Curable Deficiencies. A curable deficiency is a missing exhibit or portion of an exhibit that will not affect the eligibility of the applicant. The exhibits identified by asterisk (\*) as threshold requirements must be dated on or before the application deadline date. Refer to the **FY2009 General Section** for additional information regarding procedures for corrections to deficient applications. HUD will screen all applications received by the application submission deadline for curable deficiencies. HUD will notify you in writing if your application is missing any of the exhibits or portions of exhibits, as listed in Section IV.B. of this NOFA. You will then be given 14 calendar days from the date of the HUD written notification to submit the information required to cure the noted deficiencies.
3. Review for Threshold Requirements. All applications must meet the threshold requirements identified in the **FY2009 General Section** and in Section IV.B. and Section III.C.2. of this program NOFA. Failure to meet any threshold item will render an application ineligible for funding consideration. Please note that Section III.C.2. of the FY2009 General Section, and the items identified by an asterisk (\*) as listed in Section IV.B. and in Section III.C.2. of this NOFA, are also threshold requirements and must be dated on or before the application deadline date. Failure to satisfy all threshold requirements at the time of submission will render the application in question as nonresponsive to this NOFA, and the application will be subject to no further review. See the **FY 2009 General Section** for additional procedures for corrections to deficient applications.
4. Technical Review. HUD Multifamily Field Office staff will review applications that passed the threshold review for compliance with the eligibility criteria set forth in this NOFA. However, HUD will not reject your application based on technical review without notifying you of that rejection, the reason(s) for the rejection, and providing you with 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 of projects to be forwarded to HUD Headquarters. HUD Field Office staff will forward to Headquarters a listing of eligible applications that were received by the deadline date that met all eligibility criteria, that proposed reasonable costs for eligible activities, and that included all technical corrections by the designated deadline date.
5. HUD Headquarters will select Section 202 Demonstration Pre-Development Grant applications based on HUD Multifamily Program Centers' rating of the respective FY2009 Section 202 application, beginning with the highest-rated application nationwide. After this selection, HUD Headquarters will select the next-highest-rated application in another Program Center. Only one application will be selected per Multifamily Program Center. However, if there are no approvable applications in other Multifamily Program Centers, the process will begin again with the selection of the next-highest-rated application nationwide. More than one application may be selected per HUD Multifamily Program Center if there are no other approvable applications.

This process will continue into a second and subsequent round(s) until all approvable applications are selected using the available remaining funds. HUD Headquarters will fully fund as many applications as allocated funds will allow. HUD Headquarters will review its selection results to ensure that no single entity (including affiliated entities) receives grant funding in excess of \$800,000. Once an organization receives its maximum amount of grant funding, no other projects from that organization will be eligible for selection from the succeeding rounds.

If there is a tie score between two or more applications, HUD will select the applicant with the highest score in Rating Factor 1 of the FY2009 Section 202 application. If Rating Factor 1 is scored identically, the score in Rating Factor 2, 3, and 4 of the FY 2009 Section 202 application, will be compared in that order, until one of the applications received a higher score. If both applications still score the same, then the application which requests the least funding will be selected.

6. Adjustments to Funding/Reduction of Requested Grant Amount. See Section II.D. of this Program NOFA.

## **VI. Award Administration Information**

**A. Award Notices.** Following the congressional notification process, HUD will issue a press release announcing the selection of awards. Once such an announcement has been made, successful applicants will receive their selection letters and grant agreement, including an approved Logic Model, via regular or overnight mail. The grant agreement is the legally binding document that establishes a relationship between HUD and the award recipient organization. Once properly executed, funds are obligated, and the disbursement of funds is generally authorized.

1. As a condition of receiving a grant under this Section 202 Demonstration Pre-Development Program, grantees must open a separate, non-interest bearing account for the receipt and handling of these funds.
2. All applicants that were not selected for funding will receive a non-selection letter.
3. You may request a debriefing on your application in accordance with section VI.A. of the **FY2009 General Section**. The request must be made to the Director of Multifamily Housing, in the HUD field office that has jurisdiction over the housing development identified in your application, to which you sent your application.

**B. Administrative and National Policy Requirements.** HUD is required to obligate all Section 202 funds appropriated for FY2009 by September 30, 2012. Under 31 U.S.C. 1552(a), no funds can be disbursed from this account after September 30, 2017. Under this demonstration program, obligation of funds occurs upon execution of the Grant Agreement.

**C. Reporting.** Grantees must submit quarterly updates of the Program Outcome Logic Model (form HUD 96010), as well as quarterly Federal Financial Report (FFR) forms. In order for HUD to evaluate the effectiveness of the Demonstration Pre-Development Grant Program (DPG) funding, each Logic Model must indicate the results achieved against the proposed output goal(s) and proposed outcome(s) which were stated in the FY2009 Section 202 DPG Program application and agreed upon by HUD. HUD requires that funded recipients collect racial and ethnic beneficiary data. It has adopted the Office of Management and Budget's Standards (OMB) for Collection of Racial and Ethnic Data. In view of these requirements, you should use

form HUD-27061, Racial and Ethnic Data Reporting Form (and instructions for its use) found on <http://www.HUDclips.org>.

**D. Environmental Requirements.** The provision of assistance under this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321) and not subject to compliance action for related environmental authorities under 24 CFR 50.19 (b) (1), (3), (5), (8), and (16).

**E. Environmental Impact.** This NOFA does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19 (c) (1), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

## VII. Agency Contacts

**A.** For programmatic information you may contact the appropriate local HUD office, or Denise Taylor-Parker at HUD Headquarters at (202) 402-2892, or via the Internet at [Denise.L.Taylor-Parker@hud.gov](mailto:Denise.L.Taylor-Parker@hud.gov). Persons with hearing and speech impairments may access the above number via TTY by calling the toll-free Federal Relay Service at 1-800-877-8339.

**B.** For technical assistance in downloading and submitting an application package through

[http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp), contact the Grants.gov Help Desk at 1-800-518-GRANTS, or by sending an email to [support@grants.gov](mailto:support@grants.gov).

## VIII. Other Information

### A. Section 102 of the HUD Reform Act, Documentation and Public Access Requirements.

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545) (HUD Reform Act) and the regulations codified at 24 CFR part 4, subpart A, contain a number of provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. The documentation, public access, and disclosure requirements of Section 102 apply to assistance awarded under this NOFA as follows:

1. Documentation. HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a 5-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations (24 CFR part 15).
2. Disclosures. HUD will make available to the public for 5 years all applicant disclosure reports (form HUD-2880) submitted in connection with this NOFA. Update reports (also reported on form HUD-2880) will be made available along with the applicant disclosure reports, but in no case for a period of less than 3 years. All reports, both applicant disclosures and

updates, will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations (24 CFR part 15).

3. Publication of Recipients of HUD Funding. HUD will publish a notice on its website to notify the public of all decisions made by HUD to provide:

- a. Assistance subject to Section 102(a) of the HUD Reform Act; and
- b. Assistance provided through grants or cooperative agreements on a discretionary (non-formula, non-demand) basis, but that is not provided on the basis of a competition.

**B. Section 103 of the HUD Reform Act.** HUD's regulations implementing Section 103 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3537a), codified at 24 CFR part 4, subpart B, apply to this funding competition. The regulations continue to apply until the announcement of the selection of successful applicants. HUD employees involved in the review of applications and in the making of funding decisions are prevented by the regulations from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4. Applicants or employees who have ethics-related questions should contact the HUD Ethics Law

Division at 202-708-3815. (This is not a toll-free number.) HUD employees who have specific program questions should contact the appropriate field office counsel or Headquarters counsel for the program to which the question pertains

**C. Paperwork Reduction Act Statement.** The information collection requirements contained in this document are currently approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0267. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 4 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, semi-annual reports and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

Dated: AUG 11 2010



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David H. Stevens,  
Assistant Secretary for Housing-  
Federal Housing Commissioner

[FR-5390-N-01]