



Section 202 Supportive Housing for the Elderly Program

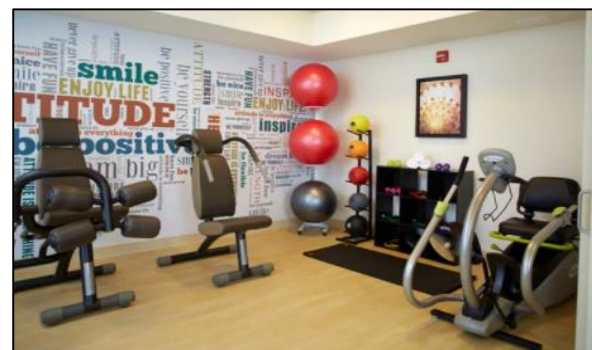
FY 2020 Notice of Funding Availability (NOFA)

February 2, 2021

This presentation provides a summary of information presented in the NOFA for webinar purposes. Please refer to the NOFA on HUD's funding opportunities website (<https://www.hud.gov/grants/>) for a complete presentation of the funding opportunity, including requirements for eligibility and submission.

Description of Funding Opportunity

- **NOFA Title:** FY 2020 Section 202 Supportive Housing for the Elderly Program
- **NOFA Reference:** FR-6400-N-52
- **Application Due Date:** 11:59:59 PM EST on **May 26, 2021**
- **Eligible Applicants:** Private non-profit organizations that have tax-exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal revenue Code of 1986, and non-profit consumer cooperatives
- **HUD Goals:**
 - Advance housing for the elderly as a platform for living independently and aging in community
 - Fund properties that are at the forefront of design, service delivery, and efficient use of federal resources



Description of Funding Opportunity

Available Funding: Up to \$150M in total funding for the development of supportive rental housing for very-low-income persons aged 62 years or older.

- **Capital Advance**
 - Funds to finance construction, reconstruction, moderate, or substantial rehabilitation, or acquisition of a structure with or without rehabilitation. Funds cannot be used to construct or operate assisted living facilities.
 - Capital Advance funds requested may not exceed the Total Development Cost (TDC) as published by HUD and is determined by building type and unit size.
- **Project Rental Assistance Contract (“PRAC”)**
 - Provides ongoing operating assistance and maintains the affordability of covered units. PRAC funds are used to cover the difference between tenants’ contributions toward rent and HUD-approved operating costs. PRAC funds may also be used to provide supportive services and to hire a service coordinator.
- Applicants must request a Capital Advance amount (minimum \$1) and identify the number of units to be assisted under the PRAC.

How is the FY20 Section 202 NOFA Different From FY18?

- Increased total funding available through the NOFA from \$50M to \$150M
- Increased maximum per project Capital Advance award amount from \$5M to \$20M

- Removes rating factors that were duplicative
- Provides additional discussion of site and neighborhood standards review
- Provides greater specificity around the building design rating factor

Funding

FY
Section
202 NOFA

Increase
Clarity

New Tool,
Forms and
Updated
Requirements

- Provides a 202 NOFA Toolkit to assist with the application submission
- Includes a new HUD Form - Application for Capital Advance Summary Information, HUD Form 92015-CA
- Adds rating factor points for properties located in an Opportunity Zone
- Pro forma can represent servicing of hard debt if non-PRAC revenue is supporting debt service or sponsor states its intention to convert assistance via the RAD program
- Applicant must submit environmental documentation through HEROS

202 NOFA Tools

- The 202 NOFA Toolkit is an optional, but strongly encouraged, Excel tool intended to streamline and standardize application submissions by:
 - Providing templates that satisfy NOFA submission requirements; and
 - Alerting the applicant when entries may violate NOFA requirements (although the Toolkit cannot catch all NOFA requirements).

FY20 202 NOFA Toolkit	
Project Name:	
Project Sponsor:	
INSTRUCTIONS	
<p>This 202 NOFA Toolkit (Toolkit) is intended to streamline and standardize the application submissions under the FY 20 Section 202 NOFA by providing templates that satisfy the NOFA's submission requirements, alerting the applicant when entries may violate NOFA requirements through system-generated flags, and calculating provisional scores for a subset of rating factors. This Toolkit does not contain ALL NOFA submission items. If the Toolkit is used, it must be supplemented with the additional submission items described in Section IV.B. Content and Form of Application Submission of the NOFA.</p>	
<p>The Toolkit contains seven worksheets to be completed by the Sponsor in the submission of their FY20 Section 202 application, including:</p> <ul style="list-style-type: none">- Part 1: Physical Design- Part 2: Market- Part 3a: Capacity- Part 3b: Leverage and Committed Funds- Part 4: Land Use & Zoning- Part 5a: Operating Cost Standard- Part 5b: Operating Pro Forma	
<p>The instructions provided on each worksheet provide guidance on completion. Cells shaded in ORANGE require user input entry.</p>	
<p>Please note that the auto-calculated section score displayed in some worksheets (i.e., Part 1 - Part 4) is provisional and contingent on verification by HUD reviewers upon submission of the application.</p>	
<p>The completion of the Toolkit is a component of the submission requirements for the following eight "Tabs" listed in the NOFA (Section IV.B. Application Submission Information, Content and Form of Application Submission):</p> <ul style="list-style-type: none">- Tab B, Need- Tab D, Development Budget- Tab F, Operating Pro Forma- Tab L.1, Physical Design - Checklist of required features and listing of selected optional features- Tab N.1, Development Experience- Tab N.2, Appraisal of Donated or Seller-Financed Land- Tab N.3, Section 3 Employment Opportunities for Low and Very-Low Income Persons- Tab O, Evidence of Compliance with Local Land-Use and Zoning Regulations	

- The auto-calculated scores displayed in the Toolkit are provisional and are contingent on verification by HUD.
- The webinar conducted on January 27, and the associated PowerPoint, both of which are/will be on the HUD website, offer additional tips, tools and reference materials.

NOFA Requirements

NOFA Requirement Categories

1

Threshold

- Type of eligibility requirement; applications that fail to meet these requirements will be deemed ineligible and will not be evaluated

2

Program Specific Requirements

- 14 requirements specific to the Section 202 NOFA. Of these, 9 require the submission of specific documents or information in the “Tabs of the Application.”

3

Statutory and Regulatory Requirements

- Type of eligibility requirement for all HUD programs (e.g., Outstanding Delinquent Federal Debts). Detailed information on each requirement is posted on [HUD's Funding Opportunities Page](#). See the NOFA and the January 27 webinar materials for more information.

1 Threshold Requirements

- Threshold requirement deficiencies are not curable, except for documentation of applicant eligibility.
 1. **Outstanding Civil Rights Matters** - must be resolved to HUD's satisfaction prior to grant award, provided that all applicable legal processes have been satisfied.
 2. **Timely Submission** - Applications submitted after **11:59:59 PM on May 26, 2021** that do not meet the requirements of the grace period policy will be marked late. Late applications are ineligible and will not be considered for funding.
 3. **Complete Application** - HUD reserves the right to determine whether an application is substantially deficient and non-responsive to the NOFA application requirements. Section IV.B., "Content and Form of Application Submission" identifies the required documentation for submission for a complete application.
 4. **Non-Profit Status** - Applicants must document their status as a private non-profit organization or as a mixed-finance limited partnership with one or more private non-profit organizations serving as the general partner (see 24 CFR 891.805) **Tab A**.
 5. **Need** - HUD will assess the unmet housing needs in the proposed development area relative to the number of proposed assisted units. Applicants must provide an absorption ratio by dividing the number of units in the proposed project by the number of income eligible households aged 62 years old or older with severe housing needs. To be eligible sites must have an absorption ratio of 50% or less. **Tab B. Refer to Slide 8 for the data sources used in the calculation of the absorption ratio.**

See
Sections
III.A. and
III.D.4,
Tab A

See Section
III.D.5, Tab B

2

Nine of the Program Specific Requirements that Require the Submission of Documents or Information as Tabs of the Application

Requirement	NOFA Ref.	Requirement Summary	Tab
Development Plan	Section III.F.2	<ul style="list-style-type: none"> Narrative description of property. Project development timeline identifying dates for the major development stages for the project. 	C
Development Budget	Section III.F.3	<ul style="list-style-type: none"> Identify ALL committed or proposed sources, including debt, equity, and grants. Commitments must describe the allowed uses of the funds, the term for which the commitment is valid, and any repayment terms. The term of commitment cannot expire earlier than 12 months from the application deadline date. Identify the requested Capital Advance funds not to exceed TDC limits. Construction costs must be based on cost estimate performed by a professional estimator or for rehab based on a Capital Needs Assessment (CNA). 	D 202 NOFA Toolkit, Part 3b
Capital Needs Assessment (CNA)	Section III.F.3	<ul style="list-style-type: none"> Except for new construction or (gut) rehabilitation, applications must include a CNA identifying the rehabilitation needs of the property. 	E

2

Nine of the Program Specific Requirements that Require the Submission of Documents or Information as Tabs of the Application (continued)

Requirement	NOFA Ref.	Requirement Summary	Tab
Operating Pro Forma	Section III.F.4	<ul style="list-style-type: none"> Year 1 rents for PRAC units must be based on HUD's Operating Cost Standards (i.e., "PRAC Contract Rents" in NOFA Appendix). Identify any utilities that will be project paid, if applicable, and provide the reasonable per unit costs associated with those utilities. Can represent servicing of hard debt service only if: <ul style="list-style-type: none"> Project includes other revenue producing residential units/commercial space, and/or Sponsor states its intention to covert the PRAC units, once executed to a project -based Section 8 contract via RAD. 	F 202 NOFA Toolkit, Part 5b
Site Control	Section III.F.5	<ul style="list-style-type: none"> Evidence of control documents: <ul style="list-style-type: none"> Deed or long-term leasehold which evidences current title to, or a leasehold interest in, the site. Contract of sale. Option to purchase or option for a long-term leasehold. 	G

2

Nine of the Program Specific Requirements that Require the Submission of Documents or Information as Tabs of the Application (continued)

Requirement	NOFA Ref.	Requirement Summary	Tab
Environmental Review	Section III.F.6	<ul style="list-style-type: none"> • HUD will perform a preliminary environmental screen at the application review stage to assess major adverse environmental conditions • Subsequent to award, HUD will complete its full environmental review only for applicants receiving awards prior to issuance of the Firm Commitment • Applicants must submit 12 Partner Worksheets + Phase I ESA (and if necessary, Phase II ESA and Phase III-Clean-Up Plan) • ALL documentation must be prepared by an Environmental Professional in accordance with ASTM Standard E 1527-13. • ALL documentation MUST be submitted into HUD Environmental Review Online System (HEROS) • HUD will provide the applicant 30 days from the NOFA due date for the applicant to submit the environmental documentation through HEROS. • Comprehensive environmental review guidance and training is available at www.hudexchange.info/programs/environmental-review/housing/#2019-202-nofa-environmental-information 	H

2

Nine of the Program Specific Requirements that Require the Submission of Documents or Information as Tabs of the Application (continued)

Requirement	NOFA Ref.	Requirement Summary	Tab
Site and Neighborhood Standards (SNS)	Section III.F.7	<ul style="list-style-type: none"> All sites must comply with site selection requirements in 24 CFR 891.125 HUD performs a SNS review for any proposed new construction 	I
Real Property Acquisition and Relocation	Section III.E.8	<ul style="list-style-type: none"> Applicant must comply with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA) as amended If the property was occupied at any time since the earlier of the publication of this NOFA and securing of site control by the applicant, the applicant must state whether relocation did or would occur and must certify that the appropriate required General Information Notice (GIN) was issued Applicant must submit relocation plan and budget in compliance with the URA, if the development proposal will require the relocation of businesses or residents from an existing site 	J

2

Nine of the Program Specific Requirements that Require the Submission of Documents or Information as Tabs of the Application (continued)


Requirement	NOFA Ref.	Requirement Summary	Tab
Certificate of Consistency with the Consolidated Plan	Section III.F.9	<ul style="list-style-type: none"> This program requires a Certification of Consistency with the Consolidated Plan under 24 CFR 91.2 This certification means the proposed activities in the application are consistent with the jurisdiction's strategic plan and the location of the proposed activities is consistent with the geographic areas for such activities specified in the Consolidated Plan Under 24 CFR 91.510, for competitive programs, a certification of consistency of the application with the approved consolidated plan for the jurisdiction may be required, whether the applicant is the jurisdiction or another applicant. If you fail to provide the certification, and you do not cure Page 24 of 68 the omission as a curable deficiency, HUD will not fund the application 	K

Note: The requirements shown in the column titled "Requirement Summary" provides a high-level overview of program specific requirements identified in the NOFA. Please refer to Section III.E. for complete list of all requirements.

3 Statutory and Regulatory Requirements

- Eligibility requirements for applicants of HUD's Grant Programs:
 - Outstanding Delinquent Federal Debts
 - Debarment and/or Suspensions
 - Pre-selection Review of Performance
 - Sufficiency of Financial Management System
 - False Statements
 - Mandatory Disclosure Requirement
 - Prohibition Against Lobbying Activities
 - Equal Participation of Faith-Based Organizations in HUD Programs and Activities
- For more information see "Eligibility Requirements for Applicants of HUD's Grants Programs" within the FY 2020 NOFA's section on the Funding Opportunities webpage

https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps

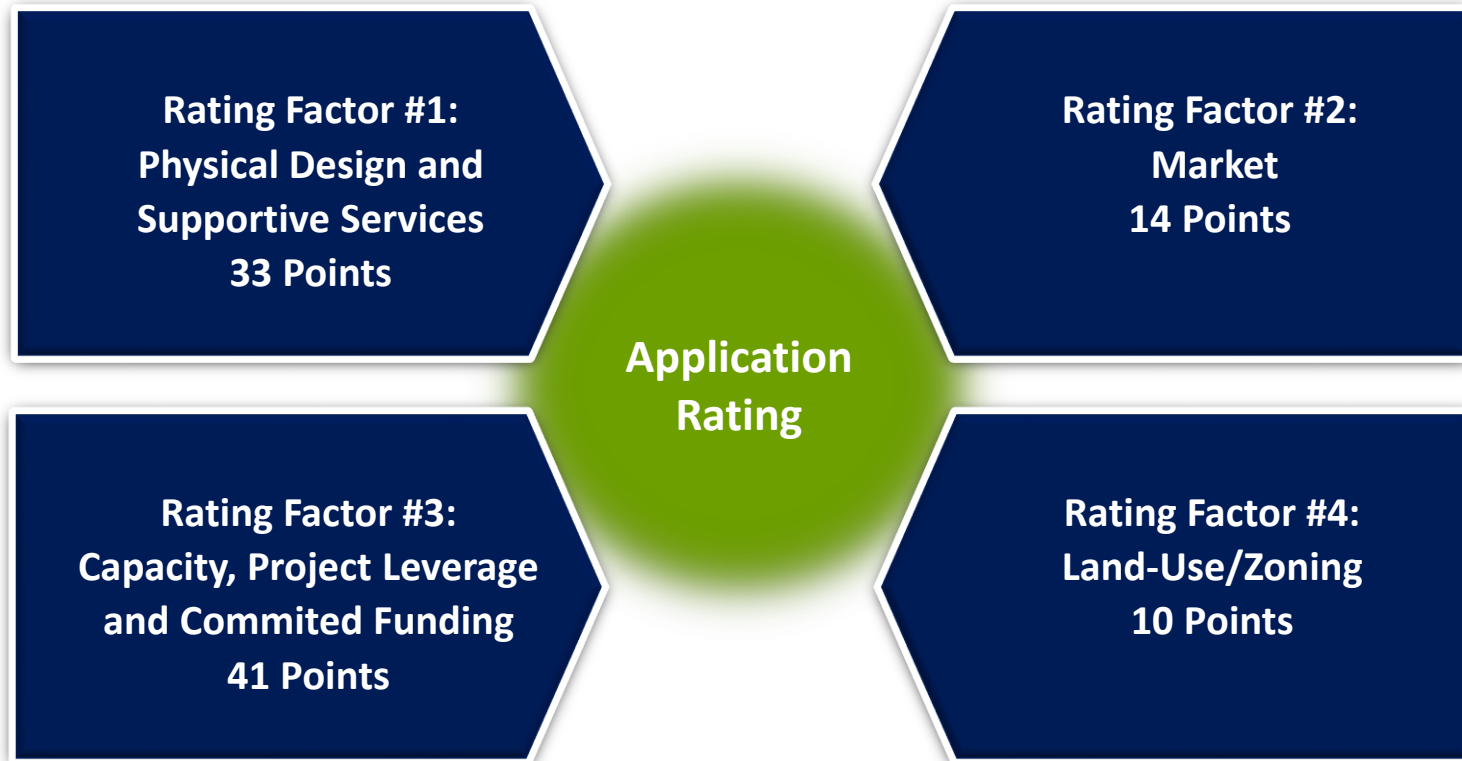


See
Section III.E

Application Rating Factors

Application Review - Rating Factors

Sum of Rating Factor Points + Preference Points for OZ = 100



Preference Points – HUD may award up to 2 points for applicants proposing projects in an Opportunity Zone

Rating Factor #1: Physical Design and Supportive Services

Concept and Project Proposal, Tab L

33 Points

Applicants must score at least 20 points on this rating factor to be considered for funding

Physical Design, Tab L.1 & 202 NOFA Toolkit

20 Points

202 NOFA Toolkit

- Narrative description of how the design will prolong the period that elderly residents with varying levels of health needs can live independently and commit to design features that prevent falls, incorporate universal design and visitability principles, leverage electronic communications, and promote health and wellness.
- Schematics of the building and unit

Supportive Services, Tab L.2

13 Points

- Describe proposed services and how the services will be delivered
- Funding sources, public or private, funds that are expected to fund the proposed services over the life of the project
- Describe the capacity of sponsor and partner organizations to coordinate, deliver, and finance supportive services
- ***Rating will focus on the capacity of sponsor & partners***

Note: A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.

Rating Factor #2: Market

Need, Tab B

Market and Opportunity Zone, Tab M.1 and M.2

14 Points + 2 Points, if OZ

Need, Tab B

4 Points

Neighborhood and Context, Tab M.1

10 Points

- **Evidence of Strong Need (4 Points).** Absorption ratio of 15% or less
- **Evidence of Need (2 Points).** Absorption ratio greater than 15% and less than 30%
- **No Evidence of Need (0 Points).** Absorption ratio 30% or greater, or notwithstanding a lower absorption ratio if HUD finds existing HUD assisted elderly properties within the census tract or adjacent census tracts with a significant lack of demand

- Demonstrate that the location of the site supports independence and/or alleviates isolation. Identify the location, the proximity, and the ease of access of the project site to amenities important to the elderly that supplement the services provided on-site. Describe how residents could reasonably access critical amenities, particularly without the use of a personal motor vehicle

Opportunity Zones, Tab M.2

2 Points

- Demonstrate that the site is in an OZ

Note: A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.

Green font indicates the documents required to obtain the +2 preference points for a property located in an opportunity zone.

Rating Factor #3: Capacity, Project Leverage, and Committed Funding

Capacity, Leverage and Committed Funding, Tab N

41 Points

Applicants must score at least 20 points on this rating factor to be considered for funding

202 NOFA Toolkit Development and Management Experience, Tab N.1 15 Points	202 NOFA Toolkit Project Leverage, Tab D and N.2 15 Points
<ul style="list-style-type: none"> Assesses the experience and organizational resources to successfully implement the project Evaluates experience with Section 202 (management and operating) and LIHTC 	<ul style="list-style-type: none"> Evaluates the amount of financing brought to the project by the applicant in relation to the amount of Capital Advance funding requested through the calculation of a leverage score
202 NOFA Toolkit Committed Sources, Tab D 10 Points	202 NOFA Toolkit Emp. Opp. for Low and Very-Low Inc., Tab L.3 1 Point
<ul style="list-style-type: none"> Rates the extent to which the non-Capital Advance funding sources proposed for the development have a likelihood of being secured via submitted evidence (e.g., 9% LIHTC allocation with pricing letter from an investor) 	<ul style="list-style-type: none"> Evaluates the planned activities toward fulfilling the goal of training and employing Section 3 residents and contracting with Section 3 business concerns in the development of the proposed project.

Note: A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.

Rating Factor #4: Land Use / Zoning

Evidence and Compliance with Local Land-Use and Zoning Regulations, Tab L

202 NOFA Toolkit

10 Points

- **Fully Permitted (10 Points).** Project, as proposed, is permissible under applicable zoning ordinances or regulations (either by right or under approved variances) and does not require additional discretionary action from a governing body
- **Partially Permitted (4 Points).** Project, as proposed, is permissible under applicable zoning ordinances or regulations but requires other discretionary approvals
- **Not Land Use Compliant (0 points).** Include a statement of the action required to make the proposed project permissible to receive a building permit AND the basis for the belief that the proposed action will be completed successfully before the submission of the firm commitment application

Note: A summary is shown for presentation purposes. Please refer to the NOFA for a complete description of rating factors.

Application Review and Award

Award Administration

- Applications are due **May 26, 2021**.
- Notifications will be sent by email to the person listed as the AOR in item 21 of the SF-424.
- Application debriefings will be available, if requested by the applicant, for a period of 120 days beginning 30 days after the public announcement of awards.
- A fund reservation award constitutes **preliminary approval** of the application and does not constitute an approval of the site, pending full environmental review.
- Awarding of funds contingent on meeting “Period of Performance” requirements in Section II.D of the NOFA, including: (1) Agreement Letter and (2) Firm Commitment Application. Initial closing of the Capital Advance and start of construction are expected to be accomplished within 6-18 months after acceptance of the Agreement Letter.
- HUD may impose special conditions on awards when assessing applicant risk.



Application Deficiencies

- Application deficiencies are classified as one of the following:
 - **Curable:**
 - Can be corrected by the applicant;
 - Does not influence how the applicant is ranked or scored;
 - Not a threshold requirement, except for documentation of applicant eligibility; and
 - Applicants must email corrections to curable deficiencies to applicationsupport@hud.gov AND 202capitaladvancenofa@hud.gov within the time limits specified in the notification. The time allowed to correct deficiencies will not exceed 14 calendar days or be less than 48 hours from the date of the email notification. Subject line of applicant's response email must state "Technical Cure" and include the grants.gov tracking number.
 - **Non-Curable:**
 - Cannot be corrected by the applicant;
 - Correcting would change the applicant's score or rank; and
 - May result in an application being ineligible, or otherwise adversely affect an application's score and final determination guidelines for narratives and other attachments.

Selection Considerations

- **Minimum scoring.** To qualify for a Capital Advance Award, applicants must earn a minimum score of 75 points which must include a minimum score of 20 points for Rating Factor 1 (Physical Design and Supportive Services) and a minimum score of 20 points for Rating Factor 3 (Capacity, Project Leverage, and Committed Funding).
- Not less than 15 percent of the funds made available for assistance under this NOFA shall be allocated to **non-metropolitan areas**, unless there are insufficient applications that meet the minimum score.
- Not less than 10 percent of the funds made available for assistance under this NOFA shall be **allocated to projects within each of the five Office of Multifamily Housing Programs administrative regions**, unless there are insufficient applications that meet the minimum score.