

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5700-N-28]**

**HUD's Fiscal Year (FY) 2013 Notice of Funding Availability (NOFA) for  
Section 811 Project Rental Assistance Program**

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

**ACTION:** Notice of Funding Availability (NOFA) for HUD's Fiscal Year (FY) 2013 Section 811 Supportive Housing for Persons with Disabilities (Section 811) Project Rental Assistance (PRA) Program.

**SUMMARY:** Today's publication provides information and instructions for the FY 2013 Section 811 PRA program. This Notice comprises both the Notice of HUD's Fiscal Year (FY) 2013 Notice of Funding Availability (NOFA), Policy Requirements, and General Section (General Section) to HUD's FY 2013 NOFAs for Discretionary Programs, posted on [www.Grants.gov](http://www.Grants.gov) on August 8, 2012, and this program section to the NOFA. This NOFA announces the availability of Section 811 PRA funding for state housing or other appropriate housing agencies to provide project-based rental assistance in the development of supportive housing for extremely low-income persons with disabilities. To be eligible for Section 811 PRA funds, these housing agencies must have a formal partnership with the State health and human service agency and the state agency designated to administer or supervise the administration of the State plan for medical assistance under Title XIX of the Social Security Act (Medicaid) who will be providing appropriate services and supports directly to residents. In many states, this is the same agency, so the NOFA will refer to the "State Health and Human Services/Medicaid Agency". This Section 811 PRA program is designed to develop and support sustainable partnerships with state housing agencies and State Health and Human Services/Medicaid agencies that will result in long-term strategies to provide permanent affordable rental housing for people with disabilities receiving assistance under Title XIX of the Social Security Act or other individuals with disabilities receiving comparable long-term services and supports in the community.

**APPLICATION DEADLINE DATE:** The application deadline date is 11:59:59 p.m. on **May 5, 2014**. Applications must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date.

**FOR FURTHER INFORMATION CONTACT:** Questions regarding specific program requirements should be directed to Lessie Powell Evans, Office of Housing Assistance and Grant Administration, Department of Housing and Urban Development, 451 Seventh Street SW, Room 6234, Washington, DC 20410 or to [PRApplications@hud.gov](mailto:PRApplications@hud.gov). Questions regarding the FY 2013 General Section should be directed to the Grants Management Office at 202-708-0667 (this is not a toll-free number). Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339.

HUD expects to hold an information webcast via satellite or a webinar for potential applicants to learn more about the Program and preparation of an application. For more information about the date and time of this webcast, consult the HUD website at [www.hud.gov](http://www.hud.gov).

#### **OVERVIEW INFORMATION:**

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

**B. Funding Opportunity Title.** Section 811 Supportive Housing for Persons with Disabilities - Project Rental Assistance (PRA) Program.

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

**D. Funding Opportunity Number.** The Federal Register number for this NOFA is FR-5700-N-28.

**E. Catalog of Federal Domestic Assistance (CFDA) Number(s).** 14.326, OMB Approval No.:2502-0608.

**F. Application Deadline Date.** The deadline date is 11:59:59 p.m. eastern time on **May 5, 2014**. Applications must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. Applications must meet the timely receipt requirements of the General Section. See Section IV of the General Section regarding application submission procedures and timely filing requirements. Eligible Applicants need to be aware that following receipt, applications go through a validation process in which the application may be accepted or rejected. Please allow time for the process to ensure that you meet the timely receipt requirements. Please see the FY 2013 General Section for instructions for timely receipt, including actions to take if the application is rejected. Eligible Applicants should carefully read the section titled "INSTRUCTIONS ON HOW TO DOWNLOAD AN APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS" in the General Section. This section contains information on using Adobe Reader, HUD's timely receipt and grace period policies, and other application information. The latest version of Adobe Reader used by Grants.gov is Adobe Reader 10.0.1 which is compatible with Microsoft Vista for PCs and MAC computers. Nuance Readers cannot be used.

#### **G. Additional Overview and Contact Information.**

**1. Purpose of the Program.** On January 4, 2011, the President signed the Frank Melville Supportive Housing Investment Act of 2010 which amended Section 811 of the Cranston-Gonzalez National Affordable Housing Act (Pub L. 111-374). This legislation made significant changes to Section 811 with one of the changes being the establishment of new project rental assistance authority which provides funding to state housing and other appropriate agencies for project-based rental operating assistance for extremely low-income persons with disabilities. The primary purpose of this program is to identify, stimulate, and support innovative state-level

strategies that will transform and increase housing for extremely low-income persons with disabilities while also making available appropriate support and services. HUD is seeking to support State housing and health and human service/Medicaid agencies collaborations that have or will result in increased access to affordable permanent supportive housing units – new and existing units – with access to appropriate services. Many States have already developed partnerships to address this need, and the Department hopes to support these efforts and incentivize additional states to develop similar collaborative efforts. This Section 811 PRA NOFA will allow HUD to identify and support successful and promising state models. This program provides states with the flexibility to award and administer these funds to address the shortage of affordable and integrated housing for persons with disabilities. Housing agencies may either directly administer the rental assistance contracts to eligible properties or contract with other qualified parties to administer the long-term rental assistance contracts.

The outcomes of the program include:

- a. Facilitating and sustaining effective and successful partnerships between state housing or other appropriate housing agencies and state health and human service/Medicaid agencies to provide permanent housing with the availability of supportive services for extremely low-income persons with disabilities.
- b. Discovering approaches to providing housing for persons with disabilities with access to appropriate services that can be replicated.
- c. Identifying innovative and replicable ways of using and leveraging Section 811 PRA funds.
- d. Substantially increasing integrated affordable rental housing units for persons with disabilities within existing, new, or rehabilitated multifamily properties with a mix of incomes and disability status.
- e. Creating more efficient and effective uses of housing and health care resources.

**2. Available Funds.** The available funding is made by the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113-6), March 26, 2013 and the Consolidated Appropriations Act, 2014 (Public Law 113-76), January 17, 2014, totaling \$120 million. Additional funding may be available based on carry-over funds from prior fiscal years

**3. Type of Funds.** Project rental assistance that will cover the difference between the tenant payment and the approved rent (as described in Section III.B.2 Program Requirements). **These funds cannot be used for construction or any capital development costs.**

**4. Award Information.** HUD anticipates individual grants awarded under this NOFA will range from a minimum of \$2 million and a maximum of \$12 million.

**5. Matching Funds.** There is no matching requirement for applications under this program NOFA. However, leveraging is encouraged and addressed in Section V.B.4 Rating Factor 4, Leveraging.

**6. Eligible Applicants.** Any housing agency currently allocating Low Income Housing Tax Credits (LIHTC) under Section 42 of the Internal Revenue Service Code of 1986 or any state housing or state community development agency allocating and overseeing assistance under the HOME Investment Partnerships Act (HOME) or a similar federal or state program. An Eligible Applicant may also be a state, regional, or local housing agency or agencies; or a partnership or collaboration of state housing agencies and /or state and local/regional housing agencies. See Sections III.A for additional information related to Eligible Applicant. To be eligible, the agency must have a formal partnership with the State Health and Human Services/Medicaid agencies (See Section III below for specific information).

**Note: Only one Eligible Applicant per state is eligible to receive funding, and each State should determine which Eligible Applicant, in the event there may be more than one, is the most appropriate.**

The State Health and Human Services/Medicaid agency can only be included in one application for Section 811 PRA funds per state. **If the state health and human services/Medicaid agency is included in multiple applications from one state, none will be considered.** Since this is a state program, HUD will be rating individual state applications. The State Health and Human Services/Medicaid agency will need to decide which Eligible Applicant, in the event there may be more than one, to partner with for this application submission.

**Note: Private Citizens, for-profit entities, and nonprofit organizations are not eligible to apply.**

## FULL TEXT OF ANNOUNCEMENT

### I. FUNDING OPPORTUNITY DESCRIPTION

**A. Program Description.** This Section 811 PRA Program seeks to identify, stimulate, and support sustaining state approaches that will transform the provision of housing for persons with disabilities while providing access to appropriate supports and services. This NOFA will provide project-based rental assistance funding to housing agencies. These funds are only available to be used as project-based rental assistance for housing units integrated in multifamily properties that are set-aside for extremely low-income persons with disabilities who are eligible for community-based long term care services and supports provided under a State Medicaid Program or other comparable long-term services program, plus administrative costs as defined in Section I.C.1 below. This is not a voucher program. This Section 811 PRA program will support successful and promising state partnership models that have been developed to increase the number of permanent housing units for persons with disabilities with access to appropriate services.

This NOFA allows states to creatively combine or bundle Section 811 PRA funds with existing state administered affordable rental housing finance and development programs. Housing agencies may either directly administer this project rental assistance to supported properties or in instances where there is limited experience, housing agencies are encouraged to

partner/contract with other qualified parties to administer the long-term project rental assistance contracts. See “Experience Managing Rental Assistance Program” under Section V.B, Rating Factor 1.B.

A major threshold requirement of the program is that the state housing agency must have a focused partnership as described in Section III.C.2.b, with the State Health and Human Service/Medicaid Agencies that will be responsible for ensuring that residents have access to the services and supports necessary to live in the community as described in the Program Requirements below.

**B. Authority.** The authority for this program is Section 811 of the Cranston-Gonzalez National Affordable Housing Act, as amended by the Frank Melville Supportive Housing Investment Act of 2010 (Pub. L. 111-374). The funding is made available by the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113-6), approved March 26, 2013) and the Consolidated Appropriations Act, 2014 (Public Law, 113-76), approved January 17, 2014.

### **C. Terms and Definitions.**

**1. Administrative Costs for Awardees.** Administrative costs pursuant to this grant award may be provided at initial funding and subsequent annual funding renewals under this award. Administrative costs are allowable at a rate of up eight (8) percent of the annual total amount awarded at HUD’s discretion based upon the range of tasks undertaken by the Eligible Applicant, see Section V.B, Ranking Factor 1.B, for additional information on administrative costs. These funds may be used for planning and other costs associated with developing and operating the Section 811 PRA program, including infrastructure and technology needed to operate the program. The costs should include both direct and indirect costs. If an Eligible Applicant includes administrative costs in their budget as a direct cost, it cannot charge these costs as part of their indirect cost rate as well, and should instruct their auditor or the government auditor setting the rate of the availability and use of the administrative costs as described in this NOFA and how the Eligible Applicant is applying them in their PRA program.

**2. Co-Applicant. When two Eligible Applicants work together to submit a unified application to HUD, each will be considered a Co-Applicant under the same application.** The Co-Applicant will also sign the Cooperative Agreement and be responsible for implementing the activities identified in the approved Implementation Plan, but will not directly receive access to funding through HUD’s Line of Credit Control System (LOCCS). Only the Lead Applicant, as defined below, which must be identified in the Abstract and the Narrative response to the Rating Factors, shall have access to LOCCS. See definition of Lead Applicant below.

**3. Cooperative Agreement.** The grant award shall be in the form of a Cooperative Agreement executed between HUD and the Eligible Applicant (and where applicable, Co-Applicant). HUD will have substantial involvement during the period of performance, including but not limited to: development of the program, oversight of the progress made on the proposed activities and results of those activities, monitoring of funds drawn and project deliverables, and timelines.

The terms of the Cooperative Agreement include the work to be performed under the grant and any special conditions or requirements, including the extent of HUD involvement.

**4. Eligible Multifamily Property.** An eligible multifamily property can be any new or existing property owned by a nonprofit or a private entity with at least 5 housing units. Financing commitments have been made by the Eligible Applicants or any housing agency currently allocating LIHTC under Section 42 of the Internal Revenue Service Code of 1986 (IRC) or any state housing or state community development agency allocating and overseeing assistance under the HOME Investment Partnerships Act (HOME) and/or any federal agency or any state or local government program. Development costs, if any, must be paid with other public or private resources. Section 811 and Section 202 Capital Advances may not be used. Properties with existing use restrictions for persons with disabilities are not eligible, unless such Section 811 PRA funds are being used to support other units in the building without such restrictions. Existing units receiving any form of long-term operating housing subsidy within a six-month period prior to receiving Section 811 PRA funds, such as assistance under Section 8, are ineligible to receive this assistance. In addition, units with use agreements requiring housing for persons 62 or older would not be eligible to receive Section 811 PRA funds.

**5. Eligible Tenants.** Section 811 PRA funds can only be provided to support units for extremely low-income households where at least one person must be an individual with a disability, 18 years of age or older and less than 62 years of age at the time of admission into the property. The person with the disability must be eligible for community-based, long-term services as provided through Medicaid waivers, Medicaid state plan options, state funded services or other appropriate services related to the target population under the Inter-Agency Partnership Agreement, as described in III.C.2.b.

**6. Extremely Low-Income Family.** A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, is eligible to benefit from this rental assistance program. Both “annual income” and “extremely low-income family” are defined in 24 CFR 5.603. Federally mandated income exclusions defined by 24 CFR 5.609 must be applied in determining income eligibility at the time of admission and in calculating the Eligible Tenant’s income during the interim/annual recertification stages.

**7. Grantee.** When an Eligible Applicant is successfully selected by HUD and executes the Cooperative Agreement with HUD, the same entity shall be referred to as the Grantee for the purposes of this NOFA. In cases where a Co-Applicant also executes the Cooperative Agreement, the Co-Applicant would be referred to as the Co-Grantee.

**8. Implementation Plan.** The Implementation Plan is the applicant’s comprehensive strategy and plan that will be used to develop and manage the state’s Section 811 PRA Program as presented in the Section 811 PRA grant application. The specific requirements are outlined in Section V.B. Rating Factor 3.

**9. Lead Applicant.** Lead Applicant means where there is also a Co-Applicant, the primary housing agency responsible for implementing the HUD funded Section 811 PRA Program. The

Lead Applicant must meet the definition of an Eligible Applicant. The Lead Applicant will sign the HUD Agreement and is the sole entity that will have access to HUD's Electronic Line of Credit Control System (eLOCCS) in order to drawdown PRA funding.

**10. Letter(s) of Intent.** Eligible Applicants must demonstrate their ability to administer the type of multifamily financing and ensure Eligible Tenants in the Eligible Multifamily Property receive supportive services as described in this NOFA. To do so, Eligible Applicants either must demonstrate their own capacity to provide required capital funding and manage affordable housing programs and projects or must provide letters of intent from one or more third party entities (such as Performance Based Contract Administrators, Public Housing Authorities or private contractors that specialize in this work and have established high quality track records administering and processing payments to property owners). Eligible Applicants can contract with public or private entities to perform functions under this NOFA. Letters of Intent must be provided in those instances where the Eligible Applicant is using other entities to perform requirements under this NOFA. To qualify, the letter of intent, whether from the one or more state agencies or third party entities must: 1) include the name of the entity agreeing to perform an activity specified in the application; 2) include the name of the Eligible Applicant; 3) demonstrate the financial capacity to deliver the resources necessary to carry out the activity expressed in dollar value as it relates to the program activity or commit to provide the specific supportive service(s); and 3) evidence the intent to commit the resources to the program if the application is funded. The letter of intent must be written on the letterhead of the entity/agency and addressed to the Eligible Applicant, must be executed by an official of the organization legally authorized to make commitments on behalf of the organization, must be dated no earlier than 9 months from the date of publication of this NOFA, and must state how long the commitment remains valid should an award be granted. HUD understands the difficulties in obtaining new agreements in existing programs, however, existing agreements dated prior to 9 months of the date of the publication of this NOFA need to be affirmed by all signatories.

**11. Persons with Disabilities.** Person with disabilities shall have the meaning provided in Section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(k)(2)). The term "person with disabilities" shall also include the following:

- a. A person who has a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5)), i.e., if he or she has a severe chronic disability which:
  - (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;
  - (ii) Is manifested before the person attains age twenty-two;
  - (iii) Is likely to continue indefinitely;
  - (iv) Results in substantial functional limitation in three or more of the following areas of major life activity:
    - (a) Self-care;
    - (b) Receptive and expressive language;
    - (c) Learning;
    - (d) Mobility;

- (e) Self-direction;
- (f) Capacity for independent living;
- (g) Economic self-sufficiency; and
- (h) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

b. A person with a chronic mental illness, i.e., a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently, and which impairment could be improved by more suitable housing conditions.

c. A person infected with the human acquired immunodeficiency virus (HIV) and a person who suffers from alcoholism or drug addiction, provided they meet the definition of "person with disabilities" in Section 811 (42 U.S.C. 8013(k)(2)). A person whose sole impairment is a diagnosis of HIV positive or alcoholism or drug addiction (i.e., does not meet the qualifying criteria in section 811 (42 U.S.C. 8013(k)(2)) will not be eligible for occupancy in a Section 811 PRA project.

**12. Section 811 Project Rental Assistance (PRA).** Section 811 Project Rental Assistance is defined as funding that is made available by HUD to Grantee for purposes of providing long-term rental assistance for supportive housing for non-elderly, extremely low-income persons with disabilities and for extremely low-income households that include at least one non-elderly person with a disability that will fund the difference between the tenants' payment for rent and the approved rent for the Section 811 PRA unit.

**13. Rental Assistance Contract (RAC).** Rental Assistance Contract is defined as the contract between the Grantee and the owner of the Eligible Multifamily Property which sets forth the rights and duties of the parties with respect to the Eligible Multifamily Property and the administration of the PRA program

**14. Uniform Physical Condition Standards (UPCS).** Uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair. UPCS requires that items in five categories (site, building exterior, building systems, dwelling units, and common areas) must be inspected in any physical inspection of the property. UPCS is more specifically described in 24 CFR 5.703.

## II. AWARD INFORMATION

**A. HUD Award and HUD's Involvement.** HUD will notify all applicants as to whether or not they have been conditionally selected for an award. If selected, HUD's notice concerning the amount of the award (based upon the approved application) will constitute HUD's conditional approval, subject to negotiation and the execution of a Cooperative Agreement. HUD will have ongoing involvement in the review, development and the ongoing operation of state programs and the Cooperative Agreement allows this involvement. Withdrawals of funds from the eLOCCS system are subject to HUD approval.

**B. Funding Availability.** Approximately \$100 million is available in FY 2013 and approximately \$20 million in FY 2014, totaling \$120 million in funding. Additional funding may be available based on carry-over funds from prior years.

**1. Number of Awards.** HUD expects to provide between 12 and 18 awards.

**2. Type of Awards.** HUD will provide Grantees with Section 811 PRA grants to administer Rental Assistance Contracts with owners of Eligible Multifamily Properties.

**3. Period of Performance.** The Cooperative Agreement between HUD and Grantee shall be for a minimum of 20 years, with initial funding for the first five years, and with subsequent renewal subject to appropriations. All Rental Assistance Contracts shall be for a minimum of 20 years (continued funding in years beyond the first five years is also subject to appropriations).

### III. ELIGIBILITY INFORMATION

**A. Eligible Applicants.** Any housing agency currently allocating LIHTC under Section 42 of the Internal Revenue Service Code of 1986 (IRC) or any state housing or state community development agency allocating and overseeing assistance under the HOME Investment Partnerships Act (HOME) and/or a similar federal or state program. An Eligible Applicant may also be a state, regional, or local housing agency or agencies; or a partnership or collaboration of state housing agencies and/or state and local/regional housing agencies. To be eligible, the agency must have a formal partnership with the State Health and Human Services/Medicaid agencies (See Section III below for further information).

**Note: Only one Eligible Applicant is eligible per state to receive funding and each state should determine which Eligible Applicant, in the event there may be more than one, is the most appropriate.**

The State Health and Human Services/Medicaid Agency can only be included in one application for Section 811 PRA funds. **If the state health and human services/Medicaid agency is included in multiple applications from one state, none will be considered.** Since this is a state program, HUD will be rating individual state applications. The State Health and Human Services/Medicaid agency will need to decide which Eligible Applicant, in the event there may be more than one, to partner with for this application submission. In collaborations or partnerships of Co-Applicants, one must be identified as the “Lead Applicant” (see Section I. C Terms and Definitions below). The Lead Applicant and Co-Applicants must meet the definition and requirements of an Eligible Applicant and must meet all of the Program Requirements below.

**1. Ineligible to Apply.** Private citizens, for-profit entities, and nonprofit organizations are not eligible to apply.

**2. Troubled Status.** If an applicant or co-applicant has any outstanding HUD or Office of Inspector General (OIG) audit finding or has been designated with a “Troubled” status or other

similar finding or designation, as a threshold requirement under Section III.C.3 of this NOFA, HUD will use documents and information available to it to determine whether the applicant is acceptable to HUD. The applicant may still be eligible to apply if HUD determines:

- a. The finding or designation is for reasons that will not affect its capacity to carry out the Eligible Activity;
- b. The applicant is making substantial progress toward eliminating the deficiencies of the agency that resulted in the designation or finding;
- c. The applicant has not been found to be in noncompliance for fair housing or other civil rights requirements, or
- d. The applicant is otherwise determined to be capable of carrying out the Eligible Activity.

#### **B. Cost Sharing or Matching.**

There is no matching requirement for applications under this program NOFA. However, leveraging is encouraged and addressed in Section V.A.4 Rating Factor 4, Leveraging.

#### **C. Other**

**1. Eligible Activities.** Section 811 PRA funds can only be used to fund project-based rental operating assistance and allowable administrative costs relating to the administration of Section 811 PRA Program, but cannot be used to fund any project development costs. Development costs on eligible Multifamily Projects must be paid with funds from other public and private sources, however, a commitment of funding for project costs must be made by the LIHTC allocation agency, a participating jurisdiction receiving assistance under the HOME program, or any federal, state or local government agency in accordance with program requirements or regulations, with the exception of **HUD Section 811 and Section 202 capital advance funds which cannot be used**. Section 811 PRA funds allow Eligible Applicants to be flexible in how the project rental assistance is structured and administered within the confines of the program requirements under this NOFA. Eligible tenants can be selected in accordance with state approved tenant selection policies, criteria, and federal nondiscrimination laws. In order for supportive units to qualify for Section 811 PRA funds, there must be a written agreement with the State Health and Human Services/Medicaid agency or agencies that appropriate services will be made available for the tenants, more fully described in 2.c below.

#### **2. Threshold Requirements for All Applications.**

**a. General HUD Threshold Nondiscrimination and Other Requirements.** Except for those specific Program Requirements in Section III of this NOFA, see Section III.C. of the General Section for other applicable thresholds requirements. Eligible Applicants should review those provisions that could result in the failure to receive funding, including the Dun and Bradstreet Universal Numbering System (DUNS) Number Requirement, Resolution of Outstanding Civil Rights Matters, provisions relating to Delinquent Federal Debts, and the Name Check Review. HUD will not make awards to entities that are debarred, suspended or are on the HUD Limited

Denial of Participation List. **Non-compliance with a threshold requirement will result in disqualification.**

**b. Program Specific Threshold Requirement.** In addition to the threshold requirements of the General Section, each application must meet the following program specific threshold requirement:

**The Inter-Agency Partnership Agreement outlining the partnership between the Lead Applicant and state health and human services/Medicaid agency (ies).** The Eligible Applicant, or in cases where there are Co-applicants, the Lead Applicant must provide an Inter-Agency Partnership Agreement that provides evidence that a formal structure for collaboration to participate in the state's Project Rental Assistance program to develop permanent supportive housing for extremely low-income persons with disabilities. This Partnership Agreement must include the Eligible Applicant and the state agency or agencies charged with administering state health and human services programs and policies, and the state Medicaid programs. In states where the state health and human service agency is not also the state Medicaid agency, both agencies' participation must be evidenced. If these agencies have an existing agreement to provide housing and services, an addendum may be added to that existing document that addresses the provisions for this 811 PRA Program and that document can then serve as the Inter-Agency Partnership Agreement. Additional agencies providing oversight, coordination or services can also be included in this agreement. The agreement must include: 1) detailed description of the target population(s) to be served, 2) methods for outreach and referral, and 3) a commitment to make appropriate services available for residents in Section 811 PRA assisted units in multifamily properties. The authorizing legislation allows the Section 811 PRA program applicants to identify one or more specific targeted populations for this funding. In the agreement, States must identify the available state administered services and other appropriate services and describe how such services will be made available to the tenants.

The agreement shall have a term of not less than five (5) years and should be co-terminus with the term of the initial funding of units under this NOFA. HUD is seeking long term commitments from states to make available services for the targeted populations. HUD understands these services are typically funded annually through state and federal entitlement programs and will accept commitments subject to contingencies based upon annual funding. It shall also evidence the Eligible Applicant's commitment to ensure that tenancy in Section 811 PRA assisted units is reserved for the targeted populations identified in the agreement that will benefit from the available services. Such services will allow for eligible residents to live independently in supportive housing units. To protect the interest of both tenants and multifamily owners, participating agencies must demonstrate the States' ability to provide appropriate community-based long-term services and supports to the populations proposed to be targeted under this application. However, tenant participation in supportive services is voluntary and cannot be required as a condition of tenancy.

In addition to HUD regulations regarding evictions under 24 CFR part 5, an owner may not terminate the tenancy or refuse to renew the lease of a tenant of a Section 811 PRA assisted unit except: 1) for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal, state, or local law, or for other good cause, and 2) by providing the tenant, not less than 30 days before such termination or refusal to renew, with written notice specifying the grounds for such action.

### 3. Program Requirements.

**a. Limitation on Populations Served.** Section 811 PRA funds may only be provided for housing units set aside for extremely low-income households, where at least one person is an individual with a disability, and is age 18 or older, but less than 62 years of age at the time of admission. Furthermore, a person with a long term disability served under this program must be eligible for community-based long term care services and supports provided for under the state's plan for medical assistance under Title XIX of the Social Security Act such as Medicaid 1915(c) waivers, the Medicaid 1915(i) option, the Medicaid Rehabilitation option, certain Medicaid 1115 demonstration waivers and similar successor programs, or other federal or state appropriated or other targeted community-based long-term services and supports program that the state certifies is comparable to Medicaid long-term care services.

**b. Limitation on Units Assisted.** Eligible Multifamily Properties may only receive Section 811 PRA funds if the housing assisted does not currently have an existing use restriction or a contractual obligation to serve persons with disabilities. Units receiving any form of federal or state housing operating assistance (such as Section 8) are ineligible to receive Section 811 PRA assistance, unless such Section 811 PRA funds are being used to support other units in the building without such restrictions. Existing units receiving any form of long-term operating housing subsidy within a six-month period prior to receiving Section 811 PRA funds, such as assistance under Section 8, are ineligible to receive this assistance. In addition, units with use agreements requiring housing for persons 62 or older would not be eligible to receive Section 811 PRA funds. **No more than 25 percent of the total units in Eligible Multifamily Properties can: 1) be used for supportive housing for persons with disabilities (either under the Section 811 PRA program or any other federal or state program); or 2) have any occupancy preference for persons with disabilities.** These units must be dispersed throughout the property and must not be segregated to one area of a building (such as on a particular floor or part of a floor in a building or in certain sections within a project). Owners may designate units types (*e.g.*, accessible, 1-bedroom, etc.) rather than designating specific units (*e.g.*, units 101, 201, etc.) to be set-aside for Section 811 PRA supportive housing units. This would allow flexibility in offering the next available unit to a person with a disability under this program as long as the unit type was designated as being set-aside for persons with disabilities and the number of units occupied by persons with disabilities under the set-aside had not been met.

**NOTE:** Eligible Applicants may not prohibit persons with disabilities from applying for residency in non-Section 811 PRA units.

**c. Inter-Agency Partnership Agreement.** Eligible Applicants must evidence a formalized structure for collaboration between the Eligible Applicant and the state agency charged with

administering state health and human services programs and policy and the state Medicaid programs as more fully described below in III.C.1. In states where these functions have been separated, both agencies' participation must be evidenced.

**d. Rental Assistance Contract (RAC).** As defined above in I.C, the Grantee administering the Section 811 PRA funds will enter into a RAC with each owner of an Eligible Multifamily Property, in a manner and form as determined by HUD. The initial term of such contracts between the Grantee and the Eligible Multifamily Property owners shall have a minimum term of 20 years; however, financial support from HUD following initial funding is subject to available appropriations. These contracts may be renewed if all parties agree to such renewal; however, funding under the terms of the contract will be subject to the availability of federal appropriations. Grantees may include an addendum to the RAC, upon HUD approval, provided that the provisions of the addendum do not conflict with any requirement under the NOFA or the Cooperative Agreement, or any HUD or federal requirements.

- (1) This contract will provide the rental assistance payments to the owner for Eligible Tenants, as defined above in I. C., residing in units that have been set-aside by the owner as supportive housing for persons with disabilities.
- (2) The RAC will identify the project, the number of contract units by bedroom size and accessibility, the contract terms and the conditions for receipt of the project rental assistance payments, including provisions ensuring that tenants are afforded the same tenant protections in 42 USC 8013(i)(2) as provided to tenants receiving assistance under HUD's Section 811 Program, *e.g.*, lease term, termination of tenancy, and voluntary participation in services.
- (3) The RAC will provide for the Grantee to certify annually to HUD that Section 811 PRA assisted units are occupied by Eligible Tenants. It will also provide for the Grantee to conduct regular physical inspections of those units to confirm that they meet the uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair. The Grantee may inspect Section 811 PRA units using a frequency and sample size that conforms with other federal or state housing program requirements.
- (4) For the purpose of this grant, the Grantee must determine an appropriate RAC rent level which may or may not reflect the actual costs of operating the Section 811 PRA assisted units. The RAC will specify that the rental assistance payment made to the owner of a Section 811 PRA unit will be the difference between the RAC rent level for the unit and the Eligible Tenant rent payable by the Extremely Low-Income Family. In no circumstance may the initial RAC rent level exceed the applicable as determined by HUD, unless such rent level is substantiated by a market study that has been prepared in accordance with the requirements of a state housing agency or of Chapter 9 of HUD's Section 8 Renewal Guide (see [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/mfhsec8](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8)) as approved by HUD.
- (5) With HUD approval, the Grantees may impose additional requirements in the RACs, as an addendum, so long as those requirements do not contradict any HUD requirements, including

those identified in the Cooperative Agreement, which will be provided to Eligible Applicant following the award of funds. HUD may impose additional requirements for the program.

**e. Administration of the Rental Assistance Contracts (RACs).** Grantees will be responsible for administering the Section 811 PRA Program, managing the RACs and maintaining all applicable HUD and other federal requirements. HUD reserves the right to assume the RACs at any time as a result of material non-compliance or non-performance by the Grantee, or if as a result of the Section 811 rulemaking process, HUD determines that direct administration of the RACs by HUD or its designee is the most viable option for the long-term implementation and oversight of the Project Rental Assistance program.

**f. Use Restriction.** Housing assisted with Section 811 PRA must have a minimum 30 year use restriction for extremely low-income persons with disabilities. The terms and conditions of the use agreement and its enforcement shall be specified in the Cooperative Agreement and the RAC. If Congress fails to appropriate funds adequate to meet future renewal needs pursuant to the Cooperative Agreement, HUD will not enforce any use agreements on properties that have been funded under such agreement. However, under such a circumstance, and in accordance with policies, requirements and terms of the Cooperative Agreement, as will be established by HUD, HUD will allow grantees to continue to enforce or terminate such use agreements at the grantees' discretion.

**g. Eligible Tenant's Contribution to Rent.** The Eligible Tenant's rent contribution shall be no more than 30 percent of the family's adjusted monthly income, as determined annually through an income recertification conducted in a manner prescribed by HUD. Grantees will be required to ensure that tenant data is entered into HUD's Tenant Rental Assistance Certification System (TRACS) in the administration of the Section 811 PRA program. TRACS is a HUD computer system developed to help improve financial controls over assisted housing programs by automating manual procedures and incorporating automated controls. Enterprise Income Verification (EIV) System must be used by owners of Eligible Multifamily Properties and/or Grantees to verify income on all Section 811 PRA assisted units. EIV makes integrated income data available from one source to use to improve income verification.

**h. Tenant Lease Term.** The initial lease term between an Eligible Tenant and an owner of an Eligible Multifamily Property for the Section 811 PRA assisted units shall not be less than one year. **The lease will be on a HUD provided form.** Grantees may include an addendum to the HUD lease, upon HUD approval, provided that the provision of the addendum do not conflict with any requirement under the HUD lease, the NOFA or the Cooperative Agreement, or any HUD or federal requirements.

**i. Approved Rent and Rent Adjustments.** Eligible Applicants must clearly outline how rents will initially be established. In no circumstance may the initial RAC rent level exceed the applicable Fair Market Rent (FMR) level as determined by HUD, unless such rent level is substantiated by a market study that has been prepared and reviewed in accordance with the requirements of a state housing agency or of Chapter 9 of HUD's Section 8 Renewal Guide

(see [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mflh/mfhsec8](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mflh/mfhsec8)) or as approved by HUD. Rents can only be adjusted annually based upon

1) HUD's Operating Cost Adjustment Factor (OCAF), or 2) other operating cost index proposed by the applicant and approved by HUD. For the most recent guidance on OCAF, please see <http://www.gpo.gov/fdsys/pkg/FR-2011-10-26/pdf/2011-27816.pdf>. The grantee will be rated based upon how approved rents will be established and adjusted in Section V.B., Rating Factor 3 below.

**j. Barrier Free/Accessibility Requirement for Units, Buildings, and Facilities, Including Public and Common Use Areas.** The Section 811 PRA program must meet accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8, and the Americans with Disabilities Act and implementing regulations at 28 CFR parts 36 and 36, as applicable. Eligible Multifamily Properties must also meet the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR part 100. However, Section 811 PRA assisted units can consist of a mix of accessible units for those persons with physical disabilities and non-accessible units for those persons without physical disabilities.

**k. Compliance with Fair Housing and Civil Rights Laws.** Grantees and owners of Eligible Multifamily Properties must comply with the fair housing and civil rights requirements in Section III.C.3 of the General Section. In addition, Grantees will be required to certify that they will comply with the requirements of the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Title II or III of the Americans with Disabilities Act, as applicable.

**l. Affirmatively Furthering Fair Housing.** Under Section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. Grantees will be required to certify that they will affirmatively further fair housing, and each grantee must establish an affirmative fair housing marketing plan for its state PRA program and projects, and require other participating agencies and owners to follow its plan when marketing PRA-assisted units. HUD will provide further guidance on the required contents of marketing plans to successful applicants. Instead of the actions for affirmatively furthering fair housing described in the General Section of HUD's FY 2013 NOFAs, successful applicants must adopt affirmative marketing procedures for their Section 811 PRA program. Affirmative marketing procedures consist of actions to provide information and otherwise attract eligible persons to the program regardless of race, color, national origin, religion, sex, disability, or familial status, who are not likely to apply to the program without special outreach. Grantees must affirmatively further fair housing by selecting projects for participation that offer access to appropriate services, accessible transportation, and commercial facilities to ensure greater integration of persons with disabilities in the broader community. Grantees must require owners of Eligible Multifamily Properties to adopt actions and procedures to ensure that Section 811 PRA assisted units are dispersed and integrated within the property. Grantees must keep records describing actions taken to affirmatively market the program, annually assess the success of their affirmative marketing activities, and make any necessary changes to their affirmative marketing procedures as a result of the evaluation. Eligible applicants must describe their methods of outreach and referral and waiting list policies in Section V.B., Rating Factor 3. All methods

of outreach and referral and management of the waiting list must be consistent with fair housing and civil rights laws and regulations, and affirmative marketing requirements.

**m. Full Disclosure of Available Housing.** Grantees must adopt a process for providing full disclosure to each applicant for a Section 811 PRA unit of all options available to the applicant in the selection of the property in which to reside, including basic information about available sites (*e.g.*, location, number and size of accessible units, access to transportation and commercial facilities) and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types (*e.g.*, regular or accessible) at each site. Where, as the result of the unavailability of an accessible unit, an individual with a disability chooses to reside in a non-accessible unit, grantees are still required to provide reasonable accommodations to qualified individuals with disabilities, which includes structural modifications to existing dwelling units and public use and common use areas, in order to make effective use of the recipient's program.

**n. Program Evaluation.** As a condition of the receipt of financial assistance under this NOFA, all Grantees will be required to cooperate with HUD, Department of Health and Human Services (HHS), and Centers for Medicare & Medicaid Services (CMS), or any contractors affiliated with HUD, HHS, and CMS in the evaluation of this program. The authorizing legislation requires HUD to submit a Report to Congress no later than January 4, 2014 and again two (2) years thereafter on the implementation and effectiveness of the Section 811 PRA Program. In addition to ensuring that HUD can respond to this reporting requirement, HUD is also interested in collecting evidence to demonstrate the extent to which the program meets the expected outcomes of the program, as listed earlier in the NOFA within Section G.1, Purpose of the Program. HUD may pursue the option to fund a rigorous independent evaluation of this program, or HUD may choose to utilize existing administrative data and data submitted by grantees on the quarterly and annual reports to assess the effectiveness of the program.

**o. Effective Communication.** Grantees must ensure that all communications are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 and, as applicable, the Americans with Disabilities Act.

**p. Davis Bacon Labor Standards.** All laborers and mechanics (other than volunteers under the conditions set out in 24 CFR part 70) employed by contractors and subcontractors in the construction (including rehabilitation) of housing with 12 or more units assisted under this NOFA shall be paid wages at rates not less than those prevailing in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*). Contracts involving employment of laborers and mechanics shall be subject to the provisions of the Contract Work Hours and Safety Standards Act (CWHSSA) (40 U.S.C 3701 *et seq.*). Owners of Eligible Multifamily Properties and owners' contractors and subcontractors must comply with all related rules, regulations, and requirements.

Grantees shall be responsible for ensuring inclusion of appropriate contract provisions, monitoring to ensure compliance, and correction of violations in accordance with HUD guidance. Projects where construction is fully complete before an application is submitted to the

Grantee to receive assistance under the Section 811 PRA are not subject to Davis-Bacon or CWHSSA requirements, except to the extent that the project is also assisted under another federal program that is subject to such requirements (e.g., the HOME program). In accordance with U.S. Department of Labor regulations at 29 CFR 1.6(g), if a project is approved by a Grantee to receive Section 811 PRA assistance after a contract for construction of the project has been awarded (or after the beginning of construction where there is no contract award) but before completion of construction, the state housing agency shall require that the wage determination effective on the date of award (or beginning of construction) be incorporated into the construction contract retroactively to the date of award or beginning of construction.

Grantees may request the HUD Office of Labor Relations to seek approval from the U.S. Department of Labor for the incorporation of a wage determination to be effective on the date of the state housing agency's approval of Section 811 PRA assistance for the project. Such approval may be granted only where there is no evidence of intent to apply for the federal assistance for the project prior to contract award or start of construction.

Note: For projects funded in response to this PRA NOFA, construction is fully complete as demonstrated by a final invoice and completion inspection approval by the Architect and all financing inspectors, and the entire project is ready for occupancy. It is acceptable for fully complete construction to have items of delayed completion subject to escrow of funds to assure completion of such items.

**q. Energy and Water Conservation.** Eligible Applicants are required to build to a higher standard of energy and water conservation by incorporating components of sustainable building in Section 811 PRA developments, and maintain this standard for the duration of the HUD assistance. At a minimum, energy efficiency strategies and water conservation appliances and fixtures must be incorporated in the design, construction, and operation of all new construction and substantial (gut) rehabilitation projects. For further assistance, Eligible Applicants can access the report, "Enhancing Energy Efficiency and Green Building Design in Section 202 and Section 811 Programs", at [http://www.huduser.org/portal/publications/affhsg/enh\\_eng\\_eff\\_gbd.html](http://www.huduser.org/portal/publications/affhsg/enh_eng_eff_gbd.html). The report was developed to assist Eligible Applicants in responding to this requirement as well as to inform you about other green building standards.

1. **Energy Efficiency.** Owners of new construction and substantial rehabilitation low-rise (up to 3 stories) Eligible Multifamily Properties must meet the requirements of EPA's ENERGY STAR Qualified Homes at the time of Grantee award, unless the Grantee has a higher standard. Mid-Rise & High Rise developments (4 or more stories) must meet the requirements of the ENERGY STAR Qualified Multifamily High Rise Buildings at the time of Grantee award unless the Grantee has a higher standard. Any state energy code requirements will take precedence over ENERGY STAR specifications when the state code approximates or exceeds that standard. More information concerning this requirement can be found at [http://www.energystar.gov/index.cfm?c=bldrs\\_lenders\\_raters.pt\\_bldr](http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.pt_bldr) or specific questions can be emailed to [energystarhomes@energystar.gov](mailto:energystarhomes@energystar.gov). To learn more about ENERGY STAR qualified multifamily high rise buildings visit [http://www.energystar.gov/index.cfm?c=bldrs\\_lenders\\_raters.nh\\_multifamily\\_highrise](http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.nh_multifamily_highrise) or specific questions can be emailed to [leopkey.ted@epa.gov](mailto:leopkey.ted@epa.gov).

2. All new construction and substantial rehabilitation projects must purchase and install ENERGY STAR-labeled appliances.
3. Water Conservation Fixtures. Installation of water-conserving fixtures is required in all new and substantially rehabilitated developments (i.e. resource efficient plumbing and appliances such as low flow showerheads and faucet and high efficiency toilets). The materials used should be the most current WaterSense or a greater water efficiency product. More information is available at [www.epa.gov/owm/water-efficiency](http://www.epa.gov/owm/water-efficiency).

**r. Housing Standard for Section 811 PRA Assisted Units.** All Section 811 PRA units must meet local and state housing code, ordinances, and zoning requirements and minimum UPCS standards.

**s. Environmental Requirements and Environmental Assurance. Environmental Requirements and Environmental Assurance.** As HUD does not approve program funding for specific activities or projects of the Eligible Applicants, it will not perform environmental reviews on such activities or projects. However, to ensure that the tenets of HUD environmental policy and the requirements of applicable statutes and authorities are met, Eligible Applicants selected for funding will be required to implement the following analyses and determinations for specific program activities and projects. The Eligible Applicant's signature on the application shall constitute an assurance that the applicant, if selected, will perform such implementation.

The environmental tenets apply to both existing and new projects per the requirements below. Existing properties that are currently HUD-assisted or HUD-insured and that will not engage in activities with physical impacts or changes beyond routine maintenance activities or minimal repairs are not required to comply with the environmental tenets. If, at the time that a project applies for PRAD assistance, the project is under construction or being rehabilitated, the project shall be subject to the environmental review requirements applicable to new construction or rehab if the work has **not** progressed beyond a stage of construction where modifications can be undertaken to avoid the adverse environmental impacts addressed by the requirement.

Citations to authorities in the following paragraphs are for reference only; to the extent that property standards or restrictions on the use of properties stated in the following paragraphs are more stringent than provisions of the authorities cited, the requirements stated in the following paragraphs shall control:

1. Site Contamination (24 CFR 50.3(i)). It is HUD policy that all properties for use in HUD assisted housing be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property (24 CFR 50.3(i)(1)). Therefore, projects applying for assistance shall:
  - a) Assess whether the site (i) is listed on an EPA Superfund National Priorities or CERCLA list or equivalent State list; (ii) is located within 3,000 feet of a toxic or solid waste landfill site; (iii) has an underground storage tank other than a residential fuel tank; or (iv) is known or suspected to be contaminated

by toxic chemicals or radioactive materials. If none of these conditions exists, a letter of finding certifying these findings must be submitted and maintained in the site's environmental record. If any of these conditions exist, an ASTM Phase I Environmental Site Assessment (ESA) in accordance with ASTM E 1527-13 (or the most recent edition) must be provided; OR

- b) Provide a Phase I ESA in accordance with ASTM E 1527-13 (or the most recent edition).

Note: An ASTM Phase I ESA that was prepared within the Phase I ESA continuing viability timeframe for the acquisition of the property or a real estate transaction (construction, rehabilitation, or refinancing) for the property and complies with ASTM E1527-05 or a more recent edition will be deemed acceptable.

If a Phase I ESA is conducted and the Phase I ESA identifies RECs, a Phase II ESA in accordance with ASTM E 1903-11 (or the most recent edition) shall be performed. Any hazardous substances and/or petroleum products that are identified at levels that would require clean-up under State policy shall be so cleaned up in accordance with the State's clean-up policy. Risk-Based Corrective Actions are permitted if allowed for under a State's clean-up policy.

2. Historic Preservation (16 U.S.C. 470 *et seq.*).

- a) As the various States, Territories, Tribes and municipalities have established historic preservation programs to protect historic properties within their jurisdiction, all work on properties identified as historic by the State, Territory, Tribe, or Municipality, as applicable, must comply with all applicable State, territorial, and tribal historic preservation laws and requirements and, for projects affecting locally designated historic landmarks or districts, local historic preservation ordinance and permit conditions.
- b) In addition, all work on properties listed on the National Register of Historic Places, or which the Eligible Applicant knows are eligible for such listing, must comply with "The Secretary of the Interior's Standards for Rehabilitation." Complete demolition of such properties would not meet the Standards and is prohibited.
- c) On site discoveries. If archaeological resources and/or human remains are discovered on the project site during construction, the recipient must comply with applicable State, tribal, or territory law, and/or local ordinance (e.g., State unmarked burial law).

3. Noise (24 CFR part 51, Subpart B - Noise Abatement and Control). All activities and projects involving new construction shall be developed to ensure an interior noise level of 45 decibels (dB) or less. In this regard, and using the day-night average sound level ( $L_{dn}$ ), sites not exceeding 65 dB of environmental noise are deemed to be acceptable; sites above 65 dB require sound attenuation in the building shell to 45 dB; and sites above 75 dB shall not have

noise sensitive outdoor uses (e.g. picnic areas, tot lots, balconies or patios) situated in areas exposed to such noise levels.

4. Airport Clear Zones (24 CFR part 51, Subpart D - Siting of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and Accident Potential Zones at Military Airfields). No activities or projects shall be permitted within the “clear zones” or the “accident potential zones” of military airfields or the “runway protection zones” of civilian airports.

5. Coastal Zone Management Act (16 U.S.C. 1451 *et seq.*). Activities and projects shall be consistent with the appropriate state coastal zone management plan. Plans are available from the local coastal zone management agency.

6. Floodplains (Executive Order 11988; Flood Disaster Protection Act (42 U.S.C. 4001-4128)). No new construction activities or projects shall be located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA’s best available data, which may be Advisory Base Flood Elevations (ABFEs), Preliminary Flood Insurance Rate Maps (P-FIRMs), or Flood Insurance Rate Maps (FIRM). Existing structures may be assisted in these areas, except for sites located in coastal high hazard areas (V Zones) or regulatory floodways, but must meet the following requirements:

- a) The existing structures must be flood-proofed or must have the lowest habitable floor and utilities elevated above both the 500-year floodplain and the 100-year floodplain according to FEMA’s best available data.
- b) The project must have an early warning system and evacuation plan that includes evacuation routing to areas outside of the applicable floodplains.
- c) Project structures in the 100-year floodplain must obtain flood insurance under the National Flood Insurance Program (see Section III.C.3.u. below).

7. Wetlands (Executive Order 11990). No new construction shall be performed in wetlands. No rehabilitation of existing properties shall be allowed that expands the footprint such that additional wetlands are destroyed. New construction includes draining, dredging, channelizing, and filling, diking, impounding, and related grading activities. The term wetland is intended to be consistent with the definition used by the U.S. Fish and Wildlife Service in Classification of Wetlands and Deep Water Habitats of the United States (Cowardin, et al., 1977). This definition includes those wetland areas separated from their natural supply of water as a result of activities such as the construction of structural flood protection methods or solid-fill road beds and activities such as mineral extraction and navigation improvements.

8. Siting of Projects Activities Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature (24 CFR part 51, Subpart C). Unshielded or unprotected new construction sites shall be allowed only if they meet the standards of blast overpressure (0.5psi – buildings and outdoor unprotected facilities) and thermal radiation (450 BTU/ft<sup>2</sup>-hr – people, 10,000 BTU/ft<sup>2</sup>-hr – buildings) from

facilities that store, handle, or process substances of explosive or fire prone nature in stationary, above ground tanks/containers.

9. Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*). New construction shall not be permitted that would result in a taking of endangered plant or animal species as listed under the Endangered Species Act of 1973. Taking includes not only direct harm and killing but also modification of habitat. Maps for listed species and geographic habitat by state can be found at:

[http://ecos.fws.gov/tess\\_public/StateListing.do?state=all](http://ecos.fws.gov/tess_public/StateListing.do?state=all).

10. Farmland Protection (7 USC 4201 *et seq.*). New construction shall not result in the conversion of unique, prime, or otherwise productive agricultural properties to urban uses.

11. Sole Source Aquifers (Section 1424(e) of the Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300 *et seq.*, and 21 U.S.C. 349)). Any new construction activities and projects located in federally designated sole source aquifer areas (SSAs) shall require consultation and review with the U.S. Environmental Protection Agency (USEPA). Information regarding location and geographic coverage of the 73 federally designated SSAs can be found at:

<http://water.epa.gov/infrastructure/drinkingwater/sourcewater/protection/solesourceaquifer.cfm>.

**t. Coastal Barrier Resources Act** (Coastal Barrier Resources Act (CBRA) of 1982 (16 U.S.C. 3501)). Eligible Applicants must adhere to the Coastal Barrier Resources Act which prohibits activities or projects in Coastal Barrier Resource System (CBRS) units. CBRS units are mapped and available from the Fish and Wildlife Service at: <http://www.fws.gov/CBRA/>.

**u. Flood Insurance** (Flood Disaster Protection Act of 1973 (42 U.S.C. 4106)). Project structures in the 100-year floodplain must obtain flood insurance under the National Flood Insurance Program. No activities or projects located within the 100-year floodplain may be assisted in a community that is not participating in or has been suspended from the National Flood Insurance Program.

**v. Lead-Based Paint.** The Lead Safe Housing Rule (specifically 24 CFR 35, subparts B, H and R; see [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/enforcement/lshrappl](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshrappl)) applies to project based rental assistance of pre-1978 housing for persons with disabilities when a child of less than 6 years of age resides or is expected to reside in such housing. For Eligible Multifamily Properties in which such units will receive an annual average of more than \$5,000 of project-based rental assistance in any year, a lead risk assessment, followed by interim controls of any lead-based paint hazards identified must be conducted, and a reevaluation must be conducted every two years during the assistance period. For properties in which such assistance is less than or equal to \$5,000, a visual assessment for deteriorated paint must be conducted during the initial and periodic inspections, followed by paint stabilization of any deteriorated paint identified. The Environmental Protection Agency's Renovation, Repair and

Painting (RRP) Rule also applies to such target housing when renovation, repair or painting work is conducted; among other requirements, the work, using lead-safe work practices, must be a conducted or supervised by certified lead renovator working for a certified lead renovation firm when the amount of work exceeds the RRP Rule's minor repair and maintenance area threshold. See 40 CFR 745, and the RRP Rule's website, <http://www.epa.gov/lead/pubs/renovation.htm>).

**w. Program Income.** Eligible Applicant must have sufficient knowledge and experience to identify and account for program income as defined in 24 CFR part 85. Each application must contain a specific section stating how the applicant will address program income accounting and reporting requirements. All program income including interest earned on any award supported activity (if it generates program income it has to be accounted for whether it is paid to a Grantee or is used for a program purpose without passing back to the Grantee) is subject to the terms and conditions of the original grant and such U.S. Treasury rules as may apply. More specifically each Grantee must document receipt of program income, both principal and interest, and how the funds were used. These documentation and reporting requirements (detailed later in this NOFA) will be included in the final Implementation Plan and contained in the Cooperative Agreement.

**x. Procurement of Recovered Materials.** Requirements for the procurement of recovered materials apply to this program as described in the General Section in Section III.C.5.k.

**y. Period of Performance.** The period of performance shall begin with the execution date of the Cooperative Agreement and terminate on the expiration date of the Grantee's very last Rental Assistance Contract (RAC), but not less than 20 years.

**z. Uniform Physical Construction Standards (UPSC).** Multifamily owners shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR part 200, Subpart P, including any changes in the regulation and related Directives.

**aa. HUD's Electronic Line of Credit Control System.** Eligible Applicants must be eligible to acquire rights and access under HUD's Electronic Line of Credit Control System (eLOCCS) or other database system approved by HUD. This is the sole mechanism for drawing funds.

**ab. Uniform Administrative Requirements.** All States, Territories, Urban Counties, and Metropolitan cities receiving funds under this NOFA shall be subject to the requirements of 24 CFR part 85. Non-profit subgrantees shall be subject to the requirements of 24 CFR part 84.

#### IV. APPLICATION AND SUBMISSION INFORMATION

**A. Address to Request an Application Package.** See the **General Section** for specific procedures concerning the electronic application submission and timely receipt requirements. Copies of the published NOFAs and application forms for HUD programs announced through NOFAs may be downloaded from the grants.gov website at <http://www.grants.gov>. Eligible Applicants must download the application and the instructions for this NOFA on Grants.gov.

Information to assist Eligible Applicants in preparing their application on the average tenant rent payment by state for the Section 811 PRACs is available on HUD's website (see [Appendix B](#)). For recent guidance on HUD's Operating Cost Adjustment Factor (OCAF) calculation, please see <http://www.gpo.gov/fdsys/pkg/FR-2011-10-26/pdf/2011-27816.pdf>.

**B. Grants.gov Customer Support.** If there is difficulty accessing the information, customer support is available from Grants.gov by calling its Support Desk at 800-518-GRANTS (toll-free), or by sending an email to [support@grants.gov](mailto:support@grants.gov). Grants.gov now also provides a toll number for those that have difficulty accessing a toll-free number. The number is 606-545-5035 (toll charge). The Grants.gov help desk is open 7 days a week, 24 hours a day, except federal holidays.

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

**1. Electronic Submission.** Applications must be submitted electronically, as prescribed in the General Section using the Grants.gov website. To submit via Grants.gov, applicants must have a DUNS number which is registered in the Central Contractor Registration at [www.sam.gov](http://www.sam.gov); have a USER ID and password for the grants.gov system which has been authorized by the eBusiness Point of Contact for the applicant identified in box 8a of the SF424, to be the authorized agency representative to submit the application. Failure to meet these registration steps or to not properly enter the registered DUNS number and User ID and password associated to the applicant DUNS number in the Grants.gov system, can result in the application being rejected by Grants.gov. Please carefully read the registration requirements. **Registration can take 2-4 weeks to complete.**

**2. Page Limitation, Font Size, and Format for Naming of Files.** Narrative statements cannot exceed the equivalent of 40 single-space single-sided standard 8-1/2" x 11" pages, not including attachments. Attachments cannot exceed the equivalent of 60 single-sided pages in total. Applications must be in 12 point font and attachments presented by facsimile must be legible. File names should clearly indicate which application item the file contains as described in the General Section, paying careful attention to ensuring there are no spaces and special characters in the file name and that the file name does not exceed the maximum length of 50 characters. HUD recommends a length of no more than 32 characters.

### **3. Application Submission Requirements.**

- (1) Eligible Applicants must read and follow the application submission requirements carefully.
- (2) Applications must be filed following the instructions for this opportunity as they appear on the grants.gov website.
- (3) Applications must be formatted for 8.5" by 11" viewing and printing.
- (4) Attachments must follow the proper naming convention: 50 characters or less, no spaces, no special characters (example: -, &, \*, %, /, #, \) including periods (.), blank spaces and accent marks. Special characters may NOT be used within the application form fields or file names. Underscores can be used in place of spaces.
- (5) All pages of each document must be numbered sequentially.

- (6) All documents must be presented in "native" format, not "pdf", unless required to preserve the integrity of a document as executed by a third party.
- (7) Zip files contained within zip files cannot be accommodated; documents in such files will not be reviewed. See the General Section for additional information.

**4. Application Requirements.** The application must contain the following:

**a. Part I. Abstract.** Applications must contain an Abstract consisting of up to 3-5 pages, a summary of the proposed program, which will not be scored and does not count toward the narrative page limit. Outlined in this format below, the summary must include:

- (1) Name of the Eligible Applicant
- (2) Mailing Address
- (3) City, State and Zip code
- (4) Eligible Applicant Director or CEO
- (5) Primary Contact Name and Title
- (6) Contact Telephone Number and Email Address
- (7) Name, title and contact information of the State Health and Human Service Agency and the name, title, and contact information for the State Medicaid Agency identified in the Partnership Agreement
- (8) Number of units to be funded with the PRA funds.
- (9) The amount of the administrative costs (which is up to eight (8) percent of the grant) requested
- (10) Total dollars of Section 811 PRA funds requested by the applicant, including the amount of the administrative fee
- (10) Summary of description of Section 811 PRA program including applicant and the State Health and Human Service/Medicaid agencies partnership
- (11) Description of the Eligible Applicant's program(s) that will be used to award Section 811 PRA funds.

NOTE: Co-Applicants, if any, must also provide information as identified in (1) to (6) above.

**b. Part II. Inter-Agency Partnership Agreement.** The formalized agreement between the Eligible Applicant and State Health and Human Services/Medicaid agencies is called the Inter-Agency Partnership Agreement as described in III.C.2.b.

**c. Part III. Narrative Response to Factors for Award.** The total narrative response cannot exceed the equivalent of 40 single-sided standard 8-1/2 x 11" pages total in 12 point font, not including attachments. Submitting pages in excess of the page limit will not disqualify an application. However, HUD will not consider or review the information on any excess pages, and if there is key information on those pages, the application may fail to meet a threshold requirement.

**d. Part IV. General Applications Requirements and Certifications.** A list of supporting documents and forms in the following order found in the instruction download.

- (1) **SF424\_Application\_for\_Federal\_Assistance.** Eligible Applicants must include the nine digit ZIP code (ZIP code plus four digits) associated with the applicant address in box 8d of the SF424. Also, be sure to provide a program name in Line 11 of the SF424 and use the same project name in all references to the application as the information will pre-populate the other forms contained in the application download package.
- (2) **SFLLL\_Disclosure\_of\_Lobbying\_Activities.** Applicants must submit the SFLLL. If an Applicant does not perform lobbying activities using federal funds, insert “Not Applicable” in Line Item 10. Note that federally recognized Indian tribes are not required to submit this form (see the General Section).
- (3) **HUD2880\_Applicant\_Recipient\_Disclosure\_Update\_Report** titled “HUD Applicant Recipient Disclosure Report” on Grants.gov.
- (4) **HUD-92239-PRA Budget** is a HUD form budget template, and includes budget lines that are allowable items under this Program. This budget includes the projected per unit use of PRA funds for the period of this initial funding which is for five years. Applicants should use separate sheets for each of the proposed program years along with a summary sheet. If applicants are projecting properties with PRA Demo units with occupancy commencing in Year 2, for example, annual budget sheets should be included for Years 2-6.
- (5) **HUD2993\_Acknowledgment\_of\_Application\_Receipt**, for applicants submitting paper applications only (see Section IV.C. below)
- (6) **HUD96011\_Facsimile\_Transmittal** (“Facsimile Transmittal Form” on Grants.gov). The form must be submitted with your application and it will be also used as the coversheet for subsequent facsimile(s) sent for your application. If you are not faxing any documents at the time of application submission, you must still complete the facsimile transmittal form. In the section of the form titled “Name of Document Transmitting,” enter the words “Nothing Faxed with this Application.” Complete the remaining highlighted fields and enter the number “1” in the section of the form titled “How many pages (including cover) are being faxed?” You must move the form to the right side of the Grants.gov application to open and complete the form. Forms on the right side of the application get uploaded as part of your application submission with the forms getting embedded ID numbers. The embedded ID numbers allow HUD to match your faxes to your application submission. Please refer to the **General Section for a detailed discussion.** **NOTE:** HUD will not accept entire applications submitted by fax. If you submit the application entirely by fax, it will be disqualified. Please carefully read General Section (See General Section IV.B. instructions on faxing documents).

**e. Part V. Attachments (including Supporting Documents, Commitments Letters, and Letters of Intent.**

**5. Outline of Application Content.** An outline of the application content can be found in Appendix A which can also be used as a checklist of the submission requirements for a complete application.

**6. Timely Receipt Requirements.** The application deadline is 11:59:59 p.m. eastern time on **May 5, 2014**. Applications must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. Following receipt the application will go through a validation process. If the application fails the Grants.gov validation process, it will be rejected by the Grants.gov system. Please see the FY 2013 General Section for instructions on timely receipt, including actions to take if the application is rejected. Eligible Applicants should carefully read the section titled “INSTRUCTIONS ON HOW TO DOWNLOAD AN APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS” in the General Section. The section contains information on using Adobe Reader, HUD’s timely receipt requirements and grace period policy, and other pertinent information.

From time to time HUD may issue a technical correction to its NOFAs. To ensure that applicants receive notification of any technical corrections to this NOFA, applicants are advised to sign up for the email notification service when they download the application and instructions for this NOFA from Grants.gov, so that if HUD modifies this NOFA, they will be notified of any changes posted to Grants.gov.

**7. Funding Restrictions.** Administrative costs are limited to no more than eight (8) percent of the annual Section 811 PRA award.

**8. Intergovernmental Review.** Not applicable to this program.

**9. Other Submission Requirements.** None.

**10. Waiver of Electronic Application Requirement.** Eligible Applicants must follow the electronic application instructions included in the **General Section**, unless granted a waiver for cause to the required electronic application requirement. The request for a waiver must provide a justification for cause in accordance with HUD’s waiver policy of 24 CFR 5.1005. Eligible Applicants requesting a waiver must submit the request in writing no later than 15 days prior to the application deadline date. The letter must be addressed to Carol J. Galante, Assistant Secretary for Housing, Federal Housing Commissioner at the address below. The waiver can be submitted via email:

Department of Housing and Urban Development  
451 Seventh Street SW, Room 6230  
Washington, DC 20410

ATTN: Aretha M. Williams, Housing Assistance and Grant  
Administration,  
Multifamily Housing Division  
[PRADemowaivers@hud.gov](mailto:PRADemowaivers@hud.gov)

Paper applications will not be accepted from applicants that have not been granted a waiver. If an applicant is granted a waiver, the approval notice will provide instructions for application submission and receipt requirements. All applications in paper format must have received a waiver to the electronic application requirement and must be received no later than 3:59:59 p.m.

eastern time on the application deadline date to allow scanning of any packages in accordance with HUD Security procedures.

## V. APPLICATION REVIEW INFORMATION

**A. Rating Points.** Points are assigned to each of five factors identified below. Eligible Applicants should review the factors carefully and respond specifically to each factor. Since project locations are not identified prior to award, bonus points under the EZ/EC/RC-II or the Preferred Sustainable Status Bonus Points are not included in this NOFA.

**B. Rating Criteria.** The maximum number of points to be awarded for the Section 811 PRA program is 100.

**1. Rating Factor 1: Applicant's and State Health and Human Service/Medicaid Agencies' Relevant Experience, Capacity, and Readiness (up to 23 total points).** The applicant and the State Health and Human Services/Medicaid Agency must each demonstrate its ability, capacity, and readiness to undertake the proposed activities, use its award successfully, and maintain compliance with its grant terms. The Eligible Applicant must submit a detailed Capability Statement that describes the Eligible Applicant's, Co-applicant's, and/or contractor's experience.

### **a. Applicant's Relevant Experience, Capacity, Readiness (up to 13 points).**

**(1) Leadership and Key Staff Experience (up to 2 points).** Describe the Eligible Applicant and any other housing agencies participating in this program. Outline the specific tasks that each will undertake and be responsible for managing. Identify and describe the Eligible Applicant's leadership team integral to implementation of the program. Describe the roles and responsibilities of other key staff responsible for this program. Include appropriate staffing including a specific description of how many Full Time Equivalents (FTEs) staff from which agencies will be tasked with operationalizing this program.

**(2) General Experience (up to 6 points).** Eligible Applicants should demonstrate recent (within five years) and relevant experience directly related to the financing of affordable rental multifamily housing and asset management of a portfolio of affordable multifamily housing units, particularly experience funding permanent supportive housing. The principal tasks that the Applicant must address include, but are not limited to: reviewing applications for funding, underwriting and awarding Section 811 PRA funds, negotiating and executing RACs, assuring project monitoring and compliance with all of the PRA program requirements including monitoring project owners for compliance in providing decent, safe and sanitary housing to assisted PRA residents. If the Lead Applicant is partnering with another housing agency as a co-applicant, a joint letter, agreement or MOU must be included. As applicable, the Eligible Applicant may also describe the experience of one or more entities with whom the applicant has partnered or contracted, or proposes to contract with to provide services as required under this NOFA. Experience information for this entity relative to the role it will play in the effort should also be included.

There are significant Section 811 PRA and HUD program requirements outlined in Section III.C.3, such as Davis Bacon Labor Standards, Lead-Based Paint, Environmental Requirements, for example. Describe experience in managing programs with a portfolio of projects with similar program requirements. Outline how the Eligible Applicant currently monitors for program compliance during construction and operation. Describe the Eligible Applicants' and Co-Applicants' capacity and readiness to successfully implement proposed activities including necessary financial resources, technical expertise, reporting systems and other experience associated with proposed activities. To receive maximum points, Eligible Applicants must demonstrate substantial experience overseeing a permanent housing program that targets vulnerable populations who will best benefit from affordable housing with community-based long term services and supports.

In the case of Eligible Applicants and partnering agencies that have received awards from other federal programs, HUD reserves the right to contact officials from the appropriate federal agency or other agencies to determine whether the applicant is in compliance with current or prior award agreements, and to take such information into consideration in rating this factor. In this narrative, provide a brief description of each of the affordable multifamily rental housing program(s) that the Eligible Applicant is responsible for managing including the number of projects awarded over the last three years, total amount and type of subsidy funding or financing provided, number of units in the project, number of units assisted (if different from total units in project). Specify the supportive housing programs included or identify the number of supportive housing units funded. In Section V. Attachments (Programs Managed) Provide a list projects (1) awarded funding along with the amount of funding and number of units, and (2) closed over the last three years as an attachment in Section V. Attachments ( of your application.

**(3). Experience Managing Section 8 Project-based Rental Assistance programs utilizing HUD's Tenant Rental Assistance Certification System (TRACS) (up to 5 points).** This section must include a detailed description of the Eligible Applicant's and/or Co-Applicant's experience administering HUD Multifamily project-based Section 8 programs. Grantees will be required to ensure that tenant data is entered into HUD's Tenant Rental Assistance Certification System (TRACS) in the administration of the Section 811 PRA program. Experience must include examples of managing a portfolio of affordable multifamily housing units that specifically includes a HUD Multifamily project-based Section 8 program. This experience can include serving as a Traditional Contract Administrator (TCA), or as a Performance-Based Contract Administrator (PBCA), or a third party contractor with extensive experience managing project-based Section 8 programs. If TCA or PBCA experience is included, dates of experience and whether the experience is current must be included to earn points. The Eligible Applicant must describe actual experience performing tasks relating to the administration of a project-based Section 8 program utilizing TRACS. Eligible Applicants who lack TRACS experience must state in the application that they agree to contract with another entity such as a Performance-based Contract Administrator, Traditional Contract Administrator or a private entity that has such experience. This section must identify the entity if it is not the Eligible Applicant and outline the experience described above. A letter of intent or MOU must be included. Eligible Applicants may substitute PBCAs or other contractor at a later date after award with HUD approval.

**(4) Past Noncompliance (up to -5 points).** If Eligible Applicants have previously received funding through any HUD program, HUD will consider and may deduct points for an applicant (or its affiliates) that has a documented history of non-compliance with: 1) maintaining sufficient financial resources (up to -3 points); and/or 2) inadequate reporting systems or ongoing failure to report timely (up to -2 points) as measured by the terms of that program funding. HUD will also take into account additional criteria in evaluating an applicant's past performance as outlined in the General Section V.e and III.A above.

**b). State Health and Human Service/Medicaid Agencies' Relevant Experience and Capacity (up to 10 points)**

**(1) General Experience (up to 5 points).** The State Health and Human Services/Medicaid agencies that are parties to this grant application will also need to include its management staff and key staff responsible for their program administration in this partnership. Describe the State Health and Human Service/Medicaid agencies' capacity to successfully implement proposed activities including necessary financial resources, technical expertise, reporting systems and other experience associated with proposed activities. The state should demonstrate its experience providing long-term services and supports network to vulnerable populations living in or transitioning to the community. Eligible Applicants must demonstrate that they have a sufficient home and community based services infrastructure including the capacity to conduct person-centered needs assessments, providing adequate services and supports, and conduct program monitoring. Evidence may include descriptions of long-term services and supports programs under the CMS Money Follows the Person (MFP) Rebalancing Demonstration Program, Medicaid State Plan, 1915(c) or 1915(i) waiver programs or programs specifically designed to divert or delay individuals from entering institutions.

**(2) Experience with Supportive Housing and working with housing providers (up to 5 points).** The state health and human services/Medicaid agencies should demonstrate experience transitioning individuals from institutions or from homelessness into affordable housing in the community with access to supportive services. This description should include a discussion of how the state health and human service/Medicaid agencies have worked with state housing agencies or other affordable housing programs. Evidence may include experience with the CMS MFP Rebalancing Demonstration or other similar efforts to integrate affordable housing with community-based long term supports and services. Include a discussion on the role of the housing providers.

**2. Rating Factor 2: Need/Using housing as a platform for improving of life (Policy Priority) (up to 5 points).** Describe and document how this funding will address a specific need for housing for extremely low-income persons with disabilities who are eligible for services from Medicaid or another similar program in the Eligible Applicant's state. In addition to statistical data to quantify the need related to the target population(s), describe how this funding will address a specific issue or issues or fill a gap in a state's existing continuum of services for persons with disabilities, such as a particular program issue that the state has been attempting to solve beyond its basic need for affordable housing for persons with disabilities. For example, this funding may assist a state seeking to transition persons from institutional care into integrated housing or working to ensure that persons at risk of institutionalization remain in community-

based settings in accordance with the Supreme Court's *Olmstead v. L.C.* decision. Programs designed in response to *Olmstead*-related litigation or enforcement, *e.g.*, settlement agreement, court order, or consent decree, or designed to complement a State's voluntary affirmative *Olmstead* planning and implementation efforts that are clearly outlined, with implementation underway evidenced by significant progress such as financial commitments or new governance structures or numbers of persons with disabilities transitioned into the community will earn maximum points. Points will be provided based on how the state has been directing resources or partnership efforts to address a particular goal relative to the need for this type of subsidy or how this specific gap financing will enable the state to accomplish a specific program initiative or *Olmstead*-related objective. Eligible Applicants should describe what structural changes are being made in the way the health & human service/Medicaid agency partners connect with housing resources. For example, what changes are being made within the states service delivery system that will be supported by the award of these PRA funds and how will that assist the state in meeting *Olmstead* related obligations. Additional documentation can be provided in the attachments.

**3. Rating Factor 3. Soundness of Approach/Implementation Plan (up to 45 total points).**

This factor focuses on the Eligible Applicant's PRA program design and operation, management and oversight, the integration of services provided by the State Health and Human Service/Medicaid Agency or agencies and the timely implementation of the state's program.

HUD is seeking high quality and effective programs. The applicant must demonstrate how its PRA program will work to stimulate, support, and advance the availability of integrated housing for persons with disabilities in a timely manner. Eligible Applicants should briefly discuss these in the context of existing state analysis of Impediments as a component of the States Consolidated Plan, Transportation plans, and any other existing state or regional development plans and how determinations will be made in relation to those plans.

Working in partnership with the State Health and Human Services/Medicaid agency, the applicant should include the specific financing and development programs that will be included in the program, the number of units that will be provided, and the amount of the HUD Section 811 PRA funds requested.

**a. The Implementation Plan – Program Description (up to 20 points of the total 45 points).**

Applicants should submit a plan that outlines and describes the proposed state PRA program. The Implementation Plan shall be based upon and specifically reference the formal agreement between the Eligible Applicant and the State Health and Human Service Agency/Medicaid agency described in Section III.C.3.b.2 (ii). It should incorporate and expand upon the specific elements of the agreement including a detailed description of the target populations and method of outreach and referral and the agreement must incorporate the commitment to the specific roles and responsibilities.

HUD seeks well-defined, high quality and sound programs and will consider the extent to which the Eligible Applicant thoroughly describes their program plan. The Eligible Applicant will earn fewer points for failure to address all of the criteria below. The specific details of the PRA Implementation Plan for your state program must include the following as a part of the plan:

**(1) PRA Program Funding Structure (up to 7 points).** Specify what development and/or financing program(s) will be used to create and/or develop PRA units (State Housing Trust funds, 4% and 9% LIHTC, tax-exempt financing, etc.). Include a detailed description of the program(s) identified including program requirements and procedures used for awarding funding. Eligible Applicants should demonstrate that key State housing policies, particularly the Low Income Housing Tax Credit Qualified Allocation Plan and Consolidated Plan, but also local jurisdictions' capital financing strategies (e.g. localities with HOME, CDBG and other capital funds etc.), and local Continuum of Care planning, 10 Year Plans, etc., reflect a commitment to support the program proposed in the PRA application. Eligible Applicants that evidence the existence of set-asides, incentives or significant competitive priorities in their primary housing production programs that result in the integration of PRA units in multifamily projects, such as the Low-Income Housing Tax Credit Qualified Allocation Plan (QAP), or have similar program(s) designed to integrate supportive housing units in newly developed and substantially rehabilitated multifamily projects and can commit to include this PRA program will receive more points in this section. Eligible Applicants with no existing programs but include a strong commitment to implement set-asides, incentives or other significant competitive priorities for this PRA program may also be considered for more points. In Section V. Attachments (Program Funding) of the application, include a list of multifamily rental housing properties approved and closed in the last two (2) years in these programs with the number of total units, affordable housing units, and permanent supportive housing units.

**(2) Type and Quality of Projects (up to 3 points).** Grantee's State PRA programs can include a range of properties including new construction, substantially rehabilitated, and existing properties. Specify what range/type of properties will be included and how the applicant will ensure that each will be high quality and well-managed properties.

**(3) Project Selection Criteria (up to 5 points).** Provide the project selection criteria that will be used for this program and how it will be implemented. Eligible Applicants are not required to identify specific projects for which PRA funds will be allocated, but must provide sufficient justification for how projects will be selected including any special qualifications or program requirements. If the Eligible Applicants will include existing properties, HUD is particularly interested in the criteria that grantees will use to select existing properties. Programs that solely fund projects where the Eligible Applicant has existing oversight or funding will receive 3 of the 5 points. Describe how owners and developers will be informed of this availability of funding and how the Eligible Applicants state program will be structured to ensure participation.

**(4) Calculation of PRA funds (up to 3 points).** Specify how PRA funds requested were calculated including assumptions used in the calculation. The projected number and type of PRA units must be provided on a per year basis. Eligible Applicants must identify what will be used for establishing initial rents as well as annual rent adjustments and any other assumptions used in projecting the amount of PRA funds required. In no circumstance may the initial RAC rent level exceed the applicable Section 8 Fair Market Rent, unless such rent level is substantiated by a market study that has been prepared in accordance with the requirements of a state housing agency or of Chapter 9 of HUD's Section 8 Renewal Guide (see [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/mfhsec8](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8)) as approved by HUD – see Section III.C.3 Program Requirements. Rents can only be adjusted

annually based upon 1) HUD's Operating Cost Adjustment Factor (OCAF), or 2) other operating cost index proposed by the applicant and approved by HUD. Since this award includes funding for the first five years, applicants should carefully prepare this budget. Eligible Applicants should use one of the following data sets to determine the expected average tenant payment: a) the average tenant payment in the Section 811 PRAC program, available as [Appendix B](#), or b) the average state median income also available on HUD's website at [http://www.huduser.org/portal/datasets/il/il12/IncomeLimitsBriefingMaterial\\_FY12\\_v2.pdf](http://www.huduser.org/portal/datasets/il/il12/IncomeLimitsBriefingMaterial_FY12_v2.pdf).

Average tenant payment in the Section 811 PRA program should have very similar if not the same tenant income characteristics as tenants in the 811 PRA program. In addition to the budget above, applicants can propose to use a different average tenant payment and include a second budget, however, a justification with appropriate documentation must be included, and HUD will determine which budget is acceptable. Eligible Applicants must identify what funds will be available if costs exceed federal PRA funding.

**(5) Program Administrative Costs (up to 2 points).** In addition to the detailed budget provided, provide a narrative with appropriate justification for the use of grant funded administrative costs requested for this 5 year funding period. Also include the authority and/or sources for paying for these costs over and above the percentage requested from the PRA funds.

**b. Integration of Services (up to 20 points of 45 points).**

**(1) Management and Coordination of Services (up to 10 points).** This must include a description of the supportive services, the entity or agency responsible for the overall integration effort, how the services will be provided and how tenants will access those services, whether new or existing programs, and demonstrate Eligible Applicant's understanding that participation in these services are voluntary.

Description of how ongoing housing program management and management of services will be handled between agencies and the strategy for feedback and continuous improvement of the Program during its operation; provide specifics regarding operational details relative to the commitment of services. Describe how the housing staff will interact with the service providers.

HUD is interested in understanding how services will be coordinated throughout the state. Describe what staff and agency that will be managing the outreach, referrals, and waiting lists to successfully identify and refer prospective tenants to owners/management agents of these supportive housing units in a timely and efficient manner, particularly if the state program includes several targeted populations. Identify how staff will be assigned to efficiently work with owners/management agents of PRA units throughout the state and how they will be managed. Specify how dispute resolution between residents and owners/management agents will be managed, tracked, and reported, particularly how a range of program/service needs will be addressed within one multifamily property.

**(2) Systems in Place (up to 10 points).** Describe the information technology systems and associated staffing structures that you currently have in place or will be putting in place to track, monitor, and oversee the implementation of this program. Specifically, how will you: (1) assign

the entities responsible for outreach to the various Target Populations/sub-populations; (2) manage waiting lists; (3) communicate with owners/property managers of PRA Demo units; (4) track the referral process (e.g. how many applicants are actually referred to one available PRA Demo unit, and how are they sequenced and tracked); and (5) synchronize the referral process with a unit-tracking system identifying available new and/or turnover units in each locality with PRA Demo units. If available, please describe the software system you are using and provide representative screen shots. Describe how performance measures for each program component will be tracked. Describe the staff and/or contract support that is expected to develop the IT infrastructure if such does not exist at this time.

**c. Program Implementation Schedule (up to 5 points of 45 points).** HUD is seeking programs that create a system of developing and integrating 811 PRA units in the multifamily production, development or finance program. HUD also seeks to fund programs that will be able to commence immediately after grant award and proceed in a timely manner. HUD will evaluate applications on this rating factor based on a clear identification of all of the milestones that need to be accomplished to develop this program based upon the Implementation Plan submitted, along with the projected time to award PRA funding to projects, execute PRA contracts and occupy units. Include a schedule that outlines the occupancy goals annually based upon fiscal year. Describe the methodology used to determine unit occupancy goals in the schedule. The schedule should project the number of units to be funded per quarter and per year. Fiscal years should be used. Specify the number of units to be funded per year over the 5-year funding period for this grant. Consistent with the detailed PRA budget described above, if units are occupied in Year 2 of the program, the Implementation Schedule will extend to Year 6 to allow for the full 5 years of funding per unit in the program. This schedule will be incorporated into the Agreement with HUD.

Points will be assigned based upon the specificity of the schedule as outlined above and the percentage of the total number of requested units occupied in the 48 months from the execution of the Cooperative Grant Agreements.

<b>Units Projected to be Occupied Within 48 Months</b>	<b>Points</b>
100% of Units Occupied	5 Points
80% of Units Occupied	Up to 4 points
60% of Units Occupied	Up to 3 points

Note: Programs funds not utilized as outlined in the Implementation Plan and Schedule may be subject to recapture or deobligation as described in 24 CFR part 85.43.

**4. Rating Factor 4: Leveraging (up to 20 total points).**

**a. Cost-Effective Use of PRA Funds (up to 10 points).**

HUD is seeking approaches to reduce the per-unit PRA amount in order to increase the number of PRA assisted units. As described in III.C.3, Program Requirements, Eligible Tenant's contribution to rent shall be 30% of annual income, and unit rents cannot exceed HUD's Fair Market Rents (FMR) unless such rent level is substantiated by a market study as described in section III.C.3.h above. Eligible Applicants will earn points based on representations that initial rents on PRA assisted units will be established for the program based upon a rent structure that reduces the actual per unit amount of subsidy. Specify how rents will be restricted, whether due to other program requirements such as LIHTC, HOME or as a consequence of use agreements or other regulatory restrictions placed on properties as a consequence of receiving PRA funds. Points will be earned based upon a representation that rents in the PRA program will be set at levels equivalent to a specific percentage of Area Median Income (AMI). If applicants proposed a mix of percentages, as follows:

Rents set at levels affordable to households at <b>50%</b> of AMI	6 points
Rents set at levels affordable to households at <b>45%-49%</b> of AMI	7 points
Rents set at levels affordable to households at <b>40%-44%</b> of AMI	8 points
Rents set at levels affordable to households at <b>35%-39%</b> of AMI	9 points
Rents set at levels affordable to households at <b>30%-34%</b> of AMI	10 points

If an applicant's proposed rent structure is a mix of AMI percentages, the points earned will be a prorated average.

**For example:**

An Applicant's Rent Limits for 2013 are:

	<b>50% of AMI</b>	<b>40% of AMI</b>	<b>30% of AMI</b>
<b>1BR</b>	\$1,006	\$805	\$604

The Applicant's proposed PRA rent structure is:

1. 20% of the units will have a rent of 30% AMI (\$604-1BR rent based on Table 2 above)
2. 80% of the units will have a rent of 40% AMI (\$805-1BR rent based on Table 2 above)

Based on the point structure in Table 1, the points earned will be calculated by a prorated average of the combined mixed percentages:

<b>TABLE 3</b>		
<b>Rent Structure</b>	<b>Calculation</b>	<b>Point Value</b>
40% of the units will have a rent of 30% AMI	10 points (using 30% AMI) x 40% of units	4
60% of the units will have a rent of 40% AMI	8 points (using 40% AMI) x 60% of units	4.8
<b>TOTAL POINTS EARNED:</b>		<b>8.9 or 9</b>

**b. Commitments for Establishment of an Admission Preference (up to 10 points).**

Eligible Applicants that provide a commitment from one or more public housing agencies (PHAs) or other state or local housing agencies to establish an admission preference for a minimum number of housing vouchers or other rental units specifically for the population proposed to be targeted under this application will be assigned additional points based on the following sliding scale:

- (1) Eligible Applicants that provide commitments to establish a preference for vouchers or rental units will be assigned up to 10 points for committing vouchers in an amount up to 50% of the PRA units requested with one point for providing vouchers in an amount equivalent to 5% of units and two points for providing vouchers in an amount equivalent to 10% of units, and so on up to 10 points.

NOTE: For Public Housing Agencies, the commitment cannot include Housing Choice Vouchers already reserved for non-elderly people with disabilities as part of a PHA's Non-elderly Disabled (NED) voucher baseline.

For a list of PHAs with NED vouchers and their NED baselines, please visit HUD's NED Voucher webpage at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/hcv/ned](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/ned). PHAs can establish an admission preference in their HCV or Public Housing persons ready to transition from institutions, or for persons at serious risk of institutionalization. The preference may be limited to a set number of vouchers or units or a percentage of vouchers or units as they become available. Prior to implementing such preferences, PHAs must incorporate such a preference in written policies for their HCV and/or Public Housing programs and may open waiting lists strictly to people to whom the preference applies.

PHAs can restrict the preference to those referred or approved by a single state agency or to persons with specific disabilities or diagnoses if it is:

- (1) a HUD approved remedial action such those put in place by states in response to *Olmstead*-related litigation or enforcement actions, including a settlement agreement, court order or consent decree; or
- (2) in response to a public entity's documented, affirmative *Olmstead* planning and implementation efforts.

For purposes of the Section 811 PRA NOFA, approval will be provided as part of the grant award and subsequent execution of a cooperative agreement. Where PHAs voluntarily agree to have its preference restricted to persons with specific disabilities or diagnosis limited solely for the purpose of this Section 811 PRA NOFA, the Office of Public and Indian Housing hereby waives 24 C.F.R § 982.207(b)(3) for the HCV program, and waives 960.206(b)(3) for the public housing program, so as to allow select PHAs participating in the 811 PRA NOFA to support the purpose, goals and statutory intent of this program.

If a PHA, in connection with the eligible applicant's PRA application under this NOFA, is proposing to establish an admission preference for persons with specific disabilities or diagnoses, the following information must be included for HUD's approval: information on *Olmstead* activities in the state, the ratio or number of vouchers subject to the preference, and a time limit for the preference consistent with the need identified in the 811 PRA application (Rating Factor 2), *e.g.*, a timeframe that aligns with the time period of the relevant consent decree.

Upon HUD's selection of Eligible Applicants for the Section 811 PRA NOFA, HUD shall advise these participating PHAs of HUD's approval of the regulatory waiver(s) by PIH and approval by the Associate General Counsel for Fair Housing. HUD reserves the right to request clarification from the PHA on its proposed PHA preference as it relates to this NOFA.

#### **5. Rating Factor 5: Achieving Results, Program Innovation and Evaluation (up to 7 points)**

- a. **Systems Change (up to 5 points).** Describe and document the extent to which the system of producing housing and services for the target population is institutionalized beyond the Section 811 PRA program. For example, Eligible Applicants may describe creative approaches to using operating subsidy other than the traditional HUD Section 811. Creative approaches may include requiring set-asides in LIHTC Qualified Allocation Plans (QAP) or other rental housing finance and development programs or creating other new innovative elements to systematically increase the production of affordable supportive housing aligned with the PRA program goals of integrating units into traditional multifamily developments. Unique approaches that have resulted in system change solutions, such as tracking, targeting and referrals systems that integrate this program into an existing housing finance program can also be included. Describe how the system change was or will be integrated into the PRA program management and operation, as well as the performance measures used to determine effectiveness.

For Eligible Applicants or states that have programs underway, unanticipated outcomes, savings, successful approaches, or partnerships with developers to increase production should be included. A description of the mechanism used to evaluate the success should be included.

Since one of the goals of this program is the production of new integrated supportive housing units, points will be based upon how the system change significantly increase the number of supportive housing units, effectively matching units and tenants can be included.

**b. Expand Cross-Cutting Policy Knowledge (Policy Priority - up to 2 points).**

Taking successful models to other communities requires quantitative evidence of which policies work and how they work, and public dissemination of this information. HUD's experience is that many local organizations and governments collect administrative data as part of their regular operations. Policymakers at all levels could benefit from this rich data that HUD's grantees collect, and in order to receive the points in this category HUD expects applicants to demonstrate their willingness to collaborate with policy researchers and program evaluators to quantify the accomplishments of this program and to increase the overall body of policy knowledge.

HUD seeks to fund Grantees that go beyond the specific outcomes of this program to provide information that informs future policymaking and support knowledge sharing and innovation by disseminating best practices, encouraging peer learning, publishing data analysis and research, and helping to incubate and test new ideas. All Grantees must demonstrate the direct impact of their programs as described in this NOFA. To receive points for this policy priority, grantees must go beyond these requirements and detail other outcomes to be improved. Examples might include: reduction in housing and service cost per beneficiary; changes in the amount and quality of services received by the target populations; integration of the target population in supportive housing, such as the social interaction of the target populations with existing multifamily residents; health outcomes, such as changes in well-being; the level of coordination of housing and health services, such as the coverage of case management or service coordinators or structural, process, and outcome measures that can capture the level of integration of services.

To achieve full points, the Eligible Applicant must indicate what administrative data they and/or partner organizations will collect on primary and secondary outcomes for the target population, as described in their Implementation Plan. The Eligible Applicants must describe the extent of data on primary and secondary outcomes made available to policy researchers through documentation, such as a letter of cooperation, demonstrating a data-sharing agreement. An example of cross-cutting policy knowledge would be the savings realized when a person with disabilities moves from an institutional facility to a PRA assisted multifamily property. Documenting this savings and sharing this knowledge would benefit HUD and policymakers at all levels.

**C. Review and Selection Process**

**HUD's selection process is designed to ensure that grants are awarded to Eligible Applicants that submit the most meritorious applications.** HUD will consider the information submitted by the application deadline date. After the application deadline date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information that you or any third party may want to provide. HUD may verify

information provided application as needed by sending a written request for clarification. Responses to such inquiries regarding Rating Factors will be required within 5 business days of receipt.

### 1. Application Screening

a. HUD will screen each application to determine if:

- (1) The eligibility and application requirements outlined in Section III and IV are met.
- (2) It is deficient, i.e. contains any Technical Deficiencies; and
- (3) It meets the Threshold Requirements in section III.C.2 in the General Section and section IV in this Program Section of the NOFA.

b. See section III.C.2 of the General Section of this NOFA for information regarding thresholds and technical deficiencies. All applications must meet all threshold requirements of this NOFA in order to be rated and ranked. Applicants must demonstrate compliance with the threshold requirements through the information provided in their application, unless instructed otherwise in this NOFA. The threshold requirements of this NOFA include certain threshold requirements of section III.C.2 of the General Section and threshold requirements specific to the Section 811 PRA program. If an application does not meet all threshold requirements, HUD will not consider the application as eligible for funding and will not rate and rank it. HUD will screen for technical (not substantive) deficiencies and administer a cure period. Examples of curable (correctable) technical deficiencies include, but are not limited to, inconsistencies in the funding request, failure to submit the proper certifications (e.g., form HUD-2880), and failure to submit a signature and/or date of signature on a certification. The subsection entitled, "Corrections to Deficient Applications," in section V.B. of the General Section is incorporated by reference and applies to this NOFA unless otherwise stated. Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within fourteen (14) calendar days (i.e. excluding Saturdays, Sundays and federal holidays) of the date of the HUD notification. If an applicant does not cure all its technical deficiencies that relate to threshold requirements within the cure period, HUD will consider the threshold(s) in question to be failed, will not consider the application as eligible for funding, and will not rate and rank it. All technical deficiency cure items must be submitted by facsimile using the Facsimile transmittal form HUD-96011 and inserting in the box for name of the document, Technical Deficiency or TC, plus the name of the document being faxed. HUD will match the item to the electronic application so HUD's official records are complete including all cure items. See the General Section. **Applicants must review and follow documentation requirements provided in this Thresholds Requirements Section.** Required forms, certifications and assurances must be included in the Section 811 PRA application.

c. Corrections to Deficient Applications – Cure Period. The subsection entitled, "Corrections to Deficient Applications," in V.B of the General Section is incorporated by reference and applies to this NOFA, except that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within fourteen calendar days (i.e.

excluding Saturdays, Sundays and federal holidays) of the date of the HUD notification. For applications under this NOFA, HUD may contact you regarding the curable thresholds and/or to ensure proper completion of the required forms.

d. Applications that will not be rated or ranked. HUD will not rate or rank applications that do not meet the key eligibility thresholds, are deficient at the end of the cure period stated in V.B of the General Section, or that have not met the thresholds described in III.C.2 of the General Section of this NOFA and Section III of the Program Section of this NOFA . Such applications will not be eligible for funding.

All Eligible Applicants are advised to check and maintain their DUNS numbers and CCR registrations at [www.sam.gov](http://www.sam.gov) so any updates or changes are completed well in advance of application deadline dates.

All applicants must have an active registration in the Central Contractor Registration (CCR) system. In July 2012, the CCR was converted to the System for Award Management (SAM) found at [www.SAM.gov](http://www.SAM.gov). The new SAM website incorporates requirements for Central Contractor Registration (CCR). See Section IV of the General Section for more information. For paper applications, the wrong DUNS number on an application will be treated as a technical deficiency and the applicant will be permitted to provide a corrected SF424 to the location indicated in the waiver approval within the specified cure period and in accordance with the notification of the need to cure the application. Failure to correct the deficiency and meet the requirement to have a DUNS number and active registration in the CCR will render the application ineligible for funding.

## **2. Preliminary Rating and Ranking.**

### a. Rating.

- (1) Reviewers will preliminarily rate each eligible application, SOLELY on the basis of the rating factors described in V.A of this NOFA.
- (2) HUD will assign a preliminary score for each rating factor and a preliminary total score for each eligible application.
- (3) The maximum number of points for each application is 100.

b. Ranking. After preliminary review, applications will be ranked in score order.

## **3. Final Review Panel.** A Final Review Panel will:

### a. Review the Preliminary Rating and Ranking documentation to:

- (1) Ensure that any inconsistencies between preliminary reviewers have been identified and rectified; and
- (2) Ensure that the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.

b. Assign a final score to each application and rank them in score order; and

c. Recommend for selection the most highly rated applications, subject to the amount of available funding, in accordance with the allocation of funds described in section XXX of this NOFA.

**4. Funding Decisions.** Awards will be made based on HUD's assessment of the Eligible Applicant's ability to manage a sustainable permanent affordable housing program for persons with disabilities that successfully integrates residents into the community and applicant's ability to use Section 811 PRA funds in accordance with the rating and ranking points system set forth in this document. After all eligible applications have been reviewed and scored; HUD will make award determinations by selecting the highest rated applications. Applications that receive a minimum score of 75 points or more and meet all of the applicable threshold requirements of the **General Section** and this NOFA are eligible for selection. At the discretion of HUD, of grants awarded, at least half will be new applicants that were not funded in FY 2012 that have received a minimum score of 75 points or more and meet all of the applicable threshold requirements.

**5. Tie Scores.** If two or more applications have the same score and there are insufficient funds to select each application, HUD will select for funding the application(s) with the highest score for Rating Factor 3 (Implementation Plan) and Rating Factor 4 (Leverage.). If a tie remains, HUD will select for funding the application(s) with the highest score for Rating Factors 1, (Experience/Capacity/Readiness), 3, and 4.

**6. Limitations on Award Amounts.** HUD reserves the right to reduce or adjust the funding amount based upon:

- a. The reasonableness of the overall program relative to the number of units to be produced;
- b. The level of funds available for award under the program.
- c. If an applicant turns down an award, an award is not made, there are sufficient award adjustments to make additional awards feasible, or additional funding becomes available through recaptured funds or through a future appropriation HUD reserves the right to: (a) offer an award to the next highest rated application(s) in this competition in their ranked order for those applications scoring 75 points or higher; (b) add remaining or recaptured amount to the funds that become if available for a future competition; or (c) restore amounts to a funding request that had been reduced in this competition.

**7. Debriefing.** For a period of 120 days, beginning 30 days after the final awards for assistance are publicly announced; HUD will provide a debriefing to a requesting unsuccessful Eligible Applicant related to that application. A debriefing request must be made in writing or by email by the applicant's authorized official whose signature appears on the SF424, or his or her successor in the office and submitted to Lessie Powell Evans, Office of Housing Assistance and Grant Administration, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Room 6234, Washington, DC 20410 or to PRADemoapplications@hud.gov Information provided during a debriefing will include, at a minimum, the final score received for each rating

factor, final evaluation comments for each rating factor, and the final assessment indicating the basis upon which the award was provided or denied.

## **VI. AWARD ADMINISTRATION INFORMATION**

### **A. Preliminary Selection/Notification.**

1. HUD will notify all Eligible Applicants as to the outcome of the preliminary selection process. If an Eligible Applicant is preliminarily selected, HUD's notice concerning the amount of the award (based on the approved application) will constitute HUD's preliminary selection, subject to negotiation and execution of the award documents by HUD.
2. Successful State Section 811 PRA Program Eligible Applicants will be notified of the preliminary selection and will receive instructions for proceeding to negotiations. When an Eligible Applicant is preliminarily selected for an award, HUD will require the Eligible Applicant's participation in negotiations to determine the specific terms of the Cooperative Agreement. HUD will follow the negotiation procedures described in the General Section. The selection is preliminary and does not become final until the negotiation between an Eligible Applicant and HUD are successfully concluded, the Implementation Plan is approved by HUD, and the Cooperative Agreement and other award documents are signed and executed. Costs may be denied or modified if HUD determines that they are not allowable, allocable, and/or reasonable.
3. As a result of the negotiations, HUD may request the Eligible Applicant to submit revisions to the Implementation Plan. HUD will request these be delivered by fax using the facsimile cover page found in your original conditionally approved application and faxed to 800-HUD-1010 so that the changes can be incorporated into HUD's official electronic files. Faxed copies of materials will be attached to Eligible Applicants electronic application file so that HUD has a complete record of the submission including any changes as a result of negotiations. Therefore, when faxing materials, the Eligible Applicant must use the form HUD96011 that was in its electronic submission. Failure to use the form as the cover page to the faxed material will prevent HUD from being able to recognize the source of the material and associate it to the correct file.
4. In cases where HUD cannot successfully conclude negotiations with a selected Eligible Applicant or a selected Eligible Applicant fails to provide HUD with requested information, an award will not be made to that Eligible Applicant. In this instance, HUD may preliminarily select and proceed to negotiation with another applicant in accordance with the selection process identified in Section V.C. of this NOFA. HUD reserves the right to reject an application if information comes to the attention of HUD that adversely affects an applicant's eligibility for an award, adversely affects HUD's evaluation or scoring of an application, or indicates evidence of fraud or mismanagement on the part of an applicant.

**B. Recapture or Deobligation of Funds.** Funds not being utilized in the manner provided or otherwise contemplated under the final Implementation Plan are subject to recapture or deobligation by HUD, in HUD's sole discretion.

1. Causes for recapture or deobligation of funding may include, but are not limited to:
  - a. Failure to meet required deadlines for performance in the Cooperative Agreement which includes the schedule by Grantee and/or a sub-recipient;
  - b. Non-performance or improper performance under the terms of the award documents; and
  - c. Suspension, debarment, or other serious enforcement actions taken against the Grantee, a recipient or affiliates thereof;
  
2. If awarded funds are recaptured or deobligated for any reason, HUD reserves the right, in its sole discretion, to:
  - a. Award those funds to the next highest-ranking Eligible Applicant on the list of qualified applications received by HUD; and/or
  - b. Award those funds to other Grantees that have demonstrated high-performance in their award activity based on timeliness and milestones met under the terms of its approved Implementation Plan and Grant Documents, and whose award activity offers a clear avenue for furthering the existing program.

**C. Administrative and National Policy Requirements.** In addition to the requirements listed below, please review all requirements in Section III of the General Section.

**1. Uniform Relocation Act.** Uniform Relocation Act provisions are applicable for the Section 811 PRA program. Refer to the General Section III.C.4.i. for more information on real property acquisition and relocation.

Additional resources and guidance pertaining to real property acquisition and relocation for HUD-funded programs and projects are available on HUD's Real Estate Acquisition and Relocation website at <http://www.hud.gov/relocation>. You will find on that website links to applicable laws and regulations, policy and guidance, publications, training resources, and a listing of HUD contacts if you have questions or need assistance.

**2. Section 3.** Not applicable to this program.

**D. Applicable Reporting Requirements.**

**1. Quarterly Reporting Requirements.** All Grantees must report to HUD quarterly, within 30 days of the end of a calendar quarter (3/31, 6/30, 9/30, and 12/31), in formats approved by HUD. If there are fewer than 45 days remaining in the quarter in which the HUD documents are signed, then the first quarterly reports will be due 30 days after the second calendar quarter date subsequent to the award date. (Note: HUD plans to consolidate and coordinate the reporting information requested below into online integrated information system during the first year of the program operation.) Quarterly report requirements are as follows:

- a. **Expenditure Report.** Report on the dollar amount of funds expended to date, Section 811 PRA contracts executed, number of units developed, total number of units in the program

(new and existing units), and the amount of funds remaining. The report must provide information for total dollars expended, federal dollars expended, and non-federal funds expended. Awardees may be requested to submit sources of funds used on all newly constructed or renovated units with Section 811 PRA.

- b. Program income.** Report on Program Income as per applicable program income rules as stated in the terms and conditions of the award agreement.

## **2. Annual Reports**

- a. Annual Management Report.** HUD is interested in understanding and reporting on the effects of the activities conducted under the award on the macro level. Therefore, the *fourth quarterly report for each funding year* shall be an annual report and shall include regular quarterly reporting described above plus the following additional information. The Grantee will report on:

- (1) Report on the status of the milestones in the Implementation Plan, comparing the schedules for milestone completion and expenditures to actual activity.
- (2) The number of units and the number of properties receiving contracts;
- (3) Quarterly and annual production goals and results;
- (4) Additional tenant and project data not reported in TRACS.

- b. Annual Property Reporting Requirements.** All Grantees must make the following reports available to HUD annually on onsite inspections in the format approved by HUD:

- (1) Copies of all Section 811 PRA Eligible Tenant files including rent analysis, project rental assistance, disability status and income certifications;
- (2) Report of the physical condition of the property pursuant to periodic physical inspections pursuant to UPCS (see 24 CFR 5.703).

**3. Reporting.** A reporting document as selected by HUD will be required for all PRA Grantees. This reporting system should incorporate most, if not all of the quarterly and annually reporting requirements. The Logic Model or other reporting requirement will be provided after selection.

**4. Reports Required for Release of HUD Funds.** Grantees are required to have HUD approval before making any withdrawal of funds from the eLOCCS system.

**5. General Requirements.** Generally federal funds maintain their federal character with regard to program eligible uses in perpetuity, and continue to remain subject to all annual reporting requirements. Specifically, after the close of the award period, Grantees with funds remaining in financing programs will prospectively be required to report basic information on the Program on

an annual basis until the funds are either: (1) rolled into another eligible activity; or (2) fully disbursed through default.

**6. Racial and Ethnic Data.** If the Grantee is collecting client-level data, HUD requires that funded recipients collect racial and ethnic beneficiary data. HUD has adopted the Office of Management and Budget's Standards for the Collection of Racial and Ethnic Data. In view of these requirements, the applicant should use HUD27061, Racial and Ethnic Data Reporting Form (instructions for its use), found on [www.hudclips.org](http://www.hudclips.org) or a comparable electronic data system for this purpose.

**7. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L.109-282) (Transparency Act), as amended.**

**(a) Prime Grant Awardee Reporting.** Prime recipients of HUD financial assistance are required to report certain subawards in the Federal Government-wide website [www.fsrs.gov](http://www.fsrs.gov) or its successor system.

Starting with awards made October 1, 2010, prime financial assistance awardees receiving funds directly from HUD were required to report subawards and executive compensation information both for the prime award and subaward recipients, including awards made as pass-through awards or awards to vendors, if (1) the initial prime grant award is \$25,000 or greater, or the cumulative prime grant award will be \$25,000 or greater if funded incrementally as directed by HUD in accordance with OMB guidance; and (2) the subaward is \$25,000 or greater, or the cumulative subaward will be \$25,000 or greater. For reportable subawards, if executive compensation reporting is required and subaward recipients' executive compensation is reported through the SAM system, the prime recipient is not required to report this information. The reporting of award and subaward information is in accordance with the requirements of Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252, hereafter referred to as the "Transparency Act", and OMB Guidance issued to the Federal agencies on September 14, 2010 (75 FR 55669) and in OMB Policy guidance. The prime awardee will have until the end of the month plus one additional month after a subaward or pass-through award is obligated to fulfill the reporting requirement. Prime recipients are required to report the following information for applicable subawards:

- i. Name of entity receiving award;
- ii. Amount of award;
- iii. Funding agency;
- iv. North American Industry Classification System (NAICS) code for contracts/CFDA program for financial assistance awards;
- v. Program source;
- vi. Award title descriptive of the purpose of the funding action;
- vii. Location of the entity (including Congressional district);
- viii. Place of Performance (including Congressional district);
- ix. Unique identifier of the entity and its parent; and
- x. Total compensation and names of top five executives.

For the purposes of reporting into the FFATA Subaward Reporting System (FSRS) reporting site, the unique identifier is the DUNS number the entity has obtained from Dun and Bradstreet and, for prime awardees, the DUNS number registered in SAM as required by HUD regulation 24 CFR 5.1004. This information will be displayed on a public government website pursuant to the Transparency Act.

**(b) Prime Grant Awardee Executive Compensation Reporting.** Prime awardees must also report in the government-wide website the total compensation and names of the top five executives in the prime awardee organization if:

- (i) More than 80 percent of the annual gross revenues are from the Federal Government, and those revenues are greater than \$25 million annually; and
- ii) Compensation information is not readily available through reporting to the Securities Exchange Commission (SEC).

**(c) Subaward Executive Compensation Reporting.** Prime grant awardees must also report in the government-wide website the total compensation and names of the top five executives in the subawardee if:

- (i) More than 80 percent of the annual gross revenues are from the Federal Government, and those revenues are greater than \$25 million annually; and
- (ii) This required compensation information is not readily available through reporting to the SEC. For applicable subawards, if executive compensation reporting is required and subaward recipients' executive compensation is reported through the SAM system, the prime recipient is not required to report this information.

**(d) Transparency Act Reporting Exemptions.** The Transparency Act exempts any subawards less than \$25,000 made to individuals and any subawards less than \$25,000 made to an entity whose annual expenditures are less than \$300,000. Subawards with a cumulative total of \$25,000 or greater are subject to subaward reporting beginning the date the subaward total award amount reaches \$25,000. The Transparency Act also prohibits reporting of any classified information. Any other exemptions to the requirements must be approved by the Office of Management and Budget.

**w. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as "Section 872".** Section 872 requires the establishment of a government-wide data system – the Federal Awardee Performance and Integrity Information System (FAPIIS) - to contain information related to the integrity and performance of entities awarded federal financial assistance and making use of the information by federal officials in making awards. OMB is in the process of issuing regulations regarding federal agency implementation of Section 872 requirements. A technical correction to this General section may be issued when such regulations are promulgated.

## VII. OTHER INFORMATION

**A. Further Information and Technical Assistance.** Before the application deadline date, HUD


staff may provide general guidance and technical assistance about this NOFA. However, staff is not permitted to assist in preparing the application. Also, following selection of applicants, but before awards are announced, staff may assist in clarifying or confirming information that is a prerequisite to the offer of an award. An applicant may contact Lessie Powell Evans, Section 811 PRA Program, Office of Housing Assistance and Grant Management, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 6234, Washington, DC 20410, telephone 202-402-3390 (this is not a toll-free number). This number can be accessed via TTY by calling the toll-free Federal Relay Service Operator at 800-877-8339. For technical support for downloading an application or electronically submitting an application, please call Grants.gov help desk at 800-518-GRANTS (this is a toll-free number) or send an email to support@grants.gov.

**B. Paperwork Reduction Act Statement.** The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) is applicable to the information collection requirements in this Notice, OMB control number 2502-0608. In accordance with the Paperwork Reduction Act, HUD may not consider or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number.

**C. "Close Out" of Financing Programs Only.** Grantees may end or reduce funding at any time as long as any remaining funds are returned to HUD.

**D. Environmental.** A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI will be posted at HUD's funds available page at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail) under the Project Rental Assistance (PRA) Program.

Dated: 3/21/11

  
\_\_\_\_\_  
Carol J. Galante  
Assistant Secretary for Housing  
Federal Housing Commissioner

[FR-5700-N-28]

## **Appendix A**

### **HUD's Fiscal Year (FY) 2013 Notice of Funding Availability (NOFA) for Section 811 Project Rental Assistance Program**

**Outline of Application Content.** This outline of the application content can also be used as a checklist of the submission requirements for a complete application.

#### **Application Content**

**Part I – Abstract/Summary 3-5 pages**

**Part II – Housing Agency and State Health and Human Services/Medicaid agencies must have Partnership Agreement** (there are no page limitations for Part II)

**Part III – Narrative Response to Factors for Award – maximum 45 pages**

**Rating Factor 1. Applicants and State Health and Human Service Agency and the state Medicaid Agency' Relevant Experience – up to 23 points** (suggested 6 pages maximum)

- A. Applicant's Relevant Experience, Capacity, and Readiness - up to 13 of 23 points
- B. State Health and Huma Services/Mediciaid Agencies' Relevant Experience and Capacity – up to 10 of 23 points

**Rating Factor 2. Need/Using Housing as a Platform for Improving Life** (up to 5 points) (suggested 4 pages maximum)

**Rating Factor 3. Soundness of Approach/Implementation Plan – up to 45 points** (suggested 25 pages maximum)

- A. The Implementation Plan - Description of Applicant's PRA Demo Program – up to 20 of 45 points (suggested 9 pages)
- B. Management and Oversight of the PRA Demo funds – up to 10 of 45 points (suggested 5 pages)
- C. Integration of Services – up to 20 of 45 points (suggested 6 pages)

D. Program Implementation Schedule – up to 5 of 45 points (suggested 2 pages)

**Rating Factor 4. Leverage** – up to 20 points (suggested 5 pages maximum)

A. Cost Effective Use of PRA Funds – up to 10 points

B. Commitments for Establishment of an Admission Preference (up to 10 points)

**Rating Factor 5. Achieving Results, Program Innovation and Evaluation** – up to 7 points (suggested 5 page maximum)

**Part IV – General Applications Requirements and Certifications**

- (a) SF424\_Application\_for\_Federal\_Assistance
- (b) SF424 Supplement Survey on Equal Opportunity for Applicants titled “Faith Based EEO Survey” (SF424SUPP) on Grants.gov (optional submission)
- (c) SFLLL\_Disclosure\_of\_Lobbying\_Activities
- (d) HUD2880\_Applicant\_Recipient\_Disclosure\_Update\_Report titled “HUD Applicant Recipient Disclosure Report” on Grants.gov
- (e) HUD424CB\_Detailed\_Budget
- (f) HUD2993\_Acknowledgment\_of\_Application\_Receipt, for applicants submitting paper applications only
- (g) HUD96011\_Facsimile\_Transmittal (“Facsimile Transmittal Form” on Grants.gov)

**Part V. Attachments** including Supporting Documents, Commitment Letters and Letters of Intent.