

ASSISTED LIVING CONVERSION PROGRAM (ALCP) FOR ELIGIBLE MULTIFAMILY HOUSING PROJECTS

OVERVIEW INFORMATION

A. Federal Agency Name: Department of Housing and Urban Development, Office of the Assistant Secretary for Housing-Federal Housing Commissioner.

B. Funding Opportunity Title: The Assisted Living Conversion Program for Eligible Multifamily Projects.

C. Announcement Type: Initial announcement.

D. Funding Opportunity Number: The OMB Approval Number is: 2502-0542. The Federal Register number for this NOFA is FR-5200-N-10.

E. Catalog of Federal Domestic Assistance (CFDA) Number: The Assisted Living Conversion Program for Eligible Multifamily Housing Projects is 14.314.

F. Dates: Applications must be received and validated by Grants.gov no later than 11:59:59 p.m. Eastern Time on the deadline date of **July 3, 2008**. See the **General Section**, published March 19, 2008 (73 FR 14882), for specific instructions regarding application submission.

G. Optional, Additional Overview Content Information: The purpose of this program is to provide grants for the conversion of some or all of the dwelling units in an eligible project into assisted living facilities (ALFs) for frail elderly persons. Private nonprofit owners of eligible developments interested in applying for funding under this grant program should carefully review the **General Section** and the detailed information listed in this NOFA. Funding will only be provided for those items related to the conversion.

FULL TEXT OF ANNOUNCEMENT

I. Funding Opportunity Description

A. Program Description. Assisted living facilities (ALFs) are designed to accommodate frail elderly persons and people with disabilities who need certain support services (e.g., assistance with eating, bathing, grooming, dressing, and home management activities). ALFs must provide support services such as personal care, transportation, meals, housekeeping, and laundry. Frail elderly person means an individual 62 years of age or older who is unable to perform at least three activities of daily living (ADLs) as defined by the regulations for HUD's Section 202 Program (Supportive Housing for the Elderly) at 24 CFR 891.205. Assisted living is defined in section 232(b)(6) of the National Housing Act (12 U.S.C. 1715w).

The ALCP provides funding for the physical costs of converting some or all of the units of an eligible multifamily development into an ALF, including unit configuration and related common and services space and any necessary remodeling, consistent with HUD or the state's statute/regulations (whichever is more stringent). Typical funding will cover basic physical conversion of existing project units, as well as related common and services space. There must be sufficient community space to accommodate a central kitchen or dining facility, lounges, recreation, and other multiple-areas available to all residents of the project, and/or office/staff spaces in the ALF. When food is prepared at an off-site location, the preparation area of the facility must be of sufficient size to allow for the installation of a full kitchen, if necessary. You must provide supportive services for the residents either directly or through a third party. Your application must include a firm commitment for the supportive services to be offered within the ALF. You may charge assisted living residents for meals and/or service fees. Residents may contract

with third party agencies directly for nursing, therapy, or other services not offered by the ALF.

B. Authority. The Assisted Living Conversion Program is authorized by Section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) and the Consolidated Appropriations Act, 2008 (Pub. L. 110-161) which provides up to \$24,750,000 for the conversion of eligible projects to assisted-living or related use and for emergency repairs.

II. Award Information

A. Available Funds. This NOFA makes available up to \$24,750,000 in grant funds. The funds will be used for the physical conversion of eligible multifamily assisted housing projects or portions of projects to ALFs.

Under the ALCP, the 18 HUD Multifamily Hubs are grouped into four geographical areas so that the amount of fair-shared grant funds will be sufficient to enable reasonable competition, and insure projects of feasible size and quality. The four geographical areas and the lead Hub under the ALCP for each are:

The lead Hub for the *East* Geographic Area is Buffalo (the other Hubs which feed into Buffalo for the ALCP are Boston, New York, Philadelphia and Baltimore).

The lead Hub for the *South* Geographic Area is Fort Worth (the other Hubs which feed into Fort Worth for the ALCP are Greensboro, Jacksonville, and Atlanta).

The lead Hub for the *Central* Geographic Area is Kansas City (the other Hubs which feed into Kansas City for the ALCP are Chicago, Columbus, Detroit, and Minneapolis).

The lead Hub for the *West* Geographic Area is San Francisco (the other Hubs which feed into San Francisco for the ALCP are Seattle, Los Angeles, and Denver).

The allocation formula used to fair share the \$24,750,000 million for the ALCP reflects demographic characteristics of age and incidence of frailty that would be expected for program participants. The FY2008 formula consists of one data element from the 2000 decennial census: The number of non-institutional elderly population aged 75 years or older with a disability. A fair share factor for each state was developed by taking the sum of the persons aged 75 or older with a disability within each state as a percentage of the sum of the same number of persons for the total United States. The resulting percentage for each state was then adjusted to reflect the relative difference in the cost of providing housing among the states. The total of the grant funds available was multiplied by the adjusted fair share percentage for each state, and the resulting funds for each state were totaled for each Hub.

The ALCP grant funds fair share allocations, based on the formula above, for the four geographical areas are as shown on the following chart:

B. FY2008 Allocation.

**FY2008 Allocation for the Assisted Living
Conversion Program (ALCP) of Eligible Assisted Multifamily Projects**

<u>Area</u>	<u>Grant Authority</u>
East	\$ 6,213,067.00
South	\$ 7,841,079.00
Central	\$ 5,810,557.00
West	\$ 4,885,297.00
TOTAL	\$24,750,000.00

The ALCP Grant Agreement, when fully executed, obligates the HUD funds. This Agreement establishes the legal relationship between HUD and the ALCP award recipient. The period of performance will be based on the scope of work but shall not exceed 18 months.

III. Eligibility Information

A. Eligible Applicants. Only private nonprofit owners of eligible multifamily assisted housing developments specified in section 683(2) (B), (C), (D), (E), (F), and (G) of the Housing and Community Development Act of 1992 (Pub. L.102-550, approved October 28, 1992) may apply for an ALCP grant.

NOTE: If your eligibility status changes during the course of the grant term, making you ineligible to receive the grant (e.g., prepayment of mortgage, sale/TPA of property, opting out of a Section 8 Housing Assistance Payment (HAP) contract, or the transfer of the grant to a single asset entity), HUD retains the right to terminate the grant and recover funds made available through this NOFA.

1. **Ineligible Applicants.** Ineligible applicants are:

- a. Owners of developments designed specifically for people with disabilities.
- b. Owners of Section 232 developments.
- c. Property management companies and agents of property management companies.
- d. Limited dividend partnerships.
- e. Nonprofit Public Agencies.
- f. Owners of hospitals or other health-related facilities which are considered to be eleemosynary institutions.
- g. Owner of an existing insured or privately owned Assisted Living Facility.

h. Owners of commercial structures.

2. **Eligible Developments.** Eligible projects must be owned by a private, nonprofit entity and designated primarily for occupancy by elderly persons. Projects must have completed final closing and must have been in occupancy for at least five years from the date of the HUD approved form HUD-92485 (Permission to Occupy Project Mortgage). Eligible projects may only receive one grant award. Additionally, eligible projects must meet one of the following criteria:

- a. Section 202 direct loan projects with or without Section 8 rental assistance,
- b. Section 202 capital advance projects receiving rental assistance under their Project Rental Assistance Contract (PRAC),
- c. Section 515 rural housing projects receiving Section 8 rental assistance,
- d. Other projects receiving Section 8 project-based rental assistance,
- e. Projects subsidized with Section 221(d)(3) below-market interest mortgage,
- f. Projects assisted under Section 236 of the National Housing Act.

B. Cost Sharing or Matching. No matching required.

C. Eligibility Requirements.

1. Eligible conversion activities are:

a. Retrofitting to meet Section 504 accessibility requirements, minimum property standards for accessibility and/or building codes and health and safety standards for ALFs in that jurisdiction. Examples are items such as addition of:

(1) Upgrading to accessible units for the ALF with moveable cabinetry, accessible appliances, sinks, bathroom and kitchen fixtures, closets, hardware and grab bars, widening of doors, etc.;

- (2) An elevator or upgrades thereto;
 - (3) Lighting upgrades;
 - (4) Major physical or mechanical systems of projects necessary to meet local code or assisted living requirements;
 - (5) Sprinkler systems;
 - (6) Upgrades to safety and emergency alert systems;
 - (7) Addition of hallway railings; and
 - (8) Medication storage and workstations.
- b. Retrofitting to add, modify and/or outfit common space, office or related space for ALF staff including a service coordinator and file security, and/or a central kitchen/dining facility to support the ALF function (e.g., outfit lounge/common space/dining furniture, kitchen equipment for cooking/serving and dishware).
- c. Retrofitting to upgrade a regular unit to an accessible unit for a person/family with disabilities who is being displaced from an accessible unit in the portion of the project that is being converted to the ALF, where another accessible unit is not available.
- d. Temporary relocation.
- e. Consultant, architectural, and legal fees.
- f. Vacancy payments limited to 30 days after conversion to an ALF.
- g. Any excess Residual Receipts (over \$500/unit) and Reserve for Replacement funds (over \$1000/unit) in Project Accounts that are not approved for another use at the time of application to HUD under this NOFA are considered available funds and must be applied toward the cost of conversion activities. Before making this determination, however, HUD staff will consider the extent of repair/replacement needs indicated in the most

recent Real Estate Assessment Center (REAC) physical inspection and not yet approved and any ongoing commitments such as non-grant-based service coordinator or other funding, where existing, deduct the estimated costs of such items from the reserve for replacement and residual receipts balances to determine the extent of available residual receipts and reserve for replacement funds for the ALCP.

2. Threshold Requirements. In addition to the threshold criteria outlined in the General Section, applicants must meet the following requirements to receive funding for this program.

a. Be an eligible applicant.

b. DUNS Requirement. All ALCP applicants must have a DUN and Bradstreet Universal Data Numbering Systems (DUNS) number. The DUNS number must be included in the data entry field labeled “organizational DUNS” on the form SF-424. Instructions for obtaining a DUNS number can be found at either

www.hud.gov/offices/adm/grants/duns.cfm or

http://www.grants.gov/applicants/request_duns_number.jsp.

c. You cannot request more funds than allocated for your geographical area. (See the allocation chart above in Section II.B.)

d. You must provide commitment and funding support letters from the appropriate funding organizations and the appropriate licensing agency(ies). HUD will reject your application if the commitment and support letter(s) from the appropriate funding organizations and the appropriate licensing agency (ies):

(1) Are not submitted by the application deadline date as part of your application for financial assistance;

(2) Indicate that the ALF units, facilities, meals and supportive services to be provided are not designed to meet the special needs of the residents who will reside in the ALF as defined in this NOFA,

(3) Do not show commitment for funding the meals and supportive services proposed; or

(4) Indicate that the project as proposed will not meet the licensing requirements of the appropriate state/local agency (ies).

e. You must comply with all applicable statutory requirements specified in Section 202b and statutory requirements under Section 232(b)(6).

f. Minimum Size Limits for an ALF. An ALF must be economically feasible.

Consistent with HUD Handbook 4600.1, CHG-1, the minimum size for an ALF is five units.

g. You must submit the required number of copies of your completed ALCP application by the deadline date, if you requested and received a waiver of the electronic submission requirement. The notification granting your waiver request will specify requirements for paper application submission, including the required number of copies and where to submit the application.

h. If you submit a substantially deficient application, that is, an application missing six or more exhibits, the application will be considered non-responsive to the NOFA, thus leaving your application ineligible for review. Refer to Section IV.B, Content and Form of Application Submission for further information.

3. Program Requirements.

a. You must have a residual receipts account separate from the Reserve for Replacement account, or agree to establish this account as a condition for getting an award.

b. You must be in compliance with your Loan Agreement, Capital Advance Agreement, Regulatory Agreement, Housing Assistance Payment contract, Project Rental Assistance Contract, Rent Supplement or Loan Management Set-Aside (LMSA) contract, or any other HUD grant or contract document.

c. If selected, you must file a form HUD-2530 for all construction contractors, architects, consultants, and service provider organizations under direct contract with you that will be engaged under this NOFA within 30 days of execution of the grant award.

d. Your project must meet HUD's Uniform Physical Conditions Standards at 24 CFR part 5, subpart G. Meeting these standards, based on the most recent REAC physical inspection report and responses thereto, means that the project, must have a “satisfactory” rating as evidenced by a score of 60 or better or a HUD-approved and on schedule repair plan for developments scoring less than 60. Additionally, the project must have no uncorrected and outstanding Exigent Health and Safety violations. Finally, the project must not have a management review with a rating of “minimally satisfactory” or “unsatisfactory” with open and unresolved findings.

e. You must submit, with your application, an agreement to pursue appropriate ALF licensing in a timely manner.

f. Meals and Supportive Services. You must develop and submit a Supportive Services Plan (SSP) for the services and coordination of the supportive services, which will be offered in the ALF to the appropriate state or local organization(s), which are expected to

fund those supportive services. (See Section IV.B. below for information regarding what must be in the SSP.) You must submit one copy of your SSP to each appropriate state or local service funding organizations well in advance of the application deadline, for appropriate review. The state or local funding organization(s) must return the SSP to you with appropriate comments and an indication of the funding commitment, which you will then include with the application you submit to HUD.

g. Licensing Requirements. You must **ALSO** submit the SSP to the appropriate organization(s), which license(s) ALFs in your jurisdiction. The licensing agency(ies) must approve your plan, and must also certify that the ALF and the proposed supportive services identified in your SSP, are consistent with local statute and regulations and well designed to serve the needs of the frail elderly and people with disabilities who will reside in the ALF portion of your project.

h. Your ALF must be licensed and regulated by the state (or if there is no state law providing such licensing and regulation, by the municipality or other subdivision in which the facility is located). Each assisted living unit must include its own kitchen, bathroom, bedroom, living/dining area (1 bedroom unit) or kitchen, bathroom, bedroom/living/dining area (efficiency unit) and must meet the state and/or local licensing, building, zoning, and other requirements for an ALF.

i. Your ALF must be available to qualified elderly persons; frail elderly persons; and persons with disabilities, consistent with the rules and payment plans of the state, who need and want the supportive services in order to remain independent and avoid premature institutionalization.

j. Your ALF's residents must be tenants or residents of the multifamily project and must comply with the requirements applicable to the project. Thus, you cannot charge additional rent over what is charged to residents in the non-ALF portion of the project. All admissions to the ALF must be through the applicable project admissions office. However, persons accepted into the ALF also must sign an ALF admissions agreement, which shall be an addendum to the applicable project lease.

k. At a minimum, your ALF must provide room, board, and continuous protective oversight (CPO). CPO involves a range of activities and services that may include such things as awareness by management and staff of the occupant's condition and location as well as an ability to intervene in a crisis for ALF occupants on a 24-hour basis. The two occupant groups in an ALF are:

(1) Independent Occupants. Awareness by management and staff of the occupant's condition and whereabouts as well as the availability of assistance for the occupants as needed.

(2) Dependent occupants. Supervision of nutrition, assistance with medication, and continuous responsibility for the occupants' welfare.

l. Anyone moving into an ALF unit must agree to accept as a condition of occupancy the board and services required for the purpose of complying with state and local law and regulation.

m. Your ALF must provide three meals per day.

(1) Residents whose apartments have kitchens must take at least the number of meals a day provided by the facility, per their mandatory meals requirement, or as

required by state or local rules, if more stringent. If the facility does not have a mandatory meals plan, then state and local rules govern.

(2) Residents in projects which were originally constructed without kitchens in their units must take such meals as required by their mandatory meals agreement, if applicable, or by the state's mandated requirements if more stringent (e.g., two meals, two snacks daily).

In either case, ALF management must coordinate meal requirements with the needs of residents who are out part of the day (e.g., in day care). The meal program may not be operated at a profit by the project owner.

n. Priority admissions for ALF units are as follows:

(1) Current residents desiring an ALF unit and meeting the program requirements (no resident can be required to accept an ALF unit);

(2) Qualified individuals or families needing ALF services that is already on the project's waiting list;

(3) Qualified individuals or families in the community needing ALF services wanting to be added to the project's waiting list.

(4) Qualified disabled non-elderly persons needing assisted living services are eligible to occupy these units on the same basis as elderly persons, except for section 202 project rental assistance contracts (PRAC) projects.

o. The management of the project must set up a separate waiting list for ALF units. ALF units must be for eligible residents who meet the admissions/discharge requirements as established for assisted living by state and local licensing, or HUD frailty requirements under 24 CFR 891.205 if more stringent.

p. Upon receipt of a grant under this program, all project owners participating in the ALCP must provide a Declaration of Restrictive Covenants (DRC), which will be recorded with the land, to retain the low income character of the housing, and to maintain the project (including the ALF), as a moderate-, low-, or very low-income facility (as appropriate) for at least 20 years beyond the current 40- to 50-year term of the mortgage loan or capital advance.

q. The ALCP requires service coordination for linking the ALF to available services in the community for low-income persons. All projects funded under this NOFA must have sufficient service coordination in place to ensure that services meeting licensing requirements are available to ALF residents on an ongoing basis. Service coordination must be described in the application (see Section IV.B. of this NOFA). Shows evidence that funding for service coordination is provided by other sources by indicating such funding on the form SF-424.

NOTE: Service coordinator funds are not available this fiscal year. Therefore, if there is a need to enhance an existing service coordination program or add one where it does not exist, project owners must pay for the service coordination program or seek funding from other resources.

(1) The ALF must be staffed either directly or through coordination with local agencies, depending on state regulations or local requirements. These may also serve non-ALF residents of the project on a time available and appropriate fee basis.

(2) If you are a Section 202 PRAC project owner, you can pay for the service coordinator out of PRAC funds.

(3) The ALF may cater to the special needs of residents depending on their condition or diagnosis, such as Alzheimer's disease. If it does so, the design/environment of such facilities must accommodate those needs, e.g., dementia special care unit. However, the ALF cannot provide a service it is not licensed by the state or locality to provide.

(4) Owners of Section 202/PRAC projects are reminded that they may include a PRAC payment of up to \$15/unit/month not to exceed 15 percent of the total program cost, consistent with 24 CFR 891.225(b)(2) to cover part of the cost of meals and/or supportive services for frail elderly residents, including residents of the ALF. For further guidance on service coordinators, please refer to Handbook 4381.5 REV-2, CHANGE-2, Chapter 8, "The Management Agent's Handbook," which is also available through the HUDCLIPS database.

(5) Training for ALF staff is an eligible project cost under existing operating procedures.

For further information on ALFs, please refer to Handbook 4600.1, CHG-1, "Mortgage Insurance for Residential Care Facilities," Chapter 13. This Handbook and recent ALF program Notices are accessible through HUDCLIPS on HUD's website at <http://www.hud.gov/offices/adm/hudclips/index.cgi>. These documents are in HUD's Client Information and Policy System (HUDCLIPS) - Housing database. Enter only the number without the letter prefix (e.g., 99-16) in the "Search HUDCLIPS" to retrieve the program notice.

r. Your ALF's operation must be part of the project owner's management organization. Some or all of its functions may be contracted out. The ALF must predicate its budget on

a two-tiered structure under which board and supportive service income and expenses must be maintained separately and independently from the regular income and expenses of the applicable project. The two components of ALF costs are:

(1) Charges/payment for board, (not including rent for the unit) which may be on a sliding scale or any other equitable fee system; and

(2) Charges/payment for necessary supportive services, which may include a combination of resident fees, Medicaid and/or other third party payments.

s. Prohibition Against Lobbying Activities. The Byrd Amendment prohibits ALCP recipients of federal contracts, grants, or loans from using appropriated funds for lobbying activities. (Refer to Section III.C. of the **General Section** for further instructions regarding this requirement.)

t. Economic Opportunities for Low and Very Low-Income Persons (Section 3). You must comply with Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Economic Opportunities for Low and Very Low-Income Persons), and implementing regulations at 24 CFR part 135. You must ensure that training, employment, and other economic opportunities shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing and to business concerns which provide economic opportunities to low- and very low-income persons and including people with disabilities.

4. Additional Non-discrimination and Other Requirements. Refer to Section III. C of the **General Section** for additional requirements and information regarding non-discrimination and other Requirements, including compliance with the requirements of Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, Executive Order

11063, Title VI of the Civil Rights Act, the Age discrimination Act of 1975, the affirmative fair housing marketing requirements of section 24 CFR 200.600, Subpart M and the implementing regulations at 24 CFR part 108, which requires that the project be marketed to those least likely to apply, including those who are not generally served by the agency administering the program, and other applicable federal, state, and local laws prohibiting discrimination and promoting equal opportunity, including affirmatively furthering fair housing, and other certifications listed in the application.

a. Comply with the Uniform Federal Accessibility Standards

(<http://www.access-board.gov/ufas/ufas-html/ufas.htm>); section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations at 24 CFR part 8; and any applicable provisions of the Americans with Disabilities Act of 1990 for all portions of the development physically affected by this proposal.

b. Comply with Section 232 of the National Housing Act as applicable.

c. Comply with the Davis-Bacon requirements and the Contract Work Hours and Safety Standards Act as applied to this program. While it has been determined that Davis-Bacon does not apply statutorily to the ALCP, the Department has administratively determined that Davis-Bacon standards and overtime rates in accordance with the Contract Work Hours and Safety Standards Act will be adhered to in any ALCP conversion grant program in which the total cost of the physical conversion to an ALF (and including any additional renovation work undertaken at the same time) is \$500,000 or more (this includes ALCP grant funds, owner funds, or any third party funds loaned or granted in support of the conversion or other renovation for the project associated with this grant), **AND** in which the ALF portion of the project is 12 units or more.

d. Ensuring the Participation of Small Business, Small Disadvantaged Businesses, and Woman-Owned Businesses. HUD is committed to ensuring that small businesses, small disadvantage businesses, and woman-owned businesses participate fully in HUD's direct contracting and in contracting opportunities generated by HUD's financial assistance.

(Refer to the **General Section** for further instructions regarding this requirement.)

e. Executive Order 13166, Improving Access to Persons with Limited English Proficiency (LEP). ALCP applicants must seek to improve access to persons with limited English proficiency by providing materials and information in languages other than English. Make applications and other materials available in languages other than English that are common in the community, if speakers of these languages are found in significant numbers and come into frequent contact with the program.

f. Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations. HUD has undertaken a review of all policies and regulations that have implications for faith-based and community organizations, and has established a policy priority to provide full and equal access to grassroots faith-based and other community-based organizations. (Refer to the **General Section** for specific instructions regarding this requirement.)

g. Accessible Technology. The Rehabilitation Act Amendments of 1998 apply to all electronic information technology (EIT) used by an ALCP recipient for transmitting, receiving, using, or storing information to carry out the responsibilities of the ALCP awards. (Refer to Section III.C. of the **General Section** for specific instructions regarding this requirement.)

h. Participation in HUD-Sponsored Program Evaluation. As a condition of the receipt of ALCP funds, successful applicants are required to cooperate with all HUD staff or contractors performing HUD-funded research and evaluation studies.

i. Comply with Executive Order 13202, Preservation of Open Competition and Government Neutrality toward Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects. (Refer to the **General Section** for additional information on this requirement).

j. OMB Circulars and Government-wide Regulations Applicable to Financial Assistance. ALCP applicants are subject to the Administrative Requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations; OMB Circular A-122, Cost Principles for Non-Profit Institutions; the administrative requirements of 24 CFR Part 84; and the procurement requirements of 24 CFR 84.44. (Refer to the **General Section** for additional information on this requirement).

k. Environmental Requirements. Your ALCP application is subject to the National Environmental Policy Act of 1969 and applicable related federal environmental authorities. (See 24 CFR part 50, as applicable.) An environmental review will be completed by HUD before awarding any grant under this program. ALCP projects are 'critical actions' for purposes of 24 CFR part 55 and must comply with requirements applicable to 'critical actions,' including floodplain management review requirements, if proposed to be carried out in the 500-year floodplain.

IV. Application and Submission Information

A. Addresses to Request Application Package. All information for requesting an application is included in this NOFA and Section IV.A. of the **General Section**. The

application for the ALCP is available on the Internet from the grants.gov website at http://www.grants.gov/applicants/apply_for_grants.jsp. If you have difficulty accessing the information, you can receive customer support from Grants.gov by calling the help line at (800) 518-Grants or by sending an email to support@grants.gov. If you do not have access, you may obtain an ALCP application by calling the NOFA Information Center at (voice) 800-HUD-8929 (800-483-8929). Persons with a hearing or speech impairment may access this number via TTY by calling the Federal Information Relay Service at 800-877-8339. Please be sure to provide your name, address (including zip code), and telephone number (including area code).

1. Multiple Applications. Owners may not submit multiple applications for the same elderly housing development. HUD will only accept one ALCP application per project.
2. For Technical Assistance. Before the ALCP application deadline date, HUD staff will be available to provide you with general guidance and technical assistance. However, HUD staff is not permitted to assist in preparing your application. For technical support for downloading the ALCP application or submitting the application, call the toll free Grants.gov Customer Support line at 1-800-518-Grants or send an email message to support@grants.gov.

3. Satellite Broadcast. HUD will provide a satellite broadcast for potential applicants. For more information about the date and time of the broadcast, you should contact your local HUD Office or go to HUD's web site at: www.hud.gov/webcasts/index.cfm.

B. Content and Form of Application Submission. There are eleven required exhibits under the ALCP, including prescribed forms and certifications. In cases where your articles of incorporation and by-laws have NOT changed since the project was originally

approved by HUD, your signature on the SF-424 signifies that you are self-certifying to that effect - that the documents on file with HUD are current - is sufficient. Exhibits for which self-certification of currency is possible are Exhibits 2(a) and (b).

In addition to the relief of paperwork burden, you will not have to submit certain information and exhibits you have previously prepared. See individual item descriptions, below to identify such items. An example of such an item may be the FY2008 Annual Financial Statement. Your application must include all of the information, materials, forms, and exhibits listed below (Please see the General Section for instructions on how to submit third party and other documents such as Articles of Incorporation; by-laws; copies of original plans; evidence of financial commitment; letter(s) from zoning officials; etc.):

1. Table of Contents

Exhibit I - Form HUD-92045, Application Summary for the Assisted Living Conversion Program.

Exhibit II - Evidence of private nonprofit status and legal ability to operate an ALF program:

a. Articles of Incorporation.

b. Bylaws.

Exhibit III - Community support:

a. Links to the community at large and to the minority and elderly communities in particular; and

b. Efforts to involve elderly persons, including minority elderly persons and persons with disabilities in:

- (1) Development of the application;
- (2) Development of the ALF operating philosophy;
- (3) Review of the application prior to submission to HUD; and
- (4) Intent to involve eligible ALF residents in the operation of the project.

Exhibit IV - Evidence of occupancy.

Exhibit V – Evidence of need for project.

a. Need for the ALF by current project residents:

- (1) Demographic characteristics of the elderly residents currently living in the project,
- (2) Services currently available to the residents.

b. Need for ALF units by very low-income elderly and disabled households in the market area.

c. Type, availability and cost of alternate care and services,

d. How the community's Analysis of Impediments to Fair Housing Choice was used.

Exhibit VI – Narrative of the physical construction aspect of the ALF conversion:

a. Project development and timeline.

b. Narrative stating the number of units, special design features, common areas,

c. Energy efficiency features,

d. Original plans and specifications,

e. Description of how project will conform to UFAS,

f. Architectural sketches:

- (1) All doors being widened;
- (2) Kitchen and bathroom reconfiguration;
- (3) Bedroom/living/dining area modification,

- (4) Reconfigured common space;
 - (5) Added/reconfigured office and storage space;
 - (6) Monitoring stations,
 - (7) Kitchen and dining facility.
- g. Budget.
- h. Commitment letters.
- i. Relocation:
 - (1) Cost of temporary relocation;
 - (2) Staff to carry out relocation activities;
 - (3) List of tenants to be temporarily relocated.
 - (4) Statement that temporary relocation will not extend beyond one year.
- j. Section 3 requirements.

Exhibit VII – Description of Retrofitting or renovations.

Exhibit VIII – Zoning.

Exhibit IX - Supportive Services Plan:

- a. Description of the supportive services needed;
- b. Description of how the supportive services will be provided;
- c. Description of how the operation of your ALF will work;
- d. Costs for board and supportive services;
- e. List who will pay for the board and supportive services:
 - (1) Meals by sponsors - \$20
 - (2) Housekeeping services by the City government - \$30
 - (3) Personal care by State Department of Health - \$60

(4) Service paid for by state program - \$40

(5) Fees paid by tenants - \$83

- f. Support or commitment letter;
- g. State or local support letter;
- h. Experience in arranging services and/or delivering supportive services to frail residents.

Exhibit X – Project’s resources.

Exhibit XI – Forms and Certifications:

- a. Form HUD-92045, Multifamily Housing Assisted Living Conversion Program Application Summary Sheet.
- b. Form SF-424, Application for Federal Assistance.
- c. SF-424 Supplement, Survey for Ensuring Equal Opportunity for Applicants.
- d. Form HUD-424-CB, Grant Applications Detailed Budget.
- e. Form HUD-424-CBW, Grant Application Detailed Budget Worksheet.
- f. Form HUD-2880, Applicant/Recipient Disclosure/Update Report.
- g. Form HUD-2991, Certification of Consistency with the Consolidated Plan.
- h. Form HUD 2994-A, You Are Our Client! Grant Application Survey.
- i. Standard Form-LLL, Disclosure of Lobbying Activities.
- j. Form HUD-96010, Program Outcome Logic Model.
- k. Form HUD-27300, America’s Affordable Communities Initiative/Removal of Regulatory Barriers.
- l. Certification of Consistency with RC/EZ/EC-II Strategic Plan (HUD-2990).
- m. HUD-96011, “Third Party Documentation Facsimile Transmittal”.

2. Programmatic Application Requirements

Exhibit 1. Application Summary for the Assisted Living Conversion Program, Form HUD-92045.

Exhibit 2. Evidence that you are a private nonprofit organization or nonprofit consumer cooperative and have the legal ability to operate an ALF program, per the following:

- a. Articles of Incorporation, constitution, or other organizational documents, or self-certification of these documents if there has been no change in the Articles since they were originally filed with HUD and
- b. By-laws, or self-certification of by-laws, if there has been no change in the by-laws since they were originally filed with HUD

Exhibit 3. A description of your community support:

- a. A description of your links to the community at large and to the minority and elderly communities in particular; and
- b. A description of your efforts to involve elderly persons, including minority elderly persons and persons with disabilities in:
 - (1) The development of the application;
 - (2) The development of the ALF operating philosophy;
 - (3) Review of the application prior to submission to HUD; and
 - (4) Your intent whether or not to involve eligible ALF residents in the operation of the project.
- c. A description of your involvement in your community's Consolidated Planning and Analysis of Impediments to Fair Housing (AI) processes including:

(1) An identification of the lead/facilitating agency(ies) that organizes and/or administers the process;

(2) A listing of the Consolidated Plan/AI issue areas in which you participate; and

(3) The level of your participation in the process, including active involvement with any neighborhood-based organizations, associations, or any committees that support programs and activities that enhance projects or the lives of residents of the projects, such as the one proposed in your application.

If you are not currently active, describe the specific steps you will take to become active in the Consolidated Planning and AI processes. (Consult the local HUD office for the identification of the Consolidated Plan community process for the appropriate area.)

d. A description of how the assisted living facility will implement practical solutions that will result in assisting residents in achieving independent living and improved living environment.

e. A description of how you have supported state and local efforts to streamline processes and procedures in the removal of regulatory barriers to affordable housing. To obtain up to 2 points for this policy priority you must complete the Form HUD-27300, Questionnaire for HUD's Initiative on Removal of Regulatory Barriers, complete Part A or Part B (not both), provide the required documentation, where requested, and include a point of contact. See Rating Factor 3 in Section V.A. of this NOFA for more details.

Exhibit 4. Evidence your project has been occupied for at least five years prior to the date of application to HUD.

Exhibit 5. A market analysis of the need for the proposed ALF units, including information from both the project and the housing market, containing:

a. Evidence of need for the ALF by current project residents:

(1) A description of the demographic characteristics of the elderly residents currently living in the project, including the current number of residents, distribution of residents by age, race, and sex, an estimate of the number of residents with frailties/limitations in activities of daily living, and an estimate of the number of residents in need of assisted living services.

(2) A description of the services currently available to the residents and/or provided on or off-site and what services are lacking;

b. Evidence of the need for ALF units by very low-income elderly and disabled households in the market area; a description of the trend in elderly and disabled population and household change; data on the demographic characteristics of the very low-income elderly in need of assisted living services (age, race, sex, household size, and tenure) and extent of residents with frailty/limitations in existing federally assisted housing for the elderly (HUD and Rural Housing Service); and an estimate of the very low-income elderly and disabled in need of assisted living taking into consideration any available state or local data.

c. A description of the extent, types, and availability and cost of alternate care and services locally, such as home health care; adult day care; housekeeping services; meals programs; visiting nurses; on-call transportation services; health care; and providers of supportive services who address the needs of the local low income population.

d. A description of how information in the community's Analysis of Impediments to Fair Housing Choice was used in documenting the need for the ALF (covering items in c. above).

Exhibit 6. A description of the physical construction aspects of the ALF conversion, including the following:

- a. How you propose to carry out the physical conversion (including a timetable and relocation planning). Completion of the Logic Model will assist in completing your response to this Exhibit.
- b. A short narrative stating the number of units, special design features, community and office space/storage, dining and kitchen facility and staff space, and the physical relationship to the rest of the project. Also, you must describe how this design will facilitate the delivery of services in an economical fashion in the most integrated setting appropriate to the needs of the participating residents with disabilities and accommodate the changing needs of the residents over at least the next 10 years.
- c. A description on how the project will promote energy efficiency, including how energy efficiency features will be incorporated into the design, rehabilitation, and operation of the ALF through the use of Energy Star labeled products and appliances. Applicants that meet this policy priority will receive two points under Rating Factor 3 in Section V.A. of this NOFA. Refer to the **General Section** for further information on this requirement or for further information about Energy Star see <http://www.energystar.gov/index.cfm?c=home.index>.
- d. A copy of the original plans for all units and other areas of the development, which will be included in the conversion.
- e. A description of the conversion must clearly address how the units will conform to the accessibility requirements described in the Uniform Federal Accessibility Standards (UFAS). (For example, all door openings must have a minimum clear opening of 32

inches; and, all bathrooms and kitchens must be accessible to and functional for persons in wheelchairs.)

f. Architectural sketches of the conversion to a scale of 1/4 inch to one foot that indicate the following:

(1) All doors being widened;

(2) Typical kitchen and bathroom reconfiguration: show all wheelchair

clearances, wall reinforcing, grab bars, and elevations of counters and work surfaces;

(3) Bedroom/living/dining area modification, if needed;

(4) Any reconfigured common space;

(5) Added/reconfigured office and storage space;

(6) Monitoring stations, and

(7) The kitchen and dining facility.

All architectural modifications must meet section 504 and ADA requirements as appropriate.

g. A budget showing estimated costs for materials, supplies, fixtures, and labor for each of the items listed in Section IV.B.6.f, items (1) through (7), above.

h. Include firm financial commitment letters with specific dollar amounts from appropriate organization(s) for conversion needs (within the scope of the ALF conversion NOFA) which will be supported by non-HUD funding.

i. A description of any relocation of current tenants including a statement that:

(1) Indicates the estimated cost of temporary relocation payments and other related services;

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

(3) Identifies all tenants that will have to be temporarily moved to another unit within the development OR from the development during the period that the physical conversion of the project is under way.

(4) Indicates temporary relocation will not extend beyond one year. If it takes more than one year to return the tenant to his or her previous unit or location, the grantee must pay permanent relocation benefits immediately. This assistance would be in addition to any assistance the person has already received for temporary relocation, and may not be reduced by the amount of any temporary relocation assistance. Receiving permanent relocation benefits does not mean that the resident has lost the right to return to the project or unit.

NOTE: If any of the relocation costs will be funded from sources other than the ALCP grant, you must provide evidence of a firm financial commitment of these funds. When evaluating applications, HUD will consider the total cost of proposals (i.e., cost of conversion, temporary relocation, service coordinator, and other project costs).

j. Address how training, employment, and economic opportunities will be directed to low- and very low-income persons that receive government assistance for housing and to business concerns which provide economic opportunities to low- and very-low-income persons and people with disabilities.

Exhibit 7. A description of any retrofit or renovation that will be done at the project (with third party funds) that is separate and distinct from the ALF conversion. With such description, include as part of your application submission firm commitment letters from

third party organizations in specific dollar amounts that will cover the cost of any work outside the scope of this NOFA.

Exhibit 8. A letter from the local zoning official indicating evidence of permissive zoning. Also, show that the modifications to include the ALF into the project as proposed are permissible under applicable zoning ordinances or regulations.

Exhibit 9. A supportive services plan (SSP), a copy of which must be submitted to the appropriate state and/or local agency as instructed in Section III.C. above. For those applicants needing to contact state Medicaid offices, a list is provided on the Internet at www.cms.hhs.gov. The SSP must include:

a. A description of the supportive services needed for the frail elderly the ALF is expected to serve. This must include at least (1) meals and such other supportive services required locally or by the state, and (2) such optional services or care to be offered on an “as needed” basis.

Examples of both mandatory and optional services (which will vary from state to state) are: two meals and two snacks or three meals daily; 24-hour protective oversight; personal care; housekeeping services; personal counseling, and transportation.

b. A description of how you will provide the supportive services to those who are frail and have disabilities (i.e., on or off-site or combination of on or off-site), including an explanation of how the service coordination role will facilitate the adequate provision of such services to ALF residents, and how the services will meet the identified needs of the residents. Also indicate how you intend to fund the service coordinator role.

c. A description of how the operation of your ALF will work. Address: (1) general operating procedures; (2) ALF philosophy and how it will promote the autonomy and

independence of the frail elderly and persons with disabilities; (3) what will the service coordination function do and the extent to which this function already exists, or will be augmented or new; (4) ALF staff training plans; and (5) the degree to which and how the ALF will relate to the day-to-day operations of the rest of the project.

d. The monthly individual rate for board and supportive services for the ALF listing the total fee and components of the total fee for the items required by state or local licensing, and list the appropriate rate for any optional services you plan to offer to the ALF residents. Provide an estimate of the total annual costs of the required board and supportive services you expect to provide and an estimate of the amount of optional services you expect to provide.

e. List who will pay for the board and supportive services and the amount. For example, include such items as:

- (1) Meals by sponsors - \$20
- (2) Housekeeping services by the City government - \$30
- (3) Personal care by State Department of Health - \$60
- (4) Service paid for by state program - \$40
- (5) Fees paid by tenants - \$83

The amounts and commitments from both tenants and/or providers must equal the estimated amounts necessary to cover the monthly rates for the number of people expected to be served. If you include tenant fees in the proposal, list and show any proposed scaling mechanism. All amounts committed/collected must equal the annualized cost of the monthly rates calculated by the expected percentage of units filled.

- f. A support/commitment letter from EACH listed proposed funding source per paragraph e. above, for the planned meals and supportive services listed in the application. The letter must cover the total planned annual commitment (and multiyear amount total, if different), length of time for the commitment, and the amounts payable for each service covered by the provider/paying organization. There must be a letter from EACH participating organization listed in paragraph (e), above.
- g. A support letter from EACH governmental agency that provides licensing for ALFs in that jurisdiction.
- h. A description of your relevant experience in arranging for and/or delivering supportive services to frail residents. The description should include any supportive services facilities owned/operated; also describe your past or current involvement in any project-based programs that demonstrates your management capabilities. The description should include data on the facilities and specific meals and/or supportive services provided on a regular basis, the racial/ethnic composition of the populations served, if available, and information and testimonials from residents or community leaders on the quality of the services.

Exhibit 10. A description of your project's resources:

- a. A copy of the most recent project Reserve and Replacement account statement, and a Reserve for Replacement analysis showing plans for its use over the next five years, and any approvals received from the HUD field office to date.
- b. A copy of the most recent Residual Receipts Account statement. Indicate any approvals for the use of such receipts from the field office for over \$500/unit.

c. Annual Financial Statement (AFS). If your FY2008 AFS was due to REAC more than 120 days BEFORE the deadline date for this application, in the interest of reducing work burden, only include the date that it was sent to REAC. If the AFS was due to REAC 120 days or less from the deadline date of this application, you MUST include a paper copy of your AFS in the application. See Section IV.F.5. of this NOFA for information on addresses to submit paper applications.

Exhibit 11. Forms and Certifications. The electronic version of the NOFA contains all forms required for submitting the ALCP application. The following exhibits, forms, certifications, and assurances are required.

a. Form HUD-92045, Multifamily Housing Assisted Living Conversion Program Application Summary Sheet.

b. Form SF-424, Application for Federal Assistance, and compliance with Executive Order

12372 (a certification that you have submitted a copy of your application, if required, to the state agency (Single Point of Contact) for state review in accordance with Executive Order 12372 (refer to the **General Section** for instructions in submitting this form).

c. SF-424 Supplement, Survey for Ensuring Equal Opportunity for Applicants (“Faith Based EEO survey (SF-424SUPP)” on Grants.gov). .

d. Form HUD-424-CB, Grant Applications Detailed Budget (HUD Detailed Budget Form” on Grants.gov). .

e. Form HUD-424-CBW, Grant Application Detailed Budget worksheet.

f. Form HUD-2880, Applicant/Recipient Disclosure/Update Report (“HUD Applicant Recipient Disclosure Report” on Grants.gov), including Social Security and Employment

Identification numbers. A disclosure of assistance from other government sources received in connection with the project.

g. Form HUD-2991, Certification of Consistency with the Consolidated Plan for the jurisdiction in which the proposed ALF will be located. The certification must be made by the unit of general local government if it is required to have, or has, a complete Plan. Otherwise, the certification may be made by the state, or by the unit of general local government if the project will be located within the jurisdiction of the unit of general local government authorized to use an abbreviated strategy, and if it is willing to prepare such a Plan.

All certifications must be made by the public official responsible for submitting the plan to HUD. The certifications must be submitted by the application deadline date set forth herein. The Plan regulations are published in 24 CFR part 91.

h. Form HUD 2994-A, You Are Our Client ! Grant Application Survey, optional

i. Standard Form-LLL, Disclosure of Lobbying Activities, if applicable.

j. Form HUD-96010, Program Outcome Logic Model.

k. Form HUD-27300, America's Affordable Communities Initiative/Removal of Regulatory Barriers (and supporting documentation) ("HUD Communities Initiative Form" on Grants.gov).

l. Certification of Consistency with RC/EZ/EC-II Strategic Plan (HUD-2990), if applicable.

m. HUD-96011, "Third Party Documentation Facsimile Transmittal" ("Facsimile Transmittal Form" on Grants.gov). This form must be used as the cover page to transmit

third party documents and other information as described in the General Section as part of your electronic application submittal (if applicable).

C. Submission Date and Time

1. **Application Submission Date.** Unless you received a waiver to the electronic application submission requirements, your completed ALCP application **must be submitted via** http://www.grants.gov/applicants/apply_for_grants.jsp **and must be received and validated by Grants.gov no later than 11:59:59 eastern time on the application deadline date of July 3, 2008.** (Refer to Section IV. of the **General Section** for further instructions on the delivery and receipt of applications.)

D. Intergovernmental Review

1. Executive Order 12372. ALCP applicants are subject to the Executive Order 12372 process. (Refer to Section IV.D. of the **General Section** for instructions on the intergovernmental review process.)
2. You must submit a Supportive Services Plan (SSP) for the services and coordination of the supportive services that will be offered in the assisted living facility (ALF) to the appropriate state or local organization(s), which are expected to fund those supportive services. You must submit one copy of your SSP to each appropriate state or local service funding organizations well in advance of the application deadline, for appropriate review. The state or local funding organization(s) must return the SSP to you with appropriate comments and an indication of the funding commitment, which you will then include with the application you submit to HUD.

You must **ALSO** submit the SSP to the appropriate organization(s) that license ALFs in your jurisdiction. The licensing agency(ies) must approve your plan, and must

also certify that the ALF and the proposed supportive services identified in your SSP, are consistent with local statute and regulations and well designed to serve the needs of the frail elderly and people with disabilities who will reside in the ALF portion of your project.

E. Funding Restrictions

1. This program does NOT cover the cost of meals and supportive services. These items must be paid for through other sources (e.g., a mix of resident fees and/or third party providers). Evidence of third party commitment(s) must be included as part of the application. The assisted living supportive services program must promote independence and provide personal care assistance based on individual needs in a home-like environment. In accordance with Section 504 of the Rehabilitation Act of 1973 and HUD's regulations at 24 CFR 8.4(d), the project must deliver services in the most integrated setting appropriate to the needs of qualified individuals with disabilities.
2. This program does **NOT** allow permanent displacement of any resident living in the project at the time the application was submitted to HUD. (HUD will only provide temporary relocation costs for current tenants if they must vacate their unit while conversion work is underway (temporary relocation costs include increases in rent, reconnection of telephones, moving costs, and appropriate out-of-pocket expenses). See HUD Handbook 1378 and the URA for further guidance regarding relocation costs.
3. ALCP grants funds are to be considered the total amount of funds that the Department will provide for the conversion of the project. Amendment funds will only be provided in exceptional circumstances, that is, to cover increases in costs that are beyond the control

of the owner. Otherwise, any costs over and above the award amount are the responsibility of the owner.

3. Applicants will not be awarded multiple grant funds for the same elderly housing development.

4. Ineligible Activities. You may not use funds available through this NOFA to:

- a. Add additional dwelling units to the existing project;
- b. Pay the costs of any of the necessary direct supportive services needed to operate the ALF;
- c. Purchase or lease additional land;
- d. Rehabilitate (see definition at 24 CFR 891.105) the project for needs unrelated directly to the conversion of units and common space for assisted living;
- e. Use the ALCP to reduce the number of accessible units in the project that are not part of the ALF;
- f. Permanently displace any resident out of the project (permanent relocation is prohibited under this program);
- g. Pay management fees;
- h. Cover the cost of activities not directly related to the conversion of the units and common space. (i.e., if an applicant is applying to convert 24 units on 2 floors of a 5-story elderly housing development and the inspection by the Fire Marshal reveals that sprinklers must be installed in the entire building, ALCP funds will be used only to install sprinklers for the 24 units on the 2 floors requested in the application. The cost to install sprinklers in the remaining units must be paid for out of other resources.

F. Other Submission Requirements

Application Submission and Receipt Procedures. Refer to Section IV.F. of the **General Section** for additional information on application submission requirements.

1. Electronic Delivery

a. The Grants.gov web site offers a simple, unified application process. There are several registration steps applicants need to complete. Further information is contained in the General Section. ALCP applicants should also read HUD's Federal Register Notice on Early Registration which can be found on HUD's website at

<http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.

b. **Electronic signature.** ALCP applications submitted through Grants.gov constitute submission as an electronically signed application.

2. Instructions on how to submit electronically are outlined in HUD's "Desktop User's Guide" located on HUD's Grants website at: <http://www.hud.gov/grants/index.cfm>.

3. Waiver of Electronic Submission Requirement. Applicants interested in applying for funding under this NOFA must submit their applications electronically or request a waiver of the electronic submission process. Waiver requests must be submitted by mail or by fax. For this program NOFA, email requests will not be considered. Waiver requests submitted by mail or fax should be submitted on the applicant's letterhead and signed by an official with the legal authority to request a waiver from the Department. Waiver requests must be submitted no later than 15 days prior to the application deadline date and should be sent to Brian D. Montgomery, Assistant Secretary for Housing-Federal Housing Commissioner, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 9100, Washington, DC 20410-8000. Waiver requests submitted by fax must be sent to (202) 708-3104. If you are granted a waiver to the

electronic submission process, your application must be received by HUD no later than 11:59:59 PM eastern time on the application deadline date. See the General Section for additional information.

4. Proof of Timely Submission. ALCP applicants must submit their applications via grants.gov (http://www.grants.gov/applicants/apply_for_grants.jsp) in time for receipt and validation by 11:59:59 p.m. eastern time on the application deadline date of **July 3, 2008**. Validation can take up to 72 hours so applicants should submit with ample time for the process to be completed. Applicants are also advised to submit with sufficient time to correct any deficiencies that would prevent the acceptance of your application by Grants.gov. (Refer to the **General Section** for specific procedures regarding proof of timely submission of applications.)

5. Hubs and Field Offices addresses. If you are granted a waiver to the electronic application submission requirement, your waiver approval will provide the information on the number of copies of the application you are required to submit and where to submit the application. If you send your application to the wrong Hub Office, it will be rejected. Therefore, upon receiving your waiver approval, if you are uncertain as to which lead HUD Multifamily Hub to submit your application, you are encouraged to contact the local HUD Office that is closest to your project's location to ascertain the lead HUD Multifamily Hub to ensure that you submit your application to the correct local lead HUD Multifamily Hub Office. Paper applications must be received in the appropriate lead HUD Multifamily Hub by the application deadline date.

V. Application Review Information

A. Criteria. HUD will rate ALCP applications that successfully complete technical processing using the Rating Factors set forth below and in accordance with the application submission requirements identified in Section IV.B. above. The maximum number of points an application may receive under this program is 100 plus 2 bonus points as described in the **General Section** and Section V.A. below.

1. Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (20 Points)

This factor addresses your capacity to carry out the conversion in a timely, cost-conscious and effective manner. It also addresses your experience at providing the proposed supportive services you intend to make available at the ALF for elderly residents, especially in such areas as meals, 24-hour staffing, and on-site health care. Submit information responding to this factor in accordance with Application Submission Requirements in Sections IV. B. Exhibits 6. a. and b. and 9. a. through c and h. of this NOFA.

In rating this factor, HUD will consider the extent to which your application demonstrates your ability to carry out a successful conversion of the project and to implement the plan to deliver the supportive services on a long-term basis, considering the following:

a. **(9 points).** The time frame planned for carrying out the physical conversion of the development to the ALF. Timeframe for completion of the project in 9 months or less (9 points); completion in 13 months (5 points); completion in 18 months (3 points); completion in more than 18 months (0 points).

- b. **(10 points)**. Describe your past experience in providing or arranging for supportive services either on or off site for those who are frail. Examples are: Meals delivered to apartment of resident or in a congregate setting (2 points), arranging for or providing personal care (3 points), providing 24-hour staffing (2 point), providing or making available on-site preventive health care (1 points) and other support services (2 points).
- c. **(1 point)**. The Department will provide 1 point to those applicants who currently or propose to partner, fund, or subcontract with grassroots organizations. HUD will consider an organization a "grassroots organization" if the organization is headquartered in the local community and has a social services budget of \$300,000 or less; or has six or fewer full-time equivalent employees. (Refer to the **General Section** for further information on policy priority points for activities related to grassroots organizations.)

2. Rating Factor 2: Need/Extent of the Problem (20 Points)

This factor addresses the extent to which the conversion is needed by the categories of elderly persons and persons with disabilities that the ALF is intended to serve. The application must include evidence of current needs among project residents and needs of potential residents in the housing market area for such persons including economic and demographic information on very low-income, frail, elderly, and persons with disabilities and information on current assisted living resources in the market area.

The factor also addresses your inability to fund the repairs or conversion activities from existing financial resources. In making this determination, HUD will consider the project's financial information. Submit information responding to this factor in accordance with Application Submission Requirements in Sections IV.B. Exhibits 3.c., 5.

a. through d., and 10. a. through c. of this NOFA. In evaluating this factor, HUD will consider:

a. **(7 points)**. The need for assisted living among the elderly and disabled residents of the project taking into consideration those currently in need and the depth of future needs given aging in place.

b. **(3 points)**. The need for assisted living among very low-income elderly persons and persons with disabilities in the housing market area.

c. **(9 points)**. Insufficient funding for any needed conversion work, as evidenced by the project's financial statements and specifically the lack of excess Reserve for Replacement dollars and residual receipts. If the available Reserve for Replacement and residual receipts are less than 10 percent of the total funds needed = 9 points; if the available Reserve for Replacement and residual receipts are 10-50 percent of need = 5 points; and, if the available Reserve for Replacement and residual receipts are 51 percent or more of the total funds needed = 0 points). d. **(1 point)**. The Department will provide one point to those applications which establish a connection between the proposed ALF and the community's Analysis of Impediments to Fair Housing Choice (AI) or other planning document that analyzes fair housing issues and is prepared by a local planning or similar organization.

3. Rating Factor 3: Soundness of Approach (40 Points).

This factor addresses the quality and effectiveness of your proposal in addressing the proposed conversion, effectiveness of service coordination and management planning and the meals and supportive services which the ALF intends to provide, whether the jurisdiction in which the ALF is located has taken successful efforts to remove regulatory

barriers to affordable housing, whether you will incorporate energy efficiency in the design and operation of the assisted living facility, provide training, employment, and economic opportunities to low- and very low-income persons, and the extent to which you have evidenced general support for conversion by participating in your community's Consolidated Planning Process, involving the residents in the planning process. Submit information responding to this factor in accordance with Application Submission Requirements in Sections IV.B. Exhibits 3.a. through c. and e., IV.B.6.b. through e., IV. B.9.a. through e., g., and h. of this NOFA. In evaluating this factor, HUD will consider the following:

- a. **(10 points).** The extent to which the proposed ALF design will meet the special physical needs of frail elderly persons or persons with disabilities (ALF design: meets needs = 10 points; ALF design partially meets needs = 5 points; and ALF design does not meet needs = 0 points).
- b. **(10 points).** The extent to which the ALF's proposed management and operational plan ensures that the provision of both meals and supportive services planned will be accomplished upon completion of the conversion and receipt of license for the operation of the facility. (Consider ALF design/management plan: meets needs of management operations = 10 points; ALF design/management plan partially meets needs of management operations = 5 points; and ALF design/management plan does not meet needs of management operations = 0 points.)
- c. **(7 points).** The extent to which the proposed supportive services meet the anticipated needs of the frail elderly and disabled residents (does meet = 7 points; partially meets needs = 4 points; and, does not meet needs = 0 points); and

- d. **(7 points).** The extent to which the service coordination function is addressed and explained as augmented or new, and addresses the ongoing procurement of needed services for the residents of the ALF (does meet = 7 points, partially meets = 4 points, does not meet = 0 points).
- e. **(2 points).** The steps you have taken in support of State and local efforts in streamlining processes and procedures that eliminate redundant requirements, statutes, regulations and codes which impede the availability of affordable housing. To receive points for removal of regulatory barriers, applicants must complete Part A or B (not both), include some form of documentation, where requested, and include a point of contact in their response using the completed Questionnaire HUD Form 27300. (Refer to the **General Section** for further information.)
- f. **(2 points).** Describe how you plan to incorporate energy efficiency measures in the design, rehabilitation, or the operation of the assisted living facility through the use of Energy Star labeled products and appliances. (Refer to the **General Section** for further information.)
- g. **(2 points).** To the greatest extent feasible, describe how you propose to provide opportunities to train and employ low- and very low-income persons in the project area; and how you plan to award contracts to business concerns which provide economic opportunities to low- and very low-income persons and people with disabilities in the project area.

4. Rating Factor 4: Leveraging Resources (10 Points).

This factor addresses your ability to secure other community resources that can be combined with HUD's grant funds to achieve program purposes. For the ALCP to

succeed, you **must** generate local funding for the necessary supportive services to operate the ALF. HUD also encourages local funding for some of the necessary conversion work, or other work needed in the project (e.g., general modernization) which is **NOT** specifically linked to the ALF).

Submit information responding to this factor in accordance with Application Submission Requirements in Section IV.B. Exhibits 6.h. and i., B.7., and B.9.e. through g. of this NOFA.

a. **(4 points)**. The extent to which there are commitments for the funding needed for the meals and the supportive services planned for the ALF and that the total cost of the estimated budget of the ALF is covered. Consider 90 percent or more commitment of the total budget with no more than 10 percent for meals and services = 4 points; 80-89.9 percent with no more than 20 percent for meals and services = 3 points; 65-79.9 percent with no more than 35 percent for meals and services = 2 points; 40-64.9 percent with no more than 60 percent for meals and services = 1 point; less than 40 percent commitment of the total budget with no more than 60 percent support for meals and services = 0 points.

b. **(2 points)** The extent to which your past performance evidence commitments for funding for meals and supportive services.

c. **(2 points)**. The extent of local organizations' support, which is firmly committed to providing at least 50 percent of the total cost of ALF conversion (consider 50% or more = 2 points, 20-49.9 percent = 1 points, and under 20 percent = 0 points).

d. **(2 points)**. The extent of local organizational support which is firmly committed to providing funds for additional repair or retrofit necessary for the project NOT specifically

directed to activities eligible under this NOFA (funds firmly committed = 2 points, funds not committed = 0 points).

5. Rating Factor 5: Achieving Results and Program Evaluation (10 Points).

This factor reflects HUD's goal to embrace high standards of ethics, management and accountability. This factor emphasizes HUD's commitment to ensure that promises you make in the application are kept; and to ensure performance goals with outcomes are established and are met (refer to Section V.B. of the **General Section** for more detail).

Outcomes may include the extent to which your project will implement practical solutions that will result in assisting residents in achieving independent living and an improved living environment, as well as the extent to which the project will be viable absent HUD funds but rely more on state, local, and private funds. Submit information responding to this factor in accordance with Application Submission Requirements in Section IV.B. Exhibits 3.d., 6.a. through g., and 9.a. through e. of this NOFA. Applicants must complete Form HUD-96010, Program Outcome Logic Model in responding to this Rating Factor. HUD will evaluate the Logic Model in accordance with the matrix provided in Attachment 1 to the General Section.

a. **(4 points).** Describe the extent to which your conversion time frame reflects the length of time it will take to convert the units describing how residents will benefit from the conversion of the units; and how the converted units will result in ALF residents being able to age in place;

b. **(2 points).** Describe the extent to which your assisted living facility will implement practical solutions that will result in assisting residents in achieving independent living and improved living environment.

- c. **(2 points).** Demonstrate how the project will be viable absent HUD funds while relying more on state, local, and private funds.
- d. **(2 points).** Describe the extent to which the ALFs operating philosophy promotes the autonomy and independence of the frail elderly persons it is intended to serve (is fully addressed = 2 points, “no” or not addressed = 0 points).

6. Bonus Points (2 bonus points). The project to be converted is located in an RC/EZ/EC-II area, as described in the **General Section**.

B. Reviews and Selection Process

1. The ALCP will fund those applications that may impact federal problem solving and policymaking and that are relevant to HUD’s policy priorities and annual goals and objectives. (Refer to the **General Section** for discussion of these priorities and annual goals and objectives).
2. Review for Curable Deficiencies. You should ensure that your application is complete before submitting it to HUD electronically via grants.gov. If you received a waiver of the electronic submission requirement, you must submit an original and four copies to the appropriate lead HUD Multifamily Hub Office. Submitting fewer than the original and four copies of the application is not a curable deficiency and will cause your application to be considered non-responsive to the NOFA and returned to you.

HUD will screen all applications received by the deadline for curable deficiencies. With respect to correction of deficient applications, HUD may not, after the application deadline date and consistent with HUD's regulations in 24 CFR part 4, subpart B, consider any unsolicited information an applicant may want to provide. HUD may contact an applicant to clarify an item in the application or to correct curable deficiencies.

Please note, however, that HUD may not seek clarification of items or responses that improve the substantive quality of a response to any rating factors. In order not to unreasonably exclude applications from being rated and ranked, HUD may contact applicants to ensure proper completion of the application and will do so on a uniform basis for all applicants. A curable deficiency is a missing Exhibit or portion of an Exhibit that will not affect the rating of the application. In each case, under this NOFA, the appropriate lead HUD Multifamily Hub office will notify you in writing by describing the clarification or curable deficiency. You must submit clarifications or responses to curable deficiencies in accordance with the information provided by the Hub office within 14 calendar days of the date of HUD notification. (If the due date falls on a Saturday, Sunday, or federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or federal holiday.) If the deficiency is not corrected within this time period, HUD will reject the application as incomplete, and it will not be considered for funding. The following is a list of the deficiencies that will be considered curable in ALCP applications:

List of Curable Exhibits

- *Application Summary
- *Articles of Incorporation, or certification of Articles of Incorporation
- *By-laws, or certification of by-laws
- Evidence of occupancy for at least five years
- Original project plans
- Relocation Plan
- Evidence of Permissive Zoning

- Form SF-424 Supplement, Survey for Ensuring Equal Opportunity for Applicants (“Faith Based EEO Survey (SF-424 SUPP)” on Grants.gov);
- Form HUD-424-CB, Grant Applications Detailed Budget (“HUD Detailed Budget Form” on Grants.gov);
- Form HUD-424-CBW, Grant Application Detailed Budget worksheet
- Form HUD-2880, Applicant/Recipient Disclosure/Update Report (“HUD Applicant Recipient Disclosure Report” on Grants.gov);
- Form HUD-2991, Certification of Consistency with the Consolidated Plan
- Form HUD-2994-A, You Are Our Client! Grant Applicant Survey, optional;
- Standard Form-LLL, Disclosure of Lobbying Activities, if applicable
- HUD-96011, “Third Party Documentation Facsimile Transmittal” (“Facsimile Transmittal Form on Grants.gov) (For use with electronic applications as the cover sheet to provide third party documentation.)

The appropriate Hub office will notify you in writing if your application is missing any of the exhibits listed above and you will be given 14 days from the date of the HUD notification to submit the information required to cure the noted deficiencies. **The exhibits identified by an asterisk (*) must be dated on or before the application deadline date.** If not dated the application will be rejected.

After the completeness review, HUD staff will review your application to determine whether the application meets the threshold requirements.

3. Threshold Review. Only those ALCP applications that meet all threshold requirements will be eligible to receive an award. Applications that do not pass threshold will be rejected.

(See Section III.C 2. above for threshold requirements).

4. Appeal Process. Upon rejection of an ALCP application, HUD must send a letter to the Owner outlining all reasons for rejection. The Owner has 14 calendar days from the date of the letter to appeal the rejection. If the Owner submits an appeal, which causes the rejection to be overturned, the application will be rated, ranked, and submitted to the selection panel for consideration. If the Owner does not appeal or does appeal but the rejection is not overturned, the application will remain rejected.

5. Review Panels. The Office of Housing's Multifamily Hubs will establish panels to review all eligible applications that have passed threshold.

6. Rating of Applications. HUD staff teams will review and rate ALCP applications in accordance with the Ranking and Selection procedures outlined below. All applications will be either rated or technically rejected at the end of technical review. If your application meets all program eligibility requirements after completion of technical review, it will be rated according to the rating selection factors in Section V.A. above of this NOFA. HUD reserves the right to reduce the amount requested in the application if any proposed components are ineligible or if the cost of items is not deemed reasonable. HUD will **NOT** reject an ALCP application based on technical review without notifying you of that rejection with all the reasons for the rejection, and providing you an opportunity to appeal. You will have 14 calendar days from the date of HUD's written notice to appeal a technical rejection to the Multifamily Hub where the applications were sent originally. HUD staff will make a determination on an appeal before finalizing selection recommendations.

7. Ranking and Selection Procedures. Applications submitted in response to this NOFA that are eligible, pass threshold and have a total score of 75 points (or more) are eligible for ranking and selection.

- a. Hub staff teams will be established for ALCP review in each geographical area to do the application ratings. After the team's ratings are finalized, the team will place all rated applications within that geographical area in rank order.
- b. From within rank order, Hub staff teams in each of the four geographical areas will select the highest ranked applications from within that geographical area in rank order, without regard to which Hub the application was submitted which can be funded from within the dollars available.
- c. After making the initial selections, however, HUD may use any residual funds in each geographical area to select the next rank-ordered application by reducing the dollars requested by no more than 10 percent and reducing the number of units proposed, but in no case reducing the number of units below the financial threshold feasibility of five ALF units.
- d. Funds remaining after these processes are completed will be returned to HUD Headquarters. HUD Headquarters will use these funds to restore units to any project reduced as a result of using the residual grant funds in a geographical area. Finally, HUD will use these funds for selecting one or more additional applications based on the field staff rating and rankings, beginning with the highest rated application nationwide. Only one application will be selected per geographical area from the national residual amount. If there are no approvable applications in other geographical areas, the process will begin again with the selection of the next highest rated application nationwide. This process

will continue until all approvable applications are selected using the available remaining funds. If there is a tie score between two or more applications, and there are insufficient residual funds to cover all tied applications, HUD Headquarters staff will choose the winning application(s) by lottery and/or reduction of grant requests consistent with the instructions above.

VI. Award Administration Information

A. Award Notices

1. The Grant Agreement, and the Form HUD-1044, signed by both the Recipient and Grant Officer, shall serve as the authorizing award documents. Unsuccessful applicants will be notified, by mail, within 30 days of the announcement of the awards.
2. Adjustments to Funding. HUD will not fund any portion of your application that is not eligible for funding under specific program statutory or regulatory requirements; does not meet the requirements of this notice; or may be duplicative of other funded programs or activities. Only the eligible portion of your application will be funded.
3. Applicant Debriefing. All requests for debriefing must be made in writing and submitted to the lead HUD Multifamily Hub in which you applied for assistance. Materials provided to you during your debriefing will include the final scores you received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied.

Information regarding this procedure may be found in the **General Section**.

B. Administrative and National Policy Requirements. See Section III.C. of this NOFA and the **General Section**.

C. Reporting

Recipients of funding under this program NOFA shall submit a progress report every six months after the effective date of the Grant Agreement. Every six months owners must report their progress in attaining the goals and objectives they proposed in their ALCP Logic Model that was included in their application. Each semi-annual report must identify any deviations (positive or negative) from outputs and outcomes proposed and approved by HUD, by providing the information in the reporting TAB of the approved Logic Model. For FY2008, HUD is considering a new concept for the Logic Model. The new concept is a Return on Investment statement. HUD will be publishing a separate notice on the ROI concept.

VII. Agency Contacts

A. For Further Information and Technical Assistance. You should contact the HUD Multifamily Hub in your geographical area. For a list of HUD Multifamily Hub Offices, see HUD's Web site at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.

You also may contact Aretha Williams, Director, Grant Policy and Management Division, Room 6138 at (202) 708-3000, extension 2480 for questions regarding the ALF grant award process. This is not a toll-free number. Ms. Williams can be reached by email at

Aretha_M_Williams@hud.gov. If you have a hearing or speech impairment, you may access the telephone number via TTY by calling the Federal Information Relay Service at 800-877-8339.

VIII. Other Information

A. Paperwork Reduction Act. The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB)

under the Paperwork Reduction Act of 1995 (4 U.S.C. 3501-3520) and assigned OMB control number 2502-0542. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 2,373 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting data for the application, semi-annual reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

B. Appendix. Appendix 1 provides a list of HUD Multifamily Hub Offices. Appendix 1 may be found at HUD's web site at <http://www.hud.gov>.