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ADVISORY PANEL MEETING

HANDI-TAP

Kansas City, Missouri

March 17, 1980
7:30pm
(Room to be Announced)

7:30	Welcome and Introductions	David Williamson
	Overview of Project to Date • Seminars • Participants • Follow-on Activity	Thomas Urban
	Workbook/Handbook Description • Additions	David Lipsey
8:00-9:00	Discussion of Demonstration Phase • Purpose and Overview • Consideration of Selection Criteria • Selection Process/Announcement • Technical Assistance and Monitoring	David Williamson
9:00-9:15	Break	
9:15-10:30	Further Discussion of Demonstration Phase	
10:30	Adjournment	

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National Training and Development Service

For State and Local Government

400 N. Capitol Street, N.W., Suite 390
Washington, D.C. 20001
202/628-0660

NTDS

A Subsidiary of the
Academy for Contemporary Problems
1501 Neil Avenue
Columbus, Ohio 43201
614/421-7700

March 13, 1980

TO: The Handi-TAP Advisory Panel

FROM: Thomas Urban, Project Director TU

With the forthcoming conclusion of the first round of Handi-TAP seminars, the scene now shifts to the Demonstration Phase of the project, a phase where six states will be competitively selected to receive funds for a Handi-TAP State Coordinator. The purpose of the Advisory Panel meeting in Kansas City is to discuss this Demonstration Phase, and more specifically to offer suggestions and guidance on the criteria for selection, and the selection process itself. The enclosed information is presented to you as background for discussion. In reading this material, and in drawing upon your own thoughts and experience, please keep in mind these aspects of possible criteria in selection:

- matching monies by the states
- rural states versus urban states, and the possible need for a mix
- use and involvement of area HUD Offices
- awards to states with no present handicapped housing programs (or just gearing up) versus states already in the process of a state program
- commitment by states after initial funding

To be sure, the Demonstration Phase of Handi-TAP must present a process and a procedure that is meaningful and productive in determining awards; however, with limited monies ($20,000 per state), the application process must also be easily understood, simple, and direct. Additional "carrots" for applying should be well thought out, and used as a supplement to the Demonstration Phase. To be direct and blunt, the Demonstration Phase cannot be the funding of six CETA jobs that disappear shortly after the Federal funds stop. With the excitement and activity created by the seminar series, the Demonstration Phase is now in the spotlight for those states seeking aid to their handicapped housing programs. The success of that phase falls on the criteria and mode of selection, and the project seeks your insight and advice.

DEMONSTRATION PROGRAM

The National Training and Development Service feels that in order to develop commitment to the goals of Handi-Tap, states applying for participation in the Demonstration Program should provide one-half the funding of the coordinator's salary. While criteria for selection will be developed after discussion with the Advisory Panel and GTR, NTDS suggests that the following points are critical to state selection:

- previous commitment to handicapped housing services;
- demonstrated efforts at securing structures and processes through which handicapped housing could be developed;
- presentation of reasons why such a demonstration project is timely to the state's handicapped citizens;
- integration of the demonstration project with the state's policy-makers, funding sources, and on-going commitments in this area;
- description of how the demonstration project will be continued after initial HUD funding is over; and
- description of why state's participation in this project will also benefit others states' efforts at developing handicapped housing services, and willingness of state to provide information to other state and local units seeking successful housing services models.

CRITERIA FOR SELECTION

OF

HANDI-TAP STATE DEMONSTRATION SITES

Introduction

In the demonstration phase of the Handicapped Technical Assistance Project (HANDI-TAP), six states will be recipients of funding to develop and implement a statewide housing plan of action for handicapped individuals. The responsibilities of the selected states will include the planning and coordination of all efforts related to comprehensive community-based housing for disabled citizens in the state. These efforts include implementation of methods for:

1) estimating the need for housing and housing support services in the state and in individual communities;

2) involving disabled individuals in all phases of the planning, development and review process for housing programs; and

3) providing comprehensive housing and housing support services.

The state responsibilities will be carried out through the establishment of the position of State Handicapped Housing Coordinator (SHHC). The SHHC position will be located centrally within state government.

Outlined in the following pages are:

1) specific criteria for selection of states in this demonstration program; and

2) specific tasks to be addressed by the SHHC.

Criteria for State Selection

Listed below each criteria item is specific information required from the proposing agency. When addressing each item, describe strengths and weaknesses of your current status regarding the item. Describe problems/concerns anticipated in meeting each criteria and potential solutions for them. Letters of support should be attached wherever possible.

I COMMITMENT TO THE DEVELOPMENT OF A CONTINUUM OF COMMUNITY-BASED HOUSING ALTERNATIVES AND SUPPORT SERVICES TO MEET THE VARYING HOUSING NEEDS OF DISABLED CITIZENS

A. What is the state's current approach to community-based housing and support services?

1) existence of a statewide plan
2) inter-agency agreements
3) past/present/future plans for cross-disability housing (i.e. DD, MR, PH, MI)
4) evidence of non-segregated community-based housing
5) existence of a broad-based executive level commitment to the community-based housing approach

II COMMITMENT TO THE DEVELOPMENT OF A COALITION APPROACH TO COMMUNITY-BASED HOUSING AND SUPPORT SERVICES

Coalition membership should draw from housing professionals, service providers, disabled consumers, state and local officials, members of HUD field staff, advocacy agency representatives to form an effective state planning backbone in the development of housing alternatives. What is the proposing agency's current or planned relationship with each of these actors in the housing coalition?

1) individual consumers
2) HUD field representatives
3) Community Development Agency (if any)
4) non-profit advocacy agencies
5) State Housing Finance Authority
6) State Title 19 and Title 20 Agencies
7) Developmental Disabilities Council
8) private investors
9) realtor's association
10) Vocational Rehabilitation (Independent Living Coordinator)
11) Mental Retardation/Mental Health
12) FMHA representatives
13) Public Housing Authorities
14) Governor's special assistant on housing (if any)
15) responsible state housing agency
16) NAHRO

III COMMITMENT TO ACTIVE CONSUMER INVOLVEMENT IN THE DEVELOPMENT IMPLEMENTATION AND EVALUATION OF ALL STATE HOUSING PROGRAMS.

What is the state's past/present/future plan for consumer involvement in the development of a housing plan?

Cross-disability

IV COMMITMENT TO THE PARTICIPATION IN THE DEMONSTRATION DISSEMINATION PHASE OF THE HANDI-TAP PROJECT

What is the proposing agency's mechanism to provide information to other states at the end of the demonstration project?

1) participation at appropriate association meetings
2) written documentation of demonstration findings
3) continued Handi-Tap technical assistance

V APPROACH TO MANAGEMENT

A. Funding

1) matching
2) permanent

B. Responsible State Official

previous experience in monitoring similar efforts

C. Staffing

1) resume of proposed SHHC
2) support services

D. Advisory Panel

1) composition (include rationale)
2) plans for utilization

E. Initial Plans for Implementation

Gantt Chart

VI EVALUATION

What is the proposing agency's plan for documenting and evaluating demonstration efforts?

State Handicapped Housing Coordinator.......Specific Tasks

1) Development and implementation of a comprehensive housing plan that provides a continuum of community-based housing and support service alternatives to disabled citizens.

2) Development of an effective statewide communication system to gain and maintain involvement of housing officials, service providers, disabled consumers, HUD field representatives, advocacy agencies, state and local officials.

3) Establishment of a statewide coalition with membership from all sectors vital to the development of appropriate housing alternatives.

4) Development of a comprehensive needs assessment, documenting the housing and support service needs of disabled individuals along the continuum of community-based housing alternatives.

5) Development of an effective consumer representation mechanism in all phases of housing program planning, implementation and review.

6) Development and effective utilization of a State Advisory Panel representing the necessary components of a statewide planning team for housing for disabled citizens.

7) Commitment to providing the private sector with marketing information that reinforces the need for development of housing alternatives for disabled citizens.

8) Development of innovative support service funding sources to insure the continuance of services over the life of the project.

9) Inclusion of non-segregated plans in all community-based housing developments.

10) Development of an in-service training program for all members of the state planning team that provides them with the information and skills necessary to plan effective housing programs.

11) Development of a documentation and evaluation procedure, including a clients rights quality-assurance mechanism.

12) Development of an on-going communication linkage with the state 504 coordinator.

Additional Criteria.......some things that perhaps might be included......

1) participation in Handi-Tap seminar;

2) commitment of the governor's office;

3) strong linkage with SHFA:

4) existing state access code and demonstration of enforcement;

5) states with and without litigation pending;

6) states with an on-going relationship with HUD field office;

7) states that have characteristics representative of a number of states;

8) states that are primed for the task (a philosophy toward community-based housing already exists);

9) demonstrated ability to cut through red tape and plan among traditional agency lines.

CORPORATION FOR INDEPENDENT LIVING

Goals and Objectives

GOAL

To provide opportunities for the development of non-institutional independent housing arrangements for handicapped and developmentally disabled persons in the State of Connecticut.

DEFINITIONS

Handicapped, Developmentally Disabled: The Corporation will use as its definition of handicapped and developmentally disabled, the following terms and language: Handicapped and developmentall disabled includes, but is not limited to, mentally retarded, physically disabled, sensory impaired, autistic; hereafter to be described as "special needs individuals".

Independent Living: Independent living is defined as small, non-institutional residences, including but not limited to, homes, apartment complexes, units within homes or apartments, equipped to meet the requirements of special needs individuals.

PRINCIPLES

The following general principles will guide the corporation in achieving and implementing its goal. The Corporation will:

1. Assist organizations and groups of individuals representing special needs persons and provide, to the extent feasible by time and fiscal resources, expertise in development and completion of independent living projects;

2. Encourage, foster and assist organizations to build and operate small independent living units as defined above;

3. Encourage the self-determination of their own housing requirements by individuals and their sponsoring organizations, to the extent feasible;

4. Address the needs of diverse handicaps, develop and sponsor housing; endeavor to provide housing that is balanced geographically and represents the diverse special needs evident in the state;

5. Encourage development of strong local organizations which can sponsor and manage independent living projects.

OBJECTIVES

The previously stated goal and principles will be implemented through the following objectives. The Corporation will:

1. Serve as an "umbrella" or coordinating organization to non-profit, developers of independent living;

2. Provide "clearing house" services to assist member organizations in understanding the various programs and facilitate exchanges of information and expertise;

3. Offer expertise in the planning, design and execution of independent living proposals by local sponsors;

4. Provide the full range of non-construction technical services;

5. Provide technical services for construction/rehabilitation of projects, including monitoring and oversight;

6. Provide financial technical services for project development;

7. Insure local sponsors are providing or have available the training and social services network necessary to provide ongoing management for and social service programs to residents;

8. Establish and coordinate a detailed "needs analysis" and develop quantitative objectives for the various special needs present in Connecticut;

9. Develop funding programs to insure financial support for the Corporation and general programs of the Corporation.

Adopted by Board of Directors, Corporation for Independent Living, May 17, 1979.

CORPORATION FOR INDEPENDENT LIVING

CORPORATION OBJECTIVES

BACKGROUND

On May 17, 1979, the board of directors of the Corporation for Independent Living adopted nine objectives to implement its goal. Those nine objectives are listed below with an outline of the specific work items which are intended, over time, to implement those objectives. These work items are provided as a guide to the board, to the Corporation membership and to all interested persons on how the corporation intends to carry out its mandate.

IMPLEMENTATION

(1) <u>Serve as "umbrella" or coordinating organization</u>

a) Develop statewide network of community organizations and individuals interested in independent housing for special needs people;

b) Institute a general education and awareness program for public officials, local organizations and the general public about the program and goals for the Corporation for Independent Living;

c) Develop links among the diverse public sector programs and agencies that deal with special needs individuals;

d) Develop public awareness about the Corporation as the central organization which seeks to coordinate development, financing and sponsorship of independent living programs.

(2) <u>Provide "clearinghouse" services to member groups</u>

a) Assemble a comprehensive index and listing of existing successful independent living programs in the State;

b) Identify, catalog and explain general financing mechanisms available to underwrite independent living projec

c) Develop "how-to" manual for local organizations explai ing early steps in considering and acting on independe housing programs;

d) Provide continual, updated information on existing and new federal, state and private programs (law, regulati for the development, construction, financing and opera of housing programs for special needs citizens.

(3) <u>Offer development expertise to local sponsors</u>

a) Develop and implement Corporation criteria for number, kinds and types of organizations to be assisted; establish "levels" of assistance, as appropriate, and as Corporation funding allows;

b) Provide sponsor pre-application assistance, including local assessment of needs and financial feasibility (of sponsor);

c) Coordinate and provide technical assistance to local sponsors for early program development.

(4) <u>Provide non-construction, non-financial technical services</u>

a) Develop and coordinate a public education, public awareness program in local community, as housing project develops;

b) Advise and assist in securing necessary local zoning approval, including provision of legal and political support services;

c) Develop, with the sponsor, the appropriate "case mix" of residents to insure sufficient revenues to sustain the project.

(5) <u>Provide necessary construction technical services</u>

a) Coordinate, supervise and oversee site selection, architectural design and engineering of proposed project;

b) Establish time/work schedules for project and supervise selection of contractor(s) to perform construction/reconstruction;

c) Oversee necessary contracts, bids, and insure that required state and local construction codes and regulations are met.

(6) <u>Provide necessary financial technical services</u>

a) Coordinate and develop applications for submission to appropriate federal, state agencies, and provide financial support, within fiscal limits, for individual projects;

b) Develop revenue/expense packages to insure economic viability of project;

c) Maintain contacts and relations with potential funders; provide links with federal, state agencies to insure approval of local financial packages;

d) Develop and monitor a revolving fund for (1) early site acquisition; (2) purchase of property options; and (3) pre-design activities;

e) Oversee and monitor contracts with sponsors.

(7) Insure local training and social service network

a) Develop and operate fiscal management and related training programs for sponsors;

b) Insure that necessary network of social service functions will be provided by local sponsor;

c) Provide contacts to insure well-rounded social service programs.

(8) Coordinate, develop housing "needs" analysis

a) Identify potential types of housing;

b) Develop preliminary, short-range needs, by housing type as identified in subset a;

c) Oversee statewide study and assessment of housing needs for special needs individuals.

(9) Develop corporation funding program

a) Establish Corporation Development Committee to coordinate private funding activities;

b) Develop strategies for public funding support for core administrative budget and project construction activities;

c) Develop options for self-sustaining operation of Corporation;

d) Establish multi-year proposed Corporation budget tied to implementation of objectives.

June 4, 1979

1980

DEMONSTRATION PROGRAM FOR DEINSTITUTIONALIZATION OF THE CHRONICALLY MENTALLY ILL

A PROGRAM DESCRIPTION

Department of Housing & Urban Development

Office of Independent Living for the Disabled

David R. Williamson

Director

CHAPTER 7. FACTORS FOR REVIEW

*7-1. Selection of States - The following criteria will be used to select the states for participation in this demonstration program:

(a) Service Commitment: stable and long-term source(s) of financing for services to be developed through the demonstration, reasonable projections of services cost, adequacy of the plan to supplant 1115 funding upon expiration of the waiver (if requested).

(b) Management Capability: the focal point for implementing the demonstration must have sufficient authority and resources; be able to bring together the appropriate agencies to assume successful implementation; and have a history of successful coordinated programming in the State.

(c) Deinstitutionalization Performance: a steady rate of increases for financing community programs and the relationship of those increases to institutional budgets and population over the last decade, including readmission figures for the same period.

(d) Presentation of Need: adequacy of need assessment including the specific rationale for Federal assistance.

(e) Innovative Programming for Chronically Mentally Ill: history of development of unique programs responsive to the specific needs of the chronically mentally ill.

*7-2. Explanation of Final Evaluation and Selection Processes - Upon receipt of applications in HUD Headquarters, the Office of Housing will coordinate the joint HUD/NIMH evaluation process. The standard Section 202 exhibits and forms will be reviewed by HUD program representatives. In addition, the financial statements of each application will be carefully analyzed by mortgage credit experts. The service component of each application will be evaluated by NIMH. At the conclusion of this evaluation process, the Selection Panel, composed of HUD and HEW representatives, will convene to make recommendations for selection to the Secretary of HUD. In making its recommendations, the Selection Panel will review evaluations from HUD, NIMH and the State. It should be noted that a high ranking of an application by a State is not a guarantee of selection. The reverse of this is also true, so that a low ranking of an application by the State does not necessarily imply that the application will not be selected.

To assure a broad range of Borrower/Sponsor participation and greater geographic distribution of sites, the Selection Panel may limit applicants to the construction or substantial rehabilitation of a facility(s) comprised of a smaller number of units than requested. There is a legislative requirement that between 20 and 25 percent of the funds be allocated to communities outside standard metropolitan statistical areas** (SMSA's). Thus, consideration will be given to otherwise qualified Borrowers/Sponsors proposing to develop housing outside SMSA's.

*7-3. HUD/NIMH Evaluation Criteria.

a. HUD Evaluation Criteria - In addition to meeting the basic eligibility criteria as outlined in Chapter 5, the applications submitted by the Borrowers/Sponsors through the State will be evaluated by HUD Headquarters according to the following criteria:

(1) The experience and evidence of capacity to carry through to long-term operation, a project for housing and related facilities;

(2) The financial capacity and ability to organize, plan, and complete a project for housing and related facilities;

(3) The service component including the Borrower's/Sponsor's demonstrated commitment and assurance that the necessary services will be provided;

(4) The experience of the Borrower/Sponsor or the provider organizations affiliated with the Borrower/Sponsor in serving the chronically mentally ill;

(5) The Borrower's/Sponsor's indication of the extent of commitment and involvement from State and local entities. Priority will be given to those applications in which the Borrower/Sponsor indicates a strong commitment and involvement from State and local entities; and

(6) Priority also will be given to those Borrowers/Sponsors that have site control at the time the application is submitted.

b. NIMH Evaluation Criteria - The applications will be evaluated by NIMH according to the following criteria:

(1) Organizational Capability: experience in serving the chronically mentally ill, relevant housing experience, funding base, community support and consumer participation;

(2) Program Goals: consistency with demonstration program goals, appropriateness to needs of chronically mentally ill;

(3) Appropriateness and Definition of Target Population: needs assessment;

**To determine what comprises a SMSA in your State, contact the appropriate HUD Field Office.

(4) Appropriateness of Proposed Services: comprehensiveness of services, linkages to community resources and evidence of formal agreements for service, provision of or linkage with all services in Program Description (pp. 11-12);

(5) Mental Health System Linkages: service arrangements with State Hospitals, other inpatient services, boarding homes and other appropriate facilities, arrangements with Community Mental Health Systems, Community Support Program (if applicable);

(6) Quality of Staffing: staff roles and responsibilities, including availability of a mental health professional, and training and supervision of staff;

(7) Individualized Program Planning: involvement of significant persons in family and community, involvement of consumer, review and quality assurance processes;

(8) Data and Evaluation Capability: adequacy of mechanisms to produce information needed for monitoring and for national evaluation;

(9) Management Capability: to provide adequate services, staffing, coordination, implementation, including fiscal capability;

(10) Budget Review: adequacy of cost explanation including per diem service costs, differentiation of service costs incurred in the facility versus the community, and specific explanation of the proposed use of the Section 1115 waiver;

(11) Policies: adequacy of policies regarding medications, consumer rights, privacy, consumer participation in program management, and consistency of policies with goals of the demonstration program.

(12) Licensing, Zoning, Community Resistance: knowledge of appropriate local and State requirements, adequacy of plans to obtain needed approvals and overcome potential opposition; and

(13) Implementation: adequacy and practicality of the required implementation plan.

APPENDIX A

*APPLICATION REQUIREMENTS

A. Part 1 - General. (1 through 4 to be filled out on form "Section II - Format for Submission Requirements for a Section 202 Fund Reservation" See Appendix C)

(1) The name, address and telephone number of the Borrower and also of the Sponsor, (if any).

(2) The name, address and telephone number of the officer or member of the board of directors of the Borrower to whom communications should be addressed.

(3) Identify if Borrower organization is minority or nonminority. A minority organization is one in which more than 50 percent of the board members are minority.

(4) The following specific information regarding the application:

(a) Number of Section 202 units requested for residents ______.
Number of Section 202 units requested for staff ________.
Note: See the unit limits set forth in Paragraphs 3-2 of the Program Description.

(b) Number of units for which Section 8 Assistance is requested.

(c) Dollar amount of Section 202 Direct Loan Authority requested.

(d) Indicate whether funds are to be used in a metropolitan (SMSA) or nonmetropolitan (non-SMSA) area.

(e) Indicate whether the proposed housing will be an independent living complex (ILC), group home (GH) or other.

(f) Indicate whether the housing will be newly constructed or substantially rehabilitated.

(5) A narrative description of the proposed housing, including:

(a) Number and type (group home, independent living complex, other) of structures;

(b) Number of stories;

(c) Number of units and number of bedrooms. (Please distinguish between units and bedrooms for residents and units and bedrooms for staff);

(d) Special amenities and features;

(e) Location (City, State and surrounding features of neighborhood).

(6) A narrative description of the anticipated occupancy. (This must include their current residence (i.e. institution) and their level(s) of disability. Please state if the housing will serve any minorities.

(7) A statement as to whether the Borrower (and/or Sponsor) has submitted or is planning to submit an application to any other Field Office in response to the current invitation for the regular Section 202 program. If so, indicate the city and state where the proposed project is to be located, the number of units requested, and the Field Office to which the proposal was or will be submitted.

(8) A signed Form HUD-915, Certification in Connection with the Development and Operation of a Section 202 Housing Project for the Elderly or Handicapped.

(9) If a Housing Consultant is to be utilized, the following must be submitted:

(a) A resume from the consultant outlining his/her qualifications in detail. The resume may be supported by copies of brochures, studies, reports, or other examples of his/her work which the consultant may submit in support of his/her qualifications.

(b) The Consultant's Contract will be prepared in conformance with Form FHA-2531A-EH, Guide Form of Contract for Housing Consultant Services for Nonprofit Projects under Section 202, and will specify all services which are to be provided, including the amount of the proposed fee (see paragraph 1-10e of HUD Handbook 4571.1 REV). If the Consultant will also serve as the Borrower's attorney, the Borrower must submit a statement to that effect. The format for the modified contract to be used in such cases appears in Appendix 1 (see paragraph 1-10g of HUD Handbook 4571.1 REV).

(c) Form FHA-2531-EH, Housing Consultant's Certificate. The Consultant must verify that he/she has not and will not receive payment from any parties to the transaction other than the consultant's fee specified in the contract with the Borrower.

B. Part 2 - Establishing Eligibility as a Nonprofit Borrower for Participation in the Section 202 Program

(1) Form FHA-3433, Request for Preliminary Determination of Eligibility as a Nonprofit Sponsor and/or Mortgagor, which requires, among other things, copies of the charter including the Articles of Incorporation and by-laws, or constitution, as currently amended, and a copy of a currently effective ruling from the Internal Revenue Service which provides the evidence of the organization's tax exempt status. The Borrower corporation may be formed subsequent to selection for participation in the Section 202 Demonstration Program but prior to submission of an application for conditional commitment. At such time it must meet all eligibility criteria for the Borrower corporation, including application to the Internal Revenue Service for exemption under 501 (c) (3) or 501 (c) (4).

(2) Evidence of the Borrower's (and/or Sponsor's) local community base and reputation in the neighborhood in which the project will be located, including, but not limited to, evidence of any support for the project and the Borrower by the community and any national, state, or local groups and organizations.

C. Part 3 - Experience and Evidence of Capacity to Carry Through to Long-Term Operation a Project for Housing and Related Facilities:

(1) Form FHA-2530 on all Officers (President, Vice President, Secretary, Treasurer, etc.) of the governing body of the Borrower organization and on the housing consultant, if any.

(2) A description of all rental housing projects, medical facilities and/or senior centers or centers for the handicapped owned or operated by the Borrower (and/or Sponsor) during a minimum of the past five years. This description shall include the locations of all such facilities; number and types of units; types and sources of financing; and indicators of successful project management such as amenities and services provided, turnover, vacancy and delinquency rates, and rent collection losses. HUD will accept information for a period less than five years if the Borrower satisfactorily demonstrates that information for the five-year period is not available.

(3) A description of any financial default, modification of terms and conditions of financing, or legal action taken or pending against the Borrower (and/or Sponsor), or its officers, directors, or trustees in their corporate capacity for any reason during the past three years.

(4) A description of the Borrower's (and/or Sponsor's) past or current involvement in any programs or of its provision of services other than housing, if any, which would give evidence of its management capabilities.

(5) A statement which indicates whether or not the Borrower (and/or Sponsor) has received a Section 202 fund reservation since April 1, 1976. If so, the statement must identify when the reservation was received and give a description of the project (name, location, project number, number of units, and loan amount) and an indication of the current status of the project (construction or rehabilitation not started [with an explanation], underway or completed).

(6) A description of the Borrower's (and/or Sponsor's) capability to sponsor, develop, own, manage, and provide special services in connection with housing for the chronically mentally ill, including any special capability in serving the needs of lower income chronically mentally ill families and individuals of all racial, ethnic and religious groups. The description shall include evidence of the Borrower's capability to construct or substantially rehabilitate projects that are specifically designed and equipped with such "related facilities" (as defined in Section 202 (d) (8) of the Housing Act of 1959, as amended) as may be necessary to accommodate the special environmental needs of the intended occupants and shall be in support of and supported by the applicable state plans for comprehensive services pursuant to Section 134 of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or state and area plans pursuant to Title III of the Older Americans Act of 1965.

D. <u>Part 4 - Financial Capacity and Ability to Organize, Plan and Complete a Project for Housing and Related Facilities.</u>

(1) A brief narrative description of the financial history of the Borrower (and/or Sponsor).

(2) An estimate of the Borrower's start-up (seed money) expenses and its funding sources to meet those expenses which estimate is required in response to items 3(A) (except 1) and 3(B) on Form FHA-3433, Request for Preliminary Determination of Eligibility as a Nonprofit Sponsor and/or Mortgagor. If the Borrower plans to use a Section 106(b) seed money loan to help meet these expenses, it may submit Form HUD-92290, Section 106(b) Nonprofit Sponsor Assistance "Seed Money" Loan Application, and all required attachments, plus evidence of its capability to meet its required 20 percent investment. If agreements have been made with the architect, consultant, and/or attorney that no payment of their fees will be made until initial closing of the Section 202 loan, such written agreements must be submitted with the application.

(3) Evidence of the Borrower's ability to fund the minimum capital investment, which is defined as one-half of one percent (0.5%) of the mortgage amount committed to be disbursed, not to exceed the amount of $10,000. The Borrower (and/or Sponsor) must submit copies of its balance sheet(s) and statement(s) of income and expenses for each of the most recent three years the Borrower (and/or Sponsor) has operated. Although balance sheets need not be submitted on Form FHA-2417, Personal Financial and Credit Statement, and are not required to be audited, balance sheets which are submitted in response to this requirement must contain at a minimum, the information specified on Form FHA-2417, and on the face of the statement(s), the following certification:

> I HEREBY CERTIFY that the foregoing figures and the statements contained herein, submitted by me as an agent of the Borrower corporation (or Sponsor) for the purpose of obtaining a direct loan under Section 202 of the Housing Act of 1959, as amended, are true and give a correct showing of the financial condition as of this date:

Signed this __________day of __________, 19____

(Name/Authorized Agent) ________________________

Note: Financial statements on existing HUD projects are <u>not</u> sufficient to determine financial capability as required by this paragraph, as the assets of such projects <u>cannot be used</u> to meet the financial requirements for the proposed projects. If the prospective Borrower is the owner of a HUD project, the financial statements for the project must be submitted. However, additional and detailed information must be submitted to explain how the Borrower expects to finance the proposed project and support it over the years. Under such circumstances, most applications probably would be strengthened by the inclusion of a Sponsor as party to the application.

E. <u>Part 5 - Project Development: Site and Preliminary Project Information</u>. (Preference will be given in the selection process to those Borrowers who have control of a site. If a Borrower has control of a site, the following information must be submitted. (All Borrowers, regardless of having site control, must respond to items 8 and 9.)

(1) Documentary evidence that the Borrower has control of the site, e.g., a copy of a contract(s) of sale for the site, or a copy of the site option agreement(s), a deed or other legal commitment for the site.

(2) A map showing the location of the site and the racial composition of the neighborhood, with areas of racial concentration delineated.

(3) A sketch of the site plan showing the general development of the site, including the location of the proposed building(s), streets, parking areas and drives, service areas, and unusual site features.

*(4) Photographs of the site and/or building.

(5) Evidence that the proposed construction or rehabilitation is permissible under applicable zoning ordinances or regulations, or a statement of the proposed action to make the construction or rehabilitation permissible and the basis for belief that such action will be completed successfully prior to the submission of a Request for Conditional Commitment for Direct Loan Financing (e.g., a summary of the results of any recent requests for rezoning on land in similar zoning classifications and the time required for such rezoning, preliminary indications of acceptability from zoning bodies, etc.).

(6) A statement as to whether the proposed project will displace present occupants of any structures on the site. If so, state the number of families, individuals, and business concerns to be displaced (identified by race or minority group status, and whether they are owners or renters), and show that there is a feasible plan for relocation and how necessary relocation payments, if any, will be funded. As a part of the relocation plan, the Borrower shall demonstrate that advisory services will be provided to persons to be displaced regarding the availability of housing, in standard condition, suitable to their needs and within a price range they can afford. Where displacement of minority and/or low-income persons will occur, the Borrower must take positive steps to promote housing opportunities for such persons outside areas of minority and low-income concentration by providing information on available housing opportunities that includes information concerning units located outside such areas.

(7) Evidence that the application for a specifically identified project site meets any special requirements or restrictions necessary for compliance with the provisions of the local Housing Assistance Plan, if any, as outlined in 24 CFR Part 891, Subpart B, Applications for Housing Assistance with Housing Assistance Plans. In order to expedite the processing of applications, Borrowers are encouraged to submit a copy of Part 5 of the Section 202 application (Site and Preliminary Project Information) to the chief executive officer (or designee) or the unit of general local government for review and comment as to the consistency of the proposal with the local housing assistance plan. Comments by the

chief executive officer may be submitted simultaneously with the submission of the request for a Section 202 fund reservation.

(8) As an alternative to basic OMB Circular A-95 procedures, where HUD submits copies of proposals received to the appropriate clearinghouses, the Borrower may submit a copy of Part 1 (Exhibits 1 and 2) and Part 5 of the Section 202 application directly to the appropriate state and areawide clearinghouses prior to submitting its application to HUD. In such cases, the Section 202 application, when submitted to HUD, shall be accompanied by the comments of the clearinghouses. In instances where comments are not received by the Borrower within the 30-day review period, the Borrower shall include a statement indicating that the State and areawide clearinghouses were notified and no comments were received. If the A-95 comments contain any findings of non-compliance with environmental or civil rights laws, the Borrower must state how it proposes to resolve the finding or state its justification for proposing to proceed with the project despite the findings developed through the A-95 review process. To expedite HUD processing, this procedure is encouraged. A list of the appropriate clearinghouses and their addresses may be obtained from the Field Office.

(9) Section 8 Contract Rents. A statement that gross rents (the sum of the contract rents and allowances for utilities and other services payable directly by the family, if any) will not exceed published Fair Market Rents by more than that allowed by the Fair Market Rent Limits pursuant to Section 880.108(a) or Section 881.108(a) of the Regulations.

(10) A statement identifying the locality in which the project will be developed.