

Percentage	Points
40-49 .....	12
30-39 .....	10
20-29 .....	8
10-19 .....	5
0-9 .....	0
Donated land in proposals with less than ten percent total leveraged assistance .....	2

(b) Seasonal, temporary, migrant housing. (5 points for up to and including 50 percent of the units; 10 points for 51 percent or more.)

(c) The selection criteria contained in 7 CFR 1944, Subpart D includes one optional criteria set by the National Office. This fiscal year, the National office initiative will be used in the selection criteria as follows:

Up to 10 points will be awarded based on the presence of and extent to which a tenant services plan exists that clearly outlines services that will be provided to the residents of the proposed project. These services may include but are not limited to: transportation related services, on-site English as a Second Language (ESL) classes, move-in funds, emergency assistance funds, homeownership counseling, food pantries, after school tutoring, and computer learning centers. Two points will be awarded for each resident service included in the tenant services plan up to a maximum of 10 points. Plans must detail how the services are to be administered, who will administer them, and where they will be administered. All tenant service plans must include letters of intent that clearly state the service that will be provided at the project for the benefit of the residents from any party administering each service, including the applicant. (0 to 10 points)

2. States will conduct preliminary eligibility review, score applications, and forward to the National Office.

3. The National office will rank all requests nationwide and distribute funds to States in rank order, within funding and RA limits. If insufficient funds or RA remain for the next ranked proposal, the Agency will select the next ranked proposal that falls within the remaining levels. In case of point-score ties in the National ranking, first preference will be given to a preapplication to develop units in a state that does not have existing RHS-financed off-farm LH units; second preference to a preapplication will be from a State that has not yet been selected in the current funding cycle. In the event there are multiple preapplications in either category, one preapplication from each State (the

highest State-ranked) will compete by computer-based random lottery. If necessary, the process will be completed until all same-pointed preapplications are selected or funds are exhausted.

#### II. Funding Limits

A. Individual requests may not exceed \$3 million (total loan and grant).

B. No State may receive more than 30 percent of the total available funds unless an exception is granted from the Administrator.

C. Rental Assistance and Operating Assistance will be held in the National Office for use with section 514 loans and section 516 grants and will be awarded based on each project's financial structure and need.

#### III. Application Process

All applications for sections 514 and 516 funds must be filed with the appropriate Rural Development State office and must meet the requirements of 7 CFR part 1944, subpart D, and section IV of this NOFA. Incomplete applications will not be reviewed and will be returned to the applicant. No application will be accepted after 5 pm, local time, on May 28, 2002, unless date and time is extended by another Notice published in the **Federal Register**.

#### IV. Application Submission Requirements

A. Each application shall include all of the information, materials, forms and exhibits required by 7 CFR part 1944, subpart D, as well as comply with the provisions of this NOFA. Applicants are encouraged, but not required, to include a checklist and to have their applications indexed and tabbed to facilitate the review process. The Rural Development State office will base its determination of completeness of the application and the eligibility of each applicant on the information provided in the application.

B. Applicants are advised to contact the Rural Development State office serving the place in which they desire to submit an application for application information.

Dated: February 15, 2002.

**James C. Alsop,**

*Acting Administrator, Rural Housing Service.*

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## DEPARTMENT OF AGRICULTURE

### Rural Housing Service

#### Notice of Funding Availability (NOFA) for the Section 515 Rural Rental Housing Program for Fiscal Year 2002

**AGENCY:** Rural Housing Service (RHS), USDA.

**ACTION:** Notice.

**SUMMARY:** This NOFA announces the timeframe to submit applications for section 515 Rural Rental Housing (RRH) loan funds and section 521 Rental Assistance (RA) for new construction, including applications for the nonprofit set-aside for eligible nonprofit entities, the set-aside for the most Underserved Counties and Colonias (Cranston-Gonzalez National Affordable Housing Act), and the set-aside for Empowerment Zones and Enterprise Communities (EZ/ECs) and Rural Economic Area Partnership (REAP) communities. This document describes the methodology that will be used to distribute funds, the application process, submission requirements, and areas of special emphasis or consideration.

**DATES:** The closing deadline for receipt of all applications, including those for the set-asides, in response to this NOFA is 5:00 p.m., local time for each Rural Development State office on April 26, 2002. The application closing deadline is firm as to date and hour. RHS will not consider any application that is received after the closing deadline. Applicants intending to mail applications must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by the United States Postal Service or private mailer does not constitute delivery. Facsimile (FAX) and postage due applications will not be accepted.

**ADDRESSES:** Applicants wishing to apply for assistance must contact the Rural Development State office serving the place in which they desire to submit an application for rural rental housing to receive further information and copies of the application package. Rural Development will date and time stamp incoming applications to evidence timely receipt, and, upon request, will provide the applicant with a written acknowledgment of receipt. A listing of Rural Development State offices, their addresses, telephone numbers, and person to contact follows:

**Note:** Telephone numbers listed are not toll-free.

Alabama State Office, Suite 601,  
Sterling Centre, 4121 Carmichael  
Road, Montgomery, AL 36106-3683,

- (334) 279-3455, TDD (334) 279-3495, James B. Harris  
 Alaska State Office, 800 West Evergreen, Suite 201, Palmer, AK 99645, (907) 761-7740, TDD (907) 761-8905, Deborah Davis  
 Arizona State Office, Phoenix Corporate Center, 3003 N. Central Ave., Suite 900, Phoenix, AZ 85012-2906, (602) 280-8765, TDD (602) 280-8706, Johnna Vargas  
 Arkansas State Office, 700 W. Capitol Ave., Room 3416, Little Rock, AR 72201-3225, (501) 301-3250, TDD (501) 301-3279, Cathy Jones  
 California State Office, 430 G Street, Agency 4169, Davis, CA 95616-4169, (530) 792-5819 or, (530) 792-5830, TDD (530) 792-5848, Jeff Deiss  
 Colorado State Office, 655 Parfet Street, Room E100, Lakewood, CO 80215, (720) 544-2922, TDD (720) 544-2976, "Sam" Mitchell  
 Connecticut  
     Served by Massachusetts State Office  
 Delaware and Maryland State Office, 5201 South Dupont Highway, PO Box 400, Camden, DE 19934-9998, (302) 697-4353, TDD (302) 697-4303, Pat Baker  
 Florida & Virgin Islands State Office, 4440 N.W. 25th Place, Gainesville, FL 32614-7010, (352) 338-3465, TDD (352) 338-3499, Joseph P. Fritz  
 Georgia State Office, Stephens Federal Building, 355 E. Hancock Avenue, Athens, GA 30601-2768, (706) 546-2164, TDD (706) 546-2034, Wayne Rogers  
 Guam  
     Served by Hawaii State Office  
 Hawaii and Western Pacific State Office, Room 311, Federal Building, 154 Waiuanuenue Avenue, Hilo, HI 96720, (808) 933-8309, TDD (808) 933-8321, Thao Khamoui  
 Idaho State Office, Suite A1, 9173 West Barnes Dr., Boise, ID 83709, (208) 378-5630, TDD (208) 378-5644, LaDonn McElligott  
 Illinois State Office, 2118 West Park Court, Suite A, Champaign, IL 61821, (217) 403-6222, TDD (217) 403-6240, Barry L. Ramsey  
 Indiana State Office, 5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 290-3100 (ext. 423), TDD (317) 290-3343, John Young  
 Iowa State Office, 873 Federal Building, 210 Walnut Street, Des Moines, IA 50309, (515) 284-4666, TDD (515) 284-4858, Julie Sleeper  
 Kansas State Office, 1303 SW First American Place, Suite 100, Topeka, KS 66604-4040, (785) 271-2721, TDD (785) 271-2767, Virginia M. Hammersmith  
 Kentucky State Office, 771 Corporate Drive, Suite 200, Lexington, KY 40503, (859) 224-7325, TDD (859) 224-7422, Paul Higgins  
 Louisiana State Office, 3727 Government Street, Alexandria, LA 71302, (318) 473-7962, TDD (318) 473-7655, Yvonne R. Emerson  
 Maine State Office, 967 Illinois Ave., Suite 4, PO Box 405, Bangor, ME 04402-0405, (207) 990-9110, TDD (207) 942-7331, Dale D. Holmes  
 Maryland  
     Served by Delaware State Office  
 Massachusetts, Connecticut, & Rhode Island State Office, 451 West Street, Amherst, MA 01002, (413) 253-4333, TDD (413) 253-4590, Donald Colburn  
 Michigan State Office, 3001 Coolidge Road, Suite 200, East Lansing, MI 48823, (517) 324-5192, TDD (517) 337-6795, Philip Wolak  
 Minnesota State Office, 410 AgriBank Building, 375 Jackson Street, St. Paul, MN 55101-1853, (651) 602-7804, TDD (651) 602-7830, Joyce Vondal  
 Mississippi State Office, Federal Building, Suite 831, 100 W. Capitol Street, Jackson, MS 39269, (601) 965-4325, TDD (601) 965-5850, Darnella Smith-Murray  
 Missouri State Office, 601 Business Loop 70 West, Parkade Center, Suite 235, Columbia, MO 65203, (573) 876-0990, TDD (573) 876-9301, Charlie Marcks  
 Montana State Office, Unit 1, Suite B, 900 Technology Blvd., Bozeman, MT 59715, (406) 585-2551, TDD (406) 585-2562, Deborah Chorlton  
 Nebraska State Office, Federal Building, Room 152, 100 Centennial Mall N, Lincoln, NE 68508, (402) 437-5594, TDD (402) 437-5093, Phil Willnerd  
 Nevada State Office, 1390 South Curry Street, Carson City, NV 89703-9910, (775) 887-1222 (ext. 13), TDD (775) 885-0633, William L. Brewer  
 New Hampshire State Office, Concord Center, Suite 218, Box 317, 10 Ferry Street, Concord, NH 03301-5004, (603) 223-6062, TDD (603) 229-0536, Jim Fowler  
 New Jersey State Office, Tarnsfield Plaza, Suite 22, 790 Woodland Road, Mt. Holly, NJ 08060, (609) 265-3636, TDD (609) 265-3687, George Hyatt, Jr.  
 New Mexico State Office, 6200 Jefferson St., NE, Room 255, Albuquerque, NM 87109, (505) 761-4944, TDD (505) 761-4938, Carmen N. Lopez  
 New York State Office, The Galleries of Syracuse, 441 S. Salina Street, Suite 357, Syracuse, NY 13202, (315) 477-6419, TDD (315) 477-6447, George N. Von Pless  
 North Carolina State Office, 4405 Bland Road, Suite 260, Raleigh, NC 27609, (919) 873-2066, TDD (919) 873-2003, Terry Strole  
 North Dakota State Office, Federal Building, Room 208, 220 East Rosser, PO Box 1737, Bismarck, ND 58502, (701) 530-2049, TDD (701) 530-2113, Kathy Lake  
 Ohio State Office, Federal Building, Room 507, 200 North High Street, Columbus, OH 43215-2477, (614) 255-2418, TDD (614) 255-2554, Melodie Taylor  
 Oklahoma State Office, 100 USDA, Suite 108, Stillwater, OK 74074-2654, (405) 742-1070, TDD (405) 742-1007, Phillip F. Reimers  
 Oregon State Office, 101 SW Main, Suite 1410, Portland, OR 97204-3222, (503) 414-3325, TDD (503) 414-3387, Bill Daniel  
 Pennsylvania State Office, One Credit Union Place, Suite 330, Harrisburg, PA 17110-2996, (717) 237-2281, TDD (717) 237-2261, Gary Rothrock  
 Puerto Rico State Office, 654 Munoz Rivera Avenue, IBM Plaza, Suite 601, Hato Rey, PR 00918, (787) 766-5095 (ext. 249), TDD (787) 766-5332, Lourdes Colon  
 Rhode Island  
     Served by Massachusetts State Office  
 South Carolina State Office, Strom Thurmond Federal Building, 1835 Assembly Street, Room 1007, Columbia, SC 29201, (803) 253-3432, TDD (803) 765-5697, Larry D. Floyd  
 South Dakota State Office, Federal Building, Room 210, 200 Fourth Street, SW., Huron, SD 57350, (605) 352-1132, TDD (605) 352-1147, Dwight Wullweber  
 Tennessee State Office, Suite 300, 3322 West End Avenue, Nashville, TN 37203-1084, (615) 783-1375, TDD (615) 783-1397, G. Benson Lasater  
 Texas State Office, Federal Building, Suite 102, 101 South Main, Temple, TX 76501, (254) 742-9755, TDD (254) 742-9712, Eugene G. Pavlat  
 Utah State Office, Wallace F. Bennett Federal Building, 125 S. State Street, Room 4311, Salt Lake City, UT 84147-0350, (801) 524-4324, TDD (801) 524-3309, Robert L. Milianta  
 Vermont State Office, City Center, 3rd Floor, 89 Main Street, Montpelier, VT 05602, (802) 828-6028, TDD (802) 223-6365, Sandra Mercier  
 Virgin Islands  
     Served by Florida State Office  
 Virginia State Office, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287-1547, TDD (804) 287-1753, Eileen Nowlin  
 Washington State Office, Puyallup Executive Park, 1011 E. Main, Suite

306, Puyallup, WA 98372-6771, (253) 845-9272 (ext. 5), TDD (253) 845-0553, Robert Lund

Western Pacific Territories

Served by Hawaii State Office

West Virginia State Office, Federal Building, 75 High Street, Room 320, Morgantown, WV 26505-7500, (304) 284-4889, TDD (304) 284-4836, Craig St. Clair

Wisconsin State Office 4949 Kirschling Court, Stevens Point, WI 54481, (715) 345-7615 (ext. 151), TDD (715) 345-7614, Sherry Engel

Wyoming State Office, 100 East B, Federal Building, Room 1005, PO Box 820, Casper, WY 82602, (307) 261-6315, TDD (307) 261-6333, Charles Huff

**FOR FURTHER INFORMATION CONTACT:** For general information, applicants may contact Linda Armour, Senior Loan Officer, Multi-Family Housing Processing Division, Rural Housing Service, United States Department of Agriculture, Stop 0781, 1400 Independence Avenue, SW, Washington, DC 20250, telephone (202) 720-1753 (voice) (this is not a toll free number) or (800) 877-8339 (TDD-Federal Information Relay Service).

**SUPPLEMENTARY INFORMATION:**

**Programs Affected**

The Rural Rental Housing program is listed in the Catalog of Federal Domestic Assistance under Number 10.415, Rural Rental Housing Loans. Rental Assistance is listed in the Catalog under Number 10.427, Rural Rental Assistance Payments.

**Discussion of Notice**

*I. Authority and Distribution Methodology*

A. Authority

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) provides RHS with the authority to make loans to any individual, corporation, association, trust, Indian tribe, public or private nonprofit organization, consumer cooperative, or partnership to provide rental or cooperative housing and related facilities in rural areas for very-low, low, or moderate income persons or families, including elderly persons and persons with disabilities. Rental assistance (RA) is a tenant subsidy for very-low and low-income families residing in rural rental housing facilities with RHS financing and may be requested with applications for such facilities.

B. Distribution Methodology

The total amount available for FY 2002 for section 515 is \$114,068,998, of which \$49,000,000 is available for new construction as follows:

Section 515 new construction funds	\$16,715,502
Set-aside for nonprofits	10,266,209
Set-aside for Underserved Counties and Colonias	5,703,450
Set-aside for EZ, EC, and REAP Zones	14,814,839
State Rental Assistance (RA) Designated reserve	1,500,000

C. Section 515 New Construction Funds

For fiscal year 2002 the Administrator has determined that it would not be practical to allocate funds to States because of funding limitations; therefore, section 515 new construction funds will be distributed to States based on a National competition, as follows:

1. States will accept, review, score, and rank requests in accordance with 7 CFR part 1944, subpart E. The scoring factors are:

(a) The presence and extent of leveraged assistance for the units that will serve RHS income-eligible tenants at basic rents comparable to those if RHS provided full financing, computed as a percentage of the RHS total development cost (TDC). RHS TDC excludes non-RHS eligible costs such as a developer's fee. The required applicant contribution is not considered leveraged assistance. Leveraged assistance includes loans and grants from other sources, contributions from the applicant above the required contribution indicated by the Sources and Uses Comprehensive Evaluation (available from the Rural Development State Office) and tax abatements or other savings in operating costs provided that, at the end of the abatement period when the benefit is no longer available, the basic rents are comparable to or lower than the basic rents if RHS provided full financing. Loan proposals that include secondary funds from other sources that have been requested but have not yet been committed will be processed as follows: The proposal will be scored based on the requested funds, provided (1) the applicant includes evidence of a filed application for the funds; and (2) the funding date of the requested funds will permit processing of the loan request in the current funding cycle, or, if the applicant does not receive the requested funds, will permit processing of the next highest ranked proposal in the current year. Points will be awarded in accordance with the following table. (0 to 20 points)

Percentage of leveraging	Points
75 or more	20
70-74	19
65-69	18
60-64	17
55-59	16
50-54	15
45-49	14
40-44	13
35-39	12
30-34	11
25-29	10
20-24	9
15-19	8
10-14	7
5-9	6
0-4	0

(b) The units to be developed are in a colonia, tribal land, EZ, EC, or REAP community, or in a place identified in the State Consolidated Plan or State Needs Assessment as a high need community for multifamily housing. (20 points)

(c) In states where RHS has an ongoing formal working relationship, agreement, or Memorandum of Understanding (MOU) with the State to provide State resources (State funds, State RA, HOME funds, CDBG funds, or Low-Income Housing Tax Credits) for RHS proposals; or where the State provides preference or points to RHS proposals in awarding such State resources, 20 points will be provided to loan requests that include such State resources in an amount equal to at least 5 percent of the total development cost. Native American Housing and Self Determination Act (NAHASDA) funds may be considered a State Resource if the Tribal Plan for NAHASDA funds contains provisions for partnering with RHS for multifamily housing. (National office initiative)

(d) The loan request includes donated land meeting the provisions of 7 CFR 1944.215(r)(4). (5 points)

2. The National office will rank all requests nationwide and distribute funds to States in rank order, within funding and RA limits. If insufficient funds or RA remain for the next ranked proposal, the Agency will select the next ranked proposal that falls within the remaining levels. Point score ties will be handled as follows: The highest ranked same-pointed proposal from each State will be selected, followed by the second highest ranked proposal, and so on, until funds are exhausted. If there are insufficient funds to select the highest ranked proposal from each State, selection will be made by lottery.

#### D. Applications That Do Not Require New Construction Rental Assistance (RA)

For fiscal year 2002 limited new construction RA is available. Therefore, the Agency is inviting applications to develop units in markets that do not require RA. The market study for non-RA proposals must clearly demonstrate a need and demand for the units by prospective tenants at income levels that can support the proposed rents without tenant subsidies. The proposed units must offer amenities that are typical for the market area at rents that are comparable to conventional rents in the market for similar units.

#### E. Set-asides

Loan requests will be accepted for the following set-asides:

1. Nonprofit set-aside. An amount of \$10,266,209 has been set aside for nonprofit applicants. All loan proposals must be in designated places in accordance with 7 CFR part 1944, subpart E. A State or jurisdiction may receive one proposal from this set-aside, which cannot exceed \$1 million. A State could get additional funds from this set-aside if any funds remain after funding one proposal from each participating State. If there are insufficient funds to fund one loan request from each participating State, selection will be made by point score. If there are any funds remaining, they will revert to the National office reserve. Funds from this set-aside will be available only to nonprofit entities, which may include a partnership that has as its general partner a nonprofit entity or the nonprofit entity's for-profit subsidiary which will be receiving low-income housing tax credits authorized under section 42 of the Internal Revenue Code of 1986. To be eligible for this set-aside, the nonprofit entity must be an organization that:

- (a) Will own an interest in the project to be financed and will materially participate in the development and the operations of the project;

- (b) Is a private organization that has nonprofit, tax exempt status under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code of 1986;

- (c) Has among its purposes the planning, development, or management of low-income housing or community development projects; and

- (d) Is not affiliated with or controlled by a for-profit organization.

2. Underserved counties and colonias set-aside. An amount of \$5,703,450 has been set aside for loan requests to develop units in the 100 most needy underserved counties or colonias as

defined in section 509(f) of the Housing Act of 1949.

3. EZ, EC, and REAP set-aside. An amount of \$14,814,839 has been set aside to develop units in EZ, EC, or REAP communities. Loan requests that are eligible for this set-aside may also be eligible for regular section 515 funds as a high-need community. The state must indicate on the list submitted to the National office if the request is eligible for the EZ, EC, and REAP set-aside and regular section 515 funds. If requests for this set-aside exceed available funds, selection will be made by point score.

#### II. Funding Limits

- A. Individual loan requests may not exceed \$1 million. This applies to regular section 515 funds and set-aside funds. The Administrator may make an exception to this limit in cases where a State's average total development costs exceed the National average by 50 percent or more.

- B. No State may receive more than \$2.5 million, including set-asides funds.

#### III. Rental Assistance (RA)

New construction RA will be held in the National office for use with section 515 Rural Rental Housing loans. RA may be requested by applicants, except for non-RA requests in accordance with section I.D. above.

#### IV. Application Process

All applications for section 515 new construction funds must be filed with the appropriate Rural Development State office and must meet the requirements of 7 CFR part 1944, subpart E and section V of this NOFA. Incomplete applications will not be reviewed and will be returned to the applicant. No application will be accepted after 5:00 p.m., local time, on the application deadline previously mentioned unless that date and time is extended by a Notice published in the **Federal Register**.

#### V. Application Submission Requirements

- A. Each application shall include all of the information, materials, forms and exhibits required by 7 CFR part 1944, subpart E as well as comply with the provisions of this NOFA. Applicants are encouraged, but not required, to include a checklist and to have their applications indexed and tabbed to facilitate the review process. The Rural Development State office will base its determination of completeness of the application and the eligibility of each applicant on the information provided in the application.

B. Applicants are advised to contact the Rural Development State office serving the place in which they desire to submit an application for the following:

1. Application information and
2. List of designated places for which applications for new section 515 facilities may be submitted.

#### VI. Areas of Special Emphasis or Consideration

- A. The selection criteria contained in 7 CFR part 1944, subpart E includes two optional criteria, one set by the National Office and one by the State office. This fiscal year, the National Office initiative will be used in the selection criteria as follows: In states where RHS has an ongoing formal working relationship, agreement, or Memorandum of Understanding (MOU) with the State to provide State resources (State funds, State RA, HOME funds, CDBG funds, or LIHTC) for RHS proposals; or where the State provides preference or points to RHS proposals in awarding these State Resources, 20 points will be provided to loan requests that include such State resources in an amount equal to at least 5 percent of the total development cost. Native American Housing and Self Determination Act (NAHASDA) funds may be considered a State Resource if the Tribal Plan for NAHASDA funds contains provisions for partnering with RHS for multifamily housing. No State selection criteria will be used this fiscal year.

- B. \$10,266,209 is available nationwide in a set-aside for eligible nonprofit organizations as defined in 42 U.S.C. 1485(w).

- C. \$5,703,450 is available nationwide in a set-aside for the 100 most Underserved Counties and Colonias.

- D. \$14,814,839 is available nationwide in a set-aside for EZ, EC, and REAP communities.

- E. \$1,500,000 is available nationwide in a reserve for States with viable State Rental Assistance (RA) programs. In order to participate, States are to submit specific written information about the State RA program, i.e., a memorandum of understanding, documentation from the provider, etc., to the National Office.

Dated: February 15, 2002.

**James C. Alsop,**

*Acting Administrator, Rural Housing Service.*  
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