

Project Review Panel Protocol

Revised: April 9, 2003

In furthering its cost control and streamlining efforts, HUD's Office of Public Housing Investments (OPHI) has established a Project Review Panel with the purpose of reviewing Term Sheets submitted by PHAs for each mixed-finance transaction. The Project Review Panel, similar to a bank loan committee, is a sitting body that meets regularly to perform timely review of mixed-finance projects. To facilitate the review and approval process, HUD has developed a Term Sheet¹ for PHAs to complete and submit to HUD for each mixed-finance transaction. The Term Sheet includes a description of the program and specific business terms and is the basis of the Mixed-Finance Proposal. **The Term Sheet plus additional submissions covering the areas specified by the regulations at 24 CFR 941.606 (the Expanded Rental Term Sheet) constitutes the Mixed-Finance Proposal.**

Any PHA that has not submitted a Mixed-Finance Proposal prior to September 26, 2001 must submit a Term Sheet to HUD for review and approval by the Project Review Panel. The PHA shall submit the Term Sheet as soon as the basis for the mixed-finance deal is established. The goal in creating the Term Sheet and Review Panel is to:

- Streamline the proposal approval process by enabling PHAs to get quick and final approval of negotiated terms as early in the development process as possible;
- Give all parties – PHAs, developers, and HUD – an increased sense of certainty as they prepare for closing;
- Provide consistency in the mixed-finance development program; and
- Provide an outline for preparing portions of a mixed-finance proposal.

This document provides a basic overview of the protocol for the Project Review Panel and the Panel's process for reviewing the Term Sheet.

Form of Submission

- The Term Sheet format consists of a narrative plus required attachments.
- All information to be considered by the Panel must be on the Term Sheet template developed by HUD. This template is available to PHAs electronically at <http://www.hud.gov/hopevi>.

¹The Term Sheet that has been developed is limited to rental transactions. A separate term sheet will be developed for homeownership transactions.

Panel Staffing and Scheduling

- Project Review Panel core membership consists of four OPHI senior management staff.
- Team leaders will also sit on the Panel when a member of their team is presenting.
- For those transactions that impact programs administered by other HUD offices (e.g., FHA, Fair Housing, etc.), the Project Review Panel may request a member of that office attend the Project Review Panel meeting to participate in the discussion of that transaction.
- In order for the Panel to meet, two of the core members must be present, and one of those present must be the Deputy Assistant Secretary for OPHI or the Director of the Office of Urban Revitalization.
- The Panel meets as needed. The Panel will meet within two weeks of receipt of an acceptable Term Sheet.
- Panel meetings are closed to the public. Only HUD staff will sit on the Panel.

Roles and Responsibilities

- The Grant Manager is responsible for receiving the Term Sheet from the PHA, reviewing all information to ensure completeness and consistency, and placing the discussion of the Term Sheet on the Panel's calendar.
- After reviewing the materials, the Grant Manager will discuss with the PHA any issues that the Grant Manager has with the Term Sheet. Where the Grant Manager and the PHA differ on deal points in the Term Sheet, the PHA shall discuss its rationale with the Grant Manager so that the Grant Manager can explain the PHA's position to the Panel.
- During the Panel meeting, the Grant Manager is responsible for outlining the transaction, presenting the Term Sheet, and articulating the PHA's position and his/her own position where there is a difference. Panel members may question the Grant Manager on the reasoning behind the PHA's Term Sheet and ask for his/her opinion on various points. The Grant Manager, while not a Panel member, will be present for the entire meeting and may participate in the discussion.
- The Project Review Panel will approve, with or without modifications, the Term Sheet. A decision will be made on each Term Sheet at the meeting in which it is first presented.
- For those points on which the Panel has insufficient information to make a decision, the Panel may request additional information of the PHA and defer the decision on that point until the information is submitted. The decision to defer the decision on a single point will not prevent the Panel from deciding on the remaining points.
- If the terms change subsequent to Panel review and approval, the PHA must submit a revised Term Sheet to the Grant Manager and, if necessary, to the Panel for approval prior to closing.

Timeline for Term Sheet Submission, Review, and Approval

- PHAs should submit the Term Sheet to the Grant Manager as early in the process as is possible. Ideally, the Term Sheet should be submitted soon after the PHA executes its Pre-Development or Development Agreement.
- For non-HOPE VI mixed-finance projects, the PHA must submit the Term Sheet as early as possible, but not later than 4 months prior to closing.
- The Grant Manager will have **14 calendar days** from receipt of the Term Sheet to review it for completeness and to provide comments to the PHA.
- Within **14 calendar days** of determination by the Grant Manager that the Term Sheet is complete, the Project Review Panel will meet to discuss the Term Sheet.
- Within **2 working days** of the Panel's meeting, the Grant Manager will call the PHA to inform it of the Panel's decisions. Subsequently, an email from the Grant Manager will be sent to the PHA within **7 calendar days** of the Panel's meeting to document the decision formally. If additional information is requested, the PHA must provide it in a timely fashion.
- PHAs who subsequently choose to appeal the Panel decision must do so within **14 calendar days** of the date of the email from the Grant Manager. Appeals must be submitted in writing to the Deputy Assistant Secretary of OPHI with a copy to the Grant Manager. Copies of the written appeal will be presented by the Grant Manager and shared in full with the Panel for discussion. Appeals will not take precedence over other Panel business.

Timeline for Mixed-Finance Proposal

- The Term Sheet plus additional submissions covering the areas specified by the regulations at 24 CFR 941.606 (the Expanded Rental Term Sheet) constitutes the Mixed-Finance Proposal.²
- The Term Sheet and the additional submissions must be submitted **at least 90 days** prior to closing.
- Final evidentiary materials must be submitted at least 45 days prior to closing.

² For further information on preparing a mixed-finance proposal, refer to the Mixed-Finance Guidebook (December 1998), Chapter 6, and see OPHI's mixed-finance web page at <http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/>.

- The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
1. Activities		
a) Identification of Participating Parties	Term Sheet	24 CFR 941.606(a)
b) Description of Activities	Term Sheet	24 CFR 941.606(a)
c) Legal and Business Relationships	Term Sheet	24 CFR 941.606(a)
2. Financing		
a) Sources and Uses	Term Sheet	24 CFR 941.606(b)
b) Ten Year Operating Pro Forma	Additional Submissions	24 CFR 941.606(b)
c) Documents Relating to Financing	Additional Submissions	24 CFR 941.606(b)
d) Draw Schedule	Additional Submissions	24 CFR 941.606(b)
3. Operating Subsidy Methodology	Term Sheet	24 CFR 941.606(c)
4. Development Description		
a) Number and Type of Public Housing Units w/ Bedroom Count	Term Sheet	24 CFR 941.606(d)
b) Number and Type of Non-Public Housing Units w/ Bedroom Count	Term Sheet	24 CFR 941.606(d)
c) Schematic Drawings	Additional Submissions	24 CFR 941.606(d)
d) Building Designs	Additional Submissions	24 CFR 941.606(d)
e) Outline Specifications	Additional Submissions	24 CFR 941.606(d)
f) Plans for Non-Dwelling Space	Additional Submissions	24 CFR 941.606(d)
5. Site Information	Additional Submissions	24 CFR 941.606(e)
6. Market Study	Additional Submissions	24 CFR 941.606(f)
7. Development Construction Cost Estimate and Development Schedule	Additional Submissions	24 CFR 941.606(g)
8. Adequate Facilities		
a) Statement Addressing Adequacy of Existing Facilities and Services	Additional Submissions	24 CFR 941.606(h)

<p>9. <i>Relocation Plan (or copy of HUD Approval letter) or Relocation Plan Certification for FY02 HOPE VI Grantees</i></p> <p>a) List of Those to be Displaced</p> <p>b) Plan for Distribution of Notices</p> <p>c) Sources and Uses of Relocation Benefits</p>	<p>Additional Submissions</p> <p>Additional Submissions</p> <p>Additional Submissions</p>	<p>24 CFR 941.606(i)</p> <p>24 CFR 941.606(i)</p> <p>24 CFR 941.606(i)</p>
<p>10. <i>Operating Feasibility</i></p>	<p>Ten-Year Operating Pro Forma</p>	<p>24 CFR 941.606(j)</p>
<p>11. <i>Cost Comparison of New Construction</i></p>	<p>Additional Submissions</p>	<p>24 CFR 941.606(m)</p>
<p>12. <i>Certifications and Assurances</i></p> <p>a) PHA has Legal Authority to Develop Public Housing</p> <p>b) Procurement Done in Open/Competitive Process w/ No Conflict of Interest</p> <p>c) Contractors will Comply with Procurement and Conflict of Interest Requirements</p> <p>d) Identity of Interest and Public Request for Bids</p> <p>e) Public Housing Units will be Operated in Accordance with Public Housing Requirements</p> <p>f) Public Housing Units will Remain Available for Use by Low-Income Families</p>	<p>Additional Submissions</p> <p>Additional Submissions</p> <p>Additional Submissions</p> <p>Additional Submissions</p> <p>Additional Submissions</p> <p>Additional Submissions</p>	<p>24 CFR 941.606(n)(1)(i)</p> <p>24 CFR 941.606(n)(1)(ii)</p> <p>24 CFR 941.606(n)(1)(ii)(A)</p> <p>24 CFR 941.606(n)(1)(ii)(B)</p> <p>24 CFR 941.606(n)(1)(iii)</p> <p>24 CFR 941.606(n)(1)(iii)</p>