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, Roger Hazuka or Pam Reilly.
Tennessee State Office, Suite 300, 3322 West End Avenue, Nashville, TN 37203–1084, (615) 783–1375, TDD (615) 783–1397, Don Harris.
Texas State Office, Federal Building, Suite 102, 101 South Main, Temple, TX 76501, (254) 742–9765, TDD (254) 742–9712, Scooter Brockette.
Utah State Office, Wallace F. Bennett Federal Building, 125 S. State Street, Room 4311, Salt Lake City, UT 84147–0350, (801) 524–4325, TDD (801) 524–3309, Janice Kocher.
Vermont State Office, City Center, 3rd Floor, 89 Main Street, Montpelier, VT 05602, (802) 828–6021, TDD (802) 223–6365, Heidi Setien.
Virgin Islands, Served by Florida State Office.
Virginia State Office, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287–1596, TDD (804) 287–1753, CJ Michels.
Washington State Office, 1835 Black Lake Blvd., Suite B, Olympia, WA 98512, (360) 704–7706, TDD (360) 704–7760, Bill Kirkwood.
Western Pacific Territories, Served by Hawaii State Office.
West Virginia State Office, Federal Building, 75 High Street, Room 320, Morgantown, WV 26505–7500, (304) 284–4872, TDD (304) 284–4836, David Cain.
Wisconsin State Office, 4949 Kirschling Court, Stevens Point, WI 54481, (715) 345–7676, TDD (715) 345–7614, Cheryl Halverson.
Wyoming State Office, PO Box 11005, Casper, WY 82602, (307) 233–6716, TDD (307) 233–6733, Timothy Brooks.

VIII. Non-Discrimination Statement

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720–2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250–9410, or call (800) 795–3272 (voice) or (202) 720–6382 (TDD). USDA is an equal opportunity provider and employer.

Dated: June 30, 2011.

Tammye Treviño,

Administrator, Rural Housing Service.

[FR Doc. 2011–17110 Filed 7–6–11; 8:45 am]

BILLING CODE 3410–XV–P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funding Availability: Sections 514, 515 and 516 Multi-Family Housing Revitalization Demonstration Program for Fiscal Year 2011

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: United States Department of Agriculture (USDA) Rural Development (Agency), which administers the programs of the Rural Housing Service (RHS), announces the timeframe to submit applications to participate in a demonstration program to preserve and revitalize existing Multi-Family Housing (MFH) projects financed by Rural Development under Section 515, Section 514 and Section 516 of the Housing Act of 1949, as amended. The intended effect is to restructure selected existing Section 515 Rural Rental Housing (RRH) loans and Section 514/516 Off-Farm Labor Housing loans (FLH) and to provide grants for the purpose of ensuring that sufficient resources are available to preserve the rental projects for the purpose of providing safe and affordable housing for very low-, low-, or moderate-income residents. Expectations are that properties participating in this program will be revitalized and the affordable use will be extended without displacing tenants because of increased rents. No additional Agency Rental Assistance (RA) units will be made available under this program.

DATES: The deadline for receipt of all pre-applications in response to this Notice is 5 p.m., Eastern Time, August 22, 2011. The pre-application closing deadline is firm as to date and hour. The Agency will not consider any pre-applications that are received after the closing deadline. Applicants intending to mail pre-applications must allow sufficient time to permit delivery on or before the closing deadline. Acceptance by a post office or private mailer does not constitute delivery. Facsimile (FAX) and postage-due pre-applications will not be accepted.

FOR FURTHER INFORMATION CONTACT: Cynthia L. Johnson, *cynthial.johnson@wdc.usda.gov,* (202) 720–1940, Finance and Loan Analyst, Multi-Family Housing Preservation and Direct Loan Division, STOP 0782, (Room 1263–S), U.S. Department of Agriculture, Rural Housing Service, 1400 Independence Avenue, SW., Washington, DC 20250–0782. All hard copy pre-applications and required documents (attachments) must be submitted to this address. (Please note this telephone number is not a toll-free number.)

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The information collection requirements contained in this Notice have received approval from the Office of Management and Budget (OMB) under Control Number 0570–0190.

Overview

Announcement Type: Inviting applications from eligible applicants for 2011 funding.

Catalog of Federal Domestic Assistance Number (CFDA): 10.447.

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2011 (Pub. L. 111–80) October 16, 2009, authorized the Agency to conduct a demonstration program for the preservation and revitalization of the Section 515 RRH portfolio and Section 514/516 FLH portfolio. The Department of Defense and Full Year Continuing Appropriations Act, 2011 (Pub. L. 112–10) April 15, 2011, continues the Agency's authority and provides funding for this demonstration program until expended. Sections 514, 515 and 516 MFH programs are authorized by the Housing Act of 1949, as amended (42 U.S.C. Sections 1484, 1485, 1486) and provide Rural Development with the authority to make loans for low-income MFH and FLH and related facilities. All funding for MPR are subject to the availability of funds for this purpose.

I. Funding Opportunities Description

This Notice solicits pre-applications from eligible borrowers/applicants to restructure existing MFH properties within the Agency's Section 515 MFH portfolio and Section 514/516 FLH portfolio for the purpose of revitalization and preservation. The demonstration program shall be referred to in this Notice as the Multi-Family Housing Revitalization Demonstration program (MPR). Agency regulations for the Section 515 MFH program and for Section 514/516 FLH program are published at 7 CFR Part 3560.

Applications which were selected for further processing under previous Notices (Fiscal Years 2007–2009), must be submitted to the Multi-Family Housing Preservation and Direct Loan Division (MPDL) for approval by the Loan Review Committee (LRC), prior to August 31, 2011. Previous applications which are submitted prior to August 31, 2011, to MPDL will be funded on a first-come-first-served basis based on the date submitted to MPDL and do not have to be rescored under this Notice. The Agency will not maintain nor fund applications for FY 2007–2009 that have not been submitted to MPDL prior to August 31, 2011, but applicants may reapply under future Notices. After August 31, 2011, applicants will then be selected for funding from the FY 2011 NOFA pursuant to this Notice. All funding for MPR transactions are subject to the availability of funds for this purpose.

The MPR's intent is to ensure that existing rental projects will continue to deliver decent, safe and sanitary affordable rental housing for 20 years or the remaining term of any Agency loan whichever ends later. Once an applicant has been confirmed eligible and the project has been selected by the Agency in the process described in this Notice and the applicant agrees to participate in the MPR demonstration program by written notification to the Agency, an independent third-party Capital Needs Assessment (CNA) will be conducted to provide a fair and objective review of projected capital needs. The Agency shall implement this Notice through an MPR Conditional Commitment (MPRCC) Letter of Conditions with the eligible borrower, which will include all the terms and conditions under this Notice.

The primary restructuring tool to be used in this program is debt deferral for up to 20 years of the existing Section 514 and 515 loans obligated prior to October 1, 1991. The cash flow from the deferred payment will be deposited, as directed by the Agency, to the reserve account to help meet the future physical needs of the property or to reduce rents. Debt deferral is described as follows:

Debt Deferral: A deferral of the existing Agency debt for the lesser of the remaining term of the loan or 20 years. All terms and conditions of the deferral will be described in the MPR Debt Deferral Agreement. A balloon payment of principal and accrued interest will be due at the end of the deferral period. Interest will accrue at the promissory note rate and subsidy will be applied as set out in the Agency's Interest Credit Agreement. Interest will not be charged on the deferred interest.

If the resulting cash flow is not adequate to address the long-term needs of the project, the Agency may use the following sources of funds:

(1) Other Agency restructuring tools as follows:

(i) *MPR Revitalization Grant:* A revitalization grant (for non-profit applicants/borrowers only) is limited to the cost of correcting health and safety violations as identified by the CNA. The grant administration will be in accordance with applicable provisions of 7 CFR Parts 3015 or 3019, as applicable.

(ii) *MPR Revitalization Zero Percent Loan:* A revitalization loan at zero percent interest that will have a term of 30 years and be amortized over 50 years.

(iii) *MPR Soft-Second Loan:* A loan with a 1 percent interest rate that will have its accrued interest and principal deferred, to a balloon payment, due at the time the latest maturing Section 514 or Section 515 loan already in place at the time of closing becomes due. The term of the soft-second loan will not be timed to match the term of any new Section 515 loan added during the transaction. New Section 515 loans can be made; however, the applicant will have to go through the regular Section 515 application process.

(iv) *Increased Return to Owner (RTO) for Stay-in-Owners:* Stay-in-owners, namely existing borrowers who will retain their property and contribute cash to fund any hard costs of construction to meet immediate needs identified by the CNA, may receive a Return on Investment (ROI) on those funds provided the Agency determines an increased ROI is financially feasible, and the Agency approves such a return in the revitalization plan. The Agency also may offer that the RTO be included in a ''cash flow split'' agreement as outlined in a MPRCC/Letter of Conditions. The cash flow split will allow up to 50 percent of excess cash, generated by the owner's fiscal year end, to be split equally between paying down any outstanding deferred Agency loan balances, and 50 percent to be returned to the borrower as an increased RTO, subject to the provisions of 7 CFR 3560.68.

MPR funds cannot be used to add new units, community rooms, playgrounds, and/or laundry rooms; however, other funding sources as outlined below in (2) through (6) can be used either for revitalization or for improvements listed above to the projects.

(2) Rural Development Section 515 Rehabilitation loan funds;

(3) Rural Development Section 514/516 off-farm rehabilitation loan and grant funds;

(4) Rural Development Section 538 Guaranteed Rural Rental Housing Program financing;

(5) Rural Development Multi-Family Housing Re-lending Demonstration Program Funds;

(6) Third-party loans with below market rates (below the Applicable Federal Rate (AFR)), grants, tax credits, and tax-exempt financing; and

(7) Owner-provided capital contributions in the form of a cash infusion. A cash infusion is not a loan.

Transfers, subordinations, and consolidations may be approved as part of a MPR transaction in accordance with 7 CFR Part 3560. If a transfer is part of the MPR transaction, the transfer must meet the requirements of 7 CFR 3560.406 before the MPR transaction is processed.

For the purposes of the MPR, the restructuring transactions will be identified in three categories: (Applicants may only apply under one category.)

(1) Simple transactions that involve no change in ownership.

(2) Complex transactions which consist of a property transfer to new ownership processed in accordance with 7 CFR 3560.406 or transactions requiring a subordination agreement as a result of third-party funds.

(3) Portfolio transactions that are defined as multiple project sale transactions with a common purchaser or multiple MPR transactions with one stay-in owner all within one State closed on or after September 30, 2010. The common purchaser or stay-in owner must have at least one general partner in common. If the owner chooses to remove one or more properties, at least two properties must remain in order to be deemed a portfolio transaction.

Each transactional category may utilize any or all restructuring tools. MPR Restructuring tools that may be available to address capital needs are based on the CNA process and the underwriting feasibility determination.

While all non-deferred Agency debt, either in first lien position or a subordinated lien position must be secured within market value, deferred debt may exceed the market value of the security. Payment of such deferred debt will not be required from normal project operation income, but from excess cash from project operations and the value of the property after all other secured debts are satisfied.

The following lays out the general steps of the MPR application process:

(1) *Pre-application:* Applicants must submit a pre-application described in Section VI. This pre-application process is designed to lessen the cost burden on all applicants including those who may not meet eligibility requirements or whose proposals may not be feasible. Applicants are encouraged, but not required, to provide an electronic copy of all hard copy forms and documents submitted in the pre-application/application package as requested by this Notice. The forms and documents must be submitted as read-only PDF Adobe Acrobat files on an electronic media such as CDs, DVDs or USB drives. For each electronic device that you submit, you must include a Table of Contents of all documents and forms on that device. The electronic medium must be submitted to the local State Office.

Note: If you receive a loan or grant award under this Notice, USDA reserves the right to post all information submitted as part of the pre-application/application package which is not protected under the Privacy Act on a public Web site with free and open access to any member of the public.

(2) *Eligible Properties:* Using criteria described below in Section III, USDA will conduct an initial screening for eligibility. As described in Section VIII, USDA will conduct additional eligibility screening later in the selection process.

(3) *Scoring and Ranking:* All eligible, complete and timely-filed pre-applications submitted this fiscal year will be scored, ranked and put in funding categories as discussed in Sections VI and VII.

(4) *Formal Applications:* Top ranked pre-applicants will receive a letter from the Agency and will be invited to submit a formal application. As discussed in Section VIII paragraph (2) of this Notice, USDA will require the owner to provide a CNA in order to determine the proper combination of tools to be offered to the applicant, to perform additional eligibility review, and to underwrite the proposal to determine financial feasibility. Where proposals are found to be ineligible or financially infeasible, owners will be informed and lower scoring applicants will be considered as set-forth in Section VIII.

(5) *Financial Feasibility:* Using the results of the CNA to help identify the need for resources and applicant-provided information regarding anticipated or available third-party financing, the Agency will determine the financial feasibility of each potential transaction, using restructuring tools available either through existing regulatory authorities or specifically authorized through this demonstration program. A project is financially feasible when a property can provide affordable, safe, decent, and sanitary housing for 20 years or the remaining term of any Agency loan whichever ends later. By using the authorities of this program while minimizing the cost to the Agency, and without increasing rents for tenants and farm laborers, except when necessary to meet normal and necessary operating expenses. If the transaction is determined financially feasible by the Agency, the borrower will be offered a restructuring proposal, which will include the requirement that the borrower will execute, for recordation, a Restrictive-Use Covenant (RUC) for a period of 20 years, the remaining term of any existing loans, or the remaining term of any existing Restrictive-Use Provisions (RUP), whichever ends later. The restructuring proposal will be established in the form of the MPRCC.

(6) *MPR Agreements:* If the offer is accepted by the applicant, the Agency and applicant will enter into a MPRCC. The applicant must also agree to restrict the property use when the MPR transaction is closed. Any third-party lender will be required to subordinate to the Agency's RUC unless the Agency determines on a case-by-case basis that the lender refuses to subordinate and such refusal will not compromise the purpose of the MPR. The Agency may also request that the applicant sign an agreement that would require the owner to escrow reserve, tax, and insurance payments in accordance with all pertinent current and future Agency regulations. In addition, the Agency may also request that the applicant agree to accept future rent increases based on an Annual Adjustment Factor (AAF). The AAF allows rents to be adjusted by the annual inflation factor as determined by the United States Office of Management and Budget (OMB). The exact AAF will be established in the MPR Agreement.

(7) *General Requirements:* The MPR transactions may be conducted with a stay-in owner (simple or portfolio) or may involve a change in ownership (complex or portfolio). Any housing or related facilities that are constructed or repaired must meet the Agency design and construction standards and the development standards contained in 7 CFR Part 1924, subparts A and C, respectively. Once constructed, Section 515 MFH and Section 514/516 FLH must be managed in accordance with 7 CFR Part 3560. Tenant eligibility will be limited to persons who qualify as an eligible household under Agency regulations or who are eligible under the requirements established to qualify for housing benefits provided by sources other than the Agency, such as the U.S. Department of Housing and Urban Development (HUD) Section 8 assistance or Low Income Housing Tax Credits (LIHTC) assistance. Additional tenant eligibility requirements are contained in 7 CFR 3560.152.

(8) *Voluntary ''community market rent'' Demonstration* (available for Section 515 properties only): In conjunction with this demonstration, Rural Development announces the opportunity for all successful Section 515 applicants to participate on a voluntary basis in a viability test of a 30 percent limitation on tenant rents, for post-restructured properties. Owners of properties in the Section 515 restructuring program may elect to participate in the ''community market rent'' demonstration which will allow an owner to set a rent above the approved basic rent for any unit not currently occupied by a tenant receiving Agency RA.

Eligible tenants for these units must have adjusted annual incomes sufficient to allow them to pay the ''community market rent'' using less than 30 percent of their adjusted income. Tenants would be allowed to occupy without paying overage, additional sums that would otherwise be required to bring their rent payment up to 30 percent of income. With the Agency's consent, up to 50 percent of the difference between the basic rent and the new ''community market rent'' could be retained by the owner as an increased return.

For example, if the basic rent is $350, the owner could create a ''community market rent'' at $410, and market the unit to tenants who could pay that rent at less than 30 percent of adjusted income. A percentage of the difference, $60 could be retained by the owner, as negotiated with Rural Development, up to $30.

Prior to implementation of the ''community market rent'' demonstrations, the Agency will issue guidance to successful applicants who have indicated an interest in participating in the demonstration providing further details with respect to the program.

II. Award Information

The Department of Defense and Full Year Continuing Appropriations Act, 2011 (Pub. L. 112–20), April 15, 2011, appropriated $14,970,000 in new budget authority, to the Agency for the MPR Demonstration Program. For FY 2011, up to $51,335,131.69 in Section 515 loan funds may be made available thru this NOFA.

All funding must be obligated, by the Agency, not later than September 30, 2011.

III. Eligibility Information

Applicants (and the principals associated with each applicant) must meet the following requirements:

(1) Eligibility under 7 CFR 3560.55; however, the requirements described in 7 CFR 3560.55(a)(5) pertaining to required borrower contributions and 7 CFR 3560.55(a)(6) pertaining to required contributions of initial operating capital are waived for all MPR proposals.

(2) For Section 515 MFH projects where the average physical vacancy rate over the 12 months preceding the filing of the pre-application will be no more than 10 percent for projects of 16 units or more and no more than 15 percent for projects under 16 units unless an exception applies under Section VI paragraph (2) (ii) of this Notice. If a project consolidation is involved, the consolidation will remain eligible so long as the average vacancy rate for all the projects involved meets the occupancy standard of this paragraph. Property(s) that do not meet the consolidation threshold may be withdrawn by the owner from the application process without jeopardizing the entire deal.

(3) For Sections 514 and 516 FLH projects, the property must have positive cash flow for the previous full three years of operation unless an exception applies under Section VI paragraph (2) (ii) of this Notice.

(4) Ownership of, and ability to operate, the facility after the transaction is completed. In the event of a transfer, the proposed transferee with an executed purchase agreement or other evidence of site control will be the applicant. Purchase agreements that have not been executed *Will Not* be accepted.

(5) A CNA and Agency financial evaluation must be conducted to ensure that utilization of the restructuring tools of the MPR program is financially feasible and necessary for the revitalization and preservation of the property as affordable housing. Initial eligibility for processing will be determined as of the date of the pre-application filing deadline. The Agency reserves the right to discontinue processing any application due to material changes in the applicant's status occurring at any time after the initial eligibility determination.

(6) Please note that all grant applicants must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and register in the Central Contractor Registration (CCR) prior to submitting a pre-application pursuant to 2 CFR 25.200(b). In addition, an entity applicant must maintain registration in the CCR database at all times during which it has an active Federal award or an application or plan under construction by the Agency. Similarly, all recipients of Federal Financial Assistance are required to report information about first-tier sub-awards and executive compensation, in accordance with 2 CFR Part 17 a. So long as an entity applicant does not have an exception under 2 CFR 170.110(b), the applicant must have the necessary processes and systems in place to comply with the reporting requirements should the applicant receive funding. *See* 2 CFR 170.200(b).

IV. Equal Opportunity and Nondiscrimination Requirements

USDA is an equal opportunity provider, employer, and lender.

(1) Borrowers and applicants will comply with the provisions of 7 CFR 3560.2.

(2) All housing must meet the accessibility requirements found at 7 CFR 3560.60 (d).

(3) All MPR participants must submit or have on file a valid Form RD 400–1, ''*Equal Opportunity Agreement''* and Form RD 400–4, ''*Assurance Agreement.''*

USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, sex, marital status, familial status, religion, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720–2600 (Voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, SW., Washington, DC 20250–9410, or call (800) 795–3272 (Voice) or (202) 720–6382 (TDD).

The policies and regulations contained in 7 CFR Part 1901, subpart E, apply to this program.

This **Federal Register** Notice pertains to announcing the availability of funds and the timeframe for submitting applications to participate in a demonstration program to preserve and revitalize existing rural rental housing projects financed by Rural Development under Section 515, Section 514, and Section 516 of the Housing Act of 1949, as amended. This Notice does not have an adverse impact on minority/low-income populations.

V. Authorities Available for MPR

MPR tools will be used in accordance with 7 CFR Part 3560 and its associated handbooks (available in any Rural Development office or at *http://www.rurdev.usda.gov/handbooks.html*). The program will be administered within the resources available to the Agency through Public Law 112–10 for the preservation and revitalization of Section 514/516 off-farm and Section 515 financed properties. In the event that any provisions of 7 CFR Part 3560 conflict with this demonstration program, the provisions of the MPR will take precedence.

VI. Application and Submission Information

Application Submission Information. Pre-applications can be submitted either electronically or in hard copy using the MPR pre-application form. The form to be used for the pre-application is attached at the end of this Notice and available at any State Office. A link to the electronic version of this form may be found on the Internet at the MPR homepage *http://www.rurdev.usda.gov/rhs/mfh/MPR/MPRHome.htm.* Applicants are strongly encouraged, but not required, to submit the pre-application electronically. The Agency will record pre-applications received electronically by the actual date and time received in the MPR Web site mail box. Hard copy pre-applications received on or before the deadline date will receive the close of business time of the day received as the receipt time. Hard copy pre-applications must be mailed in time to meet the submission deadline of 5 p.m., Eastern Time, August 22, 2011. Assistance for filing electronic and hard copy pre-applications can be obtained from any Rural Development State Office. For assistance in attaching files to e-mails for electronic submission, please contact Cynthia L. Johnson at (202) 720–1940 or e-mail at *cynthial.johnson@wdc.usda.gov* or Anita Kapoor at (202) 690–1337 or e-mail at *anita.kapoor@wdc.usda.gov.* Sufficient time must be allowed to ensure the MPR pre-application arrives either electronically or by mail *Before* the submission deadline.

Note: For electronic submissions, there is a time delay between the time the pre-application is sent and the time it is received by the Agency, depending on network traffic. As a result, last-minute submissions sent before the deadline date and time could well be received after the deadline date and time because of the increased network traffic. Applicants are reminded that all submissions received after the deadline date and time will be rejected, regardless of when they were sent. An auto-reply acknowledgement will be sent when the application is received electronically via e-mail; unless you have software blocking the receipt of the auto-reply e-mail.

Hard copy pre-applications and additional materials should be mailed to the attention of Cynthia L. Johnson, Finance and Loan Analyst, Multi-Family Housing Preservation and Direct Loan Division, STOP 0782 (Room 1263–S), U. S. Department of Agriculture, Rural Housing Service, 1400 Independence Avenue, SW., Washington, DC 20250–0782.

The electronic pre-application is stored as an Adobe Acrobat fillable form. The form contains a button labeled ''Send Form.'' Clicking on the button will result in an e-mail with an attachment that includes the electronic pre-application form. The form will be sent via e-mail to the Multi-Family Housing Preservation and Direct Loan Division in Washington, DC for consideration. Please click this button only once, as multiple clicks result in multiple filings.

Note: If a purchase agreement or market survey is required, these additional documents are to be attached to the resulting e-mail prior to submission. This means all material must come to the National Office. A purchase agreement submitted to the State or Area Office and the pre-application sent electronically or via mail to the MPDL would not constitute a complete pre-application. The pre-application, purchase agreement, market survey and all associated documents required for submission under this Notice, must be received electronically or by mail, as one package, by MPDL to be considered.

Note: There is a limitation on the size of attachments that can be sent electronically. If you are not successful in submitting your attachments electronically, please submit the complete package to the National Office on an electronic device or in hardcopy form by the closing deadline of this Notice.

(2) The application submission and scoring process will be completed in two phases in order to avoid unnecessary effort and expense on the part of interested borrowers/applicants and to allow additional points for applicants that propose a transfer of a troubled project to an eligible owner.

Phase I—Pre-application Completeness. Phase I is the pre-application process. The applicant must submit a complete pre-application by the deadline date under the **DATES** section of this Notice. The applicant's submission will be classified as ''complete'' when a pre-application is received in the format and place as described in this Notice by the MPDL for each MPR proposal the applicant wishes to be considered for the demonstration. In the event the MPR proposal involves a project consolidation, the actual consolidation will be completed in accordance with 7 CFR 3560.410. One pre-application for the proposed consolidated project is required and must clearly identify each project included in the consolidation. If the MPR proposal involves a portfolio, one pre-application for each project in the portfolio is required and each pre-application must identify all projects to be purchased as part of the portfolio.

In order for the pre-application to be considered complete, all applicable information requested on the MPR Pre-application form must be included with the pre-application.

Additional information that must be provided with the pre-application, when applicable, includes:

(i) A copy of an *executed* purchase agreement if a transfer or sale is being considered must be attached and submitted to MPDL.

(ii) A current market survey (completed within the previous 12 months of the filing of an MPR application) if the project's occupancy standards cited in Section II or if the FLH project does not have a positive cash flow as cited in Section III and there is an overwhelming market demand evidenced by waiting lists and a housing shortage confirmed by local housing agencies and real estate professionals. The market survey must show a clear need and demand for the project once a restructuring transaction is completed. The results of the survey of existing and any other proposed rental or labor housing, including complex name, location, number of units, bedroom mix, family or elderly type, year built, rent charges must be provided as well as the existing vacancy rates of all available rental units in the community, their waiting lists and amenities, and the availability of RA or other subsidies. For proposals where the applicant is requesting LIHTC, the number of LIHTC units and the maximum LIHTC incomes and rents by unit size must be provided. The Rural Development State Director will determine whether or not the proposal has market feasibility based on the data provided by the applicant. Any costs associated with the completion of the market survey will *Not* be considered a project expense.

iii. Market Survey for section 515 projects that do not meet the occupancy standards of Section III, paragraph (2) & (3) of this Notice or if applicable, the requirements for the exception in Section VI, paragraph (1)(ii) of this Notice.

iv. Executed Purchase Agreement for transfer and sales to nonprofit/public housing authorities proposals.

v. Certification by the applicant to achieve participation in the Greens Community Program.

vi. Certification by the applicant to achieve participation in Local Green Energy-Efficient Building Standards.

vii. Energy Analysis of preliminary or rehabilitation building plans using industry recognized simulation software to document projected energy consumption of the building, the portion of building consumption that will be satisfied through on-site generation, and the Buildings Home Energy Rating System (HERS) score.

viii. Resumes of the designated property management companies or individuals responsible for maintenance operations that have credentials for Green Property Management.

ix. Documentation substantiating Green Energy requirements.

x. Documentation on tenant services provided.

xi. Evidence of commitment and sources of funds.

xii. Evidence of owner contribution of funds for transaction costs.

xiii. Evidence of owner contribution of funds for hard costs of construction.

Unless an exception under this section applies, the requirements stated in Section III, paragraph (2) and (3) of this Notice must be met.

Phase II—Eligibility Review. This phase of the application process will be completed by the Agency based on Agency records and the pre-application information.

All eligible, complete, and timely-filed pre-applications will then be scored and ranked based on points received during this process as part of the selection process outlined in Section VII.

Further, the Agency will categorize each MPR proposal as being potentially Simple, Complex, or Portfolio based on the information submitted on the pre-application and in accordance with the category description provided in Section I.

VII. Selection Process

Application scoring points will be based on information provided during the submission process and in Agency records. Points will be awarded as follows:

(1) *Contribution of funds from other sources.* Other funds are those discussed in items (2) through (7) of Section I ''Funding Opportunities Description.''

Points awarded are to be based on documented written evidence that the funds are committed. The maximum points awarded for this criterion is 25 points. These points will be awarded in the following manner:

(i) Evidence of a commitment of at least $3,000 to $5,000 per unit per property from other sources. 15 points.

(ii) Evidence of a commitment greater than $5,000 per unit per property from other sources. 20 points.

(iii) Evidence of a commitment greater than $5,000 per unit per property from other sources and a binding written commitment by a third party to contribute 25 percent or more of any allowable developer fee to the hard costs of construction. 25 points.

(2) *Owner contribution.* The maximum points awarded for this criterion is 15 points. These points will be awarded in the following manner:

(i) *Owner contribution sufficient to pay transaction costs.* (These funds cannot be from the project reserve account or project general operating account or in the form of a loan.) Transaction costs are defined as those costs required for completing the transaction and include, but are not limited to, the CNA, legal and closing costs, appraisal costs and filing/recording fees. The minimum contribution required to receive these points is $5,000 per project and will be required to be deposited in the property reserve account prior to closing. 5 points.

(ii) *Owner contribution for the hard costs of construction.* (These funds cannot be from the project reserve account or project general operating account or in the form of a loan.) Hard costs of construction are defined as materials, inventory, equipment, property or machinery. Hard costs are itemized on Form RD 1924-13 ''*Estimate and Certificate of Actual Cost.''* Form RD 1924-13 can be found at *http://www.rurdev.usda.gov/regs/Forms/1924–13.pdf.* The minimum contribution required to receive these points is $1,000 per unit per project which will be required to be deposited in the property reserve account prior to closing. An increased RTO may be budgeted and allowed for funds committed in accordance with 7 CFR 3560.406(d)(14)(ii). 10 points.

(3) *Age of project.* For project consolidation proposals, the project with the earliest operational date will be used in calculating the age of the project. Since the age of the project and the date that the loan was made are directly related to physical needs, a maximum of 25 points will be awarded on the following criteria:

(i) Projects with initial operational dates prior to December 21, 1979. 25 points.

(ii) Projects with initial operational dates on or after December 21, 1979, but before December 15, 1989. 20 points.

(iii) Projects with initial operational dates on or after December 15, 1989, but before October 1, 1991. 15 points.

(4) *Troubled project points.* The Agency may award up to 25 additional points to facilitate the transfer and revitalization of projects the Agency considers as troubled due to an act of nature or where physical and/or financial deterioration or management deficiencies exist. Projects with an Agency classification of ''C'' or ''D'' according to Agency HB–2–3560, Chapter 9, Paragraph 9.7 (available at *http://www.rurdev.usda.gov/regs/hblist.html*) will be considered troubled. Projects that are classified ''B'' and do not involve a transfer will also receive consideration. The Handbook definition of Agency classification takes precedence over Multifamily Housing Information System (MFIS) status. Points will be awarded in the following manner:

(i) For Stay-in Owners only: If the Agency servicing classification is ''B'' as a result of a workout plan approved by the Agency prior to January 1, 2011. 25 points.

(ii) If the Agency servicing classification is ''C'' or ''D'' for 24 months or more. 20 points.

(iii) If the Agency servicing classification is ''C'' or ''D'' for less than 24 months. 15 points.

(5) *Prior Approved CNAs.* In the interest of ensuring timely application processing and underwriting, the Agency will award up to 20 points for properties with CNAs already approved by the Agency. ''Approved'' means either after the initial CNA has been reviewed and approved or after an updated CNA has been reviewed and approved by the Agency. CNAs over 12 months old may not be used for MPR underwriting without an update approved by the Agency. Points will be awarded for:

(i) CNAs approved on or after October 1, 2009, and prior to October 1, 2010. 10 points.

(ii) CNAs approved on or after October 1, 2010, but before the publication of the Fiscal Year (FY) 2011 MPR Notice. 20 points.

(6) *Energy Conservation Energy, Generation, and Green Property Management.* Under the MPR Energy Initiatives, properties may receive a maximum of 68 points under three categories: Energy Conservation, Energy Generation, and Green Property Management.

(i) *Energy Conservation.* Maximum 48 points.

Pre-applications for rehabilitation and preservation of properties may be eligible to receive a maximum of 48 points for the following energy conservation measures.

a. Participation in the Green Communities program by the Enterprise Community Partners (*http://www.enterprisecommunity.org*) will be awarded 45 points for any project that qualifies for the program. At least 30 percent of the minimum optional points needed to qualify for the Green Communities program must be earned under the Energy Efficiency section of the Green Communities qualification program.

b. If you are not enrolling in the Green Communities program then points can be accumulated for each of the following items up to a total of 30 points. Provide documentation to substantiate your answers below:

i. This proposal includes the replacement of heating, ventilation and air conditioning (HVAC) equipment with Energy Star qualified heating, ventilation and air conditioning equipment. 4 points.

ii. This proposal includes the replacement of windows and doors with Energy Star qualified windows and doors. 4 points.

iii. This proposal includes additional attic and wall insulation that exceeds the required R-Value of these building elements for your area as per the International Energy Conservation Code 2009. Two points will be awarded if all exterior walls exceed insulation code and two points will be awarded if attic insulation exceeds code, for a maximum of 4 points.

All exterior walls exceed insulation code. 2 points.

Attic insulation exceeds code. 2 points.

iv. This proposal includes the reduction in building shell air leakage by at least 15 percent as determined by pre- and post-rehab blower door testing on a sample of units. Building shell air leakage may be reduced through materials such as caulk, spray foam, gaskets, and house-wrap. Sealing of duct work with mastic, foil-backed tape, or aerosolized duct sealants can also help reduce air leakage. 4 points.

v. This proposal includes 100 percent of installed appliances and exhaust fans that are Energy Star qualified. 3 points.

vi. This proposal includes 100 percent of installed water heaters that are Energy Star qualified. 3 points.

vii. This proposal includes replacement of 100 percent of toilets with flush capacity of more than 1.6 gallon flush capacity with new toilets having 1.6 gallon flush capacity or less, and with Environmental Protection Agency (EPA) Water Sense label. 2 points.

viii. This proposal includes 100 percent of new showerheads with EPA Water Sense label. 2 points.

ix. Does this proposal include 100 percent of new faucets with EPA Water Sense label? 2 points.

x. Does this proposal include 100 percent energy-efficient lighting including Energy Star qualified fixtures, compact fluorescent replacement bulbs in standard incandescent fixtures and Energy Star ceiling fans? 2 points.

c. Participation in local green/energy efficient building standards. Applicants who participate in a city, county or municipality program will receive an additional 3 points. The applicant should be aware that most of the requirements are embedded in the third-party programs' rating and verification systems; the applicant should look at the requirements for each program for details.

(ii) *Energy Generation.* Maximum 10 points.

Rehabilitation and Preservation projects that participate in the Green Communities program by the Enterprise Community Partners, or those projects that accumulated at least 24 points for Energy Conservation, are eligible to earn additional points for installation of on-site renewable energy sources. Renewable, on-site energy generation will complement a weathertight, well insulated building envelope with highly efficient mechanical systems. Possible renewable energy generation technologies include: Wind turbines and micro-turbines, micro-hydro power, photovoltaics (capable of producing a voltage when exposed to radiant energy, especially light), solar hot water systems, and biomass/biofuel systems that do not use fossil fuels in production. Geo-exchange systems are highly encouraged as they lessen the total demand for energy and, if supplemented with other renewable energy sources, can achieve zero energy consumption more easily. Points under this section will be awarded as follows:

a. Projects whose preliminary building plans project they will have a 10 percent to 100 percent energy generation commitment (where generation is considered to be the total amount of energy needed to be generated on-site to make the building a net-zero consumer of energy), will be awarded points corresponding to their percent of commitment as follows:

- At least 10–29 percent commitment to energy generation—2 points;
- At least 30–49 percent commitment to energy generation—4 points;
- At least 50–69 percent commitment to energy generation—6 points;
- At least 70–89 percent commitment to energy generation—8 points;
- At least 90 percent or more commitment to energy generation—10 points.

In order to receive more than 2 points for this section (Energy Generation) accurate energy analysis prepared by an engineer will need to be submitted with the pre-application. Energy analysis of preliminary building plans using industry-recognized simulation software must document the projected total energy consumption of the building, the portion of building consumption which will be satisfied through on-site generation, and the building's HERS score.

(iii). *Green Property Management Credentials.* Maximum 10 points.

Projects will be awarded an additional 10 points if the designated property management company or individuals that will assume maintenance and operations responsibilities upon completion of rehabilitation or repair have a Credential for Green Property Management. Credentialing can be obtained from the National Apartment Association (NAA), National Affordable Housing Management Association, the Institute for Real Estate Management, US Green Building Council's Leadership in Energy and Environmental Design for Operations and Maintenance (LEED OM), or another source with a certifiable credentialing program. This must be illustrated in the resume(s) of the property management team and submitted with the application.

(7) *Tenant service provision.* The Agency will award 5 points for applications that include new services provided by a non-profit organization, which may include a faith-based organization, or by a Government agency for one year; 10 points for multiple years. Such services shall be provided at no cost to the project and shall be made available to all tenants. Examples of such services are transportation for the elderly, after-school day care services or after-school tutoring. 5 or 10 Points.

(8) *Consolidation of project operations.* To encourage post-transaction operational cost savings and management efficiencies, the Agency will award 5 points for applications that include at least two and up to four properties that will consolidate project budget and management operations and 10 points for applicants that include at least five or more properties that will consolidate project budget and management operations. Consolidations must meet the requirements of 7 CFR 3560.410. 5 or 10 points.

(9) Proposed Sale to Non-profit/Public Housing Authority for properties sold to non-profit organizations under the prepayment process, as explained in 7 CFR Part 3560, subpart N. To receive points for the sale, the borrower must have an executed purchase agreement in place and submitted with the pre-application. 20 points.

Note: For projects within a portfolio transaction or group of consolidated projects within a portfolio transaction, the Agency will calculate the average score for each project and each consolidation project group within the sale or consolidation.

The Agency will total the points awarded to each pre-application received within the timeframes of this Notice and rank each pre-application according to total score. If point totals are equal, the earliest time and date the pre-application was received by the Agency will determine the ranking. In the event pre-applications are still tied, they will be further ranked by giving priority to those properties with the earliest Rural Development operational date.

Eligibility will then be confirmed on the 10 highest-scoring and complete pre-applications per State. If one or more of the 10 highest-scoring pre-applications is determined ineligible, (*i.e.* the applicant is a borrower that is not in good standing with the Agency or has been debarred or suspended by the Agency, etc.) the next highest-scoring pre-application will be confirmed for eligibility.

If one or more of the 10 highest-ranking pre-applications is a portfolio transaction, then eligibility determinations will be conducted on all of the pre-applications associated with the portfolio transaction. Should any of the pre-applications associated with the portfolio transaction be determined ineligible, the ineligible pre-application will be removed from consideration, but the overall eligibility of the portfolio transaction will not be affected as long as the requirements in Section I are met.

Once ranking has been established, the Agency will conduct a four-step process to select pre-applications for submission of formal applications. This process is needed to ensure that the Agency can process the proposed transactions within available staffing resources, develop a representative sampling of revitalization transaction types, ensure geographic distribution, and ensure an adequate pipeline of transactions to use all available funding.

Step One: The Agency will review the eligible pre-applications nationwide, identify pre-applications as either RRH or FLH projects and then as Simple, Complex, or Portfolio and separate them by State.

Step Two: The Agency will select, for further processing, the nationally top-ranked portfolio sale transactions until a total of $50,000,000 in potential debt deferral is reached. Portfolio transactions will be limited to one per State (either RRH or FLH) and will count as one MPR transaction. Portfolio sale transactions will be limited to a maximum of 10 properties.

Step Three: The highest ranked RRH complex transactions in each State will be selected for further processing, not to exceed one per State. The highest ranked FLH complex transactions in each State will be selected for further processing, not to exceed one per State.

Step Four: The highest ranked RRH simple transactions in each State will be selected for further processing, not to exceed one per State. If a FLH complex transaction has not been selected in Step Three above, one (1) additional FLH project will be selected from the highest ranked eligible pre-applications involving FLH simple transactions, in that State, until a total of three transactions per State is reached.

VIII. Processing for Selected Pre-Applications

Those proposals that are ranked and then selected for further processing will be invited to submit a formal application on SF 424, ''Application for Federal Assistance.'' Those pre-applications that are rejected by the Agency will be returned to the applicant and the applicant will be given appeal rights pursuant to 7 CFR Part 11. Those proposals that are not selected due to low scores will be retained by the Agency until all selections have been made for the MPR, unless they are withdrawn by the applicant. Once all the selections have been made the low score proposals will be notified that the application was not selected and provided with appeal rights. In the event that a pre-application is selected for further processing and the pre-applicant declines, the next highest ranked pre-application of the same transaction type in that State will be selected provided there is no change in the Phase I requirements.

If there are no other pre-applications of the same transaction type, then the next highest-ranked pre-application regardless of transaction type will be selected.

Applications (SF 424s) can be obtained in hard copy by contacting the State Office in the State where the project is located or at *http://www.grants.gov/techlib/SF424-V2.0.pdf.* The SF 424 can be submitted either electronically or in hard copy to the State Office.

If a pre-application is accepted for further processing, the applicant will be expected to submit additional information needed to demonstrate eligibility and feasibility (such as a CNA), consistent with this Notice and the appropriate sections of 7 CFR Part 3560, prior to the issuance of a restructuring offer.

Rural Development will work with pre-applicants selected for further processing in accordance with the following steps:

(1) Based on the feasibility of the type of transaction that will best suit the project and the availability of funds, further eligibility confirmation determinations will be conducted by the designated Multi-Family Housing Revitalization Coordinators assigned by each Rural Development State Director with the assistance of the Multi-Family Housing Preservation and Direct Loan Division.

(2) If one is not already available to the Agency, a CNA will be required and conducted in accordance with the requirements of 7 CFR 3560.103(c), HB–3–3560, Chapter 7, and the CNA Statement of Work together with any non-conflicting amendments (suggested formats for CNAs are available in any Rural Development State Office.) A CNA is prepared by a qualified independent contractor and is obtained to determine needed repairs and any necessary adjustments to the reserve account for long-term project viability. While the requirements of the CNA are described in the materials referenced above, at a minimum, to be considered acceptable, a CNA must include:

(i) A physical inspection of the site, architectural features, common areas and all electrical and mechanical systems;

(ii) An inspection of a sample of dwelling units;

(iii) Identify repair or replacement needs;

(iv) Provide a cost estimate of the repair and replacement expenses; and

(v) Provide at least a 20-year analysis of the timing and funding for identified needs which includes reasonable assumptions regarding inflation. The cost of the CNA will be considered a part of the project expense and may be paid from the ''project reserve'' with prior approval of the Agency. The Agency approval for participation in this program will be contingent upon the Agency's final approval of the CNA and concurrence in the scope of work by the owner. The Agency, in its sole discretion, may choose to obtain a CNA, at its expense, if it determines that doing so is in the best interest of the Government.

It is important to note that all applicants will be required to submit an ''As Is'' CNA based on the existing conditions at the property.

(3) Loan underwriting will be conducted by the designated Multi-Family Housing Revitalization Coordinator assigned by each Rural Development State Director with the assistance of the MPDL. The feasibility and structure of each revitalization proposal will be determined using this underwriting process to determine the restructuring tools that will minimize the cost to the Government consistent with the purposes of this Notice. To help ensure a balanced utilization of revitalization tools and the long-term economic viability of revitalized projects, the MPR underwriting guidelines include, but are not limited to the following:

(i) The maximum soft-second loan is limited to no more than $5,000 per unit,

(ii) The total assistance provided from a revitalization grant, revitalization zero percent loan, and/or revitalization soft-second loan is limited to $10,000 per unit,

(iii) The maximum Section 515 loan or Section 514/516 off-farm loan and grant is limited to no more than $20,000 per unit, and

(iv) Properties receiving tax credits are expected to have sufficient third-party funding resources and generally will receive debt deferral only.

(v) Properties with more than 75 percent of the units receiving significant subsidy such as Rural Development rental assistance or HUD-funded subsidy will be supplemented with Sections 514, 515 and 516 loans and grants before revitalization grants and revitalization soft-second loans are considered.

(vi) MPR revitalization grants will be limited to $5,000 per unit.

(vii) Any rent increases that may be necessary will not exceed 10 percent in any one project operating year.

(viii) The approved MPR transaction will include projected revenue sufficient to cover a 10 percent Operations and Maintenance increase in the second year after the transaction.

(ix) Full RTO will be budgeted pursuant to the Loan Agreement.

(x) Budgeted increases to reserve deposit will not exceed three percent per annum.

(xi) The remaining reserve balance at the end of the 20-year analysis period should be at least 2.0 times the average annual needs, including inflation, over the 20-year analysis period.

These loan underwriting guidelines have been developed based on experience in the FY 2005–2009 MPR Demonstrations. The Agency believes that these guidelines will be appropriate for typical transactions. However, the Agency reserves the right to re-calculate which MPR demonstration tools should be used, when in the Agency's judgment, doing so would further the objectives of the MPR and is in the best interest of the Government.

The Agency expects that some of the transactions proposed by selected pre-applicants will prove to be infeasible. The applicant entity may be determined to be ineligible under Section III of this Notice. If a proposed transaction is determined infeasible or the applicant determined ineligible, the Agency will then select the next highest-ranked project for processing regardless of transaction type.

Each MPR offer will be approved by the Revitalization Review Committee chaired by the Deputy Administrator for Multi-Family Housing or an agency-authorized delegate. Approved MPR offers will be presented to applicants who will then have up to 15 calendar days to accept or reject the offer in writing. Offers will expire after 15 days. The Agency will replace expired applications by selecting the next highest-ranked project. Closing of MPR offers will occur within 90 days of acceptance by the applicant unless extended by the Agency.

IX. Funding Restrictions

Applicants which were selected for further processing under previous Notices, and are timely submitted to MPDL, will be funded on a first-come-first-served basis on the date submitted to MPDL and do not have to be rescored under this Notice. After which, applicants under this Notice will be selected in accordance with selection criteria and the four-step process identified in Section VII of this Notice. Once selected to proceed, the Agency will provide additional guidance to the applicant and request any other information and documents necessary to complete the underwriting and review process. Since the character of each application may vary substantially depending on the type of transactions proposed, information requirements will be provided as appropriate. Complete project information must be submitted as soon as possible but in no case later than 45 days from the date of Agency notification of the applicant's selection for further processing or September 1, 2011, whichever occurs first. Failure to submit the required information in a timely manner may result in the Agency discontinuing the processing of the request.

Funding under this Notice will be obligated to selectees that finish the processing steps outlined above first within each of the three funding categories described in Section VII of this Notice and that result in a ratio as close as possible to 30 percent portfolio transactions, 50 percent complex transactions, and 20 percent simple transactions, subject to funding availability.

X. Application Review

The Revitalization Review Committee will notify the appropriate Rural Development State Director of its approval for funding of an application based on the selection criteria contained in this Notice.

XI. Appeal Process

All adverse determinations regarding applicant eligibility and the awarding of points as a part of the selection process are appealable, in accordance with 7 CFR Part 11 procedures. Instructions on the appeal process will be provided at the time an applicant is notified of the adverse action.

Dated: June 30, 2011.

Tammye Treviño,

Administrator, Rural Housing Service.

Fiscal Year 2011 Pre-application for Multi-Family Housing Revitalization Demonstration Program (MPR)

Instructions

Applicants are encouraged, but not required, to submit this pre-application form electronically by accessing the Web site: http://www.rurdev.usda.gov/rhs/mfh/MPR/MPRHome.htm and clicking on the link for the "Fiscal Year 2011 Pre-application for Multi-Family Housing Revitalization Demonstration Program (MPR)." Please note that electronic submittals are not on a secured Web site. If you do not wish to submit the form electronically by clicking on the **Send Form** button, you may still fill out the form, print it and submit it with your application package to the National Office. You also have the option to save the form, and submit it on an electronic media to the National Office with your complete application package.

Supporting documentation required by this pre-application may be attached to the e-mail generated when you click the **Send Form** button to submit the form. However, if the attachments are too numerous or large in size, the e-mail box will not be able to accept them. In that case, just submit the pre-application form electronically. Submit a copy of the pre-application form and all supporting documentation for this pre-application to the National Office with your complete application package. The MPR NOFA has the complete list of documents that you need to submit. Under item **IX. Documents Submitted**, indicate the documents that you are submitting either with the pre-application or to the National Office.

I. Applicant Information

a. Applicant's Name: ____

b. Applicant's Address:

Address, Line 1: ____

Address, Line 2: ____

City: ______________________________ **State:** _____________ **Zip:** ________

c. Name of Applicant's Contact Person: __________________________________

d. Contact Person's Telephone Number: ________________

e. Contact Person's E-mail Address: ____

f. DUNS Number if applying for a grant: ________________

II. Project Information

a. Primary Project Name: ____

b. Project Address:

Address, Line 1: ____

Address, Line 2: ____

City: ______________________________ **State:** _____________ **Zip:** ________

c. Is this a Simple, Complex or Portfolio transaction? Check One.

Simple: ___ **Complex:** ___ **Portfolio:** ___

d. **If Portfolio, what is the Portfolio Name?** A separate pre-application must be submitted for each project and each Pre-application must have the same "**Portfolio Name**."

____

e. **Consolidation of project operations:**

Check one below:

- ☐ **This proposal does not involve a consolidation of properties (0 points)**
- ☐ **This proposal involves a consolidation of 2-4 properties (5 points)**
- ☐ **This proposal involves a consolidation of 5 or more properties (10 points)**

Be sure to list all properties being consolidated in f. below.

f. **Provide the following information for the projects being considered in this pre-application, starting with the Primary Project.**

	Borrower ID	Proj. ID	Project Name	Vacancy Percentage (for 515 Only)	Proj. ST	Project Type 515/514/516
List Primary Project:						
1.						
List Projects to be Consolidated with the Primary Project:						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

For Section 515 Multi-Family Housing projects: If vacancy percentages for any of the projects listed above that have 16 or more revenue producing units exceed 10.0%, or 15.0% for projects with less than 16 revenue producing units, attach required market survey documentation.

For Section 514/516 FLH projects: If cash flow for the previous 3 full years of operation is not positive, attach required market survey documentation.

Year of Operation: ____________________ **Cash Flow:** __________________

Year of Operation: ____________________ Cash Flow: ____________________
Year of Operation: ____________________ Cash Flow: ____________________

g. **What is the age of the project?** (For consolidations use the project with the earliest operational date.) **Check one.**

- **Was initial project operational date(s) prior to December 21, 1979? (25 points) Yes ___**
- **Was the initial project operational date(s) on or after December 21, 1979; but before December 15, 1989? (20 points) Yes __**
- **Was the initial operational date(s) on or after December 15, 1989; but before October 1, 1991? (15 points) Yes __**
  - **If "Yes", provide the initial operational date of the project: ___/___/____ (mm/dd/yyyy)**

h. **Is there an agency approved Capital Needs Assessment (CNA)? Yes __ No __**
If "Yes," check one:

- **Was the CNA approved on or after October 1, 2009 and prior to October 1, 2010?**
  (10 points) Yes __
- **Was the CNA approved on or after October 1, 2010 but before the publication of the**
  FY 2011 MPR NOFA? (20 points) Yes __
  - **If "Yes", provide the date of the most recent Agency approved CNA: ___/___/____ (mm/dd/yyyy)**

III. Funds

a. **Are there contributions of other sources of funds? Yes __ No __**
If "Yes," check one:

- **Evidence of a commitment of at least $3,000 to $5,000 per unit/per property? (15 points) Yes __**
- **Evidence of a commitment greater than $5,000 per unit/per property? (20 points) Yes __**
- **Evidence of a commitment greater than $5,000 per unit/per property with a binding written commitment by a third party to contribute 25 percent or more of any allowable developer fee to the hard costs of construction. (25 points) Yes __**

If "Yes" provide the amounts obtained from the following sources:

Source:	**Amount:**
Tax Credits	____________________
3rd Party Loan	____________________
3rd Party Grant	____________________
Tax Exempt Financing	____________________
RD Section 515 Traditional Loan	____________________
RD Section 514/516 Off-Farm Traditional Loan/Grant	____________________

RD Section 538	___________________
RD Re-lending Demonstration Loan	___________________
Owner Provided Capital Contributions	___________________
Total Contributions:	___________________

b. **Does this proposal include an Owner Contribution of funds to pay transaction costs and/or hard costs of construction? Select all that apply.**

- **$5,000 per project owner contribution sufficient to pay transaction costs. (5 points) Yes __ No __** *(These funds cannot be from project reserves or operating funds or be in the form of a loan. Transaction costs are defined as those costs required to complete the transaction. These include, but are not limited to, the CNA, legal and closing costs, appraisal costs and filing/recording fees. The minimum contribution required is $5,000 per project; these funds will be required to be deposited in the property reserve account prior to closing.)*
- **$1000 per unit per project owner contribution for the hard costs of construction. (10 points) Yes __ No __** *(These funds cannot be from project reserves or operating funds or be in the form of a loan. Hard costs are defined as materials, inventory, equipment, property or machinery. Hard costs of construction are itemized on Form RD 1924-13, "Estimate and Certificate of Actual Cost". Form RD 1924-13 can be found at www.rurdev.usda.gov/regs/Forms/1924-13.pdf. The minimum contribution required is $1,000* ***per unit*** *which will be required to be deposited in the property reserve account prior to closing. An increased return to owner may be budgeted and allowed for funds committed in accordance with 7 CFR section 3560.406(d)(14)(ii).)*

IV. Transfers and Sales

a. **Does this proposed transaction include a transfer of ownership? Yes__ No__**
If "Yes," select one of the following categories and attach a copy of the *executed* Purchase Agreement.

b. **Has the Agency servicing classification been identified as "C" or "D" for 24 months or more? (20 points) Yes __**

c. **Has the Agency servicing classification been identified as "C" or "D" for less than 24 months? (15 points) Yes __**

If "No," (not involved in a transfer), category d. applies:

d. **For stay-in-owners only, has the Agency servicing classification been identified as "B" as a result of a workout plan approved by the Agency prior to January 1, 2011? (25 points) Yes__ No__**

e. **Is a sale to Nonprofit/Public Housing Authority under the prepayment process pending or contemplated? If so, submit an executed purchase agreement with this pre-application. (20 points) Yes__ No__**

V. Energy Conservation

You may answer a. and c. below or b. and c. Note, if you are participating in the Green Communities program under a. you may not receive additional points for items listed under b.

a. **Does this proposal include a certification to achieve participation in the Green Communities program by the Enterprise Community Partners (http://www.enterprisecommunity.org)?** At least 30 percent of the minimum optional points needed to qualify for the Green Communities program must be earned under the Energy Efficiency section of the Green Communities qualification program**: (45 points) Yes ___ No ___**

OR

b. If you are not enrolling in the Green Communities program then points can be accumulated for each of the following items up to a total of **30 points**. Provide documentation to substantiate your answers below

i. **Does this proposal include the replacement of heating, ventilation and air conditioning (HVAC) equipment with Energy Star qualified heating, ventilation and air conditioning equipment? (4 points): Yes ___ No ___**

ii. **Does this proposal include the replacement of windows and doors with Energy Star qualified windows and doors? (4 points): Yes ___ No ___**

iii. **Does this proposal include additional attic and wall insulation that exceeds the required R-Value of these building elements for your area as per the International Energy Conservation Code 2009? Two points will be awarded if all exterior walls exceed insulation code and 2 points will be awarded if attic insulation exceeds code, for a maximum of 4 points. All exterior walls exceed insulation code (2 points): Yes ___ No ___**
Attic insulation exceeds code (2 points): Yes ___ No ___

iv. **Does this proposal include the reduction in building shell air leakage by at least 15 percent as determined by pre- and post-rehab blower door testing on a sample of units? Building shell air leakage may be reduced through materials such as caulk, spray foam, gaskets, and house-wrap. Sealing of duct work with mastic, foil-backed tape, or aerosolized duct sealants can also help reduce air leakage. (4 points): Yes ___ No ___**

v. **Does this proposal include 100 percent of installed appliances and exhaust fans that are Energy Star qualified? (3 points): Yes ___ No ___**

vi. **Does this proposal include 100 percent of installed water heaters that are Energy Star qualified? (3 points): Yes ___ No ___**

vii. **Does this proposal include replacement of 100 percent of toilets with flush capacity of more than 1.6 gallon flush capacity with new toilets having 1.6 gallon flush capacity or less, and with EPA Water Sense label? (2 points): Yes ___ No ___**

viii. **Does this proposal include 100 percent of new showerheads with EPA Water Sense label? (2 points): Yes ___ No ___**

ix. Does this proposal include 100 percent of new faucets with EPA Water Sense label? (2 points): Yes ___ No ___

x. Does this proposal include 100 percent energy-efficient lighting including Energy Star qualified fixtures, compact fluorescent replacement bulbs in standard incandescent fixtures and Energy Star ceiling fans? (2 points): Yes ___ No ___

c. Does this proposal include a written commitment to achieve participation in local green/energy efficient building standards, such as a city, county or municipality program? (3 points) Yes ___ No ___
Name of Local Program: ____

VI. Energy Generation

Rehabilitation and preservation projects that participate in the **Green Communities program** by the Enterprise Community Partners or receive at least **24 points** for Energy Conservation measures are eligible to earn additional points for installation of on-site renewable energy sources. Renewable, on-site energy generation will compliment a weathertight, well insulated building envelope with highly efficient mechanical systems. Possible renewable energy generation technologies include, but are not limited to: wind turbines and micro-turbines, micro-hydro power, photovoltaics (capable of producing a voltage when exposed to radiant energy, especially light), solar hot water systems and biomass/biofuel systems that do not use fossil fuels in production. Geo-exchange systems are highly encouraged as they lessen the total demand for energy and, if supplemented with other renewable energy sources, can achieve zero energy consumption more easily. Points under this section will be awarded as follows.

a. Projects whose preliminary or rehabilitation building plans and energy analysis propose a 10 percent to 100 percent energy generation commitment (where generation is considered to be the total amount of energy needed to be generated on-site to make the building a net-zero consumer of energy) may be awarded points corresponding to their percent of commitment as follows:

- ☐ **0 to 9 percent commitment to energy generation (0 points)**
- ☐ **10 to 29 percent commitment to energy generation (2 points)**
- ☐ **30 to 49 percent commitment to energy generation (4 points)**
- ☐ **50 to 69 percent commitment to energy generation (6 points)**
- ☐ **70 to 89 percent commitment to energy generation (8 points)**
- ☐ **90 to 100 percent commitment to energy generation (10 points)**

Note: In order to receive more than two points for commitment to energy generation, an accurate energy analysis prepared by an engineer will need to be submitted with the pre-application. Energy analysis of preliminary building plans using industry recognized simulation software must document the projected total energy consumption of the building, the portion of building consumption which will be satisfied through on-site generation, and the building's Home Energy Rating System (HERS) score.

VII. Green Property Management Credentials

Projects will be awarded an additional 10 points if the designated property management company or individuals that will assume maintenance and operations responsibilities upon completion of construction or substantial rehabilitation work have a Credential for Green Property Management. Credentialing can be obtained from the National Apartment Association (NAA), National Affordable Housing Management Association, the Institute for Real Estate Management, U.S. Green Building Council's Leadership in Energy and Environmental Design for Operations and Maintenance (LEED OM), or another source with a certifiable credentialing program. This must be illustrated in the resume(s) of the property management team and submitted with the application. (10 points)

I have submitted resumes of the designated property Management Company or individuals responsible for maintenance and operations that have a Credential for Green Property Management. (10 points) Yes ___ No ___

VIII. Tenant Service Provision

Check one option below to show new tenant services provided to all tenants at no cost to the project:

- ☐ **No new tenant services will be provided (0 points)**
- ☐ **New tenant services will be provided for 1 year (5 points)**
- ☐ **New tenant services will be provided for multiple years (10 points)**

IX. Documents Submitted

Check if the following documents are being submitted electronically with this application or will be mailed to the National Office with your complete pre-application package.
NOTE: You are only required to submit supporting documents for programs in which you will be participating as indicated in this pre-application. Points will be assigned for the items that you checked based on a review of the supporting documents.

Reference in Form	Item	Submitted with this Pre-application	Submitted to National Office
	Fiscal Year 2011 Pre-application for Multi-Family Housing Revitalization Demonstration Program (MPR) (this form).	☐	☐
II. Project Information			
f.	Market Survey if vacancy rates are exceeded for Section 515 projects or there is negative cash flow for Section 514/516 projects.	☐	☐
III. Funds			
a.	Evidence of commitment and sources of funds.	☐	☐
b.	Evidence of owner contribution of funds for		

	transaction costs.	☐	☐
Reference in Form	**Item**	**Submitted with this Pre-application**	**Submitted to National Office**
b.	Evidence of owner contribution of funds for hard costs of construction.	☐	☐
IV. Transfer and Sales			
a.	**Executed** Purchase Agreement for a transfer of ownership.	☐	☐
e.	**Executed** Purchase Agreement for a sale to Nonprofit/Public Housing Authority under the prepayment process.	☐	☐
V. Energy Conservation			
a. OR	Certification in the Green Communities Program by the Enterprise Community Partners.	☐	☐
b.	Documentation substantiating Green Energy improvements outlined in items i. through x.	☐	☐
c.	Certification in local green energy efficient building standards.	☐	☐
VI. Energy Generation			
a.	Preliminary building plans and an energy analysis that shows that the project will achieve 30 to 100 percent energy generation commitment.	☐	☐
VII. Green Property Management Credentials			
	Resumes of the designated property management company or individuals responsible for maintenance and operations that have a credential for Green Property Management.	☐	☐
VIII. Tenant Service Provision			
	Description of Tenant Services provided and organizations providing the service.	☐	☐

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DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funds Availability for the Section 533 Housing Preservation Grants for Fiscal Year 2011

SUMMARY: The Rural Housing Service (RHS), an Agency within Rural Development, announces that it is soliciting competitive applications under its Housing Preservation Grant (HPG) program. The HPG program is a grant program which provides qualified public agencies, private non-profit organizations, which may include, but not be limited to, faith-based and community organizations, and other eligible entities grant funds to assist very low- and low-income homeowners in repairing and rehabilitating their homes in rural areas. In addition, the HPG program assists rental property owners and cooperative housing complexes in repairing and rehabilitating their units if they agree to make such units available to low- and very low-income persons. This action is taken to comply with RHS regulations found in 7 CFR part 1944, subpart N, which require RHS to announce the opening and closing dates for receipt of preapplications for HPG funds from eligible applicants. The intended effect of this Notice is to provide eligible organizations notice of these dates.

DATES: If submitting a paper pre-application, the closing deadline for receipt of all applications in response to this Notice is 5 p.m. local time for each Rural Development State Office on August 22, 2011. If submitting the pre-application in electronic format, the deadline for receipt is 5 p.m. Eastern Standard Time on [same date as paper application]. The pre-application closing deadline is firm as to *date and hour.* RHS will not consider any pre-application that is received after the closing deadline. Applicants intending to mail pre-applications must provide sufficient time to permit delivery on or before the closing deadline date and