

**MIXED-FINANCE
DEVELOPMENT PROPOSAL**

**U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing**

OMB Approval No. 2577-0275
(exp. 04/30/2022)

The public reporting burden for this collection of information is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, Paperwork Reduction Project, Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, DC 20410-3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for developing a Mixed-Finance rental project pursuant to HUD regulations 24 CFR 905. The information will be used to provide HUD with sufficient information to enable a determination that the proposed housing project is demographically and financially feasible and that HUD statutory and regulatory requirements have been met. No assurances of confidentiality are provided for this information collection.

Public Housing Authorities (PHAs) must obtain HUD's approval before developing new public housing or undertaking the major modernization of an existing public housing development. Under 24 CFR 905.606, PHAs must submit this Development Proposal to HUD for all types of housing development that will utilize public housing funds, including capital or operating funds, so that HUD can assess the viability and financial feasibility of a proposed development and assure its compliance with public housing regulations. This Development Proposal must also be submitted for development of any public housing or non-public housing units funded through a Choice Neighborhoods grant. If a PHA does not submit a Development Proposal and secure HUD approval, the PHA may have to repay any public housing funds used in conjunction with the project.

The purpose of this document is to provide a template for the Development Proposal's preparation. Information may be typed directly into this form. This template may be used for all types of public housing development. However, it is required to be used for mixed-finance public housing development and for development funded through a Choice Neighborhoods grant. This document may also be used for projects involving the refinancing of existing projects, projects require a Section 30 approval, and other initiatives as needed

This document, along with its attachments, generally includes all information required to be included in a Development Proposal, though HUD reserves the right to request additional information, or to require less information, to carry out its review. In addition, for mixed-finance and Choice Neighborhoods projects, this document identifies additional documentation needed for HUD to complete a Subsidy Layering Analysis for the project, as required under section 102(d) of the HUD Reform Act of 1989.

For non-mixed-finance public housing development, the Development Proposal and all attachments must be submitted to the appropriate HUD Field Office.

For mixed-finance projects, Choice Neighborhoods projects, or other types of projects, the Development Proposal and all attachments must be submitted to the Office of Public Housing Investments at HUD Headquarters. PHAs should work with their assigned HUD Project Manager to prepare the Development Proposal. Submissions must be made well in advance of closing to allow adequate time for review and approval.

Section 1: Project Information

PHA: _____

Project Name: _____
_____ (Old Name, if applicable)

PIC Project Number (if applicable): _____

PHA Contact Person: _____

Phone Number: _____

Email: _____

MTW Agency? _____ Yes _____ No

Choice Neighborhoods Grant Name: _____

Choice Neighborhoods Grant Number: _____

HOPE VI Grant Name: _____

HOPE VI Grant Number: _____

Project Type (check all that apply):

- Choice Neighborhoods
- Conventional Public Housing Development
- HOPE VI
- Main Street
- Mixed-Finance
- Mixed-Finance (Operating Subsidy Only)
- Refinancing
- Section 30
- Other: Please describe: _____

Section 2: Project Description*

***For mixed-finance projects, information in this Section 2 must also be included in Exhibit B of the project's Mixed-Finance Amendment to the ACC.**

- Provide a project overview, including the following information:
 - o Development method (e.g. new construction, rehab, or acquisition)
 - o For acquisition and/or rehab projects, a description of the building's age, current ownership, current use (e.g. multifamily, commercial, or institutional) and physical condition
 - o Type of housing to be developed (e.g. elevator, walk-up, row house, and/or detached/semi-detached)
 - o The number of units to be developed by bedroom-count and unit type (e.g. public housing, LIHTC, PBV or unrestricted) using HUD's Development Proposal Calculator (HUD Form 50156)
 - o Non-dwelling space type & size (e.g. community center, maintenance shed)
 - o Phasing plan (if this project is part of a larger, multi-phase development)
- Overview of project participants
 - o Identification and description of the project's developer
 - o Brief discussion of procurement process for the developer (see 24 CFR 905.316)
 - o Description of the PHA's role in the project
- Proposed residents to be served (e.g. families, elderly, and/or disabled)
 - o Identification of any work requirement or work preference for public housing residents living in the development
- Proposed energy rating for units (e.g. energy star, LEED, another regional or national green building certification or local code)
- Description of unit-based internet connectivity
- Description of anticipated RAD conversion, if applicable
- Other pertinent information

Section 3: Site Information

Provide information on the development site, including the following:

- A physical description of the site
 - o Identify any known environmental issues
 - o Describe any unusual features that might affect development
- Description of the neighborhood
- Description of the site's proximity to retail, education, social services, transportation, jobs and other amenities
- Site map
- Map of the surrounding neighborhood and city
- Other pertinent information, such as:
 - o Any plans to enhance climate resiliency

Section 4: Key Development Partners and Participating Parties*

***For mixed-finance projects, Section 4 must also be included in Exhibit A to the project's Mixed-Finance Amendment to the ACC.**

Provide the following information for each major partner in the Project:

ROLE	ENTITY NAME & CONTACT INFORMATION (person, phone number & email)	PERCENTAGE INTEREST IN THE PROJECT'S OWNER ENTITY (%)	RELATIONSHIP TO PHA (if any)
Developer			
Ownership Entity			
General Partner or Managing Member of the Owner			
Limited Partner or Investor/Limited Member of the Owner			
Special Limited Partner (if applicable)			
Public Housing Agency, Instrumentality or Affiliate			
Property Manager			
Construction Lender			
Permanent Lender(s)			
General Contractor			
Legal Counsel			
Architect			

Other			
Other			

If a PHA instrumentality or affiliate is involved in the project, provide a description of the relationship between the PHA and the instrumentality/affiliate as it relates to the project (see 24 CFR 905.604(b)):

Section 5: Project Schedule*

***For mixed-finance projects, Section 5 must also be included in Exhibit D to the project’s Mixed-Finance Amendment to the ACC.**

Provide dates (mm/dd/yyyy) for each activity identified below. If a task has not yet been completed, please include a date in the “Anticipated Completion Date” column. If a task is complete, enter a date in the “Actual Completion Date” column.

ACTIVITY	ANTICIPATED COMPLETION DATE	ACTUAL COMPLETION DATE
Demolition Approval from HUD		
Disposition Approval from HUD		
LIHTC Award		
Environment Review Completed (HUD-7015.16 approved)		
HUD Site and Neighborhoods Standards Review Completed		
Relocation Completed		
Financial Closing		
Abatement/Demolition Start		
Abatement/Demolition Completed		
Construction Start		
Construction Completed		
Target Date of Full Availability (DOFA) for Public Housing Units		
LIHTC Placed-in-Service Date		
Lease Up Complete		
Submission of Final Cost Certification		
Other:		
Other:		

Section 6: Compliance with Multifamily Design and Accessibility Requirements

The project's design, including the lay-out of its units, must comply with accessibility requirements specified at 24 CFR 905.312 and 905.604(g) and any other requirements which apply to the specific project. This includes the Uniform Federal Accessibility Standards (UFAS) (through HUD regulations under Part 8) and the Fair Housing Act Design Manual (both the 1996 and 1998 revisions).

PHAs must submit the following architectural plans to HUD:

- Site, Grading and Landscape Plans
- Building Plans, using the scale 1/8" = 1'-0"
- Typical Cross Sections and Exterior Elevations, using the scale 1/4" = 1'-0"
- Unit Plans that show minimum furnishings, using the scale 1/4" = 1'-0"
- Technical Specifications, per Construction Specifications Institute (CSI) format

PHAs and their architects should ensure the following best practices are also reflected on the plans or provided separately:

- Site Plans: Show exterior private¹ spaces adjacent to the unit, including play areas for children of different ages (2-5, 5-12, and teenagers). Play areas for small children should include adequate space for adult supervision and show the location of trees to shade walks. Parking areas and exterior lighting should also be shown.
- Building Plans: Show the location, type, and mix of accessible and visitable units.
- Exterior and Interior Elevations and Building Sections: Identify materials on walls and roof areas.
- Unit Plans: Show livability and furniture layouts reflecting the minimum furnishings needed in the living and dining rooms for the units' expected family sizes. Furnishings should accommodate residents and guests. The design of the bedrooms should show space for a queen or double bed for two residents, an 18"x 60" dresser, and two nightstands. Spaces within the dwelling unit must provide adequate floor area for furniture and circulation spaces. Accessible units should be able to accommodate wheelchair clearances in kitchens, bathrooms, bedrooms, and living/dining spaces. Provide an accessible route of 36" and a 60" diameter space in the bathroom and bedroom spaces (UFAS 4.3.3 Width. Fig. 3 and 4.34 Dwelling Units, chapter 15c). Townhouses should have a visitable half-bath on the first floor.
- Energy efficiency/green design: Identify the project's energy efficient and green design features.
- High-rise structures: Pursuant to 42 U.S.C. 1437d(a), a PHA proposing to develop a high-rise elevator structure that will house families with children must demonstrate to HUD that there is no practical alternative to developing a high-rise building.
- Provide as much storage space as possible: At a minimum, provide an amount of bulk storage commensurate with the size of the unit and the number and ages of its residents. Examples of bulk storage areas include coat closets in entry areas, linen closets, a utility closet, pantry spaces, and exterior storage on balconies and at grade at the rear of units.
- Technical Specifications: Include all applicable divisions, per CSI format.

Plans for mixed-finance projects will be reviewed by a HUD architect. Before submitting plans (including a half size set of construction drawings and specifications), the PHA should consult with the HUD Project Manager to determine where the plans should be sent and in what format.

Section 7: Project Costs

Provide the following information regarding project costs and financing by filling out HUD's Development Proposal Calculator (HUD Form 50156):

¹ Spaces that are considered private are typically located at the rear of townhouse or apartment units at the first floor or grade level. Balconies and decks are considered private spaces above the first floor. Semi-private spaces are typically located at grade or on the second floor and are accessed by stairs or ramps.

A. Project Budget*

****For mixed-finance projects, the construction and permanent project budgets must be included in Exhibit F of the project's Mixed-Finance Amendment to the ACC.**

- Provide a construction period project budget reflecting all sources and uses of funds used during project construction using the Construction Budget Tab of the Development Proposal Calculator.
- Provide a permanent project budget reflecting all sources and uses of funds following construction completion using the Permanent Budget Tab of the Development Proposal Calculator.
- Provide a construction draw schedule that shows the projected sources and uses of funds on a monthly basis throughout the construction period using the Draw Schedule Tab of the Development Proposal Calculator.

B. Compliance with Total Development Cost (TDC) and Housing Construction Cost (HCC) Limits

- Projects must comply with HUD TDC and HCC limits for the development of public housing units, pursuant to 24 CFR 905.314. Provide a calculation of TDC and HCC limits for the project using the TDC and HCC Tab of the Development Proposal Calculator. For projects in which Choice Neighborhoods are being used to build non-public housing units, the project's HUD TDC and HCC limits will be based on the number of units that will be subject to a HUD use restriction.

C. Pro Rata Test

- The proportion of public housing funds to total project funds may not exceed the proportion of public housing units to the total number of units. For example: if there are 100 units and 40 are public housing, the amount of public housing funds committed to the project cannot exceed 40% of the total project budget.
- NOTE: the pro rata test applies only to those project costs shown in "Part A" of permanent project budget in the Development Proposal Calculator. "Part B" costs, which are generally costs incurred by the PHA, are not included.
- Provide the following information:

Type	Number/Amount	Percent of Total
Public Housing Units/ Replacement Housing Units		
Non-Public Housing Units		
Total Housing Units		100%
Public Housing Funds		
Non-Public Housing Funds		
Total Funds		100%

D. Construction Cost Estimate

- Submit an independent construction cost estimate (with a cover letter and summary page showing costs broken down by major trades) or the actual construction contract which supports the permanent and construction budgets provided above.

E. Limitation on the Cost of New Construction

- Pursuant to 24 CFR 905.602(b)(2), a PHA may not construct new public housing unless the cost of construction is less than the cost of acquiring existing units (with or without rehab.)
- For projects involving new construction, provide the following:
 - 1) Documentation which shows the construction cost of the new project is less than the cost to acquire (and rehab as necessary) similar units in the same neighborhood that would serve the same purpose as the new housing; or,
 - 2) Documentation which shows there is insufficient housing to acquire in the neighborhood that would serve the same purpose as the new housing.

F. Predevelopment Costs

- Pursuant to 24 CFR 905.612(a)(2), use of public housing funds for predevelopment expenses related to mixed-finance projects must be approved by HUD prior to expenditure. PHAs should submit requests to HUD prior to expenditure of funds for predevelopment activities.
- The percentage of predevelopment costs borne by the PHA should be in compliance with HUD’s “Cost Control and Safe Harbor Standards for Mixed-Finance Development (April 2003) (Safe Harbor Standards).” Provide the following Information:

Total Predevelopment Costs: \$ _____

Amount paid by the PHA: \$ _____ %

Amount paid by the Developer: \$ _____ %

- Provide a justification if the Safe Harbor Standard was exceeded:

Section 8: Project Financing

A. Project Financing

- Please fill out the chart below with information for each source of construction and permanent financing (including public housing funds, other public funds, and private funds) included in the project’s budgets:

Name of Provider	Amount	Use of Funds	Grant Type and Number (if HUD PH funds)	Type of financing (i.e. construction loan, permanent loan, equity, grant)	Financing Terms (including term and interest rate) and other relevant information

B. Federal Low Income Housing Tax Credits (LIHTC)

- For projects that include LIHTC, provide the following information:

Total Tax Credit Allocation Over 10 Years	\$ _____
Total Equity Commitment	\$ _____

Equity Per Dollar of Allocation (Equity divided by Allocation)	\$
Type of Tax Credits	9% or 4%

Pay in Schedule for Investor Equity		
Milestone	Projected Date (MM/DD/YYYY)	Amount
TOTAL AMOUNT OF EQUITY		\$

- Describe the proposed exit strategy for the Investor at the end of the 15-year LIHTC compliance period, including the PHA's anticipated role, the continued preservation of affordable units, and how any exit taxes will be paid.

C. Other Tax Credits

- For projects that include other types of tax credits (such as state LIHTC, federal and state historic preservation or new market tax credits), provide the following:

Type of Tax Credit	Amount of Equity

D. Existing Financing

Identify any existing financing on the project, such as funds provided through a Capital Fund Financing Program (CFFP) transaction or an Energy Performance Contract (EPC).

- Identify the amount of funding
- Describe how the debt will be addressed as part of the new project
- Provide evidence of approval

E. Reserve Accounts

For mixed-finance projects, Section 8 must also be included in Exhibit B to the project's Mixed-Finance Amendment to the ACC.

Public housing funds may be contributed towards reserve accounts, subject to the following limitations:

- Public housing funds may not be used to initially fund reserve accounts, with the exception of the establishment of an Initial Operating Subsidy Reserve for public housing units only.

- Public Housing Operating Subsidy and public housing tenant rents may be used to replenish reserve accounts **only if** they are replacing funds which have been disbursed for allowable public housing expenses.
- Public Housing Operating Subsidy and public housing tenant rents may be used to fund the Replacement Reserve, but only in an amount proportionate to the number of public housing units.
- No public housing funds can be used to fund an Exit Tax Reserve. This includes Public Housing Operating Subsidy and public housing tenant rents.
- Public housing funds in all reserve accounts must be tracked separately.
- Public housing funds in all reserve accounts must remain with the project if it is sold or transferred or they must be returned to the PHA.
- Reserve accounts must be described in detail in the Regulatory and Operating Agreement between the PHA and the Owner Entity.

Submit the following information for each Reserve Account included in the project:

1) Initial Operating Period/Lease-Up Reserve (public housing only): \$ _____

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds may be drawn down	
Identify which entity owns the reserve account	

2) Operating Subsidy Reserve (public housing only): \$ _____

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds may be drawn down	
Identify which entity owns the reserve account	

3) Operating Deficit Reserve: \$ _____

What type of units does this cover (all, only PH, or only non-PH)?	
Identify source of funds to establish the reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
Identify which entity owns the reserve account	

4) Replacement Reserve: \$_____ per unit per year

What type of units does this cover (all, only-PH, or only non-PH)?	
Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
Identify which entity owns the reserve account	

5) Other: _____

What type of units does this cover (all, only-PH or only non-PH)?	
Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
Identify which entity owns the reserve account	

Section 9: Project Fees

[HUD's Cost Control and Safe Harbor Standards](#) provide guidance for certain fees and costs related to development. Projects must comply with these Safe Harbor Standards or provide justification for non-compliance. Projects that include Project-Based Vouchers must also comply with HUD's ["Administrative Guidelines: Subsidy Layering Review for Project-Based Vouchers."](#) a notice issued on February 28, 2020.

A. Calculation and Pay Out of Developer Fee

- The amount of the Developer Fee must be in accordance with the Safe Harbor Standards. Complete the Fees & Pro Rata Tab of the Development Proposal Calculator to accurately calculate the Developer Fee.
- Total Amount of Developer Fee: \$_____ = _____% of project costs
- Amount of Fee Paid to Developer: \$_____ = _____% of project costs
- Amount of Fee Paid to PHA: \$_____ = _____% of project costs
- If the Developer Fee exceeds the Safe Harbor Standards, provide a justification, based on the criteria in the Safe Harbor Standards.

Justification:

- What is the pay-out schedule for the Developer Fee? Identify the milestone, such as closing or 50% construction completion, and the percent of the fee to be paid at each milestone.

Milestone	% of Developer Fee Paid

- If the Developer Fee pay-out schedule exceeds the Safe Harbor Standards, provide a justification.

Justification:

- If the PHA is providing a loan to the developer to cover developer overhead prior to financial closing, provide a description and justification. HUD approval is required prior to payment of any part of the developer fee.

Description and Justification:

- Is the developer receiving any compensation separate from the Developer Fee, i.e., for activities including master planning, relocation and/or demolition? If so, identify below:

TASK	COMPENSATION

B. Contractor Fees

- The fee paid to the construction contractor must be in accordance with the Safe Harbor Standards. Complete the form in Fees & Pro Rata Tab of the Development Proposal Calculator to accurately calculate the Contractor Fee.

Contractor Fee	Amount	% of Hard Construction Costs
Profit		
Overhead		
General Conditions + Performance Bond		
TOTAL		

- If the total amount of the Contractor Fee exceeds the Safe Harbor Standards, provide a justification.

Justification:

- Provide a written explanation of how construction savings (if any) will be allocated among the development parties. NOTE: per the Safe Harbor Standards, developers can only receive an amount equal to an additional 1% of the developer fee.

Explanation:

C. Identity of Interest

- If there is an identity of interest between the Developer and the contractor or builder, i.e., a financial relationship between the two parties, the Developer may award the construction contract to the related contractor or builder only if it has met one of the following requirements prior to HUD approval of the Development Proposal. Check the appropriate box and attach the required information:

_____ 24 CFR 905.604(i)(1): There has been a bidding procedure and the related contractor's bid was the lowest bid received. Provide documentation on the bidding process and bids received.

_____ 24 CFR 905.604(i)(2): There is an independent third-party cost estimate that shows the related contractor's price to be at or below the cost estimate. Provide a copy of the cost estimate and the related contractor's cost or construction contract.

D. Property Management Fees

- The fee paid to the Property Manager must be in accordance with Safe Harbor Standards and must be described fully in the Management Agreement, which will be reviewed by HUD as part of its review of evidentiary materials.

• Identify the Property Manager: _____

- Is the Property Manager a: _____ PHA
_____ PHA Instrumentality/Affiliate
_____ Private Company
_____ Private Company but affiliated with the Developer/Owner
_____ PHA/Private Joint Venture
_____ Other (explain) _____

- Describe how the Property Management Fee will be calculated:

Description:

- If the Property Management Fee exceeds the Safe Harbor Standards, provide a justification.

Justification:

- Identify any additional fees paid to the Property Manager (such as an incentive management fee or lease-up fee). Indicate the amount or the fee and/or how the fee is calculated or earned.

Fee Description	Fee Amount/Calculation

E. Fees or Income Paid to the PHA*

***For mixed-finance projects, information included in Paragraph D of Section 9 should also be included in Exhibit H of the project's Mixed-Finance Amendment to the ACC.**

- Payments received by the PHA, such as developer fees or loan repayments, are generally referred to as program income. The PHA's use of program income is often restricted, depending upon the source of public housing funds contributed to the project.
- NOTE: Disposition proceeds that a PHA receives at closing are not program income and should not be listed below. Instead, these disposition proceeds must be used in accordance with the HUD Special Applications Center's approval letter and applicable notices and regulations.
- Identify any fees or income to be paid to the PHA or its instrumentality/affiliate and the proposed use of the funds:

Source of Income	Amount	Use
Developer Fee		
Loan Repayment (if fixed)		
Bridge Loan Interest		
Potential Loan Repayments from Cash Flow		
Other:		
Other:		
Other:		

Section 10: Operating Pro Forma

To allow HUD to review the financial feasibility of the project, provide the following:

A. Provide a 15-year operating pro forma, including assumptions, using the pro forma included in the Development Proposal Calculator (HUD Form 50156).

- Show all income and expenses, debt service, and distribution of cash flow (cash flow waterfall) on the pro forma.
- For the public housing units, show below how the amount of public housing operating subsidy shown on the pro forma was calculated. Identify the projected PEL, UEL, add-ons, tenant rents, pro-ration, etc. Include assumptions made. Discuss what information was used to inform your numbers and assumptions.

Methodology Discussion:

- Will all the Operating Subsidy received by the PHA from HUD be transferred to the Owner Entity? If not, describe how the amount transferred to the Owner Entity will be determined, e.g., a percent of the subsidy, the actual gap between income and expenses, a negotiated amount, etc.

Description:

- NOTE: For mixed-finance projects, detailed information regarding payment of Operating Subsidy should be contained in the Regulatory and Operating Agreement and will be reviewed by HUD as part of its review of evidentiary documents.

B. Indicate, below, the waterfall or order of distribution of Net Operating Income, identifying all payments for debt service, fees, reserves, loans, and excess cash flow.

Distribution:

Section 11: Local Cooperation Agreement

Attach the following to the Development Proposal:

- A copy of the Cooperation Agreement with the local jurisdiction covering the public housing units; or,
- For mixed-finance projects only, if public housing units are to be subjected to local real estate taxes, provide documentation/certification from an authorized official of the local jurisdiction that the project is consistent with the jurisdiction's Comprehensive Plan.

Section 12: Environmental Review Process and Documentation

This project is subject to the environmental regulations found at 24 CFR part 58 or, if approved by HUD, 24 CFR part 50. The PHA must comply with all environmental review requirements, as required, including 24 CFR 905.602(f), prior to approval of the Development Proposal.

- Provide a brief narrative on the status of the environmental review process:

Status:

- Provide a brief narrative on the status of the "Section 106" (historic preservation) review process.

Status:

Upon completion of the environmental review process, provide the following documentation:

- Evidence from the HUD Field Office that the project has been approved in HEROS (part 50)
- Form HUD-7015.15, Request for Release of Funds and Certification (part 58 only)
- Form HUD-7015.16, Authority to Use Grant Funds (part 58 only)

NOTE: HUD environmental approvals are only valid for five years. If a project is part of a multi-phase housing development, the PHA must ensure that the project described in this development proposal is covered by a valid environmental review.

Section 13: Market Analysis

For projects that include the development of non-public housing units, provide the following, which should support the proposed development of non-public housing units:

- Attach the Executive Summary of the market analysis for the project.

Section 14: Other Requirements

As applicable, provide the following information:

A. PHA Annual Plan/MTW Plan & Capital Fund Action Plan or MTW Plan: The project must be included in the PHA's Annual Plan or MTW Plan and the Capital Fund Program 5-Year Action Plan. Discuss the status of the plan approval processes.

NOTE: For RAD, the conversion must be included as a significant amendment to the Annual Plan/MTW Plan and approved by the HUD, unless included in the original Plan. A copy of the HUD approval letter must be submitted prior to closing. In addition, for Initial MTW PHAs, an approved RAD amendment to Attachment A of the MTW Agreement may also be required.

Status:

B. Faircloth Limits: Development of the project cannot result in an increase in the number of public housing units owned, assisted or operated by the PHA on October 1, 1999, as required by 24 CFR 905.602(b). Provide the following:

# public housing units Oct 1, 1999	
# public housing units (in PIC) today	
# net new public housing units created by project	
TOTAL public housing units after project completion	

C. Site and Neighborhood Standards: The project must be reviewed and approved by the HUD Field Office for compliance with Site and Neighborhood Standards, including those contained in 24 CFR 905.602(d), prior to approval of the Development Proposal. Provide a brief update on the status of this approval process. Please note that when a development is part of a multi-phase redevelopment, each phase must be reviewed by the HUD Field Office.

NOTE: Site and Neighborhood Standards do not apply to HOPE VI and Choice Neighborhoods projects. Projects must comply with provisions of the Grant Agreement.

Status:

D) Relocation: Relocation activities, if any, must meet the requirements of 24 CFR 905.308(b)(9) or as provided in a HOPE VI or Choice Neighborhoods Grant Agreement. Provide a brief status on relocation activities, including information on when residents were relocated and a description of the relocation counseling provided.

Status:

E) Resident Consultation: The PHA must consult with affected public housing residents prior to submission of the Development Proposal to solicit resident input into the development of the project, as required by 905.600(c)(2) or as provided in a HOPE VI or Choice Neighborhoods Grant Agreement. Provide a brief description of how residents were consulted.

Description:

F) Acquisition of New Units: If the project involves acquisition of units that are less than 2 years old, the project must not have been constructed with the intention of selling it to the PHA unless all applicable Federal requirements were met, as required by 24 CFR 905.600(b)(3). If applicable, provide a brief discussion of compliance with this provision.

Discussion:

G) Vouchers: If the project includes Project-Based Housing Choice Vouchers (PBVs), HUD's Office of Public Housing Investments will conduct a subsidy layering review, in accordance with HUD's ["Administrative](#)

[Guidelines: Subsidy Layering Review for Project-Based Vouchers.](#)" a notice issued on February 28, 2020. To facilitate this review, submit the PHA's PBV award letter and its rent reasonableness letter to its OPHI project manager.

Status:

H) Designated Housing: If the project includes Designated Housing, the PHA must include the project in its Designated Housing Plan, which must have been approved by HUD prior to approval of the Development Proposal. If applicable, provide a brief update on the status of the Designated Housing Plan's approval.

Status:

I) Demolition/Disposition: If the project includes demolition of existing public housing units and/or disposition (sale or lease) of public housing property, a separate approval must be received from the HUD Special Applications Center. If applicable, provide a brief status on the receipt of these approvals.

NOTE: Choice Neighborhoods projects follow program specific guidance related to demolition approval.

Status:

Section 15: Submission and Approval of Draft Evidentiary Documents for Mixed-Finance Projects

For mixed-finance projects and Choice Neighborhoods projects only, the following documents must be submitted in draft form to HUD for review and approval prior to HUD approval of the Development Proposal and prior to execution of the evidentiary documents, unless otherwise approved by HUD.

NOTE: Submission of these documents may be made separately after submission of the other elements of the Development Proposal.

A. Mixed-Finance Amendment to the ACC (HUD Model Document)

NOTE: For Choice Neighborhoods projects, this document is only required for projects that include development of public housing units.

B. HUD Declaration of Restrictive Covenants and Partial Release of the existing Declaration of Trust, if applicable (HUD Model Documents).

NOTE: Choice Neighborhoods uses a program specific DORC which can be found on the Choice Neighborhoods website.

C. Regulatory and Operating Agreement between the PHA and the owner entity

NOTE: For Choice Neighborhoods projects, this document is only required for projects that include development of public housing units.

D. Ground Lease and Memorandum of Ground Lease between the PHA and the owner entity

E. Legal Opinion from PHA counsel (HUD Model Document)

F. Updated Development Proposal and Development Proposal Calculator, reflecting any changes in the project since the original submission

G. HUD Certifications and Assurances (form HUD-50161)

NOTE: Choice Neighborhoods projects must submit the model Choice Neighborhoods Certifications and Assurances.

H. Title Policy (pro forma submitted prior to closing and final policy submitted after closing showing HUD Declaration of Restrictive Covenant recorded in the order approved by HUD (reviewed by the HUD Field Office)

I. ALTA Survey (reviewed by the HUD Field Office)

J. Management Plan, Management Agreement, and sample Tenant Lease (reviewed by the HUD Field Office)

NOTE: For Choice Neighborhoods projects, this document is only required for projects that include development of public housing units.

K. Other documents as may be required by HUD

Upon completion of HUD's review of the Development Proposal and the draft evidentiary documents listed above, HUD will issue a letter to the PHA which will approve the Development Proposal and the draft evidentiary documents and authorize the PHA to proceed with financial closing. However, no public housing funds may be expended by the PHA until the final, executed evidentiary documents have been submitted to and approved by HUD.

Section 16: Submission and Approval of Final Evidentiary Documents for Mixed-Finance Projects

For mixed-finance projects, after financial closing the PHA must submit the following information to HUD for approval:

- A. Copies of all executed and recorded evidentiary documents previously submitted and approved by HUD in draft form. These documents may be submitted electronically or via zip drive. Each document should be transmitted as a discrete file, and all documents must be indexed to allow for uncomplicated retrieval.
- B. HUD opinion of counsel (HUD Model Document)
- C. Certification from PHA counsel attesting that no significant changes have been made to the evidentiary documents previously submitted to and approved by HUD in draft form, or if changes have been made, a list of all changes
- D. The final title insurance policy that reflects the recordation of all liens, mortgages, and encumbrances against the property in the order approved by HUD.

HUD will issue a final letter to the PHA which approves the executed evidentiary documents and authorizes expenditure of the public housing funds committed to the project.

Section 17: Cost Certification

Within one year of project completion, the PHA must submit to the Field Office the Actual Development Cost Certificate (Form HUD-52427) or Development Cost Budget/Cost Statement (HUD -52484) or another form or format as specified by the Field Office.

Section 18: Attachments & Additional Submissions to the Development Proposal

- Attachment 1: Site Map
- Attachment 2: Neighborhood/City Map
- Attachment 3: Architectural Plans
- Attachment 4: Construction Draw Schedule
- Attachment 5: Independent Construction Cost Estimate
- Attachment 6: Documentation on Limitation on Cost of New Construction
- Attachment 7: Documentation on Identify of Interest (if applicable)
- Attachment 8: Cooperation Agreement or Documentation of Consistency with Comprehensive Plan
- Attachment 9: Environmental Compliance Documentation
- Attachment 10: Market Analysis Executive Summary
- Attachment 11: Draft Evidentiary Documents (may be submitted after other elements of the Development Proposal, but prior to HUD approval)
- Attachment 12: Final Evidentiary Documents (submitted after financial closing)

