STATE OF CALIFORNIA

SECTION 811 PROJECT RENTAL ASSISTANCE DEMONSTRATION PROGRAM

NOTICE OF FUNDING AVAILABILITY

August 1, 2014
Amended August 25, 2017
August 1, 2014

MEMORANDUM FOR: Interested Parties
FROM: Tia Boatman-Patterson, Executive Director
California Housing Finance Agency
SUBJECT: Notice of Funding Availability Section 811 Project Rental Assistance (PRA) Demonstration Program

The California Housing Finance Agency (CalHFA) in partnership with the California Department of Health Care Services (DHCS), the California Department of Developmental Services (DDS), the California Department of Housing and Community Development (HCD), and the California Tax Credit Allocation Committee (TCAC) is pleased to announce the availability of approximately $11,276,744 for project-based rental assistance funds targeted to MediCal beneficiaries as set forth under the terms of this NOFA.

Applications from eligible project sponsors will be accepted on an over-the-counter basis beginning on September 2, 2014. Housing-Related questions should be directed to Christina DiFrancesco at Christina.DiFrancesco@hcd.ca.gov. Supportive Services and Tenant Referral-related questions should be directed to Urshella Starr at Urshella.Starr@dhcs.ca.gov
## NOTICE OF FUNDING AVAILABILITY

**SECTION 811 PROJECT RENTAL ASSISTANCE (PRA) DEMONSTRATION PROGRAM**

### TIMETABLE FOR APPLICATIONS

<table>
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<tr>
<th>NOFA Issued</th>
<th>August 1, 2014</th>
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| Webinars    | August 13, 2013 10:00 AM - Noon  
or  
August 20, 2013 10:00 AM – Noon  
Register at the website hyperlinked below:  
[http://www.calhfa.ca.gov/multifamily/section811/training/index.htm](http://www.calhfa.ca.gov/multifamily/section811/training/index.htm) |
| Applications Accepted | PRA funds will be available on an over-the-counter basis beginning September 2, 2014, until all available funds have been awarded. |
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I. INTRODUCTION

The California Housing Finance Agency (CalHFA) in cooperation with the California Department of Health Care Services (DHCS), the California Department of Developmental Services (DDS), the California Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (TCAC) is pleased to announce the availability of approximately $11,276,744 for project-based rental assistance funds targeted to MediCal beneficiaries as set forth under the terms of this NOFA. Applications will be accepted on an over-the-counter basis beginning September 2, 2014.

II. APPLICATION SUBMISSION PROCEDURE

Beginning September 2, 2014, applications for PRA funds shall be accepted from Eligible Applicants via electronic mail at: HUD811app@spmail.CalHFA.ca.gov. A complete application shall consist of a completed PRA Application Form and all required attachments. Application forms are available at: http://www.calhfa.ca.gov/multifamily/section811/index.htm.

Please submit all documents associated with each application in one-email; however, if your own e-mail system does not permit this, clearly identify in all e-mails which application the attachments belong to. Do not submit separate applications in the same e-mail.

III. TECHNICAL ASSISTANCE

For housing-related NOFA and application questions, contact Christina DiFrancesco at Christina.DiFrancesco@hcd.ca.gov. For tenant-referral/supportive service-related NOFA and application questions, contact Urshella Starr at Urshella.Starr@dhcs.ca.gov.

IV. PROGRAM AUTHORITIES

The authority for the PRA Program is Section 811 of the Cranston-Gonzalez National Affordable Housing Act, as amended by the Frank Melville Supportive Housing Investment Act of 2010 (Pub. L. 111-374). The funding is made available by the Department of Housing and Urban Development (HUD) Appropriations Act 2012, Public Law 112-55, 125 Stat. 552, Approved: November 18, 2011.
V. ELIGIBLE TENANTS

PRA funds will be used to serve extremely low income, non-elderly persons with disabilities who are age 18 or older, but less than 62 years of age at the time of transitioning into permanent housing. The person with the disability must be eligible for and require the support of community-based long-term waiver or state plan services funded through the California federal Medicaid program (MediCal).

Eligible Tenants

1. Individuals residing in an inpatient facility for at least 90 consecutive days, for which MediCal has paid for at least one of those days, who are enrolled in the California Community Transitions (CCT) Program. For the purpose of this program, inpatient facility includes facilities directly billed to MediCal, including but not limited to, a Skilled Nursing Facility, a Developmental Center, or an Intermediate Care Facility. Priority for PRA unit occupancy will be given to this population. For this population, it must have been determined by the prospective tenant’s physician that without the provision of MediCal, State Plan, or long-term care Home and Community-based Waiver Services these individuals would continue to require a level of care provided by an inpatient facility; or

2. Individuals currently receiving MediCal State Plan or long-term care Home and Community-based Waiver Services who are “at risk” of placement in an inpatient facility due to loss of housing. For these individuals, CCT and Regional Center Case Managers will identify eligible individuals and DHCS will verify this eligibility.

Long-Term Supportive Services

All tenants receiving PRA Assistance shall also be receiving long-term services and supports paid for by MediCal through a Home and Community-based Services MediCal Waiver program, a State Plan service, or through a MediCal Managed Care Plan. As such, they are eligible for MediCal-funded services and supports as necessary to address the health care needs critical for their stabilization in permanent housing. Eligibility for these services will continue for as long as the tenant remains on MediCal. Project Sponsors will not be responsible for providing supportive services to PRA tenants in addition to what the project is already funded to provide.
VI. ELIGIBLE APPLICANTS

The entity submitting the PRA application to the State must be the Project Sponsor. For the purpose of application submission and evaluation, the Project Sponsor is the developer of the project(s) proposed for PRA assistance. The Project Sponsor as the Eligible Applicant must have the minimum experience set forth in Section XIV of the NOFA. The Project Sponsor must have an ownership interest in the project.

Once a project is selected to receive PRA assistance, the Project Owner must enter into a Rental Assistance Contract with CalHFA. The Project Owner can be either: (1) the single-asset ownership entity of the development or (2) the project owner if the project is not owned by a single-asset entity.

Eligible Applicants must enter into a formal written agreement with one or more Eligible Tenant Referral Organizations (TROs) as discussed below, including at least one California Community Transitions (CCT) TRO and one Regional Center or Regional Center subcontracted TRO, where interested and available in an area.

VII. ELIGIBLE TENANT REFERRAL ORGANIZATIONS

Eligible TROs will have responsibility for identifying PRA-eligible tenants and assisting with their transition and stabilization in PRA-assisted housing of the Eligible Applicant.

As of the date of application by the Eligible Applicant for PRA funds under this NOFA, Eligible TROs must be one of the following entities: (1) a current CCT Program provider, (2) an organization willing to become a CCT provider, (3) a California Regional Center serving individuals with a developmental disability, or (4) an entity which contracts with a Regional Center to provide tenant referrals and housing placements (e.g., Supported Living or Independent Living Service Provider providing tenant referrals and housing placements).

An organization is prohibited from acting as both a TRO and an Applicant, or Property Manager in the same referral transaction (for example, a TRO cannot refer PRA tenants to properties it manages).

A list of CCT Providers can be found at: http://www.dhcs.ca.gov/services/ltc/Pages/CCT.aspx. A list of Regional Centers can be found at: https://www.dds.ca.gov/rc/lookup-rcs-by-county/
VIII. HOUSING PROVIDER AND TENTANT REFERRAL ORGANIZATION WRITTEN AGREEMENT REQUIREMENTS

PRA Applicants, their property management agents, and their partner TROs must complete and sign a written agreement which outlines the roles and responsibilities of each party. This agreement must be submitted with the Application for PRA funds. A sample of such agreement is found in Attachment A of the Application. The sample also contains the required provisions of any such agreement.

IX. ELIGIBLE USES OF FUNDS

PRA funds are for rental assistance within Eligible Projects as set forth below. PRA assistance will pay the difference between the Total Tenant Payment of the assisted household required by HUD, and the county Fair Market Rent (FMR) applicable to a particular unit as published by HUD for the Section 8 program. Rent levels higher than FMR may be permitted only if substantiated by a market study that has been prepared in accordance with the requirements of Chapter 9 of HUD’s Section 8 Renewal Guide, or as otherwise approved by the HUD or the State. PRA funds cannot be used for development or rehabilitation financing.

X. ELIGIBLE PROJECTS AND UNITS

Projects requesting PRA funds shall meet the following minimum requirements:

1. Eligible projects must be multifamily rental properties of five or more units.

2. At the time of application for PRA funds, individual projects may be either:

   a. Existing Projects for which construction or rehabilitation is complete.

      For new construction projects, evidence of construction completion shall be a recorded Notice of Completion. For rehabilitation projects, evidence of completion shall be a recorded Notice of Completion or other similar documentation from the local building or planning department which evidences completion of the rehabilitation.
b. Projects under development for which planned construction or rehabilitation has not yet begun or is not yet complete, except as noted below:

i. Projects proposing 12 or more federally-assisted units for which construction or rehabilitation activity is underway at the time of PRA Application submission that have not already received their Davis-Bacon Wage Determination cannot apply for PRA funds until construction is complete (because of difficulties in achieving full compliance with Davis-Bacon once construction is underway).

ii. Projects for which construction or rehabilitation activity is underway at the time of PRA Application submission that have not already received their federal environmental clearance through other HUD funding sources cannot apply for PRA funds until construction is complete (because it would be necessary to stop construction to complete the federal environmental review).

3. Eligible projects must have development funds from TCAC, HCD, or CalHFA. Within six months of an award of PRA funds, all project development funds must be committed. Failure to meet this deadline may result in a PRA award being disencumbered. Notwithstanding the above, because all PRA units must be occupied by PRA-eligible tenants by September 30, 2020, the State may determine based on a project’s development timetable that insufficient time exists to meet this occupancy deadline.

4. No more than twenty five percent (25%) of the total project units can: (a) be provided PRA Rental Assistance Payments; (b) be restricted to supportive housing for persons with disabilities; or (c) have any occupancy preference for persons with disabilities, regardless of the source of that restriction.

5. PRA funds must not assist units already restricted to persons with disabilities. Existing units receiving PRA funding must not have received any form of long-term operating subsidy within a six-month period prior to receiving PRA funds.

6. Eligible Projects must be able to comply with the terms of this NOFA, and other federal and State requirements in the timeframes required.
XI. MINIMUM AND MAXIMUM AWARD AMOUNTS

An Eligible Applicant may submit more than one application for PRA funds. An Eligible Applicant may request PRA assistance for one or more properties within the same county in one application. Separate applications must be made for properties within different counties. An eligible TRO may be a partner in more than one application.

1. A PRA Application must request assistance for a minimum of five units.

2. The maximum number of units an Eligible Applicant can request funds for will be determined in part by the number of MediCal patients residing in inpatient facilities in the TRO service area, between the ages of 18 to 61 years old. See Section XIV C. 5. of the NOFA for more information on this calculation.

3. The facilities from which Eligible Tenants are exiting must be in the service area of a TRO.

4. No Eligible Applicant may receive more than 30% of the total funds available. The State may adjust this percentage as necessary to utilize available funds within the time periods required by HUD.

5. No more than 50% of the total funds available may be used in a single county. The State may adjust this percentage as necessary to utilize available funds within the time periods required by HUD.

XII. OCCUPANCY DEADLINES

All PRA units must be occupied by September 30, 2020.

In order to help ensure the State can meet this deadline, the State may disencumber any of the awarded funds for units that remain unoccupied if sufficient cause exists to believe that the occupancy deadline cannot be met. Before the decision is made to disencumber awarded funds, the State will contact the Sponsor and TROs to discuss the progress made in PRA rent-up, and ways to try to avoid disencumbrance. The State reserves the right to make disencumbered funds available to supplement existing PRA awards, or to make additional new awards.
XIII. FEDERAL OVERLAY REQUIREMENTS

A. Housing Standards

For each project for which PRA funds are requested, PRA applications must include a signed certification from the project architect or other qualified third-party inspector which certifies that all PRA-assisted units meet local and State housing code, ordinances, zoning requirements, and minimum Uniform Physical Condition Standards.

B. Barrier Free/Accessibility Requirement for Units, Buildings, and Facilities, Including Public and Common Use Areas

Eligible Projects may consist of a mix of accessible and non-accessible units.

1. For each Eligible Project for which PRA funds are requested, PRA Applications must include a signed certification from the project architect or other qualified third-party inspector which certifies that the project meets the following federal and State accessibility requirements applicable to the project at the time of construction or rehabilitation: (a) HUD Uniform Physical Condition Standards at 24 CFR Section 5.703, (b) the Uniform Federal Accessibility Standards at 24 CFR Section 40.7, (c) Section 504 of the Rehabilitation Act of 1973 as implemented by 24 CFR Part 8 (Section 504), (d) the design and construction requirements of the Fair Housing Act and HUD’s implementing regulations at 24 CFR Part 100, and (e) State of California accessibility standards for publicly funded projects (Chapter 11 A).

2. Project Sponsors and TROs must ensure that the Eligible Project(s) is readily accessible to and usable by individuals with disabilities and must grant reasonable accommodation requests in accordance with Section 504, the Fair Housing Act, and the Americans with Disabilities Act, and applicable program requirements. For “Frequently-Asked Questions” regarding reasonable accommodation, see http://www.hud.gov/offices/fheo/library/hudokujoystatement.pdf

3. In addition, all tenant communications must be provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with Section 504 and, as applicable, the Americans with Disabilities Act.
C. Affirmatively Furthering Fair Housing

1. **Affirmative Marketing**: Pursuant to Section 808 (e) (5) of the Fair Housing Act, PRA TROs must take actions to provide information and otherwise attract eligible-PRA tenants regardless of race, color, national origin, religion, sex, disability, familial status, sexual orientation, or gender identity who are not likely to apply to the program without special outreach. TROs must follow the procedures set forth in Appendix B of the Application, *(State of California PRA Marketing Requirements)* in order to market the PRA Program to the Eligible Tenant populations set forth in Section V of the NOFA.

2. **TROs shall not begin accepting applications for PRA-assistance or otherwise making PRA Program referrals until after conducting outreach required pursuant to the Affirmative Marking analysis and plan.** You may begin this outreach upon approval of your Affirmative Marketing analysis by the State; therefore, it is suggested that your completed Affirmative Marketing Form be submitted with the Application.

3. **Tenant Selection Plan**: A PRA Tenant Selection Plan must be submitted to the State for approval. *Sponsors of TCAC, HCD, or CalHFA-financed projects have permission to deviate from the Tenant Selection Plan approved in connection with this financing in order to meet PRA requirements.*

In preparing the Tenant Selection Plan, note the following:

a. PRA TROs will have primary responsibility in managing the waiting list of PRA-eligible households. All methods of outreach and referral and management of the waiting list must be consistent with fair housing and civil rights laws and regulations, and affirmative marketing requirements. Except for affirmative marketing activities, Project Sponsors and their agents must conduct all other such activities in compliance with HUD Handbook 4350.3 REV-1 Chapters 2 (Civil Rights and Nondiscrimination) and 4 (Waiting List and Tenant Selection).

b. **PRA Set-Aside**: Once a Project Sponsor receives an award of PRA funds, they must set-aside that projected number of units for PRA tenants in one or more properties identified in their application. The units may be “floating” units, in that a specific unit does not need to be identified until a TRO has a tenant(s) ready to move in.
c. Pursuant to HUD Rental Assistance Contract requirements, the Project Owner, or their designee, must inform their PRA TROs of a vacancy and hold the unit open for a reasonable period of time. If no Eligible Tenant is identified within a reasonable period of time, the unit may be leased to tenant(s) not eligible for the PRA Program; however, this household is not entitled to the benefit of the PRA rental assistance, and the next available suitable unit shall be made available for occupancy by a prospective PRA tenant.

d. The Tenant Selection Plan and the written agreement between the housing provider and the TROs must discuss how Eligible Tenants will be selected when more than one tenant qualifies for the available, suitable units at the same time and is ready to move, (for example, first-come-first-served, lottery, or alternating referrals when two or more TROs are involved. **Within the selected method, preference shall be given to individuals who are transitioning from an in-patient facility (defined in Section V.1 of this NOFA).**

e. An Eligible Tenant with a legitimate reason for rejecting a particular unit can do so. The unit can then be offered to the next Eligible Tenant on the PRA waiting list, with the other Eligible Tenant retaining his/her same position on the waiting list.

f. Rejection of a particular unit for an Eligible Tenant due to lack of physical accessibility can only be done if a reasonable accommodation cannot be made. Accessibility modifications on individual units can be paid for by DHCS.

g. To prevent over-or under-utilization of project units, Project Owners must develop and abide by occupancy standards which meet the requirements of Section 3-23 of HUD Handbook 4350.3 REV-1 as well as the minimum and maximum occupancy standards required by code requirements and the project’s other funding sources.

h. Tenant Selection Plans must be implemented consistent with the unit restrictions set forth under Section X of the NOFA.
4. TROs must ensure when selecting Eligible Tenants for placement in individual units within Eligible Projects that tenants can exercise housing choices among suitable projects within a community in deciding where they want to live.

5. PRA units must be dispersed and integrated within Eligible Projects.

D. Full Disclosure of Available Housing

 Eligible Applicants must set forth in their application a process for providing full disclosure to each applicant for a PRA-assisted unit of all options available to the applicant in the selection of the property in which to reside, including basic information about available sites (e.g., location, number and size of accessible units, access to transportation and commercial facilities) and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types (e.g., regular or accessible) at each site.

E. Limited-English Proficiency

Pursuant to Executive Order 13166, PRA-assisted properties shall take reasonable steps to ensure meaningful access to their programs and activities by persons with Limited-English Proficiency (LEP). As requested in the application, information must be provided regarding the types of LEP assistance provided to persons residing or seeking to reside in the proposed PRA project(s). For additional LEP guidance, see: Limited English Proficiency (LEP) - HUD.

F. Davis-Bacon Labor Standards

1. Projects of 12 or more federally-assisted units for which construction or rehabilitation activity is underway at the time of PRA Application submission that have not already received their Davis-Bacon Wage Determination cannot apply for PRA funds until construction is complete.

2. Projects proposing 12 or more federally-assisted units where planned construction or rehabilitation activity has not started before an application is submitted to the State to receive PRA assistance are subject to Davis-Bacon and federal Contract Work Hours and Safety Standards Act (CWHSSA) requirements.
3. Projects where construction is fully complete before an application is submitted to receive PRA assistance are not subject to Davis-Bacon or CWHSSA requirements, except to the extent that the project is also assisted under another federal program that is subject to such requirements (e.g., the HOME program).

In projects subject to Davis-Bacon Labor Standards, the State may ask for additional documentation to ensure that prevailing wage costs are included in the project budget, and that the requirements of Davis-Bacon and CWHSSA can be met. The State may require that the developer hire a third-party to act as a Labor Standards Coordinator.

For projects subject to Davis-Bacon, all laborers and mechanics, (other than volunteers under the conditions set out in 24 CFR Part 70), employed by contractors and subcontractors in the construction (including rehabilitation) of housing assisted under this NOFA shall be paid wages at rates not less than those prevailing in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. Contracts involving employment of laborers and mechanics shall be subject to the provisions of the CWHSSA. Project owners and owners’ contractors and subcontractors must comply with all related rules, regulations, and requirements.

In accordance with U.S. Department of Labor regulations at 29 CFR Section 1.6(g), if a project is approved to receive PRA assistance after a contract for construction of the project has been awarded (or after the beginning of construction where there is no contract award), but before completion of construction, the State shall require that the wage determination effective on February 19, 2013 (the State’s PRA award), or the beginning of construction be incorporated into the construction contract retroactively to that date.

The State may request the HUD Office of Labor Relations to seek approval from the U.S. Department of Labor for the incorporation of a wage determination to be effective instead on the date of the State’s approval of PRA assistance for the project. Such approval may be granted only where there is no evidence of intent to apply for the federal assistance for the project prior to contract award or start of construction.

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1 For new construction projects, evidence of construction completion shall be a recorded Notice of Completion. For rehabilitation projects, evidence of completion shall be a recorded Notice of Completion or other similar documentation from the local building or planning department which evidences completion of the rehabilitation.
G. **Energy and Water Conservation**

New Construction and Substantial (Gut) Rehabilitation Projects must document compliance with the following when such projects apply for PRA funding.

(1) Energy Efficiency - Low-rise (up to three stories): PRA-assisted properties must meet the requirements of EPAs ENERGY STAR Qualified Homes. Mid-Rise & High-Rise developments (4 or more stories) must meet the requirements of the ENERGY STAR Qualified Multifamily High-Rise Buildings. Any State energy code requirements will take precedence over ENERGY STAR specifications when the State code approximates or exceeds that standard. For more information, see [http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.pt_bldr](http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.pt_bldr) or ENERGY STAR Qualified Multifamily High Rise Buildings: ENERGY STAR. Specific questions can be emailed to energystarhomes@energystar.gov or leopkey.ted@epa.gov.

(2) Water Conservation Fixtures - Installation of water-conserving fixtures is required (e.g. resource efficient plumbing and appliances such as low flow showerheads and faucet and high efficiency toilets). The materials used should be the most current WaterSense or a greater water efficiency product. See WaterSense | US EPA for more information.

H. **Environmental Requirements and Assurances**

PRA funds cannot be awarded until all necessary environmental clearances have been obtained; therefore, projects for which construction or rehabilitation activity is underway at the time of PRA Application submission that have not already received their required federal environmental clearance through other federal funding sources cannot apply for PRA funds until construction is complete.

Existing Eligible Projects that are currently HUD-assisted or HUD-insured that will not engage in activities with physical impacts or changes beyond routine maintenance activities or minimal repairs have no additional environmental review under PRA. These projects should submit evidence of their federal environmental clearance, and project completion, such as a copy of their Authority to Use Grant funds and Notice of Completion.

All Other Eligible Projects: PRA is subject to 24 CFR Part 50. The State is responsible for issuing the required environmental clearance under the PRA Program pursuant to the requirements set-forth below. With the exception of any required Phase I/II Report,
as discussed below, all other Eligible Projects must have the required documentation in Attachment E and following of the Application at the time of application for PRA funds.

Citations to authorities in the following paragraphs are for reference only; to the extent that property standards or restrictions on the use of properties stated in the following paragraphs are more stringent than provisions of the authorities cited, the requirements stated in the following paragraphs shall control:

1. **Site Contamination (24 CFR 50.3(i)).** It is HUD policy that all properties for use in HUD assisted housing be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property (24 CFR 50.3(i)(1)). Therefore, Eligible Projects subject to further environmental review shall:

   a. Assess whether the site: (i) is listed on an EPA Superfund National Priorities or CERCLA list or equivalent State list; (ii) is located within 3,000 feet of a toxic or solid waste landfill site; (iii) has an underground storage tank other than a residential fuel tank; or (iv) is known or suspected to be contaminated by toxic chemicals or radioactive materials.

   b. **If none of these conditions exist,** a letter of finding signed by the Project Owner or Phase I preparer certifying these findings must be submitted and maintained in the site's environmental record. The State will verify whether any of these conditions exist through a search of relevant environmental databases. The State may request additional information as necessary to determine the condition of the site.

   c. **If any of these conditions exist,** the Eligible Applicant must provide an ASTM Phase I Environmental Site Assessment (ESA) for the project prepared in accordance with ASTM E 1527-05 or the most recent edition. (If your current Phase I does not meet ASTM E 1527-05, you must submit a Phase I meeting ASTM E 1527-13.)

   If a Phase I ESA identifies RECs, a Phase II ESA in accordance with ASTM E 1903-11 (or the most recent edition) must be submitted. Any hazardous substances and/or petroleum products that are identified at levels that would require clean-up under State policy shall be so cleaned up in accordance with the State's clean-up policy.
If not already available, the Phase I/II Report, prepared according to the ASTM Standards and timing requirements discussed above, can be provided upon notification that a PRA award is pending.

2. **Historic Preservation**: (16 U.S.C.470 et seq.)

   a. All work on properties identified as historic by the State, must comply with all applicable State, territorial, tribal historic preservation law and requirements and, for properties affecting locally designated historic landmarks or districts, local historic preservation ordinance and permit conditions.

   If archaeological resources and/or human remains are discovered on the activity or project sites during construction, the Eligible Applicant must comply with applicable State, tribal, or territory law, and/or local ordinance (e.g., State unmarked burial law).

   b. In addition, all work on properties listed on the National Register of Historic Places, or which the State knows are eligible for such listing, must comply with “The Secretary of the Interiors Standards for Rehabilitation.” Complete demolition of such properties would not meet the Standards and is prohibited.

3. **Noise** (24 CFR Part 51, subpart B - Noise Abatement and Control). All new construction projects shall be developed to ensure an interior noise level of 45 decibels (dB) or less. In this regard and using the day-night average sound level (Ldn), sites not exceeding 65 dB of environmental noise are deemed to be acceptable; sites above 65 dB require sound attenuation in the building shell to 45 dB; and sites above 75 dB shall not have noise sensitive outdoor uses (e.g. picnic areas, tot lots, balconies or patios) situated in areas exposed to such noise levels.

4. **Airport Clear Zones** (24 CFR Part 51, subpart D - Siting of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and Accident Potential Zones at Military Airfields). No activities or projects shall be permitted within the “clear zones” or the “accident potential zones” of military airfields or the “runway protection zones” of civilian airports.
5. Coastal Zone Management Act (16 USC 1451 et seq.) Activities and projects shall be consistent with the appropriate State coastal zone management plan. Plans are available from the local coastal zone management agency.

6. Floodplains: No new construction activities or projects shall be located in the mapped 500 year floodplain, or if not available, the "Special Flood Hazard Area" (100 year floodplain), as identified on the current Federal Emergency Management Agency (FEMA) “Flood Insurance Rate Maps” if available, or if not available, the “Flood Hazard Boundary Maps,” if available.

Existing structures may be assisted in these areas, except for sites located in coastal high hazard areas (V Zones) or regulatory floodways, but must meet the following requirements:

(i) The existing structures must be flood-proofed or must have the lowest habitable floor and utilities elevated above the 500-year floodplain when such elevations have been determined by FEMA, or if not available, the 100-year floodplain.

(ii) The project must have an early warning system and evacuation plan that includes evacuation routing to areas outside of the applicable floodplain.

(iii) Project structures in the 100-year floodplain must obtain flood insurance up to the maximum amount available under the National Flood Insurance Program or the value of the structures, whichever is less, for the life of the structures. No activities or projects located within the 100-year floodplain may be assisted in a community that is not participating in or has been suspended from the National Flood Insurance Program.

7. Wetlands (Executive Order 11990). No new construction shall be performed in wetlands. No rehabilitation of existing properties shall be allowed that expands the footprint such that additional wetlands are destroyed. New construction includes draining, dredging, channelizing, filling, diking, impounding, and related grading activities. The term wetlands is intended to be consistent with the definition used by the U.S. Fish and Wildlife Service in Classification of Wetlands and Deep Water Habitats of the United States (Cowardin, et al., 1977). This definition includes those wetland areas separated from their natural supply of water as a result of activities such as the construction of structural flood protection methods or solid-fill road beds and activities such as mineral extraction and navigation improvements.

8. Siting of Project Activities Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature (24 CFR Part 51, Subpart C). Unshielded or unprotected new construction sites shall be allowed only if they meet the standards of blast overpressure (0.5psi – buildings and outdoor unprotected facilities) and thermal radiation (450 BTU/ft2 -hr – people, 10,000 BTU/ft2-hr – buildings) from
facilities that store, handle, or process substances of explosive or fire prone nature in stationary, above ground tanks/containers.

9. **Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).** New construction shall not be permitted that would result in a taking of endangered plant or animal species as listed under the Endangered Species Act of 1973. Taking includes not only direct harm and killing but also modification of habitat. Maps for listed species and geographic habitat by state can be found at:


10. **Farmland Protection (7 USC 4201 et seq.).** New construction shall not result in the conversion of unique, prime, or otherwise productive agricultural properties to urban uses.

11. **Sole Source Aquifers (Section 1424(e) of the Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300 et seq., and 21 U.S.C. 349)).** Any new construction activities and projects located in federally designated sole source aquifer areas (SSAs) shall require consultation and review with the U.S. Environmental Protection Agency (USEPA). Information regarding location and geographic coverage of the 73 federally designated SSAs can be found at:


**Choice-Limiting Actions:** At the time of application for PRA funds, if a project has not yet received any required federal environmental clearance, all activity that constitutes a “choice limiting action” must cease, until the required clearance has been issued. If a choice-limiting action has occurred, PRA funds cannot be used for that project.

“Choice-limiting actions” are actions on the project site, or on behalf of the project, taken by the PRA applicant or any participant in the development process. “Choice limiting actions” include the execution of any agreements (such as loan documents) for ANY Project funds (not just PRA funds), the purchase of the site, any construction loan closing, any payment of local fees, or any site work (other than annual weed control) done by anyone.

Note however, certain activities are not considered choice limiting actions regardless of when they are carried out. These activities include, but are not limited to, such things
as: environmental and other studies; resource identification and the development of plans and strategies; submitting funding applications; inspections and testing for hazards or defects; purchase of insurance; payment of principal and interest on loans made or obligations guaranteed by HUD; and assistance for improvements that do not alter environmental conditions and are necessary only to control the effects from disasters or imminent threats to public safety.

If there are any questions regarding choice limiting actions, or the level of environmental clearance required of your project, contact Christina DiFrancesco at Christina.DiFrancesco@hcd.ca.gov prior to taking any action concerning your proposed PRA Project.

I. Lead-Based Paint

For Eligible Projects that do not trigger the requirements below, a self-certification will be required.

Federal Lead-Based Paint requirements apply to assisted units and common areas in properties: (1) constructed prior to January 1, 1978, (2) when a child of less than 6 years of age resides or is expected to reside, and (3) in which such units will receive an annual average of more than $5,000 of project-based rental assistance per-unit in any year. For these projects, a copy of the project’s lead risk assessment, and remediation report will be required before PRA funds will be awarded.

For properties meeting the requirements of (1) and (2) above in which such annual assistance per unit is less than or equal to $5,000 per unit, documentation of the project’s visual assessment for deteriorated paint and paint stabilization actions will be required before PRA funds will be awarded.

The Environmental Protection Agency’s Renovation, Repair and Painting (RRP) Rule also applies when renovation, repair or painting work is conducted on properties subject to Lead-based Paint Requirements. Among other requirements, the work, using lead-safe work practices, must be conducted or supervised by certified lead renovator working for a certified lead renovation firm when the amount of work exceeds the RRP Rule’s minor repair and maintenance area threshold.

XIV APPLICATION EVALUATION

Additional application evaluation factors are described below.

A. Applicant or Property Manager Experience and Capacity

Eligible Applicants or their proposed PRA Project property manager(s) must demonstrate that it has the following:

1. A minimum of one project which includes services to a special needs population. This project does not have to be a project that is requesting PRA funds, a project that currently serves to the PRA Target Population, or a project that exclusively serves special needs tenants.

2. The PRA subsidy will be administered through a contract similar to project-based Section 8 contracts. Eligible Applicants or their management agent must have experience with project based Section 8 subsidy processing, including the use of the Tenant Rental Assistance Certification System (TRACS) and Enterprise Income Verification (EIV). HUD requires Eligible Applicants to have the capability to transmit tenant information using HUD 50059 (certification and recertification form) and HUD 52670 (voucher data). Eligible Applicants must also have experience calculating tenant rents in accordance with HUD occupancy guidelines (HUD Handbook 4350.3 REV-1).

3. Properties associated with the Eligible Applicant must have no significant findings of non-compliance with State agency requirements.

B. Tenant Referral Organization Experience and Capacity

At a minimum, the TRO shall:

1. Have experience providing transition coordination services, which must include: conducting clinical and socio-economic assessments, developing home-and community-based (HCB) care plans, arranging for the delivery of long-term services and supports (LTSS), securing community living, maintaining detailed records, conducting quality assurance reviews, and collecting data.

2. Have experience developing collaborative working relationships with key personnel within eligible MediCal-funded facilities to provide outreach and education about their transition program to facility staff, recruit eligible patients into the program, and educate families about residence and care options.
C. Need/Calculating the Maximum Number of Units for which to Apply

The Need calculation is for determining the maximum number of units an application can request. It is not for assigning numbers of transitions available among particular TROs associated with an application. The State reserves the right to make adjustments to the number of units or amount of funds requested by an Applicant.

The TROs must provide the following information in the Application in order to determine the number of units in a project that would be realistic to make referrals to in the available time-period for renting-up PRA units:

1. Define TRO service area(s) in relationship to the Project Site.

2. CCT TROs must list all of the Skilled Nursing Facilities (SNF) with MediCal Patients or other Inpatient MediCal Facilities, from which the CCT will be referring and transitioning patients for PRA assistance. Regional Center TROs and TROs that subcontract with a Regional Center must list the number of individuals who are MediCal beneficiaries that will be referred to and transitioned into PRA assisted units.

3. Include past transitions made by the TRO. These do not have to be transitions made through the CCT Program or the Regional Center, but, if not through the CCT Program or the Regional Center, indicate what percentage of the individuals who benefited from these transitions are in an existing home arrangement, or into a new apartment.

4. If the calculation of Need includes facilities from which the TRO has not made transitions since 2007, please explain why the TRO has not had transitions from these facilities.

5. Determine the maximum amount of units that can be requested by the number of MediCal patients between the ages of 18 to 61 residing in the inpatient facilities from which the TRO is seeking to make PRA referrals/transition, and the number of individuals who are “at risk” for admission to an inpatient facility. This consists of a Base Calculation plus any additional units as discussed below.

a) Base Calculation: go to the CCT Needs Data located at http://www.calhfa.ca.gov/multifamily/section811/index.htm with the PRA Application documents. Using Worksheet #3 of this Excel file, (tabs in top right corner), add all of the MediCal beds in each facility that the CCT
provider proposes to draw PRA Eligible Tenants from, and multiply by 10 percent. Note: All data provided in this file is for the eligible age group of 18-61.

**Base Calculation Example:** there are five facilities in the CCT Provider’s service area from which they are proposing to draw PRA tenants, with an identified count of 200 MediCal Patients, between the ages of 18-61. The base calculation of eligible patients would be 200 X 10% = 20. In this example, the Eligible Applicant’s base calculation for the service area is up to 20 units in a project or group of identified projects in the application.

b) **Requesting Additional Units.** Applications may request additional units greater than the above calculation allows, based on either additional Regional Center client or CCT Provider placements; however, there must be an adequate explanation as to how/why this additional number of transitions can be made by the occupancy deadlines set forth in Section XII.

The number of additional expected placements can be added to the Base Calculation to determine the total number of PRA units that may be requested. The State will contact the TRO to verify this number based on client information.

6. TROs must also describe how they currently provide or plan to provide outreach and education about the PRA program to inpatient facility staff, recruit eligible patients into the program, and educate families about community living and home and community-based care options.

**D. Project Suitability**

Eligible Applicants and their partner TROs must select projects for participation that offer access to appropriate services, accessible transportation and commercial facilities to ensure greater integration of persons with disabilities in the broader community. Eligible Applicants must describe how each proposed project for PRA assistance meets these criteria. In addition, the projects being considered for PRA assistance must be in compliance with the requirements of all of their other financing programs, including regulatory agreements and other loan documents.

**E. Application Tie-Breaker**

In any given month where the PRA Program is oversubscribed, priority for award of funds will be given to Eligible Projects as follows: (1) existing projects; (2) projects with all development funds committed at time of PRA application, (3) projects proposing the
greatest number of PRA units; (4) projects that are located in geographic areas that have more than two TROs and include more than two TROs in their application, and (5) all other projects.

Within the four priority groups, in the event that the total amount requested in eligible applications that are ready to be funded exceeds the total amount of PRA funds remaining to be allocated, the State may award the remaining funds to the application with the highest Need factor as set forth in subsection XIV. C., for an amount not to exceed the amount requested in the application, until all remaining funds have been allocated.

XV. PROGRAM EVALUATION AND REPORTING

Recipients of PRA funds shall participate in program evaluation and reporting as required by HUD and/or the State.