

FORMAT FOR NOTIFICATION OF SELECTION FOR A SECTION 202
FUND RESERVATION FOR HOUSING FOR THE ELDERLY

SEND TO: Sponsor

HOW: Must be sent by Certified Mail - Return Receipt Requested

WHEN: Upon authorization by Headquarters and validation of funds

Dear _____:

SUBJECT: Notification of Selection for a Section 202 Fund
Reservation
Location: _____ No. of Units _____
Project No.: _____
City and State: _____

I am pleased to advise you that your Application for a Fund Reservation to (construct) (rehabilitate) or (acquire from RTC) _____ units of housing for the elderly under the Section 202 Supportive Housing Program has been approved for _____ efficiency units and/or _____ one-bedroom units.

Capital Advance authority in the amount of \$ _____ has been reserved for this project, along with Project Rental Assistance contract and budget authority of \$ _____ and \$ _____, respectively.

Please indicate by signing in the space provided whether or not you accept this Notification including the special conditions or requirements that are specified herein and certify to your understanding that the project must be developed in accordance with the terms set forth in this Notification. Return two signed copies of this Notification, along with the Housing Consultant's Contract (if any) and the HUD-2530, Previous Participation Certificate, and resume for the consultant to this Office within 14 days from the date you receive this letter.

FUND RESERVATION TERMS AND CONDITIONS

Your acceptance of this Notification constitutes a certification and agreement by the Sponsor that:

- (1) An application for Conditional Commitment which meets HUD's Design and Cost Standards and programmatic requirements will be submitted by the Owner. The Design and Cost Standards

apply to all projects regardless of the proposed operating cost level. The design must not include any prohibited features and must be cost efficient.

- (2) There will not be made any sale, assignment, conveyance, or any other form of transfer of this Notification, the Fund Reservation, the property or project, or any interest therein, except transfer from the Sponsor to an approved single-purpose Owner organized by it.
- (3) The Fund Reservation will be canceled if construction, rehabilitation or acquisition from the RTC has not commenced within 18 months from the date of this Notification, unless further extensions beyond the 18 months are approved by HUD. Such extensions will be based upon HUD's determination that the Owner has established a reasonable schedule and is making sufficient progress toward the start of construction.
- (4) The Section 202 and Project Rental Assistance funds reserved for the project identified herein may not be used in connection with any other project, without the express written approval of HUD.
- (5) This Fund Reservation will be subject to cancellation, at HUD's option, in the event there comes into existence or HUD becomes aware of a pre-existing conflict of interest involving the project on the part of officers or directors of either the Sponsor or Owner organization (including affiliates).
- (6) An attempt will be made to obtain exemption from State and/or local real and/or personal property taxes. Evidence of filing, together with the response received from the taxing authority, must be submitted with the Application for Conditional or Firm Commitment in one of the following forms:
 - (a) Tax exemption
 - (b) Tax abatement
 - (c) Payment in lieu of Taxes (PILOT)
 - (d) Ineligibility for any tax relief

Eligibility for (a), (b), or (c) must be supported by a copy of the appropriate legislation or ordinance.

- (7) Special Conditions for Requirements.

This Notification of Selection is issued subject to:

- a. Formation of a legally acceptable single purpose Owner

corporation.

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- b. Evidence that the site is under the Owner's control at the time the Application for Conditional Commitment is submitted.
- c. Submission of Forms HUD-2530, Previous Participation Certificate, for all officers and directors of the boards of the Sponsor and Owner within 90 days and subsequent clearance thereof.
- d. Credit investigation clearance of Owner's officers of the board.
- e. Submission of an Application for Conditional Commitment in full compliance with the Design and Cost Standards and programmatic policies within 120 days from the date of this letter.
- f. A commitment by the Sponsor to pay for any excessive design features included in the project.
- g. Submission of Conflict of Interest and Disclosure Certifications for each officer and director of both the Sponsor and Owner and Identity of Interest and Disclosure Certifications for all known development term members.

NOTE: At any time a new development team member is identified or changed, an Identity of Interest and Disclosure Certification must be submitted. Likewise, at any time the Sponsor or Owner changes any officers or director, a Conflict of Interest and Disclosure Certification must be submitted for the new persons.

To provide you and your architect with assistance in the development of a project which meets HUD's Design and Cost Standards, immediately contract (insert name and telephone number), Design Representative, to discuss the design of the project. (For projects involving rehabilitation or acquisition, insert: "In addition, he/she should be contacted as soon as possible to arrange a mutually convenient time for a joint inspection of the property." Enclosed is a copy of the approved prototype analysis of utility combinations and fuel types which provide maximum operating economy for buildings of various styles, sizes and types of construction.

If two copies of this Notification indicating acceptance are

not returned within the specified period, or if you accept and a single purpose Owner fails to submit an Application for Conditional Commitment within the specified period, HUD may

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rescind this Notification and cancel the Fund Reservation. If you have any questions regarding the requirements for submission of the Application for Conditional Commitment, please call ___ (Insert name and telephone number of MHR) ___.

We look forward to working with you toward the successful completion of this project.

Sincerely,

Manager

Enclosure

Accept _____
(Signature of Authorized Officer)

Not Accept _____
(Signature of Authorized Officer)

Title: _____

Date: _____