

April 19, 2016

TO: State Directors  
Rural Development

ATTN: Program Directors and Coordinators  
Multi-Family Housing

FROM: Tony Hernandez /s/ *Tony Hernandez*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Processing Section 514/516  
New Construction Loan and/or Grant Requests  
Fiscal Year (FY) 2016

The purpose of this Unnumbered Letter (UL) is to provide information and guidance on processing Section 514/516 Farm Labor Housing (FLH) new construction loan and/or grant requests. This UL is in accordance with 7 CFR 3560 and the “Notice of Solicitation of Applications (NOSA) for the Section 514 Farm Labor Housing Loans, Section 516 Farm Labor Housing Grants for Farm Housing for Fiscal Year 2016” published on January 13, 2016, in the Federal Register Document Citation: 80 FR 15743, Document Number: 2016-00483, Pages: 1611-1617.

States offices that need assistance with the review or the processing of FLH pre-applications should contact Mirna Reyes-Bible of the Multi-Family Housing Preservation and Direct Loan Division’s Farm Labor Housing Program at 202-720-1753 or [mirna.reyesbible@wdc.usda.gov](mailto:mirna.reyesbible@wdc.usda.gov).

### **PROCESSING TIMEFRAMES**

**April 12, 2016, 5:00 P.M. local time:** Application closing deadline. Applications received by this deadline will be reviewed for completeness and scored against the factors listed in the NOSA. To pay for credit reports, collect a check for \$24 from the applicant made payable to the U.S. Department of Agriculture (USDA).

EXPIRATION DATE:  
April 30, 2017

FILING INSTRUCTIONS:  
Housing Programs

Based on the preliminary eligibility, feasibility review, and application scoring, State offices fax or e-mail a final list of their scored and ranked pre-applications with Attachments 1, 2, and 3 and a copy of the preliminary market study submitted by the borrower to the National Office no later than **May 16, 2016**, Attention: Mirna Reyes-Bible at (202) 690-3444. **This list will include every pre-application determined incomplete or ineligible with the reason for that determination.** The National Office ranks all pre-applications received from the State offices.

The National Office notifies State offices which pre-applications were selected for further processing no later than **May 23, 2016**. Upon this notification, States offices will immediately notify the selected applicants to submit a formal application with a **cost overrun statement**. The selected applicants must submit its formal application within 45 days of the State office's notification. The State Office must advise applicants to submit organizational documents immediately after receiving notification in order to allow time for review by the Regional Office of General Counsel (OGC). State offices also conducts site visits and begin the environmental review, appraisal, market studies, and civil rights impact analysis.

State Office submits, Form RD 1940-L Exhibit A "*Request for Obligation of Funds*"; refer to assistance codes "322" for loans and "323" for grants to the National Office no later than **September 1, 2016**.

All funds must be obligated by 5:00 P.M. local time no later than **September 8, 2016**. Please make every attempt to obligate funds by the required timeframe. When obligating funds, the estimated development costs must be entered into the Automated Multi-housing Accounting System (AMAS) using the M5V screen. Once construction is completed, the actual development costs must be entered into AMAS using the M5VA screen. Guidance can be found in Chapter 2 of the AMAS manual.

Direct questions regarding this UL to Mirna Reyes-Bible of the Multi-Family Housing Preservation and Direct Loan Division, at (202) 720-1753.

Attachments

**RURAL HOUSING SERVICE  
FARM LABOR HOUSING OFF-FARM PRE-APPLICATIONS  
FISCAL YEAR 2016**

STATE \_\_\_\_\_

RANK	SCORE	APPLICANT NAME/ LOCATION	# OF MIG UNITS	CONG DIST	DEVELOPMENT COST*	LOAN	GRANT	LEVERAGED	% OF LEV.	# OF UNITSS	# OF RA'S	PPA	Faith Based (Y/N)
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				
					\$	\$	\$	\$	%				

\*If the proposal includes non-RHS eligible costs, please indicate the items and costs on a separate line or as an attachment.

PPA= Persistent Poverty Area

**FARM LABOR HOUSING PRE-APPLICATION REVIEW CHECKLIST AND POINT  
SCORE SHEET - FY 2016**

**Applicant information:**

Date and time received: \_\_\_\_\_

Applicant Name: \_\_\_\_\_

Applicant Type: NP NPLP PB IT AF AFW

Project Name: \_\_\_\_\_ # Units \_\_\_\_ # RA Units \_\_\_\_ # Migrant Units \_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ Project Congressional District: \_\_\_\_\_

If Mixed Use:

Designated FLH Units \_\_\_\_\_% Designated Non-FLH Units \_\_\_\_\_%

NP=Non-Profit NPLP=Non-Profit Limited Partnership PB=Public Body IT=Indian Tribe  
AF=Assoc. of Farmers AFW=Assoc. of Farmworkers

**Application threshold requirements:** Application meets preliminary threshold requirements (received by closing date established in NOSA, contains all of the items listed in the NOSA, an estimate of development cost (1924-13), and a proposed operating budget (3560-7), is an eligible applicant, and is for an eligible purpose).

(Yes/No): \_\_\_\_\_ Comments: \_\_\_\_\_

**Pre-Application Scoring:** (Please refer to NOSA for details)

(1) Construction Cost Leveraged Assistance (maximum 20 points)

(2) Operational Cost Saving Leverage Assistance (maximum 50 points)

(3) Seasonal, temporary, or migrant housing:

Enter number and percent of units that will serve seasonal, temporary, or migrant farmworkers: Number \_\_\_\_\_ and \_\_\_\_\_%

(Enter 10 points for up to 50 percent of units; 20 points for 51 percent or more)

(4) Additional 10 points for projects in persistent poverty counties

(5) (i) FY 2016, National Office initiative will be based on the presence of and extent to which a tenant services plan exists that clearly outlines services that will be provided to the residents of the proposed project. (25 points)

(ii) Two points will be awarded for each resident service included in the tenant services plan up to a maximum of 10 points. \_\_\_\_\_

(6) (i) Energy Conservation for New Construction or Substantial Rehabilitation existing non-FLH property (maximum 55 points)

(ii) Energy Conservation (maximum 55 points)

(iii) Energy Generation (maximum 7 points)

(iv) Water Conservation in Irrigation (maximum 3 points)

(v) Property Management (green) Credentials (maximum 5 points).

**Total Point Score** \_\_\_\_\_

**FARM LABOR HOUSING LEVERAGED ASSISTANCE  
CALCULATION OF CONSTRUCTION COST SAVINGS WORKSHEET FY 2016**

Applicant Name: \_\_\_\_\_ Project Name: \_\_\_\_\_

1. RHS total development cost (excludes non-RHS eligible costs): \$\_\_\_\_\_
2. Leveraged Assistance (include all eligible leveraging meeting the provisions of the NOFA such as loans, grants, land, tax abatements, etc.)

<i>Source:</i>	<i>Amount:</i>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. Total leveraged assistance \$\_\_\_\_\_
4. Percent of Leveraged Assistance (line 3 divided by line 1) \_\_\_\_\_%
5. If mixed-use property, multiply the designated percent of FLH units (Attachment 2) by line three (3) above then divide by line one (1) to determine leverage points according to the chart below.
6. Points for leveraging \_\_\_\_\_  
(Round up for .50 and above; round down for .49 and below)

**Estimated Funding:**

RHS loan amount \_\_\_\_\_ + grant amount \_\_\_\_\_: \$ \_\_\_\_\_  
Leveraged funds (brought forward from Attachment 3) \$ \_\_\_\_\_  
Total Development Cost: \$ \_\_\_\_\_

**Review Comments:**

\_\_\_\_\_  
Reviewer: \_\_\_\_\_ Date of Review: \_\_\_\_\_

**National ranking results:** Selected for further processing based on National ranking  
(Yes/No): \_\_\_\_\_ Date: \_\_\_\_\_