



Rural Development

September 18, 2017

Richard A. Davis
Acting Administrator

TO: State Directors
Rural Development

Rural Housing Service
1400 Independence Ave, SW
Room 5014-S
Washington, D.C. 20250

ATTN: Program Directors and Coordinators
Multi-Family Housing

Telephone: (202) 692-0268

FROM: Richard A. Davis /s/ **Richard A. Davis**
Acting Administrator
Rural Housing Service

SUBJECT: Processing Section 514/516
New Construction Loan and/or Grant Requests
Fiscal Year 2017

The purpose of this Unnumbered Letter (UL) is to provide information and guidance on processing the 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 2017” published July 26, 2017, in the Federal Register Document Citation: 82 FR 34624, Document Number: 2017-15626, Pages: 34624-34630.

States Offices that need assistance with the review or the processing of FLH pre-applications should contact Mirna Reyes-Bible, Preservation and Direct Loan Division, Farm Labor Housing Program, at (202) 720-1753 or at mirna.reyesbible@wdc.usda.gov.

PROCESSING TIMEFRAMES:

September 11, 2017 – 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).

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 **September 18, 2017**, Attention:

EXPIRATION DATE:
September 30, 2018

FILING INSTRUCTIONS:
Housing Programs

USDA is an equal opportunity lender, provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

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 **September 22, 2017**. Upon this notification, State Offices immediately will notify the selected applicants to submit a formal application with a **cost overrun statement**. The State Offices must advise applicants to submit organizational documents immediately after receiving notification in order to allow time for review by the Office of General Counsel (OGC). State Offices also conduct site visits and begin the environmental review, appraisal, market studies, and Civil Rights Impact Analysis.

State Offices submit 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 26, 2017**.

All funds must be obligated by 5:00 P.M. local time no later than **September 28, 2017**. 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, Preservation and Direct Loan Division, Farm Labor Housing Program, at (202) 720-1753.

Attachments

**RURAL HOUSING SERVICE
FARM LABOR HOUSING OFF-FARM PRE-APPLICATIONS
FISCAL YEAR 2017**

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 POINTS
SCORE SHEET – Fiscal Year 2017**

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) _____
(Enter 10 points for up to 50 percent of units; 20 points for 51 percent or more) _____
 - (3) Additional 10 for projects in persistent poverty counties _____
 - (4) (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. _____
 - (5) (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** _____

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: _____

**FARM LABOR HOUSING LEVERAGED ASSISTANCE
CALCULATION OF CONSTRUCTION COST SAVINGS WORKSHEET FY 2017**

Applicant Name: _____	Project Name: _____
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1. RHS total development cost (excludes non-RHS eligible costs): \$_____	
2. Leveraged Assistance (include all eligible leveraging meeting the provisions of the NOSA 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. Points for leveraging _____ (Round up for .50 and above; round down for .49 and below)	