Multifamily Housing Preservation & Revitalization NOFA FY 2024 Workshop
October 17, 2024
Questions and Answers

Question 1: Is the current NOFA funding going to be used for the backlog or will new applications be considered?

Answer 1: We do not have a backlog of prior MPR applications. All new applications that are eligible will be considered.

Question 2: Will the presentation be provided to the audience?

Answer 2: Yes, slides and FAQs will be posted on the agency's website under the USDA/MFH Programs / MPR Tab.

Question 3: On page 79234 of the NOFA, it states: xviii. A separate one-page information sheet listing each of the application scoring criteria contained in this Notice, followed by a reference to the page numbers of all relevant material and documentation contained in the proposal that supports the outlined criteria. Can you explain this?

Answer 3: The Agency requests that applicants provide a separate page (similar to an index or table of contents) that lists the scoring items and includes the page numbers or location to assist the Agency in locating the documentation for the scoring items for which the applicant is claiming points.

Question 4: What if the property has major repairs just because of the age and the loans are out further than the 2028 date?

Answer 4: If the property is unable to meet any of the eligibility criteria of this NOFA and is still in need of resources for repairs, owners should reach out directly to their FOD servicing specialist for guidance on other agency, public, or conventional resources.

Question 5: What if the project does not have the funds to pay the CNA and appraisal?

Answer 5: If project funding is inadequate to cover eligible third-party reports, the owner would be required to use other funds, including owner funds or potential outside pre-development sources. For eligible pre-development costs, owners should reach out to their FOD servicing specialist for guidance on how to access funding for third-party reports.

Question 6: If we have RRDL funds, could we still apply?

Answer 6: We believe this question is referring to a program offered by a state housing financing agency. Yes, you could still apply. There are no restrictions on other funding sources.

Question 7: Can grants be used for nonprofit owned (paid off) rental properties?

Answer 7: Nonprofits can receive grants for eligible purposes as described in the NOFA. However, the property must currently be participating in the Section 515 or Section 514/516 programs to receive funding. Projects that previously paid off their RD loans and are no longer participating in Agency loan programs are not eligible to receive funding under the NOFA.

Question 8: If there is a portfolio of projects that are only seeking debt deferral, will it fall under the state cap of 5 projects?

Answer 8: No-cost debt deferrals, which are for loans that are closed and were obligated on or after October 1, 1991, will not fall under the state cap. Debt deferrals that have a cost to the agency, which are loans obligated on or before September 30, 1991, will count under the state cap.

Question 9: What if the property has multiple loans and only one loan meets the 1/1/2028 date?

Answer 9: All Agency loans on the project must reach mortgage maturity prior to January 1, 2028.

Question 10: By Occupancy Rates, it sounds like you are saying Vacancy rate of 10% or more?

Answer 10: For Section 515 RRH projects, the average physical vacancy rate for the 12 months preceding this Notice's application submission date can be no more than 10 percent for projects consisting of 16 or more revenue units and no more than 15 percent for projects less than 16 revenue units. If the average physical vacancy rate exceeds those limits, the applicant must provide current market data (defined as no more than 6 months old at time of filing) that demonstrates there is a need for the project evidenced by waiting lists and a housing shortage confirmed by local housing agencies and realtors.

Question 11: Does the applicant have to have a CNA already completed and approved by Agency to apply? Or do applicants submit a newly done CNA with their application? Can we do an updated CNA or does it have to be a new CNA? Also, Does the CNA need to have been completed within a specific time frame prior to application?

Answer 11: The applicant must submit the CNA with the application. Please refer to the Capital Needs Assessment Process Addendum on our website for additional guidance. The CNA must be within a year old; otherwise, you will need to obtain an updated CNA. If the site visit for the

CNA occurred more than two years prior to the loan underwriting, the CNA Provider should perform a new site visit to verify the current project condition.

Question 12: Can the MPR Grant be used to supply an elderly/disabled property with a backup generator to keep things lifesaving machines for our residents running in a power outage?

Answer 12: Assuming the property and applicant meet the eligibility criteria in the NOFA, then yes, this would be an eligible expense.

Question 13: Is there additional RA available to support increased rents for a subsequent loan for an existing Section 515 property?

Answer 13: No. Additional rental assistance is not being offered in this NOFA.

Question 14: Will new loans allow us to continue receiving RA for a property that is currently close to maturity? And will the RUCs be extended with the new loan?

Answer 14: Yes. A new RUC will be required with the new funding award and a reamortization of the existing loan will be processed to extend the terms.

Question 15: Am I understanding this correctly that you have to already have a USDA loan to apply for this USDA loan?

Answer 15: The property must currently be participating in the USDA Section 514 or 515 program. Eligibility for MPR and section 515 funding under this NOFA includes current RD borrowers that have received a loan from the Agency and eligible applicants under 7 CFR part 3560 who are applying to assume ownership and the associated outstanding RD loans on RD-financed MFH properties.

Question 16: With the commitments being issued in December, is the agency prepared to review all application submissions, along with typical applications during this time?

Answer 16: Clarification: Applications are due on December 26, 2024. Commitments will not be issued in December. It is anticipated that awards will be announced approximately 3-4 months later, depending on volume.

Question 17: Is the 60,000-maximum award on a PER UNIT basis? So, if we have 20 units, the award could be up to 1.2 million?

Answer 17: Yes. The maximum award amount is on a per unit basis.

Question 18: For portfolios already in RD Underwriting, if a project within the portfolio meets the criteria, will USDA allow additional deferral/new 515 for that project?

Answer 18: Yes, assuming the owner and property meet the eligibility criteria of the NOFA. A separate MPR / 515 NOFA application will be required.

Question 19: Since there are points given for the maturity date, does this mean that you can submit a property that has a later maturity date?

Answer 19: If you are claiming eligibility based on the maturity date, all of the project's loans must mature by 1/1/28. If the project is eligible based on one (or more) of the other criteria, then the loan(s) can have a later maturity date.

Question 20: Will FOD recognize the expense for Resident Service as a valid operating expense?

Answer 20: Service coordination is an eligible expense. Please contact your Field Operations (FOD) specialist for additional guidance.

Question 21: Is a public housing authority considered a non-federal entity?

Answer 21: For information on definition of non-federal entities for the purpose of BABAA applicability, please visit the agency's BABAA resource tool: https://www.rd.usda.gov/build-america-buy-america.

Question 22: The current NOFA is providing funding for deferrals and construction, is that correct?

Answer 22: Yes, all MPR tools are available as described in Section F of the NOFA.

Question 23: Do we need to be specific about what instructions we are suggesting or to which type of loan?

Answer 23: Yes. You should include your proposed funding requests in your application budget/proforma.

Question 24: Please review the two deadlines again, please?

Answer 24: 12/16/2024 is the deadline to request application submission instructions and 12/26/2024 is the deadline to submit a complete application.

Question 25: If the award is announced in Spring of 2025, is there a deadline on closing date to receive the funding? End of 2025?

Answer 25: Closing deadlines were not set in the NOFA. Applications are due on December 26, 2024. It is anticipated that awards will be announced approximately 3-4 months later, depending on volume.

Question 26: Could a PHA consolidate two properties in the same town then set up the new entity as an LLC?

Answer 26: If the PHA does not currently own both properties, this would be considered a transfer (outside of the MPR NOFA). Otherwise, it would be considered a consolidation of properties and you should contact your FOD specialist for guidance.

Question 27: Regarding #6 on the scoring criteria, when it says "non-selected projects with a complete application submitted for subsequent loan funding FY2023", does the complete application mean the application submitted last year via the NOFA that was not awarded, or does it mean a complete transfer application?

Answer 27: The application submitted last year via the NOFA that was not awarded.

Question 28: Is a NEPA required for the application?

Answer 28: Yes, in accordance with 7 CFR 1970.

Question 29: If a project is not eligible and is in need of extensive repair or maintenance, what do we do? How do we keep the project running without money for capital needs?

Answer 29: Owners should reach out to their FOD servicing specialist to discuss property needs and any potentially available agency, public, or conventional resources

Question 30: Do applications get sent out after the 16th or will they be sent at time the first step is completed?

Answer 30: The Agency will not send out an application/form/checklist. We will only provide you information on how to submit your complete application as outlined in the NOFA.

Question 31: Can you further define what you mean by the loans 'maturing' by 2028?

Answer 31: This is the mortgage maturity date defined in the owner's loan documents (i.e. promissory note).

Question 32: If a project has an existing award of MPR that has not yet been used, would it be allowed to apply for additional MPR financing through this NOFA if sufficient need is identified in a CNA?

Answer 32: If the property and owner meet the eligibility criteria of this notice, they are eligible to apply this round. If not, then borrowers should reach out to P2 to discuss financial feasibility of the transaction that received the previous MPR award.

Question 33: Are the application requirements different if you are only requesting an MPR Debt Deferral?

Answer 33: No. However, see the response to Question 49.

Question 34: If a property meets eligibility criteria, can multiple funding tools be used to address needs? e.g. grant and debt deferral?

Answer 34: Yes.

Question 35: Can a property be transferred to a non-profit from a traditional loan?

Answer 35: Yes, but it must go through the transfer process outside of the MPR NOFA.

Question 36: How are the funding award amounts determined for approved applications?

Answer 36: Funding award amounts are determined through the application underwriting process. Applicants must propose a transaction that is financially feasible. An applicant must demonstrate cost reasonableness and financial feasibility.

Question 37: As a for profit owner of a 27-year-old property, is it possible to receive an award of funds and then transfer to a nonprofit with the MPR award?

Answer 37: Assuming the applicant and the property meet the eligibility criteria of the NOFA, a property that receives an MPR award in this funding round can be transferred at a later date to an approved nonprofit.

Question 38: What's the email to apply or ask for an application?

Answer 38: All applications made in response to this Notice must be submitted electronically using the following process:

The applicant must send an email by 12 p.m. ET (noon) on December 16, 2024, to RD.MPR@usda.gov. The email message must contain the following information:

Subject line: MPR NOFA Submission.

Body of email: Applicant Name, Project State, Project Name, Project City and complete Applicant Contact Information (including address, phone number, email address to receive application submission information).

Request language: Please provide application submission instructions so that we may submit our MPR application documents.

Application submission instructions will be emailed to all interested respondents supplying valid email addresses within two (2) business days from the date the email of interest is received by the Agency.

Applications must be submitted electronically and must be received no later than December 26, 2024, 11:59 p.m. Eastern Time (ET), to be eligible for funding under this Notice.

Question 39: How do we get better communication with our representative? We go weeks and months without hearing back of questions we ask?

Answer 39: Please visit https://www.sc.egov.usda.gov/data/MFH.html to download the Multifamily Housing 514 & 515 Property Assignments. The Multifamily Housing Organizational Structure may be found at https://www.rd.usda.gov/media/file/download/mfh_organizational_structure.pdf.

Question 40: If you receive insufficient applications, will you loosen up your mortgage maturity limits?

Answer 40: We will use the published NOFA requirements to process applications for this round. If there are insufficient funding requests, we will consider adjustments to the requirements in future funding rounds.

Question 41: Is it an all or none grant award? Or do you make partial awards?

Answer 41: The NOFA includes the following language: The Agency reserves the right to offer the applicant less than the funding amount requested.

Question 42: Within the NOFA it states the applicant must provide documentation that the project had positive cash flow for the previous full three years of operations preceding this notice's application submission due date. How is positive cash flow defined? Should debt service and capital expenditures be included in this determination?

Answer 42: For Section 515, the applicant must provide documentation that the project had a positive cash flow on line 33 (Actual Column) of the Form 3560-7 Part1-Cash Flow Statement for the previous full three (3) years of operations preceding this Notice's application submission due date. An exception applies for projects with an RHS approved workout plan wherein the applicant is in compliance with the provisions of the workout plan for a minimum of six consecutive months before becoming eligible for a loan and/or grant under this Notice. Additionally, an exception will apply to projects that have a negative cash flow in operations if surplus cash exists in either the general operating account as defined in 7 CFR 3560.306(d)(1) or the reserve account. Surplus cash exists when the balance is greater than the required deposits minus authorized withdrawals. The applicant must provide the project's annual financial report(s) to document the project complies with this exception for each year the project has a negative cash flow, if applicable.

Question 43: For layered capital stacks with new LIHTC funding, will the new 515 subsequent loan proceeds be provided to the project at the beginning or end of the rehab process?

Answer 43: It can be either, depending on the financial structuring of the transaction.

Question 44: What is P2?

Answer 44: USDA, Rural Housing Service, Rural Development, Office of Multifamily Housing's Production & Preservation (P2) Division.

Question 45: Does the 80 million in MPR funds available include deferred debt amounts?

Answer 45: Yes, however no-cost debt deferrals for eligible transactions are not included in that amount.

Question 46: Can we pay for the CNA and Environmental review out of our reserve funds?

Answer 46: Project funds may be used for the appraisal and as-is CNA if there are adequate funds available and is contingent on approval by the Field Operations Division servicing official. The environmental review will be at the applicant's expense.

Question 47: Is there a reason why the 10/1/1991 obligation date on the mortgage is no longer an eligibility requirement for MPR Debt Deferral?

Answer 47: This NOFA will consider both pre-credit reform loans and post-credit reform loans.

Question 48: Could he mention CFR reference again please?

Answer 48: The environmental regulation is 7 CFR part 1970.

Question 49: If we are only applying for deferral, do we need to complete the Phase I since no loan request?

Answer 49: No.

Question 50: Can we request the application instructions now?

Answer 50: Yes.

Question 51: Will the application documents be sent through e.gov system or in another manor?

Answer 51: Applicants can request application instructions in accordance with the NOFA. Requests can be sent to RD.MPR@usda.gov. The request must include the information described in the NOFA.

Question 52: Would a LIHTC awarded transfer of an existing 515 Property apply under the $80,491,882 available amounts or the $27,000,000 Subsequent Loan available? I was a bit confused on the two source categories.

Answer 52: It would depend on the source needed. Assuming the owner and property are eligible under the NOFA, the owner would be able to apply for either source.

Question 53: Are applicants required to have received funding from USDA previously?

Answer 53: Yes, eligible applicants must be currently assisted with a Section 515 or Farm-Labor Housing loan (Section 514) or grant (Section 516).

Question 54: Would you mind going over the "farm labor housing" feature?

Answer 54: Section 514/516 properties are eligible for MPR funding. Visit our website (https://www.rd.usda.gov/programs-services/multifamily-housing-programs/farm-labor-housing-direct-loans-grants) for additional information on these programs.

Question 55: Will you require audits each year?

Answer 55: Typical servicing requirements will remain in effect. However, additional MPR/515 financing may result in a property requiring an audit because it now receives additional federal financial assistance that triggers an audit requirement. For-profit or limited profit borrowers that receive less than $500,000 in combined federal financial assistance, for which there are no audit requirements per other agencies or agreements, will submit an annual owner certified compilation of prescribed forms containing Form RD 3560-7 and Form 3560-10 utilizing the accrual method of accounting in accordance with Statements on Standards for Accounting and

Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). For-profit or limited profit Borrowers that receive $500,000 or more in combined federal financial assistance must submit an independent auditors' report to include financial statements and notes to the financial statements, supplemental information containing Agency approved forms for project budgets and borrower balance sheets, a report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with Generally Accepted Government Auditing Standards; a report on compliance for each major program and internal control over compliance (if applicable). A CPA must perform the audited financial statements.

Question 56: If you currently have a property in underwriting for transfer, and you decide to apply for new 515 funds with 1%, will a new appraisal / CNA need to be needed? And how would this affect the timeline of the transfer? Would the transfer be stalled?

Answer 56: Please contact the assigned underwriter to notify them if you intend to apply for funding under this NOFA. If additional funding is being sought, the underwriting will be on hold until NOFA funding decisions are made by the Agency. If the CNA is less than one year old (see question 11), then a new CNA is not needed. An update to the appraisal will be needed as a condition of closing.

Question 57: Will RTO be re-evaluated during the proforma review? Will rents be increased to support the proposed debt tools in the proforma?

Answer 57: RTO will be re-evaluated for an owner's contribution and the rents will be restructured if there will be an increase in debt service. If your proposal includes both, new debt service and a debt deferral, those may off-set each other where the rent change may be minimal.

Question 58: How do I get this information, assistance and instructions to complete a CNA?

Answer 58: Please refer to the Capital Needs Assessment Process Addendum on our website for additional guidance.

Question 59: Do we, ourselves, determine if we are eligible or will our FOD representative reach out to inform us?

Answer 59: FOD will not be reviewing MPR applications. The Production and Preservation's Processing and Report Review Branch will determine eligibility.

Question 60: What is the loan maturity date again?

Answer 60: January 1, 2028.

Question 61: If one type of funding is applied for and it is found the property does not qualify, but qualifies for a different type of funding, will we be advised to switch before the application deadline. Example is if we cannot get the MPR Grant but would qualify for a loan?

Answer 61: The NOFA specifies the eligibility criteria for each funding tool. It's the applicant's responsibility to only utilize the tools in which they are eligible. The Agency will not review any applications until after the 12/26/2024 deadline.

Question 62: Can we pay for design, specs out of our reserve funds?

Answer 62: No, this is an applicant's expense.

Question 63: Can a for-profit owner who receives an MPR award and pursues a transfer to a nonprofit, which also applies for 3rd party non-Agency funds, (e.g. tax credits), may the selling for profit owner receive sale equity?

Answer 63: Transfers (which involve sale equity) are separate from the MPR program.

Question 64: Simple transfer projects submitted and approved may be eligible for funding so projects submitted but not approved will not be consider for eligibility?

Answer 64: .Correct. The simple transfer application must be approved by the Agency to qualify under the eligibility criteria.

Question 65: Can reserve funds be used to fund the CNA study?

Answer 65: Project funds may be used to procure the as-is CNA, subject to approvals by the Field Operations Divisions as described in the NOFA.

Question 66: Does the positive cash flow requirement apply to requests for no-cost debt deferrals?

Answer 66: Yes, it applies to all funding requests.

Question 67: Can applications for the same property be submitted simultaneously, i.e. grant and loan?

Answer 67: Yes, applicants will be required to identify the MPR tools or 515 funds needed to complete the transaction. These will be identified in a single application under this NOFA.

Question 68: If the housing project has been in a negative cash flow position for the past three years due to no reserve account and unable to complete capital projects, what do you suggest to keep this project viable?

Answer 68: Owners should reach out directly to their FOD servicing specialist for guidance on servicing efforts to keep a project viable.

NEW Q&A ADDED ON 11/22/24

Question 69: The ownership entity has one general partner that is a non-profit organization. The ownership entity is also exempt from property taxes. Does this qualify for the exception to the equity contribution requirement? Does this ownership entity qualify for a grant? If so, it seems that the grant only covers "cost of correcting health and safety violations of a project, including accessibility requirements identified by a CNA accepted by the Agency." Could the grant be combined with another funding tool to fund a $60,000 per unit rehab that includes correction of the health and safety and accessibility needs?

Answer 69: Limited Partnerships will need to make the equity contribution. The NOFA states 'Loan applicants, with the exception of nonprofit organizations, consumer cooperatives, or State or local public agencies who will not be receiving LIHTC benefits, must make an equity contribution from their own resources'. For the nonprofit definition, please see 7 CFR 3560.11. Only nonprofit organizations are eligible to receive grant funds.

Question 70: During the webinar it was noted that an entity "could be subject to an intergovernmental review." How do we know if our entity is? How do we know if the following is applicable? "Evidence of the submission of the project description to the applicable State Housing Preservation Office (SHPO), and/or Tribal Historic Preservation Officer (THPO) with the request for comments, if applicable. A letter from the SHPO and/or THPO where the project is located, signed by their designee, will serve as evidence of compliance."

Answer 70: The NOFA states that applicants must comply with Executive Order 12372. Please see the Agency website at Intergovernmental Review | USDA and the NOFA for more information on how to meet the requirements.

Question 71: Can we request a combination of funds?

Answer 71: Yes, an applicant can apply for multiple funding tools subject to the NOFA funding limits.

Question 72: Can the project architect complete the required CNA Report needed for the MPR application due 12/26/24?

Answer 72: No. A CNA must be completed by an independent third-party provider. Please note the following in Attachment B of the CNA guidance at cna_addendum.pdf: *The CNA Provider* *must: Have no identity of interest as defined in 7 C.F.R. part 3560, with CNA Recipient or owner's Property, or management agent. An architectural firm performing a CNA which is also involved in the rehabilitation of the Property would be considered an Identity of Interest.*

Question 73: We are working on an MPR application and a transfer application for a property. With the MPR deadline approaching quickly, we plan to complete the MPR application first. Can you confirm that we can apply using the new owner entity's name as the borrower's name even though the property has not yet been transferred?

Answer 73: Yes. Eligibility for MPR and section 515 funding under this NOFA includes current RD borrowers that have received a loan from the Agency and eligible applicants under 7 CFR part 3560 who are applying to assume ownership and the associated outstanding RD loans on RD-financed MFH properties.

Question 74: In the eligibility criteria, it notes that Repairs or modifications needed to address health and safety findings identified in the C.N.A., but most times these are noted in the 504 plan rather than the C.N.A.

a. Can both the C.N.A. and 504 plans be provided as evidence?
b. If significant repairs are needed (<$4K per unit) for the rehab above and beyond the H&S, can the project still apply?
c. Is there a source where I can see the Q&As of other questions asked from other stakeholders?

Answer 74:

a. You are welcome to provide the 504 Transition plan as a part of the application although not required. The CNA will also include health and safety findings.
b. Yes. The minimum health and safety cost is an eligibility criteria, not a limit on the request for total rehab funding.
c. Yes. Please see the following website Multifamily Preservation and Revitalization (MPR) | Rural Development ("Events")

Question 75: I have a completed Capital Needs Assessment, which states that the roof needs replacing, and the fire security system located in the crawlspace of the buildings needs to be replaced. Can I bid out to general contractors or am I required to contract with an architect?

Answer 75: Per 1924.13 (a) architectural services are recommended on all projects and required on all projects with RRH loans if it consists of more than 4 units. Additionally, the regulation states that it must be a non-Identity of Interest architect who handles the construction and warranty phase of projects.

Question 76: My building is an existing eleven-unit building completed in 2003. USDA RD holds the permanent loan and it has not changed ownership, the Board has not changed. We will not apply for a transfer ownership, so is it necessary to complete the following:

- Certifying Board Citizenship
- Organizational Credit Check

Answer 76: The items listed are required for all applications.

Question 77: I am a Guaranteed lender with borrower working on submitting a portfolio requesting MPR and 515 loan funds. The NOFA is only asking for the "as is" C.N.A. The borrower has the post rehab C.N.A. and the Appraisal. Can those items be submitted with the initial application to save time?

Answer 77: Yes, a post-rehab CNA can be submitted if other funding sources have already been committed to the project. The appraisal can be submitted at the time of application if it is available.

Question 78: Can MPR and/or 515 loan funds be used for an equity payout on a project that includes a transfer?

Answer 78: No, MPR or 515 loan funds awarded under this NOFA cannot be used for an equity payout. However, third-party funds may be used for an equity payout consistent with the requirements of 7 CFR 3560.406(f).

Question 79: Regarding equity contributions, can the deferred developer fee be used to meet the 5% equity requirements? And/or does the investor tax credit equity count towards this 5% of the agency loan? I know for purposes of calculating RTO the investor equity is considered part of that 8% of equity calculation, so I would think it counts towards the 5% equity contributed here as well, but wanted to confirm?

Answer 79: LIHTC equity can be used to meet the 5% equity contribution requirement, but not the deferred developer fee.

Question 80: I'm under contract via a Purchase and Sale Agreement with an owner of a USDA property that has existing 515 outstanding debt that we will be transferring to us/assuming. Is this type of transaction eligible to apply under this NOFA?

Answer 80: Assuming the applicant and the property meet the eligibility criteria of the NOFA, a property that receives an MPR award in this funding round can be transferred to a new entity through a Transfer Application at a later date.

Question 81: I just want to make sure it's OK to submit an application with the as-is plans, and have the construction plans/specs/contract documents be a condition for closing? It seems when it says that these docs "*must be submitted prior to the approval of the application*" that they are OK to be conditioned, but I wanted to confirm.

Answer 81: Please submit all of the plans/specs/ construction documents/ scopes of work that you have in hand at the time of application. We recognize that full plans/specs and construction documents will be developed over the course of getting to closing.

Question 82: For the Attorney Certification for organizational documents (item (c)(x) in the FR notice), certain items may not apply. For example, the applicant will not be a partnership. Similarly, the applicant won't be a current RHS borrower since we still need to do a transfer application. How should the certification address items that are not applicable?

Answer 82: If you don't believe a particular requirement applies to you, please make that clear in the application and include your reasoning. The Attorney Certification should only cover relevant items.

Question 83: If the entity that is applying for the MPR (project secured with PSA and will be submitting a transfer application) is newly formed, what financial statements are you looking for to satisfy c(i) for current financial statements?

Answer 83: Please supply a financial statement that indicates no assets/liabilities as the entity is newly formed.

Question 84: If the management agent is not changing, can we submit the current Management Plan, Cert, Agreement? Do you want the proposed ownership documents prior to submission of the Transfer?

Answer 84: If the management agent is not changing, the current documents are sufficient for the MPR application. Please submit the new proposed management/ ownership documents as a part of the Transfer Application.

Question 85: During the webinar it was noted that appraisals may be conditioned and are not required at the time of application. It was also noted that there is flexibility on the construction documents because it is understood that it will be very difficult to pull everything together for the December deadline and that these documents will be requested if RD decides to move forward with the project. Is there any flexibility on the environmental documents? The timing is very tight.

Answer 85: The NOFA states 'Environmental information in accordance with the requirements of 7 CFR part 1970. The applicant is responsible for preparing and submitting the environmental review documentation in accordance with the format and standards provided by RHS in 7 CFR part 1970. Applications that are fully complete will receive priority review and processing. As such, all completed items should be submitted by the application deadline. If third-party environmental items are still in process, the applicant should provide a timeframe for submission.

Question 86: A Phase I is required as part of the Transfer Application we will be submitting. For the purposes of the MPR application, is the Phase I due at time of application for the MPR or at the time of the Transfer Application submission?

Answer 86: If the transfer application is going to be submitted after the MPR application, the Phase I should be submitted with the MPR application. See Question 85 for more information. Instructions | Rural Development eCFR :: 7 CFR Part 1970 -- Environmental Policies and Procedures

Question 87: Based on my review of the regs, it looks like according to 1970.54 (a)(1), these kind of projects would fall under a Categorical Exclusion and not require an Environmental Assessment, but instead require an Environmental Report (presuming the projects are on parcels less than 10 acres in size). Do I have that correct?

Answer 87: If new ground is being disturbed, the project would most likely fall under a Categorical Exclusion with an Environmental Report under 1970.54 (a)(1). If the ***area of disturbance*** is greater than 10 acres, an Environmental Assessment would be required. The project parcel itself can be greater than 10 acres without an EA.

Question 88: On the projects I am working on, one does not have ground disturbance and we will proceed without a Report. It sounds like when that is the case, the submission from the Applicant needs to only reference this Categorical Exclusion? No other environmental work is needed?

Answer 88: You would need to provide documentation with your application that shows how your project would fit under "Categorical Exclusions." You must also provide evidence that your project would not fall under a "potential to affect" category described in the 7 CFR Part 1970. This would include addressing SHPO and THPO requirements among other things. You will also need to submit a Phase I environmental report in order to comply with CERCLA requirements as referenced in CFR Part 1970. See 1970.455(a)(1)(i). Microsoft Word - 1970j

Question 89: Is there an environmental review form that you are using as part of this process? In prior USDA submissions we have included a "USDA Rural Development Environmental Information" form. Do you have an equivalent for this project?

Answer 89: We do not have an environmental review form available for applicants at this time. You may reference the environmental checklist in the 1970-B Exhibit D. You would need to provide documentation with your application that shows how your project would fit under Exhibit D, if applicable. You must also provide evidence that your project would not fall under a "potential to affect" category described in the CFR Part 1970. This would include addressing SHPO and THPO requirements among other things. You will also need to submit a Phase I environmental report in order to comply with CERCLA requirements as referenced in CFR Part 1970. See 1970.455(a)(1)(i). Microsoft Word - 1970j

Question 90: I have a project where there are ground disturbing activities (building an addition), but the funding for this addition will not be the USDA. In this scenario, is an Environmental

Report still required? Or since the triggering scope of work has a different funding source, would it be considered a different project and therefore exempt?

Answer 90: If there is new ground disturbance, an Environmental Report would be required regardless of funding sources.

Question 91: The scope of work we will be applying for addresses health and safety findings on an existing complex, and all of the work we will be doing is considered "Minor Construction" under 1970, do I need an environmental review?

Answer 91: You would need to provide documentation with your application that shows how your project would fit under "Categorical Exclusions." You must also provide evidence that your project would not fall under a "potential to affect" category described in the CFR Part 1970. This would include addressing SHPO and THPO requirements among other things. You will also need to submit a Phase I environmental report in order to comply with CERCLA requirements as referenced in CFR Part 1970. See 1970.455(a)(1)(i). Microsoft Word - 1970j

Question 92: I am assuming the environmental checklist that is to be used is the 1970-B Exhibit D, but that is normally filled out by RD. Therefore, is providing the evidence that would be needed for the checklist be sufficient? Is there any clarification that can be given for what is expected to be completed?

Answer 92: Please provide project evidence that would allow RD to complete the 1970-B Exhibit D. This should be completed in accordance with the requirements of 7 CFR part 1970. You will also need to submit a Phase I Environmental report as required in 1970.455(a)(1)(i). Microsoft Word - 1970j