



Off-Farm Labor Housing Industry Workshop

Repair NOFA

Welcome and Opening Remarks

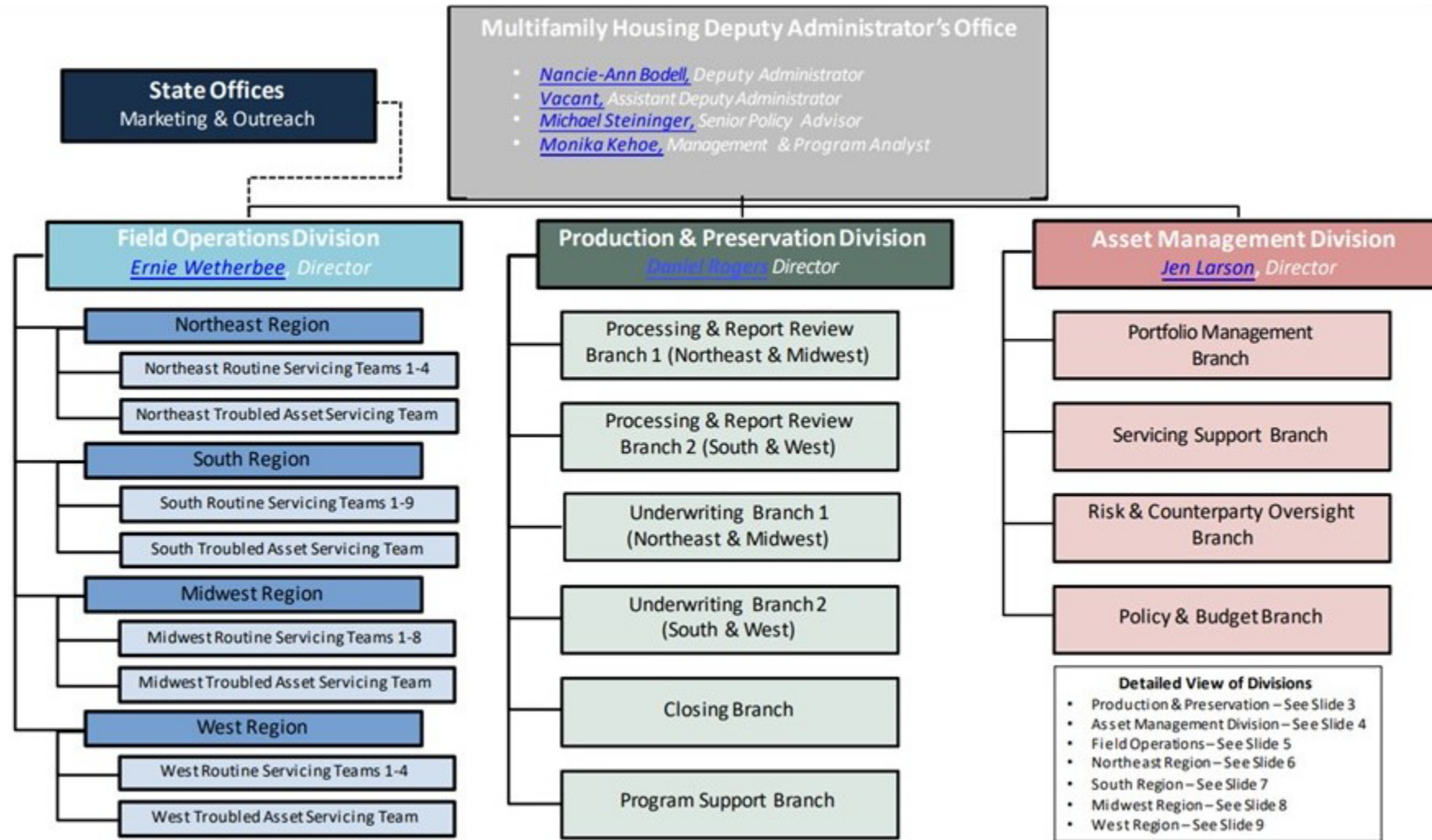
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Multifamily Housing Organizational Structure



Production and Preservation Leadership Team



Presenter Contact Information

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Key Priorities

Rural Development Funding Priorities

Rural Development encourages applicants to consider projects that will advance the following key priorities:

- Assisting Rural communities recover economically from the impacts of the COVID-19 pandemic, particularly disadvantaged communities;
- Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects; and
- Reducing climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

For further information, visit <https://www.rd.usda.gov/priority-points>

Repair NOFA

The program objective is to better administer repair funds in a fair, equitable, and transparent manner. Funds will be used to improve, repair, or make modifications to existing off-FLH properties currently financed by the RHS that serve domestic farm laborers, retired domestic farm laborers, or disabled domestic farm laborers.

- Section 514 Off-Farm Labor Housing Loans and Section 516 Off-Farm Labor Housing Grants To Improve, Repair, or Make Modifications to Existing Off- Farm Labor Housing Properties for Fiscal Year 2022
 - Published in the Federal Register on March 9, 2022
 - <https://www.federalregister.gov/documents/2022/03/09/2022-04718/section-514-off-farm-labor-housing-loans-and-section-516-off-farm-labor-housing-grants-to-improve>
- Section 514 Off-Farm Labor Housing Loans and Section 516 Off-Farm Labor Housing Grants To Improve, Repair, or Make Modifications to Existing Off-Farm Labor Housing Properties for Fiscal Year 2022; Correction
 - Published in the Federal Register on March 25, 2022
 - <https://www.federalregister.gov/documents/2022/03/25/2022-06300/section-514-off-farm-labor-housing-loans-and-section-516-off-farm-labor-housing-grants-to-improve>

Application Deadlines

NOFA Timeline

1. Pre-applications must be submitted by May 9, 2022, 12 p.m., Eastern Standard Time.
2. RHS notification to applicants by July 11, 2022.
3. Final applications must be submitted by September 12, 2022, 12 p.m., Eastern Standard Time.
4. Awards communicated to applicants by November 14, 2022.
5. Awards posted to the RHS website by December 14, 2022.

Correction to NOFA

Published in the Federal Register on March 25, 2022

- Please note that the application deadlines were corrected in the Federal Register notice dated March 25, 2022, from what was provided in the Federal Register notice dated March 9, 2022.
- Please make sure to adhere to the application deadlines provided in the correct Federal Register notice dated March 25, 2022.

Funding

Funds available under this notice

- The funds available under this notice are as follows:
 - Section 514 Loans: \$5,500,000
 - Section 516 Grants: \$17,000,000
- Maximum Award: Awards may not exceed \$15,000 per unit (total loan and grant). There is no minimum award.
 - The per unit maximum provides for an equitable approach in contrast to setting a per project maximum where there is a wide range of off-FLH project sizes within the portfolio.
 - Example of maximum award calculation: 80-unit project x \$15,000 per unit = \$1,200,000 maximum award total loan and grant.
 - Applicants are not required to allocate and complete \$15,000 of rehabilitation in each unit. The applicant could theoretically address capital items or prioritize units in a project with a greater need of repair.

Submission Process

Applications to this Notice must be submitted electronically to the Production and Preservation Division, Processing and Report Review Branch.

At least two business days prior to the application deadline, the applicant must email the RHS a request to create a shared folder in CloudVault. The email must be sent to the following address: Off-FLHapplication@usda.gov. The email must contain the following information:

1. Subject line: "Off-FLH Repair Application Submission."
2. Body of email: Borrower Name, Project Name, Borrower Contact Information, Project State.
3. Request language: "Please create a shared CloudVault folder so that we may submit our application documents."

Once the email request to create a shared CloudVault folder has been received, a shared folder will be created within 2 business days. When the shared CloudVault folder is created by the RHS, the system will automatically send an email to the applicant's submission email with a link to the shared folder. All required application documents in accordance with this Notice must be loaded into the shared CloudVault folder. When the submission deadline is reached the applicant's access to the shared CloudVault folder will be removed. Any document uploaded to the shared CloudVault folder after the application deadline will not be reviewed or considered.

Application Process

- The application process has two phases: The initial pre-application and the submission of a final application.
- The pre-application and final application must be submitted electronically following the process outlined in the previous slide and in the NOFA.
- The NOFA outlines in detail each item that must be submitted as part of the pre-application and the final application.
- Final applications will be processed, underwritten, and closed by the respective branches within the Production and Preservation Division.

Borrower's Responsibilities

- The borrower/applicant is responsible for submitting the pre-application and final application, if applicable, by the required due dates specified in the NOFA.
- The borrower/applicant is responsible for carefully reviewing the NOFA and for submitting a complete pre-application and final application, if applicable.
- The borrower/applicant is responsible for meeting all of the regulatory requirements for the off-farm labor housing program.
- The borrower/applicant is responsible for expenses incurred in developing preapplications and final applications and it will be at the applicant's sole risk.

Highlights

- A State will not receive more than 50 percent of the Off-FLH funding unless there are remaining Section 514 and Section 516 funds after all eligible applications nationwide have been funded.
- Section 516 Off-FLH grants may not exceed 90 percent of the total development cost (TDC) of the proposed transaction. TDC is defined in 7 CFR 3560.11. Section 514 Off-FLH loans may not exceed the limits set forth in 7 CFR 3560.562(b).
- Applications that propose the use of Low-Income Housing Tax Credits (LIHTC), will not be considered and are not eligible under this Notice.
- Any proposed leveraged funds must be in the form of a grant or similar funding source with no debt service. No other source of leveraged funds is acceptable.
- Applicant Eligibility
 - The applicant must meet the requirements of 7 CFR 3560.555(a) and be a broad-based nonprofit organization; a nonprofit organization of farmworkers, a Federally recognized Indian tribe, a community organization, or an Agency or political subdivision of state or local Government, and must meet the requirements of § 3560.55, excluding § 3560.55(a)(6).
 - Limited partnerships with a non-profit general partner are eligible for Section 514 loans; however, they are not eligible for Section 516 grants.

Highlights Continued...

- Be able to maintain, manage, and operate the Off-FLH for its intended purpose and in accordance with all RHS requirements as demonstrated with its compliance with RHS servicing requirements. Non-compliance with RHS servicing requirements with other projects owned and/or managed by natural person(s) managing/controlling (whether directly or indirectly through other entities) the borrowing entity, will render the applicant ineligible to participate in this Notice nationwide until the non-compliance event(s) is/are remedied or are in compliance with an RHS approved workout plan.
- Eligibility includes the continued ability of the borrower/applicant to provide acceptable management and will include an evaluation of any current outstanding deficiencies. Any outstanding violations or extended open operational findings associated with the applicant/borrower or any affiliated entity having an identity of interest (IOI) with the project ownership and which are recorded in the RHS's automated Multi-Family Information System (MFIS), will preclude further processing of any application unless there is a current and approved RHS workout plan and the applicant is in compliance with the provisions of the workout plan. The RHS may require that applicants with deficiencies be in compliance with an RHS approved workout plan for a minimum of six (6) consecutive months, as determined by the RHS.
- This Notice solicits pre-applications from the current borrowers/owners of existing Off-FLH projects currently participating in the RHS's Section 514/516 Off-FLH portfolio for the purpose of improving, repairing, modifying, revitalizing, and preserving the facility to ensure that it will continue to provide decent, safe, and sanitary housing. Any Off-FLH project that is not already participating in the RHS's Section 514/516 Off-FLH portfolio as evidenced by currently having an outstanding Section 514 Off-FLH loan is not eligible under this Notice.

Highlights Continued...

- On-Farm Labor Housing projects are not eligible under this Notice.
- Rental Assistance (RA) and Operating Assistance (OA) are not available for this Notice.
- This Notice is for stay in owner transactions only where the current owner, with an outstanding Section 514 Off-FLH loan, may apply for subsequent loan and/or grant funds to improve, repair, or make modifications to their Off-FLH property. Proposals that are for a transfer of ownership, to sell the property, to complete a recapitalization, or for an IOI or third-party acquisition transaction will not be considered and are not eligible under this Notice.
- Any Off-FLH property that currently has an RHS approved Diminished Needs Waiver (DNW) or is in the process of applying for a DNW, is not eligible under this Notice. All of the tenants residing in the project must be eligible farm labor tenants as defined in this Notice. A DNW allows non-farm labor tenants to reside in farm labor housing if the diminished need for such housing has been determined and accepted by RHS.

Highlights Continued...

- Average physical vacancy rate threshold requirements. The average physical vacancy rate for the twelve (12) months preceding this Notice's pre-application submission due date can be no more than ten (10) percent for projects consisting of sixteen (16) or more revenue units and no more than fifteen (15) percent for projects with less than sixteen (16) revenue units.
- Positive cash flow requirements for the previous full three (3) years of operations.
- The CNA must be submitted with the final application.
- The appraisal must be submitted with the final application, if applicable.
- Subsequent Section 514 loan and subsequent Section 516 grant funds will be awarded under this Notice in accordance with the following priorities:
 - Health and Safety deficiencies.
 - Deferred maintenance and Fair Housing compliance.
 - Repairs that are needed to improve the sustained rental marketability of the property.

Highlights Continued...

- Current (not older than six months from the date of issuance) combination comprehensive credit reports for the applicant, entity and principals must be submitted and considered during the Agency's review for eligibility determination. In the past, the Agency has required the applicant to submit the credit report fee. In lieu of the applicant submitting the fee, the Agency will require the applicant to provide the credit report. Only Credit reports provided by accredited major credit bureaus will be accepted.
- All final applications including the loan and/or grant requests will be analyzed using an underwriting template that the RHS has developed. A complete analysis and underwriting of the proposed transaction will be completed to ensure all regulatory requirements are met and to ensure overall project feasibility as well as to determine the minimum amount of assistance that is needed for the proposal.
- Effective April 4, 2022, the transition from DUNS to the new Unique Entity Identifier (UEI) occurred. Since the NOFA was published before this effective date, the NOFA references a DUNS number, however, please be aware that DUNS has been replaced with UEI and that the UEI must be submitted with the application.

Additional Contact Information

- Current project physical findings as documented in MFIS.
 - Contact the project's assigned Field Operations Division servicing specialist.
- Existence of a current servicing workout plan for the property to address operational violations or extended open findings.
 - Contact the project's assigned Field Operations Division servicing specialist.
- If you don't know the project's Field Operations Division assigned servicing specialist, check:
 - [USDA Service Center Agencies Online Services](#)

Questions

- Questions from the chat box.
- We welcome your feedback regarding today's call on ways to enhance or improve future workshops.
- If you have any additional questions that were not covered today or any specific questions about a particular transaction, please email: off-flhapplication@usda.gov

