

requirements of the appropriate State/local agency(ies).

(C) **Review Panels.** The Office of Housing's Multifamily Hubs will establish panels to review all eligible applications that have passed threshold. The panels may include knowledgeable persons not currently employed by HUD.

(D) **Rating of Applications** (See paragraph below for selection of applications for commercial properties).

HUD staff teams will review and rate ALCP applications in accordance with the Ranking and Selection procedures (see Section V(F) of this NOFA). All applications will be either rated or technically rejected at the end of technical review. If your application meets all program eligibility requirements after completion of technical review, it will be rated according to the rating selection factors in Section V(G) of this NOFA. HUD reserves the right to reduce the amount requested in the application if any proposed components are ineligible or if the cost of items is not deemed reasonable. HUD will not reject an ALCP application based on technical review without notifying you of that rejection with all the reasons for the rejection, and providing you an opportunity to appeal. As discussed above, you will have 14 calendar days from the date of HUD's written notice to appeal a technical rejection to the Multifamily Hub where the applications were sent originally. HUD staff will make a determination on an appeal before finalizing selection recommendations.

(E) **Applicant Debriefing.** All requests for debriefing must be made in writing and submitted to the local Hub in which you applied for assistance. Materials provided to you during your debriefing will include the final scores you received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied. Information regarding this procedure may be found in the General Section of the SuperNOFA.

(F) **Ranking and Selection Procedures.** (Paragraphs (F)(1)–(4) are not applicable to applicants of commercial properties.)

Applications submitted in response to this NOFA that are eligible, pass threshold and have a total score of 75 points (or more) are eligible for ranking and selection. (Applications for the conversion of commercial properties with a score of at least 75 points will not be ranked but will be submitted to HUD Headquarters for selection.)

(1) Hub staff teams will be established for ALCP review in each Hub to do the application ratings (see Section V(D) above). See list of Hubs in Appendix A of this NOFA.

(2) From within rank order, Hub staff teams in each of the 18 Hubs will select the highest ranked applications from within that Hub in rank order, that can be funded from within the dollars available. Each Hub will select applications based on rank order up to and including the last application that can be funded out of each Hub's allocation. Hubs must not skip over any applications in order to select one based on the funds remaining.

(3) After making the initial selections, however, Hubs may use any residual funds to select the next rank-ordered application by reducing the dollars requested by no more than 10 percent (10%) and reducing the number of units proposed, but in no case reducing the number of units below the financial threshold feasibility of five ALF units.

(4) Funds remaining after these processes are completed will be returned to HUD Headquarters. HUD will use these funds first to fund Prentiss Jewish Federation of the HUD Detroit Hub, whose Fiscal Year 2002 ALCP application was not funded due to HUD error. Second, HUD Headquarters will use these funds to restore units to any project reduced as a result of using the residual grant funds in a Hub. Finally, HUD will use these funds for selecting one or more additional applications based on the Hubs rating and rankings, beginning with the highest rated application within the 18 Hubs. Only one application will be selected per Hub from the national residual amount. If there are no approvable applications in other Hubs, the process will begin again with the selection of the next highest rated application within the remaining Hubs. This process will continue until all approvable applications are selected using the available remaining funds. If there is a tie score between two or more applications, and there are insufficient residual funds to cover all tied applications, HUD Headquarters staff will choose the winning application(s) by lottery and/or reduction of grant requests consistent with the instructions above.

(5) Up to 2 applications will be selected using the \$10 million set-aside to provide grant funds to nonprofit applicants proposing to convert unused or underutilized commercial properties into assisted living. HUD Multifamily Hubs will review applications for commercial properties for completeness and compliance with the eligibility criteria set forth in Section III of this

NOFA. Hub staff will forward applications to Headquarters providing the application was received by the deadline date, meets all eligibility criteria, proposes reasonable costs for eligible activities, includes all technical corrections by the designated deadline date and must have received a score of 75 points or more. Headquarters will select no more than 2 applications on a first-come, first-served basis that can be funded within the \$10,000,000 available.

Note: Only applications that can be fully funded will be selected. Any remaining funds after this selection process will be returned to the funds allocated for eligible multifamily assisted projects.

(G) Factors For Award Used To Evaluate and Rate Applications.

HUD will rate ALCP applications that successfully complete technical processing using the Rating Factors set forth below and in accordance with the application submission requirements identified in Section VI(B) of this NOFA, below. The maximum number of points an application may receive under this program is 100.

The Department encourages applicants to partner, fund or sub-contract with grassroots organizations, including faith-based and other community-based organizations in conducting their work programs. (See the General Section of the SuperNOFA for the definition of "grassroots organizations").

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (20 Points)

This factor addresses your capacity to carry out the conversion in a timely, cost-conscious and effective manner. It also reviews your experience with the supportive services which the ALF intends to provide to elderly residents, especially in such areas as meals, 24-hour staffing and on-site health care. Submit information responding to this factor in accordance with Application Submission Requirements in Sections VI(B)(5)(a), (8)(h), and of this NOFA.

In rating this factor, HUD will consider the extent to which your application demonstrates your ability to carry out a successful conversion of the project and to implement the plan to deliver the supportive services on a long-term basis, considering the following:

(1) (9 points). The practicality of your plan and timetable to carry out the physical conversion of the development to the ALF.

(2) (10 points). Your past experience in providing or arranging for supportive