however, if the total percentage of leveraged assistance is less than ten percent and the proposal includes donated land, two points will be awarded for the donated land. To count as leveraged funds for purposes of the selection criteria, a commitment of funds must be provided with the pre-application. Points will be awarded in accordance with the following table.

PERCENTAGE POINTS

75 or more	20
60–74	18
50–59	16
40–49	12
30–39	10
20–29	8
10–19	5
0–9	0

Donated land in proposals with less than ten percent total leveraged assistance: 2 points.

(b) Percent of units for seasonal, temporary, migrant housing. (5 points for up to and including 50 percent of the units; 10 points for 51 percent or more.)

(c) The selection criteria includes one optional criteria set by the National Office. The National Office initiative will be used in the selection criteria as follows: Up to 10 points will be awarded 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. These services may include, but are not limited to, transportation related services, on-site English as a Second Language (ESL) classes, move-in funds, emergency assistance funds, homeownership counseling, food pantries, after school tutoring, and computer learning centers. Two points will be awarded for each resident service included in the tenant services plan up to a maximum of 10 points. Plans must detail how the services are to be administered, who will administer them, and where they will be administered. All tenant service plans must include letters of intent that clearly state the service that will be provided at the project for the benefit of the residents from any party administering each service, including the applicant. (0 to 10 points)

(d) In an effort to implement USDA's nationwide initiative to promote renewable energy and energy conservation, Rural Development has adopted incentives for energy generation and energy conservation. Participation in these nationwide initiatives is voluntary, but is strongly encouraged. Participation in the energy generation and energy conservation will be awarded with 5 points each.

Energy Generation. Applicants will be awarded points if the proposal includes the installation of energy generation systems to be funded by a third party. The proposal must include an overview of the energy generation system being proposed. Evidence that an energy generation system has been funded by a third party and that it has a quantifiable positive impact on energy consumption will be required. (5 points)

Energy Conservation. Applicants will be awarded points to construct (or substantially rehabilitate) housing that earns the ENERGY STAR label for new residential construction. Units earning the ENERGY STAR label must be independently verified to meet guidelines for energy efficiency as set by the U.S. Environmental Protection Agency. All procedures used in verifying a unit for the ENERGY STAR label must comply with National Home Energy Ratings System (HERS) guidelines. ENERGY STAR guidelines for residential construction apply to homes that are three stories or less and single or low-rise multi-family residential buildings.

The Applicant will include in the narrative an explanation of how they plan to incorporate ENERGY STAR. Construction plans pertaining to energy efficiency must be developed with, reviewed, and accepted by a HERS certified rater, the contractor, and the owner. Progress inspections must be made at appropriate times by a HERS certified rater to ensure that the housing is being constructed or rehabilitated according to ENERGY STAR specifications. In order to receive final payment, applicants will be required to submit the appropriate rating reports from the HERS rater to Rural Development as evidence that the housing has been constructed to meet the standards of ENERGY STAR. For further information about ENERGY STAR, see *http://www.energystar.gov* or call the toll-free numbers: (888) 782–7937 or (888) 588–9920 (TTY). (5 points)

(2) Rural Development State Offices will conduct the preliminary eligibility review, score the applications, and forward them to the National Office.

(3) The National Office will rank all requests nationwide and distribute funds to States in rank order, within funding and RA limits. A lottery in accordance with 7 CFR 3560.56(c)(2) will be used for applications with tied point scores when they all cannot be funded. If insufficient funds or RA remain for the next ranked proposal, that applicant will be given a chance to modify their application to bring it within remaining funding levels. This will be repeated for each next ranked eligible proposal until an award can be made or the list is exhausted.

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250–9410, or call (800) 795–3272 (voice) or (202) 720–6382 (TDD). USDA is an equal opportunity provider, employer, and lender. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720–2600 (voice and TDD).

Dated: March 5, 2008.

Peter D. Morgan,

Acting Administrator, Rural Housing Service.

[FR Doc. E8–4956 Filed 3–11–08; 8:45 am]

BILLING CODE 3410–XV–P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funding Availability: Section 514, 515, and 516 Multi-Family Housing Revitalization Demonstration Program (MPR) for Fiscal Year 2008

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

Announcement Type: Inviting applications from eligible applicants for Fiscal Year 2008 funding.

Catalog of Federal Domestic Assistance Number (CFDA): 10.447.

SUMMARY: USDA Rural Development which administers the programs of the Rural Housing Service (RHS) announces the availability of funds and the timeframe to submit applications to participate in a demonstration program to preserve and revitalize existing rural rental housing projects financed by Rural Development under Section 515, Section 514, and Section 516 of the Housing Act of 1949, as amended. The intended effect is to restructure selected existing Section 515 multi-family housing loans and Section 514 and 516 off-farm labor housing loans and grants expressly for the purpose of ensuring

that sufficient resources are available to preserve the rental project for the purpose of providing safe and affordable housing for very low-, low-, or moderate-income residents. Expectations are that properties participating in this program will be revitalized and the affordable use extended without displacing tenants because of increased rents. No additional Rural Development rental assistance units will be made available under this program.

DATES: The deadline for receipt of all pre-applications in response to this Notice of Funding Availability (NOFA) is 5 p.m., Eastern time, May 12, 2008. The pre-application closing deadline is firm as to date and hour. The Agency will not consider any pre-application that is received after the closing deadline. Applicants intending to mail pre-applications must allow sufficient time to permit delivery on or before the closing deadline. Acceptance by a post office or private mailer does not constitute delivery. Facsimile (FAX) and postage-due pre-applications will not be accepted.

FOR FURTHER INFORMATION CONTACT:
Sherry Engel, *sherry.engel@wi.usda.gov* (715) 345–7677; Carlton Jarratt, *carlton.jarratt@usda.gov,* (804) 561–0665; Barbara Chism, *barbara.chism@usda.gov,* (202) 690–1436; or Sandra Mercier, *sandra.mercier@usda.gov,* (202) 720–1617, Senior Loan Specialists, Multi-Family Housing Office of Rental Housing Preservation, STOP 0782, (Room 1263–S), U.S. Department of Agriculture, Rural Housing Service, 1400 Independence Avenue, SW., Washington, DC 20250–0782. (Please note these telephone numbers are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The information collection requirements contained in this Notice have received approval from the Office of Management and Budget (OMB) under Control Number 0570–0190.

Overview

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2008 (Pub. L. 110–161), December 26, 2007, provides funding for and authorizes Rural Development to conduct a demonstration program for the preservation and revitalization of the Section 515 multi-family housing portfolio and Section 514 and 516 off-farm labor housing portfolio. Sections 514, 515 and 516 multi-family housing programs are authorized by the Housing Act of 1949, as amended (42 U.S.C. 1484, 1485, 1486) and provide Rural Development with the authority to make loans for low-income multi-family housing and farm labor housing and related facilities.

Program Administration

I. Funding Opportunities Description

This NOFA solicits pre-applications from eligible borrowers/applicants to restructure existing multi-family housing within the Agency's Section 515 multi-family housing portfolio and the 514/516 off-farm labor housing portfolio for the purpose of revitalization and preservation. The demonstration program shall be referred to in this notice as the Multi-Family Housing Revitalization Demonstration program (MPR). Agency regulations for the Section 515 multi-family housing program and for the Sections 514/516 off farm labor housing program are published at 7 CFR part 3560.

The MPR is intended to assure that existing rental projects will continue to deliver decent, safe, and sanitary affordable rental housing for the lesser of the remaining term of the loan or 20 years from the date of the MPR transaction closing. Once an applicant has been confirmed eligible and the project has been selected by the Agency in the process described in this notice, and the applicant agrees to participate in the MPR demonstration by written notification to the Agency, an independent third-party capital needs assessment (CNA) will be conducted to provide a fair and objective review of projected capital needs. The Agency shall implement this NOFA through an MPR Conditional Commitment (MPRCC) with the eligible borrower, which will include all the terms and conditions under this NOFA, including the MPR Debt Deferral Agreement.

The primary restructuring tool to be used in this program is debt deferral up to 20 years of the existing Section 514 and 515 loans obligated prior to October 1, 1991. The cash flow from the deferred payment will be deposited, as directed by the Agency, to the reserve account to help meet the future physical needs of the property or to reduce rents. Debt deferral is described as follows:

Debt Deferral: A deferral of the existing Agency debt for the lesser of the remaining term of the loan or 20 years. All terms and conditions of the deferral will be described in the MPR Debt Deferral Agreement. A balloon payment of principal and accrued interest will be due at the end of the deferral period. Interest will accrue at the promissory note rate and subsidy will be applied as set out in the Agency's Interest Credit Agreement. Interest will not be charged on the deferred interest.

If the resulting cash flow is not adequate to address the long-term needs of the project, the Agency may use the following sources of funds:

(1) other Agency restructuring tools as follows:

(i) *MPR Revitalization Grant:* A revitalization grant (for non-profit applicants/borrowers only) is limited to the cost of correcting health and safety violations as identified by the CNA. The grant administration will be in accordance with applicable provisions of 7 CFR parts 3015 and 3019.

(ii) *MPR Revitalization Zero Percent Loan:* A revitalization loan at zero percent interest that will be amortized over 30 years.

(iii) *MPR Soft-Second Loan:* A loan with a one percent interest rate that will have its accrued interest and principal deferred, to a balloon payment, due at the time the latest maturing Section 514 or Section 515 loan becomes due.

MPR funds cannot be used to add new units, community rooms, playgrounds, and/or laundry rooms. However, other funding sources as outlined below in (2) through (6) can be used either for revitalization or for improvements listed above to the projects.

(2) Rural Development Section 515 Rehabilitation loan funds;

(3) Rural Development Section 514/516 rehabilitation loan and grant funds;

(4) Rural Development Section 538 Guaranteed Rural Rental Housing Program financing;

(5) Rural Development Multi-Family Housing Re-lending Demonstration Program Funds;

(6) Third-party funds in the form of loans with below market rates (below the AFR), grants, tax credits, and tax exempt financing; and

(7) Owner-provided capital contributions in the form of a cash infusion.

Transfers, subordinations, and consolidations may be approved as part of a MPR transaction in accordance with existing servicing authorities of the Agency as available in 7 CFR part 3560. If a transfer is part of the MPR transaction, the transfer must meet the requirements of 7 CFR part 3560.406 before underwriting of the MPR transaction.

For the purposes of the MPR, the restructuring transactions will be identified in three categories:

(1) Simple transactions involve no change in ownership.

(2) Complex transactions will consist of a property transfer to new ownership

processed in accordance with 7 CFR 3560.406, or transactions requiring a subordination agreement as a result of third party funds.

(3) Portfolio Sale transactions that are defined as multiple project sale transactions with a common purchaser all within one state closed no earlier than September 30, 2007.

Each transactional category may utilize any or all restructuring tools. Restructuring tools that may be available to address capital needs during the MPR demonstration are based on the capital needs assessment process and the underwriting feasibility determination.

While all non-deferred Agency debt, either in first lien position or a subordinated lien position must be secured within market value, deferred debt may exceed the market value of the security. Payment of such deferred debt will not be required from normal project operation income, but from excess cash from project operations and the value of the property after all other secured debts are satisfied.

(1) *Pre-application:* Applicants must submit a pre-application described in Section VI. This pre-application process is designed to lessen the cost burden on all applicants including those who may not be eligible or whose proposals may not be feasible.

(2) *Eligible Properties:* Using criteria described below in Section III, USDA will conduct an initial screening for eligibility. As described in Section VIII, USDA will conduct additional eligibility screening later in the selection process.

(3) *Scoring and Ranking:* All eligible, complete and timely-filed pre-applications will be scored, ranked and put in funding categories as discussed in Sections VI and VII.

(4) *Formal Applications:* Top ranked pre-applicants will be invited to submit a formal application. As discussed in Section VIII paragraph (2) of this notice, USDA will require the owner to provide a capital needs assessment in order to determine the proper combination of tools to be offered to the applicant, to perform additional eligibility review, and to underwrite the proposal to determine financial feasibility. Where proposals are found to be ineligible or financially infeasible, owners will be informed and proposals lower in the funding categories will be considered.

(5) *Financial Feasibility:* Using the results of the CNA to help identify the need for resources and applicant provided information regarding anticipated or available third-party financing, the Agency will determine the financial feasibility of each potential transaction, using restructuring tools available either through existing regulatory authorities or specifically authorized through this demonstration program.

Project financial feasibility is determined when a property can provide affordable, safe, decent, and sanitary housing for 20 years or the remaining term of any Agency loan whichever ends later, by using the authorities of this program while minimizing the cost to the Agency, and without increasing rents for tenants and farm laborers, except when necessary to meet normal and necessary operating expenses. If the transaction is determined financially feasible by the Agency, the borrower will be offered a restructuring proposal, which will include the requirement that the borrower will execute, for recordation, a restrictive use covenant for a period of 20 years, the remaining term of any loans, or the remaining term of any existing restrictive-use provisions, whichever ends later. The restructuring proposal will be established in the form of the MPR Conditional Commitment (MPRCC).

MPR Agreements: If the offer is accepted by the applicant, the Agency and applicant will enter into a MPRCC. The applicant must also agree to restrict the property use pursuant to Agency direction when the MPR transaction is closed. Any third-party lender will be required to subordinate to the Agency's restrictive use covenant unless the Agency determines on a case-by-case basis that the lender refuses to subordinate and such refusal will not compromise the purpose of the MPR. The Agency may also request that the applicant sign an agreement that would require the owner to escrow reserve, tax, and insurance payments in accordance with all pertinent current and future Agency regulations.

General Requirements: The MPR transactions may be conducted with a stay-in owner (simple) or may involve a change in ownership (complex or portfolio sale). Any housing or related facilities that are constructed or repaired must meet the Agency design and construction standards and the development standards contained in 7 CFR part 1924, subparts A and C, respectively. Once constructed, Section 515 multi-family housing and Sections 514/516 off farm labor housing must be managed in accordance with 7 CFR part 3560. Tenant eligibility will be limited to persons who qualify as an eligible household under Agency regulations or who are eligible under the requirements established to qualify for housing benefits provided by sources other than the Agency, such as U.S. Department of Housing and Urban Development Section 8 assistance or Low Income Housing Tax Credit Assistance. Additional tenant eligibility requirements are contained in 7 CFR 3560.152.

Voluntary Community Market Rent Demonstration (available for Section 515 properties only): In conjunction with this demonstration, Rural Development also announces the opportunity for all successful Section 515 applicants to participate on a voluntary basis in a viability test of a 30 percent limitation on tenant rents, as proposed in Section 544(b)(7) of Saving America's Rural Housing Act of 2006, H.R. 5039, for post-restructured properties. Owners of properties in the Section 515 restructuring program may elect to participate in the ''community market rent'' demonstration which will allow an owner to set a rent above the approved basic rent for any unit not currently occupied by a tenant receiving Rural Development rental assistance. Eligible tenants for these units must have adjusted annual incomes sufficient to allow them to pay the community market rent using less than 30 percent of their adjusted income. Tenants would be allowed to occupy without paying overage, additional sums that would otherwise be required to bring their rent payment up to 30 percent of income. With Rural Development's consent, up to 50 percent of the difference between the basic rent and the new ''community market rent'' could be retained by the owner as an increased return.

For example, if the basic rent is $350, the owner could create a community market rent at $410, and market the unit to tenants who could pay that rent at less than 30 percent of adjusted income. A percentage of the difference, $60 could be retained by the owner, as negotiated with Rural Development, up to $30.

Prior to implementation of the community market rent demonstrations, Rural Development will issue guidance to successful applicants who have indicated an interest in participating in the demonstration providing further details with respect to the program.

Stay in owners, existing borrowers that will retain their property, who contribute cash to fund any hard costs of construction to meet immediate needs identified by the CNA may receive a return on investment on those funds provided the Agency determines an increased return on investment is financially feasible, and it approves such a return in the revitalization plan presented to the borrower as an MPR offer.

II. Award Information

Public Law 110–161 makes funding available to the Secretary of Agriculture for Rural Development to provide the restructuring tools of the MPR demonstration. $19,860,000 in budget authority will be available during FY 2008.

All funding must be approved no later than September 15, 2008, and obligated by the Agency not later than September 22, 2008. If funds available for the MPR are fully used before all pre-applications that have been determined eligible and selected under this NOFA are funded, the unfunded approved properties may receive priority for funding from the next fiscal year's resources available for multi-family housing revitalization if additional funds become available and the selected properties/owners meet any future eligibility criteria.

III. Eligibility Information

Applicants (and the principals associated with each applicant) must meet the following requirements:

(1) Eligibility under 7 CFR 3560.55; however, the requirements described in 7 CFR 3560.55(a)(5) pertaining to required borrower contributions and 7 CFR 3560.55(a)(6) pertaining to required contributions of initial operating capital are waived for all MPR proposals.

(2) For Section 515 multi-family housing projects an average physical vacancy rate over the twelve months preceding the filing of the pre-application of no more than 10 percent for projects of 16 units or more and 15 percent for projects under 16 units unless an exception applies under Section VI paragraph (1)(ii) of this notice. For Sections 514 and 516 off-farm labor housing projects, rather than an average physical vacancy rate as stated above, the property must have positive cash flow for the previous full three years of operation unless an exception applies under Section VI paragraph (1)(ii) of this Notice .

(3) Ownership of and ability to operate the facility after the transaction is completed. (In the event of a transfer, the proposed transferee with an executed purchase agreement or other evidence of site control will be the applicant.)

(4) A CNA and Agency financial evaluation must be conducted to ensure that utilization of the restructuring tools of the MPR program is financially feasible and necessary for the revitalization and preservation of the property for affordable housing. Eligibility for processing will be determined as of the date of the pre-application filing deadline. The Agency reserves the right to discontinue processing in the event that material changes in the applicant's status occurs any time after the initial determination.

IV. Equal Opportunity and Nondiscrimination Requirements

USDA is an equal opportunity provider, employer, and lender.

(1) Borrowers and applicants will comply with the provisions of 7 CFR 3560.2.

(2) All housing must meet the accessibility requirements found at 7 CFR 3560.60(d).

(3) All MPR participants must submit or have on file a valid Form RD 400–1, ''Equal Opportunity Agreement'' and Form RD 400–4, ''Assurance Agreement.''

The U. S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, sex, marital status, familial status, religion, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720–2600 (Voice and TDD).

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250–9410, or call (800) 795–3272 (Voice) or (202) 720–6382 (TDD).

The policies and regulations contained in 7 CFR part 1901, subpart E, apply to this program.

V. Authorities Available for MPR

MPR tools will be used in accordance with 7 CFR part 3560 and its associated handbooks (available in any Rural Development office). The program will be administered within the resources available to the Agency through Public Law 110–161 for the preservation and revitalization of Sections 514/516 and Section 515 financed properties. In the event that provisions of 7 CFR part 3560 conflict with this demonstration program, the provisions of the MPR will take precedence.

VI. Application and Submission Information

(1) The application submission and scoring process will be completed in two phases in order to avoid unnecessary effort and expense on the part of interested borrowers/applicants and to allow additional points for applicants that propose a transfer of a troubled project to an eligible owner.

The first phase is the pre-application process. The applicant must submit a complete pre-application by the deadline date under the **DATES** section of this Notice. The applicant's submission will be classified as ''complete'' when a ''pre-application'' is received by multi-family housing staff for each MPR proposal the applicant wishes to be considered in the demonstration. In the event the MPR proposal involves a project consolidation it will be completed in accordance with 7 CFR 3560.410. One pre-application for the proposed consolidated project is required and must identify each project included in the consolidation. If the MPR proposal involves a portfolio sale, one pre-application for each project in the portfolio is required and each pre-application must identify each project to be purchased as part of the portfolio sale. The suggested form to be used for the pre-application is ''MPR Pre-application'' and is attached at the end of this Notice. An electronic version of this form may be found on the internet at *http://www.rurdev.usda.gov/rd/nofas/index.html.* In addition, a synopsis of this program and the pre-application's universal resource locator (URL) will be listed by Catalog of Federal Domestic Assistance Number or by FedGrants Funding Opportunity Number at *http://www.grants.gov.*

In order for the pre-application to be considered complete, all applicable information requested on the MPR Pre-application form must be provided

Additional information that must be provided with the pre-application, when applicable, includes:

(i) A copy of a purchase agreement if a transfer is being considered.

(ii) A market survey if the projects' occupancy standards cited in Section III (2) above are not met and there is an overwhelming market demand evidenced by waiting lists and a housing shortage confirmed by local housing agencies and realtors. The market survey must show a clear need and demand for the project once a restructuring transaction is completed. The results of the survey of existing or proposed rental or labor housing, including complex name, location, number of units, bedroom mix, family or elderly type, year built, rent charges must be provided as well as the existing vacancy rate of all available rental units in the community, their waiting lists and amenities, and the availability of rental assistance or other subsidies. For proposals where the applicant is requesting low-income housing tax credits (LIHTC), the number of LIHTC units and the maximum LIHTC incomes and rents by unit size must be provided. The Rural Development State Director will determine whether or not the proposal has market feasibility based on the data provided by the applicant. Any costs associated with the completion of the market survey will not be considered a project expense.

Unless an exception under this section applies, the requirements stated in Section III, paragraph (2) of this notice must be met.

The second phase of the application process will be completed by the Agency based on Agency records and the pre-application information.

All eligible, complete, and timely-filed pre-applications will then be scored and ranked based on points received during this two-phase application process. Further, the Agency will categorize each MPR proposal as being potentially Simple, Complex, or Portfolio Sale based on the information submitted on the pre-application and in accordance with the category description provided in Section I of this Notice.

(2) Pre-applications can be submitted either electronically or in hard copy. The Agency will record pre-applications received electronically by the actual date and time received in the Web site mail box. Hard copy pre-applications received on the deadline date will receive the close of business time of the day received as the receipt time. Assistance for filing electronic and hard copy pre-applications can be obtained from any Rural Development State Office.

The pre-application is stored in the form of an Adobe Acrobat format and may be completed as a fillable form. The form contains a button labeled ''Submit by E-mail.'' Clicking on the button will result in an e-mail containing a completed pre-application being sent to the Office of Rental Housing Preservation in Washington, DC for consideration. If a purchase agreement or market survey is required, these additional documents are to be attached to the resulting e-mail prior to submission.

Pre-application forms may be downloaded from the Agency's internet Web site *http://www.rurdev.usda.gov/rd/nofas/index.html* or obtained by contacting the State Office in the state the project is located. Hard copy pre-applications and additional materials can be mailed to the attention of Sandra L. Mercier or Barbara Chism, Senior Loan Specialists, Multi-Family Housing Office of Rental Housing Preservation-STOP 0782 (Room 1263–S), U. S. Department of Agriculture, Rural Housing Service, 1400 Independence Avenue, SW., Washington, DC 20250–0781.

Note: All documents must be received on or before the pre-application closing deadline to be considered complete and timely filed. Pre-applications that do not include a Purchase Agreement for transfer proposals, and/or market surveys for projects that don't meet the occupancy standards of Section III paragraph (2) of this notice, or if applicable, the requirements for the exception in Section VI paragraph (1)(ii) of this notice, will be considered incomplete and will be returned to the applicant with appeal rights if not submitted by the closing deadline.

VII. Selection Process

Pre-application ranking points will be based on information provided during the submission process and in Agency records. Points will be awarded as follows:

(1) *Contribution of other sources of funds.* Other funds are those discussed in the third paragraph, of Section I ''Funding Opportunities Description'' items (2) through (6). Points awarded are to be based on documented written evidence that the funds are committed. The maximum points awarded for this criterion is 20 points. These points will be awarded in the following manner:

(i) Evidence of a commitment of at least $3,000 to $5,000 per unit per property from other sources—15 points, or

(ii) Evidence of a commitment greater than $5,000 per unit per property from other sources—20 points.

(2) *Owner contribution sufficient to pay transaction costs.* (These funds cannot be from project reserve or operating funds). Transaction costs are defined as those costs required to complete the transaction and include, but are not limited to, the CNA, legal and closing costs, appraisal costs and filing/recording fees. The minimum contribution required to receive these points is $5,000 per project and will be required to be deposited in the property reserve account prior to closing—5 points.

(3) *Age of project.* Since the age of the project and the date that the loan was made are directly related to physical needs, a maximum of 25 points will be awarded on the following criteria:

(i) Projects with initial operational dates prior to December 21, 1979—25 points.

(ii) Projects with initial operational dates on or after December 21, 1979, but before December 15, 1989—20 points.

(iii) Projects with initial operational dates on or after December 15, 1989, but before October 1, 1991—15 points.

Note: For project consolidation or portfolio sale proposals, the project with the earliest operational date will be used.

(4) *Troubled project points.* The Agency may award up to 25 additional points to facilitate the transfer and revitalization of projects the Agency considers as troubled due to an act of nature or where physical and/or financial deterioration or management deficiencies exist. Projects with an Agency classification of ''C'' or ''D'' according to Handbook 2–3560, Chapter 9, Paragraph 9.7 (available at *http://www.rurdev.usda.gov/regs/hblist.html*) will be considered troubled. Projects that are classified ''B'' and do not involve a transfer will also receive consideration. Points will be awarded in the following manner:

(i) For Stay-in Owners only: If the Agency servicing classification is B as a result of a workout plan approved by the Agency prior to January 1, 2008—25 points.

(ii) If the Agency servicing classification is C or D for 24 months or more—20 points.

(iii) If the Agency servicing classification is C or D for less than 24 months—15 points.

(5) *Prior Agency approvals.* In the interest of ensuring timely application processing and underwriting, the Agency will award up to 20 points for properties with CNAs already approved by the Agency. CNAs over 12 months old may not be used for MPR underwriting without an update approved by the Agency. Points will be awarded for:

(i) CNAs approved after October 1, 2006 and prior to October 1, 2007—10 points.

(ii) CNAs approved after October 1, 2007 but before April 1, 2008—20 points.

(6) *Energy generation.* Applicants will be awarded 5 points if the proposal includes the installation of energy generation systems to be funded by a third party. The proposal must include an overview of the energy generation system being proposed. Evidence that an energy generation system has been funded by a third party and that it has a quantifiable positive impact on energy consumption will be required.

(7) *Energy conservation.* Applicants will be awarded 5 points if the proposal includes rehabilitation that earns the ENERGY STAR label for residential construction. Units earning the ENERGY STAR label must be independently verified to meet guidelines for energy efficiency as set by the U.S. Environmental Protection Agency. All procedures used in verifying a unit for the ENERGY STAR label must comply

with National Home Energy Ratings System (HERS) guidelines. ENERGY STAR guidelines for residential construction apply to single or low-rise multi-family residential buildings.

(8) *Tenant service provision.* The Agency will award 5 points for applications that include new services provided by a non-profit organization, which may include a faith-based organization, or by a Government agency. Such services shall be provided at no cost to the project and shall be made available to all tenants. Examples of such services are transportation for the elderly, after-school day care services or after-school tutoring.

For portfolio sales and project consolidations, the Agency will calculate the average score for each project within the sale or consolidation.

The Agency will total the points awarded to each pre-application received within the timeframes of this Notice and rank each pre-application according to total score. If point totals are equal, the earliest time and date the pre-application was received by the Agency will determine the ranking. In the event pre-applications are still tied, they will be further ranked by giving priority to those properties with the earliest Rural Development operational date.

Eligibility will then be confirmed on the 16 highest-scoring and complete pre-applications in each State. If one or more of the 16 highest-scoring pre-applications is determined ineligible, (i.e. the applicant is a borrower that is not in good standing with the Agency or has been debarred or suspended by the Agency, etc.) the next highest-scoring pre-application will be confirmed for eligibility.

If one or more of the 16 highest-ranking pre-applications is a portfolio sale, then eligibility determinations will be conducted on all of the pre-applications associated with the portfolio sale. Should any of the pre-applications associated with the portfolio sale be determined ineligible, that pre-application will be dropped, but the overall eligibility of the portfolio sale will not be affected as long as the requirements in Section I ''Funding Opportunities Description'' are met.

If one or more of the 16 highest-ranking pre-applications is a project consolidation, and one of the projects involved in the consolidation does not meet the occupancy standards cited in Section III(2), that project will be determined ineligible and eliminated from the proposed consolidation transaction.

Once ranking has been established, the Agency will conduct a four-step process to select pre-applications for submission of formal applications. This process is needed to assure that the Agency can process the proposed transactions within available staffing resources, develop a representative sampling of revitalization transaction types, assure geographic distribution, and assure an adequate pipeline of transactions to use all available funding.

Step One: The Agency will review the eligible pre-applications, identify pre-applications as either Simple, Complex, or Portfolio Sale and separate them by state.

Step Two: The Agency will select, for further processing, the top-ranked portfolio sale transactions until a total of $150,000,000 in potential debt deferral is reached. Portfolio sale transactions will be limited to one per State and will count as 1 MPR transaction.

Step Three: The highest ranked complex transactions in each state will be selected for further processing, not to exceed 2 per state.

Step Four: Additional projects will be selected from the highest ranked eligible pre-applications involving simple transactions in that state until a total of 5 pre-applications for MPR transactions per state is reached.

VIII. Processing for Selected Pre-applications

Those proposals that are ranked and then selected for further processing will be invited to submit a formal application on SF 424 ''Application for Federal Assistance.'' Those pre-applications that are rejected by the Agency will be returned to the applicant and the applicant will be given appeal rights pursuant to 7 CFR part 11. Those proposals that are not selected due to low scores will be retained by the Agency unless they are withdrawn by the applicant. In the event that a pre-application is selected for further processing and the pre-applicant declines, the next highest ranked pre-application of the same transaction type in that state will be selected provided there is no change in the preliminary eligibility of the pre-applicant.

If there are no other pre-applications of the same transaction type, then the next highest-ranked pre-application regardless of transaction type will be selected.

Applications (SF 424s) can be obtained and completed online. An electronic version of this form may be found on the Internet at *http://forms.sc.egov.usda.gov/eforms/mainservlet* or a hard copy may be obtained by contacting the State Office in the state where the project is located and can be submitted either electronically or in hard copy.

If a pre-application is accepted for further processing, the applicant will be expected to submit additional information needed to demonstrate eligibility and feasibility (such as a CNA), consistent with this NOFA and the appropriate sections of 7 CFR part 3560, prior to the issuance of a restructuring offer.

Rural Development will work with pre-applicants selected for further processing in accordance with the following steps:

(1) Based on the feasibility of the type of transaction that will best suit the project and the availability of funds, further eligibility confirmation determinations will be conducted by the designated Multi-Family Housing Revitalization Coordinators assigned by each Rural Development State Director with the assistance of the Office of Rental Housing Preservation.

(2) If one is not already available to the Agency, a CNA will be required and conducted in accordance with the requirements of 7 CFR 3560.103(c), Handbook 3–3560, Chapter 7, ''Guidance on the Capital Needs Assessment Process,'' and the CNA Statement of Work together with any non-conflicting amendments (available in any Rural Development State Office.) A CNA is prepared by a qualified independent contractor and is obtained to determine needed repairs and any necessary adjustments to the reserve account for long-term project viability.

While the requirements of the CNA are described in the materials referenced above, at a minimum, to be considered acceptable, a CNA must include:

(i) A physical inspection of the site, architectural features, common areas and all electrical and mechanical systems;

(ii) An inspection of a sample of dwelling units;

(iii) Identify repair or replacement needs;

(iv) Provide a cost estimate of the repair and replacement expenses; and

(v) Provide at least a 20-year analysis of the timing and funding for identified needs which includes reasonable assumptions regarding inflation. The cost of the CNA will be considered a part of the project expense and may be paid from the ''project reserve'' with prior approval of the Agency. The Agency approval for participation in this program will be contingent upon the Agency's final approval of the CNA and concurrence in the scope of work by the owner. The Agency, in its sole discretion, may choose to obtain a CNA, at its expense, if it determines that doing so is in the best interest of the Government.

(3) Underwriting will be conducted by the designated Multi-Family Housing Revitalization Coordinator assigned by each Rural Development State Director with the assistance of the Office of Rental Housing Preservation. The feasibility and structure of each revitalization proposal will be determined using this underwriting process and will include a determination of the restructuring tools that will minimize the cost to the Government consistent with the purposes of this NOFA. To help assure a balanced utilization of revitalization tools and the long-term economic viability of revitalized projects, the MPR underwriting guidelines include, but are not limited to the following:

(i) The maximum soft-second loan is limited to no more than $5,000 per unit,

(ii) The total assistance provided from a revitalization grant, revitalization zero percent loan, and/or revitalization soft-second loan is limited to $10,000 per unit,

(iii) The maximum Section 515 loan or Section 514/516 loan and grant is limited to no more than $20,000 per unit, and

(iv) Properties receiving tax credits are expected to have sufficient funding sources and generally will receive debt deferral only.

(4) Properties with more than 75 percent of the units receiving significant subsidy such as Rural Development rental assistance or HUD-funded subsidy will be supplemented with Section 514, 515 and 516 loans and grants before revitalization grants and revitalization soft-second loans are considered.

(5) MPR revitalization grants will be limited to $5,000 per unit.

(6) Any rent increases that may be necessary will not exceed 10 percent in any one year.

(7) The approved MPR transaction will include projected revenue sufficient to cover a 10 percent Operations and Maintenance increase in the second year after the transaction.

(8) Full return to owner will be budgeted pursuant to the Loan Agreement.

(9) Budgeted increases to reserve deposit will not exceed 3 percent per annum.

(10) The remaining reserve balance at the end of the 20-year analysis period should be at least 2.0 times the average annual needs, including inflation, over the 20-year analysis period.

These guidelines have been developed based on experience in the FY 2005, FY 2006 and FY 2007 Demonstrations. The Agency believes that these guidelines will be appropriate for typical transactions. However, the Agency reserves the right to waive any of the guidelines if, in the Agency's judgment, doing so would further the objectives of the MPR and is in the best interest of the Government.

The Agency expects that some of the transactions proposed by selected pre-applicants will prove to be infeasible. The applicant entity may be determined to be ineligible under Section III of this Notice. If a proposed transaction is determined infeasible or the applicant determined ineligible, the Agency will then select the next highest ranked project for processing regardless of transaction type.

Each MPR offer will be approved by the Revitalization Review Committee chaired by the Deputy Administrator for Multi-Family Housing or an agency-authorized delegate. Approved MPR offers will be presented to applicants who will then have up to 15 calendar days to accept or reject the offer in writing. Offers will expire after 15 days. The Agency will replace expired applications by selecting the next highest ranked project. Closing of MPR offers will occur within 90 days of acceptance by the applicant unless extended by the Agency.

IX. Funding Restrictions

Applicants will be selected in accordance with selection criteria and the four-step process identified in Section VII of this Notice. Once selected to proceed, the Agency will provide additional guidance to the applicant and request information and documents necessary to complete the underwriting and review process. Since the character of each application may vary substantially depending on the type of transactions proposed, information requirements will be provided as appropriate. Complete project information must be submitted as soon as possible but in no case later than 45 days from the date of Agency notification of the applicant's selection for further processing or September 1, 2008, whichever occurs first. Failure to submit the required information in a timely manner may result in the Agency discontinuing the processing of the request.

Funding under this NOFA will be obligated to selectees that finish the processing steps outlined above first within each of the 3 funding categories described in Section VII of this Notice and to result in a ratio as close as possible to 30 percent portfolio sale transactions, 50 percent complex transactions, and 20 percent simple transactions.

X. Application Review

A review committee will make recommendations for final decision regarding funding to the appropriate Rural Development State Director based on the selection criteria contained in this NOFA.

XI. Appeal Process

All adverse determinations regarding applicant eligibility and the awarding of points as a part of the selection process are appealable. Instructions on the appeal process will be provided at the time an applicant is notified of the adverse action.

Dated: March 5, 2008.

Peter D. Morgan,

Acting Administrator, Rural Housing Service.

BILLING CODE 3410–XV–P

Multi-Family Housing Revitalization Demonstration Program

MPR
Pre-application

Instructions: Please provide the information by entering letters and numbers from left to right. Individuals place last name first, first name, then middle initial. Allow one space between names and do not use symbols like (-), ($), (#), and (,) when entering dollar amounts. Please note that electronic submittals are not on a secured site.

(a) Applicant's name.
__/__

(b) Name of applicant's authorized representative.
__/__

(c) Applicant's address.
Street__/__
Secondary Address __/__
City__/__
State__/__/
Zip Code__/__/__/__/__/__/__/__/__/

(d) Applicant's telephone number.
__/__/__/__/__/__/__/__/__/__/

(e) Email address.
__/__

(f) Primary Project Name _/_/_/_/_/_/_/_/_/_/.

(g) Provide the following information for the projects being considered in this proposal:

	Borrower ID No.	Project ID No.	Project Name	For Section 515 Only: Vacancy Percentage
(1)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(2)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(3)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(4)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(5)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(6)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(7)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(8)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(9)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%
(10)	_/_/_/_/_/_/_/_/_/_/	_/_/_/_/	_/_/_/_/_/_/_/_/_/_/	_/._/%

For Section 515 multi-family housing projects: If vacancy percentages for any of the projects listed above that have 16 or more revenue producing units exceed 10.0%, or 15.0% for projects with less than 16 revenue producing units, attach required market survey documentation.

For Section 514/516 off-farm labor housing projects: If cash flow for the previous 3 full years of operation is not positive, attach required market survey documentation.

(h) Does this proposed transaction include a transfer of ownership?
Yes__/ No__/ (Check One)
If "yes", attach a copy of the purchase agreement.

(i) Does this proposal involve a consolidation of multiple projects?
Yes__/ No__/ (Check One)
If "yes", be sure all properties are listed in (g) above.

(j) Is this pre-application part of a portfolio sale?
Yes__/ No__/ (Check One)
If "yes", what is the Portfolio Name? __/__/__/__/__/__/__/__/__/__/
A separate pre-application must be submitted for each project and each pre-application must have the same "portfolio name".

(k) Does this proposal include other funding resources that have been committed? Yes__/ No__/ (Check One)
If "yes", provide the amounts for the following sources:

Source:	Amount:
Tax Credits	__/__/__/__/__/__/__/__/__/
3rd Party Loan	__/__/__/__/__/__/__/__/__/
3rd Party Grant	__/__/__/__/__/__/__/__/__/
Tax Exempt Financing	__/__/__/__/__/__/__/__/__/
RD Section 515 Traditional Loan	__/__/__/__/__/__/__/__/__/
RD Section 514/516 Traditional Loan/Grant	__/__/__/__/__/__/__/__/__/
RD Section 538	__/__/__/__/__/__/__/__/__/
RD Re-lending Demonstration Loan	__/__/__/__/__/__/__/__/__/
Owner-provided capital contributions	__/__/__/__/__/__/__/__/__/

(k) Does this proposal include an owner contribution to pay transaction costs? (Transaction costs are those soft costs required to complete the transaction and include, but are not limited to, the capital needs assessment, legal costs, appraisals, and filing fees.)
Yes__/ No__/ (Check One)
If "yes", provide the amount: __/__/__/___/__/__/__/__/__/

(l) Is there an Agency-approved Capital Needs Assessment?
Yes__/ No__/ (Check One)
If "yes", provide the date of the most recent Agency approved CNA: __/__/__

(m) Does this proposal include the installation of energy generation systems to be funded by a third party?
Yes__/ No__/ (Check One)

(n) Does this proposal include rehabilitation that will earn the ENERGY STAR label for residential construction?
Yes__/ No__/ (Check One)

(o) Does this proposal include new tenant services provided by a non-profit organization or a Government agency that will not use funding generated by project rents?
Yes__/ No__/ (Check One)

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BILLING CODE 3410–XV–C

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funding Availability (NOFA) for the Section 515 Rural Rental Housing Program for New Construction in Fiscal Year 2008

AGENCY: Rural Housing Service (RHS), USDA.

ACTION: Notice.

SUMMARY: This NOFA announces the timeframe to submit applications for Section 515 Rural Rental Housing (RRH) loan funds, including applications for the nonprofit set-aside for eligible nonprofit entities, the set-aside for the most Underserved Counties and Colonias (Cranston-Gonzalez National Affordable Housing Act), and the set-aside for Empowerment Zones and Enterprise Communities (EZ/ECs) and Rural Economic Area Partnership (REAP) zones, and a designated reserve for states with rental assistance programs. This document describes the methodology that will be used to distribute funds, the application process, submission requirements, and areas of special emphasis or consideration.

DATES: The deadline for receipt of all applications in response to this NOFA is 5 p.m., local time for each USDA Rural Development State Office on May 12, 2008. The application closing deadline is firm as to date and hour. The Agency will not consider any application that is received after the closing deadline. Applicants intending to mail applications must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by the United States Postal Service or private mailer does not constitute delivery. Facsimile (FAX) and postage due applications will not be accepted.

ADDRESSES: Applicants wishing to apply for assistance must contact the USDA Rural Development State Office serving the place in which they desire to submit an application for rural rental housing to receive further information and copies of the application package. USDA Rural Development will date and time stamp incoming applications to evidence timely receipt, and, upon request, will provide the applicant with a written acknowledgment of receipt. A listing of USDA Rural Development State Offices, their addresses, telephone numbers, and person to contact follows:

Note: Telephone numbers listed are not toll-free.

Alabama State Office
Suite 601, Sterling Centre, 4121 Carmichael Road, Montgomery, AL 36106–3683, (334) 279–3618, TDD (334) 279–3495, Van McCloud.
Alaska State Office
800 West Evergreen, Suite 201, Palmer, AK 99645, (907) 761–7740, TDD (907) 761–8905, Debbie Andrys.
Arizona State Office
Phoenix Courthouse and Federal Building, 230 North First Ave., Suite 206, Phoenix, AZ 85003–1706, (602) 280–8768, TDD (602) 280–8706, Carol Torres.
Arkansas State Office
700 W. Capitol Ave., Room 3416, Little Rock, AR 72201–3225, (501) 301–3250, TDD (501) 301–3063, Greg Kemper.
California State Office
430 G Street, #4169, Davis, CA 95616–4169, (530) 792–5821, TDD (530) 792–5848, Debra Moretton.
Colorado State Office
655 Parfet Street, Room E100, Lakewood, CO 80215, (720) 544–2923, TDD (800) 659–2656, Mary Summerfield.
Connecticut
Served by Massachusetts State Office.
Delaware and Maryland State Office
1221 College Park Drive, Suite 200, Dover, DE 19904, (302) 857–3615, TDD (302) 857–3585, Pat Baker.
Florida & Virgin Islands State Office
4440 N.W. 25th Place, Gainesville, FL 32606–6563, (352) 338–3465, TDD (352) 338–3499, Elizabeth M. Whitaker.
Georgia State Office
Stephens Federal Building, 355 E. Hancock Avenue, Athens, GA 30601–2768, (706) 546–2164, TDD (706) 546–2034, Wayne Rogers.
Hawaii State Office
(Services all Hawaii, American Samoa Guam, and Western Pacific), Room 311, Federal Building, 154 Waianuenue Avenue, Hilo, HI 96720, (808) 933–8305, TDD (808) 933–8321, Thao Khamoui.
Idaho State Office
Suite A1, 9173 West Barnes Dr., Boise, ID 83709, (208) 378–5630, TDD (208) 378–5644, Miriam Haylett.
Illinois State Office
2118 West Park Court, Suite A, Champaign, IL 61821–2986, (217) 403–6222, TDD (217) 403–6240, Barry L. Ramsey.
Indiana State Office
5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 290–3100 (ext. 423), TDD (317) 290–3343, Stephen Dye.
Iowa State Office
210 Walnut Street, Room 873, Des Moines, IA 50309, (515) 284–4685, TDD (515) 284–4858, Julie Sleeper.
Kansas State Office
1303 SW First American Place, Suite 100, Topeka, KS 66604–4040, (785) 271–2721, TDD (785) 271–2767, Virginia M. Hammersmith.
Kentucky State Office
771 Corporate Drive, Suite 200, Lexington, KY 40503, (859) 224–7325, TDD (859) 224–7422, Paul Higgins.
Louisiana State Office